

From: mlynaugh@zuckerman.com
Sent: Monday, February 25, 2013 2:34 PM
To: Duffy, Daniel
Cc: Torres Rojas, Genara; Van Duyne, Sheree
Subject: Freedom of Information Online Request Form

Information:

First Name: Maggie
Last Name: Lynaugh
Company: Zuckerman Spaeder LLP
Mailing Address 1: 1185 Avenue of the Americas
Mailing Address 2: 31st Floor
City: New York
State: NY
Zip Code: 10036
Email Address: mlynaugh@zuckerman.com
Phone: 212 704-9600
Required copies of the records: Yes

List of specific record(s):

We are seeking any leases, contracts, or other agreements the Port Authority has entered into with the following companies: Hudson News Company Hudson Media, Inc. Hudson Retail-JFK, Inc. Hudson News Distributors LLC Casino Distributors, Inc. Magazine Distributors, Inc. WHAM Leasing Corp. WHAM Holdings Inc. Airport Management Services, LLC Hudson Retail Maryland, Inc. Newspapers and Periodicals, Inc. Hudson Credit Corp. R.J. Trucking Company Overseas Value Packs, Inc. Hudson Retail-Dallas, Inc. International Subscriptions, Inc. Metropolitan News Liquidation Trust Advent International, Inc.

THE PORT AUTHORITY OF NY & NJ

FOI Administrator

February 28, 2013

Ms. Maggie Lynaugh
Zuckerman Spaeder LLP
1185 Avenue of the Americas, 31st Floor
New York, NY 10036

Re: Freedom of Information Reference No. 13785

Dear Ms. Lynaugh:

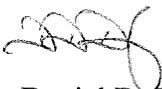
This is a response to your February 25, 2013 request, which has been processed under the Port Authority's Freedom of Information Code (the "Code", copy attached) for copies of leases, contracts, or other agreements the Port Authority has entered into with Hudson News and various other entities.

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/13785-LPA.pdf>. Paper copies of the available records are available upon request.

Certain material responsive to your request is exempt from disclosure pursuant to exemptions (1) and (4) of the Code.

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

Very truly yours,



Daniel D. Duffy
FOI Administrator

Attachment

CONSENT AGREEMENT

THIS AGREEMENT (this "Consent"), dated February 29, 2008, by and among THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority"), on the one hand, and HUDSON NEWS COMPANY d/b/a The Hudson Group, a New Jersey corporation having an office at One Meadowlands Plaza, Suite 902, East Rutherford, New Jersey 07073 and AIRPORT MANAGEMENT SERVICES, LLC, d/b/a The Hudson Group, a Delaware limited liability company, on the other (each of Hudson News Company and Airport Management Services, LLC being individually and collectively referred to herein as the "Concessionaire").

WITNESSETH, That:

WHEREAS, the Port Authority and the Concessionaire, and Concessionaire's subsidiaries and/or joint ventures, as applicable, have heretofore entered into agreements (which agreements are identified on Exhibit A, attached hereto and hereby made a part hereof and which are collectively referred to herein as "Agreements") covering use and occupancy of space by the Concessionaire at various aviation facilities of the Port Authority;

WHEREAS, Concessionaire has requested the Port Authority's consent to a certain corporate transaction ("Transaction") pursuant to which a group of funds managed by Advent International Corporation ("Advent") and certain employees of the Concessionaire will purchase a controlling interest in the travel and retail business of Concessionaire and its affiliates. More specifically, Concessionaire has advised the Port Authority that each of Hudson News Company and Airport Management Services, LLC will become a subsidiary of Hudson Group (HG), Inc. upon the closing of the Transaction and transfer of ownership contemplated thereby, and that Hudson Group (HG), Inc. is a wholly owned subsidiary of Hudson Group Holdings, Inc. (the "Parent Company"). Further, Concessionaire has advised the Port Authority that, following the closing of the transfer of ownership, *i.e.*, the Transaction, Advent and certain employees of the Concessionaire will own a controlling interest of approximately 80% of the Parent Company, and the remaining approximately 20% will continue to be owned by Hudson Media, Inc. (which in turn is owned by Robert Cohen, James Cohen and two Cohen trusts. The business of the Concessionaire at Port Authority facilities will continue to operate under the Hudson Group trade name after the closing of the Transaction;

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

1. The Port Authority consents to the Transaction on the terms and subject to the conditions set forth in this Consent.
2. Neither this Consent, nor anything contained herein nor the consent granted hereunder shall constitute or be deemed to constitute a consent, nor shall they create an implication that there has been consent, to (i) any enlargement or change in the rights, powers and privileges granted to the Concessionaire under the Agreements or (ii) the granting of any rights or privileges which are not expressly granted to the Concessionaire under the Agreements. The

agreements among the parties to the Transaction to effect such Transaction are agreements only between and among such parties with respect to the various matters set forth therein. The lack of any specific reference in any provisions of such Transaction documents to the Port Authority's approval or consent shall not be deemed to imply that no such approval or consent is required. The terms, provisions, covenants, conditions and agreements of the Agreements, rather than the terms of any of the documents between or among the parties to the Transaction, shall, in all respects, be controlling, effective and determinative.

3. The granting of the consent hereunder by the Port Authority shall not be or be deemed to operate as a waiver of the requirement that the Port Authority's prior written consent be obtained (i) to any subsequent agreement with respect to any of the Agreements or (ii) to any matter which, under the Agreements, requires the consent of the Port Authority, nor shall the granting of the consent hereunder constitute the Port Authority's consent to (i) any transaction other than the Transaction or (ii) any assignment, subletting, or sublicensing of or under any of the Agreements (in whole or in part, directly or indirectly, by operation of law or otherwise).

4. Nothing herein contained shall be construed to (i) modify, waive, impair or affect any of the provisions contained in the Agreements, (ii) operate as a consent to or approval by the Port Authority of any of the terms of the Transaction, (iii) operate as a representation or warranty by the Port Authority, (iv) waive any present or future breach of, or default under, any of the Agreements or any rights of the Port Authority against any person, firm, corporation or other entity liable or responsible for the performance thereof, or (v) enlarge or increase the Port Authority's obligations or the Concessionaire's rights under any of the Agreements.

5. The Concessionaire represents and warrants to the Port Authority that the description of the Transaction set forth in the second WHEREAS clause of this Consent is a true and accurate description thereof and that the Transaction has not been amended or modified, and acknowledges that the Port Authority is relying on such representation and warranty in entering into this Consent. Notwithstanding anything to the contrary contained herein, this Consent shall be void *ab initio* and of no force or effect (i) if the Transaction is modified in any manner which makes the aforesaid description untrue or inaccurate or (ii) the Transaction is not consummated on or before April 30, 2008.

6. The Concessionaire represents and warrants to the Port Authority that if it is a party to an agreement with a terminal operator or concession manager for its operation at John F. Kennedy International Airport, Newark Liberty International Airport or LaGuardia Airport, which agreement is the underlying concession agreement to which one of the Agreements relates, it has heretofore received an executed written consent, where applicable, to the Transaction from the relevant terminal operator or concession manager, as the case may be, in accordance with the terms of said underlying concession agreement. Moreover, the Concessionaire covenants to provide the Port Authority, upon the request of the Port Authority, with true and accurate copies of all such executed written consents from all said terminal operators and concession managers.

7. The Port Authority and the Concessionaire acknowledge and agree that, contemporaneously with the execution of this Consent and in conjunction therewith, they are entering into two other consent agreements ("Other Consents") with respect to the Transaction,

as follows: (i) a consent agreement with the Port Authority Trans-Hudson Corporation, in connection with operations of the Concessionaire at the facilities of such corporation and (ii) a consent agreement with the Port Authority of New York and New Jersey, in connection with operations of the Concessionaire at the bus terminal facility of the Port Authority in New York, New York. Further, the parties acknowledge that in connection with both this Consent and the Other Consents, the Concessionaire shall be obligated to pay a fee ("Fee") to the Port Authority, which Fee shall be paid prior to or upon delivery to the Port Authority of this Consent and the Other Consents, duly executed by the Concessionaire. The Fee shall be paid in the form of a bank or certified check in the amount of Two Hundred Eighty Thousand Dollars and No Cents (\$280,000.00). Neither this Consent, nor either of the Other Consents, shall be in force or effect unless and until the Fee is received by the Port Authority, in the amount and manner required by the terms of this paragraph.

8. Nothing contained herein shall be construed as relieving or releasing the Concessionaire from any of its obligations and liabilities under the Agreements.

9. This Consent is entered into by each of Hudson News Company and Airport Management Services, LLC acting jointly and severally as the Concessionaire under this Consent. Each and every obligation of the Concessionaire hereunder shall be the joint and several obligation of each of the said corporation and limited liability company.

10. Except as expressly provided herein, all of the terms, provisions, covenants and conditions of the Agreements shall be and remain in full force and effect.

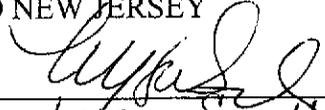
11. Concessionaire hereby indemnifies and holds harmless the Port Authority from and against any and all claims, suits, liabilities, damages and the like resulting from, arising out of, or relating to this Consent and made or asserted against the Port Authority by any party to the Transaction or any other third person; provided, however, that the Concessionaire's indemnification obligation under this paragraph 11 shall not apply to claims, suits, liabilities, damages and the like resulting from, arising out of, or relating to the willful misconduct of the Port Authority.

12. This Consent constitutes the entire agreement of the parties on the subject matter hereof and may not be changed, modified, discharged or extended except by written instrument duly executed by the Port Authority and the Concessionaire. The Concessionaire agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in this Consent.

13. Neither the Commissioners of the Port Authority nor any of them, nor any director, officer, agent or employee of the Port Authority or the Concessionaire shall be held personally liable to any party under any term or provision of this Consent or because of its execution or because of any breach or alleged breach hereof.

IN WITNESS WHEREOF, the Port Authority, Hudson News Company and Airport Management Services, LLC have executed these presents as of the year first above written.

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By: 
Name: Lysa Scully
(Title): Asst. Director, CCOAS

HUDSON NEWS COMPANY

By: 
Name: Michael Mullaney
(Title): Senior Vice President

AIRPORT MANAGEMENT SERVICES, LLC
By: Hudson News Company, its Managing Member

By: 
Name: Michael Mullaney
(Title): Senior Vice President

| | | |
|-----------|----------|------------|
| FORM | APR 2008 | MS |
| <u>Ag</u> | | <u>Aut</u> |

EXHIBIT A

| LEASE NO. | NAME | Airport | LOCATION |
|-----------|---|---------|-------------------------------|
| ANB-246 | Hudson News Company Branded Works, Inc., Hudson-NEU-Newark CJV d/b/a Hudson News & Hudson News-Euro Cafe | EWR | Terminal C- 52/65/90/100/B65 |
| ANB-173 | World Concourse Ventures, LLC d/b/a Hudson Booksellers | EWR | Terminal C- Space 14 |
| AGA-405 | World Concourse Ventures, LLC d/b/a Hudson News per Sublease Agreement dated as of February 23, 2001 by and between Continental Airlines, Inc. and World Concourse Ventures, LLC as extended. | EWR | Terminal C - Space 82 |
| AGA-281 | Hudson-NEU-LaGuardia J.V. | LGA | Marketplace Development, L.P. |
| AGA-353 | Hudson News Company | LGA | US Airways |
| AGA-391 | Hudson News Company and Euro Cafe | LGA | US Airways Shuttle |
| AGA-538 | Hudson News Company | LGA | Marine Air Terminal |
| AGA-539 | Hudson News Company - sublease to Bookcorner | LGA | Marketplace Development, L.P. |
| AGA-648 | Hudson News Company d/b/a/ National Geographic | LGA | Marketplace Development, L.P. |
| AYD-096 | Hudson-Kennedy, LLC | JFK | Marketplace Development, L.P. |
| AYD-680 | AMS-AEIJFK2, JV (Hudson News Group) | JFK | Terminal 1 |
| AYD-325 | Hudson News Company dba The Hudson Group | JFK | Terminal 2 |
| AYB-876.1 | The Hudson Group | JFK | Terminal 6 |
| AYD-540 | Airport Managements Services, LLC (The Hudson Group) | JFK | Terminal 7 |
| | Hudson Group d/b/a/ Airport Management Services, LLC | JFK | Terminal 8 |
| | | SWF | Stewart Airport |

For the Tenant MLL
 For the Port Authority Que

FOOD, BEVERAGE & RETAIL CONCESSION AGREEMENT

Between

SWF AIRPORT ACQUISITION, INC, Landlord

And

HUDSON GROUP d/b/a Airport Managements Services, LLC

Premises: Airline Terminal

Building No. 128

Stewart International Airport

New Windsor, New York

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FOOD, BEVERAGE & RETAIL CONCESSION AGREEMENT

This Concession Agreement, hereinafter referred to as "Agreement," is made and entered into this 9th day of November, 2004, by and between SWF Airport Acquisition, Inc. a Delaware corporation, with offices at 1180 First Street, New Windsor, NY 12553, hereinafter referred to as ("SWFAA"), and The Hudson Company d/b/a Airport Management Services, LLC (AMS), a New Jersey corporation authorized to do business in the State of New York, having its principal offices at One Meadowlands Plaza, Suite 903, East Rutherford, NJ 07073 (hereinafter referred to as the ("Concessionaire")). Concessionaire's Federal Tax I.D. # is (Ex. 1)

WITNESSETH:

WHEREAS, Stewart International Airport, (herein after called the "Airport") located in New Windsor and Newburgh, New York is owned by the State of New York; and,

WHEREAS, the State of New York has entered into a 99 year lease of the Airport with SWFAA, and

WHEREAS, SWFAA as the Lessee of the Airport under said 99 year lease, is responsible for the operation, management and development of the Airport, and,

WHEREAS, the Concessionaire is a corporation engaged in the business of providing quality food, beverage, retail news and gifts products and services at various Airports and plans to invest approximately \$700,000 in concession Space development at Stewart International Airport; and,

WHEREAS, SWFAA wishes to grant to the Concessionaire the right to construct, operate and manage concession services at the airport which will include food & beverage, general merchandise, news, gifts and sundries and Concessionaire wishes to assume the obligation to do so;

WHEREAS, the sale and service of newsstand items, general merchandise and food and beverage is a desired service for the accommodation and convenience of the airline passengers, employees and public using the Terminal Building;

NOW, THEREFORE, in consideration of the mutual covenants, terms, conditions, privileges, obligations and agreements herein contained, and intending to be bound hereby, SWFAA and the Concessionaire hereby mutually undertake, promise and agree, each for itself and its successors and assigns, as follows:

ARTICLE 1 TERM

- 1.1 The term of this Agreement shall be for a period of fifteen (15) years. The term shall commence on the first day of the month following beneficial occupancy of the terminal first level retail Space or 120 days after the terminal first level Space is turned over to Concessionaire, whichever comes first. If beneficial occupancy takes place after the fifteenth day of the month, the Term shall commence on the first day of the following month. If beneficial occupancy takes place prior to the fifteenth day of the month, the Term shall commence on the fifteenth day of that month, and in either case, terminate fifteen (15) years later.
- 1.2 In the event that the Concessionaire, or its successor in interest, if any, shall remain beyond the term set forth herein, although no right to remain is given by this Article, it is the intention of the parties and it is hereby agreed that a tenancy from month-to-month shall then arise subject to all provisions and conditions of this Agreement in connection with such tenancy, except that SWFAA shall have the sole right to determine reasonable rents and fees for any holdover period.

**ARTICLE 2
CONCESSION SPACE**

For the purposes of this Agreement, the "Space" shall mean the Concessionaire will be allocated approximately 1,825 square feet of retail Space on the first floor level and 500 square feet of storage Space on the same level as part of the Agreement. Concessionaire plans to have the total concession Space on both levels of the terminal completely constructed and permanently operational by 120 days after delivery to the Concessionaire of the premises in shell form with utilities stubbed to the perimeter. Concessionaire will use its best efforts to commence temporary food and beverage service by July 8, 2004. The second level premises were delivered to the Concessionaire in shell form on June 23, 2004. The first floor premises are estimated to be delivered to the Concessionaire on or about December 15, 2004.

**ARTICLE 3
RIGHTS OF CONCESSIONAIRE**

SWFAA grants to Concessionaire the following rights and privileges:

- 3.1 Subject to other limitations expressed in this Agreement, SWFAA hereby grants to Concessionaire the right to use the Space to conduct its food & beverage, news & gifts concession operation at SWF.
- 3.2 Concessionaire may conduct a mobile cart operation in the terminal building with the design, specifications, use and location of the cart subject to written approval by SWFAA.
- 3.3 Concessionaire may install equipment required to conduct its food and beverage operation at the terminal in the Space designated in Exhibit "A". Such equipment or system and its installation shall be subject to the prior written approval of SWFAA.
- 3.4 Concessionaire shall have the right to install and maintain one or more signs in the terminal building identifying it and its operations, provided however, the subject matter, type, design, number, location and elevation of such signs, and whether lighted or unlighted, shall be in general conformity with those of other Terminal tenants and subject to, and in accordance with the prior written approval of SWFAA.
- 3.5 Concessionaire may not sublet to another Concessionaire.
- 3.6 Should future development of the Airport require that Concessionaire's Space be demolished as a result of a new terminal being constructed, Concessionaire shall have the right to terminate this Agreement and be reimbursed for its unamortized investment for fixed improvements based on a 15-year straight-line depreciation. For the purpose of this Agreement, fixed-improvements will include the "custom fixtures" constructed by Concessionaire for the concession Space at Stewart International Airport. If any subsequent eventuality exists whereby the Concessionaire is to be reimbursed for its unamortized investment, Concessionaire agrees to use its maximum and best efforts to utilize the "custom fixtures" at another of its food or retail locations in the United States. Should future expansion of the existing terminal cause additional concession Space to be constructed due to increased passenger and airline activity, Concessionaire shall be given a 30 day right of first refusal for the expanded terminal concession Space. The term for the additional Space will be for fifteen (15) years if the investment per square foot were the same or more than the original concession Space investment. The fee schedule for the additional terminal concession Space will be determined at the time the concessionaire exercises its right of first refusal for the additional concession Space. In concept the fee schedule will be along the lines of the existing economic approach whereby a percentage of Gross Revenue will apply based on the data and forecasts determined at that time.

**ARTICLE 4
CONCESSION FEES**

- 4.1 For the benefit and privilege of conducting the concession operations hereunder, the concessionaire shall pay to SWFAA the greater of the Minimum Annual Guarantee (which is to be determined) or the Concession Fee as set forth in Exhibit "B", attached hereto. The Concession Fee payment is to commence based on the start of business, which was July 9, 2004.
- 4.2 Gross Revenue, as used herein, shall include:
- All monies paid or payable either to Concessionaire or any Sublesses for sales made and for services rendered at, to or from the concession Space, regardless of when or where the order therefore is received, and outside the concession Space, if the order therefore is received at the concession Space; and
- a. Any revenues of any type arising out of or in connection with the Concessionaire's operations in or at the Terminal Building, excluding any supplier's rebates and discounts.
 - b. The full amount of all deposits forfeited by customers in connection with Concessionaire's operation in or at the Concession Space.
- 4.3 All authorized charges and items of accounts receivable shall be treated the same as cash receipts and Concessionaire shall not be entitled to any rebates or refunds on non-collection thereof except as hereinbefore set forth.
- 4.4 Concessionaire shall make payment of Concession Fees to SWFAA in accordance with the following provisions:
- 4.4.1 Concessionaire shall pay to SWFAA, within the first twenty (20) days of each month, one-twelfth (1/12) of the Minimum Annual Guarantee, or the percentage of the Gross Receipts, whichever is greater, but in no event no less than one-twelfth (1/12) of the applicable Minimum Annual Guarantee, all as set forth in Exhibit "B" attached hereto.
 - 4.4.2 Upon the expiration of each year of operation and annually thereafter during the term of this Agreement, if the total amounts paid by the Concessionaire to SWFAA during the prior year of operation exceed the amount derived by applying the stipulated percent of gross revenues to the total gross revenues derived from the concession during such year of operation, such excess shall be credited against the succeeding month's concession fee; provided, however, the annual payment to SWFAA by the Concessionaire shall not be less than the Minimum Annual Guarantee stipulated in Exhibit "B". If it is determined the Concessionaire has underpaid, the correction will be completed by January 20 of the year after the underpayment was determined.
 - 4.4.5 Without waiving any other right of action available to SWFAA, in the event that Concessionaire is delinquent for a period of fifteen (15) days or more in paying any fees payable to SWFAA pursuant to this Agreement, the Concessionaire shall pay to SWFAA interest thereon at the rate of four (4) percentage points greater than the prime lending rate then charged by Chase Manhattan Bank from the date such amount was due and payable until such amount is paid, but the minimum delinquent fee shall be no less than twenty five dollars (\$25.00).
 - 4.4.6 The Concessionaire shall keep full and accurate books and records showing all Gross Revenue, and SWFAA shall have the right, itself or through its representatives, and at all reasonable times, to inspect and audit all such records as may be necessary to verify the reported Gross Revenue, including State of New York sales tax return records. SWFAA will pay for an initial audit. If an error is determined that depicts underpayment to SWFAA, the Concessionaire will pay for the audit. The Concessionaire agrees that all such books and records shall be made available at Concessionaire's office location for at least a two (2) year period following the end of each Agreement year.
 - 4.4.7 Concessionaire, at its sole cost and expense, shall submit to SWFAA no later than ninety (90) days after each anniversary of the commencement of the Agreement the written statement of a Certified Public Accountant certifying that the Concession Fee paid by the Concessionaire to SWFAA pursuant to this Agreement for the preceding year is accurate and correct. Such statement shall also certify the Gross Revenues as shown in the books and records of the Concessionaire that were used to compute the Concession Fees paid to SWFAA for the period covered by the statement.

- 4.4.8 In the event that any additional Concession Fee shall be determined to be rightly due and owing by any audit of Concessionaire's books and records as provided in Section 4.4.6 hereof, such amount shall forthwith be paid by the Concessionaire to SWFAA with interest thereon at the rate of four (4) percentage points greater than the prime lending rate then issued by Chase Manhattan Bank from the date such additional Concession Fee should have been paid, provided, however, that the foregoing interest provision is not be applied to amounts contested in good faith by Concessionaire.
- 4.4.9 Payment of all fees shall be made by check, money order or such other generally recognized method of payment, as SWFAA shall from time to time determine. Payments are to be made to "SWF Airport Acquisition, Inc." and shall be mailed or personally delivered to SWF Airport Acquisition, Inc., 1180 First Street, New Windsor, NY 12553, Attention: Finance Dept. - Accounts Receivable.

ARTICLE 5 OBLIGATIONS OF CONCESSIONAIRE

Concessionaire agrees to provide the following:

- 5.1 **Food and Beverage products and services shall at all times be of first-class quality, fresh, sanitary and presented and serviced in an appetizing manner. Concessionaire agrees that all items, menus and prices shall be subject to the reasonable review and approval of the General Manager of Terminal Services and the General Manager of Finance as provided herein. The initial menu, product and pricing shall be attached hereto as Exhibit C. The alcoholic beverage menu will include wine and beer. The products offered shall be priced comparably to products sold in the geographical area of the airport at street prices agreed to by the parties. Food products preferred to be part of the food and beverage offering may be recommended by SWFAA, and Concessionaire will sell the product or provide a clear and logical explanation to SWFAA why the product is not acceptable as part of Concessionaire's offering to the public. Concessionaire will comply with all applicable Rules & Regulations set forth by the Orange County Department of Health. SWFAA reserves the right to terminate this agreement if any health violations are not corrected immediately. Concessionaire will obtain all licenses and permits to comply with the New York State Liquor Authority.**
- 5.2 Concessionaire agrees that it will reasonably respond to customer complaints regarding unsatisfactory service and/or products, including refunds as appropriate.
- Any area occupied by Concessionaire and all equipment and materials used by Concessionaire shall be kept clean, sanitary, and free from rubbish, refuse, dust, dirt, offensive or unclean material, flies, and other insects, rodents and vermin consistent with all applicable rules, regulations and requirements. All apparatus, utensils, devices, machines and piping used by Concessionaire shall be constructed so as to facilitate the cleaning and inspection thereof and shall be properly cleaned after each period of use (at no time to exceed eight hours). All trays, dishes, crockery, glassware, cutlery and other such equipment shall be cleaned and sterilized before use. Bottles, vessels and other reusable containers shall be cleaned and sterilized immediately before use.
- 5.3 **Newsstand & Retail Premises: Concessionaire shall at all times maintain a first-class quality operation selling and displaying items permitted to be sold at the Newsstand. At these locations Concessionaire shall also sell merchandise and books that reflect the culture and ambiance of the State of New York and the Mid Hudson Valley Area. SWFAA may make recommendations about certain products to be sold and Concessionaire will sell the product or provide a logical explanation of why the product should not be part of the merchandise offered to the public. Concessionaire agrees that all items shall be submitted to and pricing subject to the reasonable review and approval of the General Manager of Terminal Services and the General Manager of Finance. The food and beverage and retail operation will open one hour before the first flight departure and will not close until the last flight departure. Hours of operation may be altered only with the prior written approval of SWFAA, but in no event shall alteration of these hours constitute waiver of payment of the Minimum Annual Guarantee by the Concessionaire. Concessionaire agrees to comply with SWFAA Airport Rules and Regulations and all State and County Health Department Rules and Regulations.**
- 5.4 Concessionaire agrees that it will prepare and deliver to SWFAA, on or before the twentieth day of each calendar month during the term of this Agreement, a statement which shall be subscribed and certified to as correct by Concessionaire, or its authorized representatives, showing a duly certified monthly operating statement on forms prescribed, or approved, by SWFAA, showing all of the gross revenues, as defined in Article 4.2 hereof, from Concessionaire's food & beverage and retail operations at the Airport for the previous month. The certification shall

- be by an official of the Concessionaire who is responsible for the financial records of the concessionaire at the Airport.
- 5.5 Within ninety (90) days following the end of each twelve (12) month period of operation and within the same number of days following termination or cancellation of this Agreement, the Concessionaire, at its sole expense, shall submit to SWFAA an audited statement of its financial performance at the Airport including an accounting of all revenues and expenses.
- 5.6 Concessionaire shall keep books and records in accordance with generally accepted accounting principles and such other records as are satisfactory to SWFAA. All books and records of Concessionaire shall be open for inspection by authorized representatives of SWFAA at all reasonable times during business hours. Termination of this Agreement for fraud shall not serve to nullify such obligation.
- 5.7 Contract bond - Concessionaire shall provide to SWFAA upon the execution of this Agreement and shall thereafter maintain in effect throughout the term hereof a contract Bond, hereinafter, "Bond", in an amount equal to fifty per cent (50%) of the then applicable Minimum Annual Guarantee, but set at a minimum of \$100,000 to assure the faithful performance of concessionaire of its obligations under this Agreement including the payment of fees due hereunder. The Bond shall be with a surety company licensed to do business in the State of New York, and be rated A+ at a minimum in Moodys and Best and shall be in a form acceptable to SWFAA, in its reasonable discretion. In the event that the Bond shall be for a period of less than the full term of this Agreement, the Concessionaire shall provide a renewal or replacement Bond for the period following the expiration of each Bond previously provided not later than sixty (60) days prior to the date on which such previous Bond expires regardless of the enplanement level.
- 5.8 Upon execution of this Agreement, the Concessionaire shall have rights of ingress and egress to and from the Space and the Airport, including but not limited to common use roadways, subject to any rules or regulations which may have been established or shall be established in the future by SWFAA or any regulations of the Federal Government and county or local municipalities. Concessionaire agrees to abide by all reasonable directions of duly authorized SWFAA staff, which directions shall be consistent with the terms of this Agreement. Such rights of ingress and egress shall apply to the Concessionaire's employees, customers, agents, contractors, suppliers, and other authorized individuals.
- 5.9 Employees, agents and contractors of Concessionaire shall be permitted to park at the employee lot under the same terms and conditions as employees of the airlines and other concessionaires at the terminal building. Visiting service personnel shall be permitted to park in the service and delivery areas at the terminal.
- 5.10 The Concessionaire may utilize additional storage Space identified by SWFAA as available for such purposes, at the discretion of SWFAA. If additional storage Space in excess of the 570 square feet of temporary Space and the 500 square feet of permanent Space is required and allocated, it will be invoiced to Concessionaire at the rental rate of the current operations Space, which is \$40 per square foot annually.

ARTICLE 6 OPERATIONAL STANDARDS

- 6.1 The management, maintenance and operation of the Concessionaire shall at all times be under the supervision and direction of an active, qualified, competent manager who shall be subject to the direction and control of the Concessionaire.
- 6.2 Concessionaire shall control the conduct and demeanor of its agents and employees and, upon objection from SWFAA concerning conduct or demeanor of any such person; Concessionaire shall immediately take lawful steps to remove the cause of the objection. All employees will be required to have SIDA badges.
- 6.3 The Concessionaire agrees that its employees and contractors shall be of sufficient number so as to properly conduct the Concessionaire's operation, and further agrees that all employees will receive training in customer service and dealing with the public, be properly attired and presentable in appearance.

ARTICLE 7 MAINTENANCE

- 7.1 SWFAA shall, throughout the term of this Agreement, assume the entire responsibility, cost and expense, for all repair and maintenance whatsoever of the common areas of the Terminal, except for the Concessionaire Space.

Concessionaire shall maintain the Space and any improvements thereto in a good workmanlike manner, whether such repair or maintenance is ordinary or extraordinary, or otherwise. Structural and roof repairs and maintenance shall be the responsibility of SWFAA unless caused by any act negligent or otherwise, of Concessionaire, its employees, agents or invitees or as a result of any alteration or improvement made by Concessionaire or by others for the benefit of Concessionaire.

- 7.2 The Concessionaire shall provide at its own expense such janitorial and cleaning services and supplies as may be necessary in the operation and maintenance of the Space. The Concessionaire also agrees to keep and maintain the Space in a clean, neat and sanitary condition.
- 7.3 Concessionaire shall keep at all times, in a clean and orderly condition and appearance, the improvements thereon and all of Concessionaire's fixtures, equipment and personal property which are located on any part of the Space.
- 7.4 Concessionaire shall repair any damage caused by Concessionaire.
- 7.5 Concessionaire shall be responsible for the maintenance and repair of, and payment for, all utility services and lines placed in the Terminal and used exclusively by Concessionaire, including, but not limited to, electrical power, water, gas and telephone conduits and lines. All applicable areas will have individual meters where appropriate and the Concessionaire will pay the utility costs directly to the respective utility company. Concessionaire will also be responsible for any damages to common areas or any utility lines or tenant Space due to Concessionaire's negligence.
- 7.6 Plans and specifications for all major repairs, construction, alterations, modifications, signs, additions or replacements by Concessionaire (hereinafter, referred to as "Improvements") to the Space shall be submitted to SWFAA accompanied by SWFAA's Tenant Construction/Alteration Application as completed by Concessionaire. All Improvements shall be designed in accordance with the New York State Building and Fire Protection code and all drawings must be signed and sealed by an architect or engineer licensed to practice in the State of New York. The Tenant Construction/Alteration Application must receive the written approval of SWFAA, and no such work shall be commenced until such written approvals are obtained from SWFAA. SWFAA shall advise Concessionaire within thirty (30) days after receipt of the Written request together with copies of the plans and specification for the proposed Improvements in sufficient detail to make a proper review thereof, of its approval or disapproval of the proposed work, and in the event it disapproves, stating its reasons therefore.

If Concessionaire makes any Improvements that are disapproved by SWFAA, then, upon notice to do so, Concessionaire shall remove the same or at the option of SWFAA cause the same to be changed to the reasonable satisfaction of SWFAA. If Concessionaire fails to comply with such notice within thirty (30) days or to commence to comply and pursue diligently to completion, SWFAA may effect the removal or change and Concessionaire shall pay the cost thereof (as defined in Section 7.4 hereof) to SWFAA. The Concessionaire expressly agrees in the making of all Improvements that, except with the prior written consent of SWFAA, it will neither give nor grant, nor purport to give or grant any lien upon the Space or upon any Improvements thereupon or which is in the process of construction or repair, nor allow any condition to exist or situation to develop whereby any party would be entitled, as a matter of law, to a lien against said Space and Improvements thereon, and Concessionaire will within 30 days after notice of filing thereof either discharge the lien or contest the validity of the lien and provide a bond securing its payment until it is discharged. Notice is hereby given by SWFAA to all persons that no lien attaches to the Terminal or any such Improvements.

Upon the expiration or earlier termination of this Agreement, the complete and unencumbered title to all Improvements, except Concessionaire's furnishings, fixtures and personal property, located in the Terminal shall immediately vest in SWFAA free and clear of all claims on the part of Concessionaire on account of any repair or improvement work done or to be done under the terms hereof by Concessionaire, provided, however, that Concessionaire shall retain title to its trade fixtures. This vesting of title in SWFAA at the time specified is part of the consideration for this Agreement. SWFAA shall not be liable to Concessionaire or Concessionaire's contractors or Sublessee for the value of any Improvements constructed or located in the Terminal.

- 7.7 The Concessionaire agrees to maintain and make necessary general repairs to all of the improvements, fixtures and equipment placed or installed in the Space by Concessionaire.
- 7.8 All repairs done by the Concessionaire or on its behalf shall be of first class quality in both materials and workmanship. All repairs shall be made in conformity with the rules and regulations prescribed from time to time by federal, state or local authority having jurisdiction over the work in the Terminal.

- 7.9 The Concessionaire shall, in a timely manner, provide for the adequate sanitary handling and removal of all trash, garbage and other refuse caused as a result of the Concessionaire's operations.
- 7.10.1 SWFAA shall have the right to construct or install over, in, under or through the Space new lines, pipes, mains, wires, conduits and equipment; provided, however, that such repair, alteration, replacement or construction shall not unreasonably interfere with Concessionaire's use of the Space. SWFAA will repair at its sole cost, any damage to Concessionaire's property resulting from such activities.

**ARTICLE 8
SERVICES TO BE PROVIDED BY SWFAA**

- 8.1 SWFAA will provide HVAC, electric, cold water and waste plumbing to the Space. based on normal seasonal requirements.
- 8.2 SWFAA will provide electric and telephone utilities to the Space.
- 8.3 SWFAA will provide system repairs to utilities, excluding mechanical and electrical devices and excluding repairs arising from use or misuse of such mechanical and electric devices.
- 8.4 SWFAA will illuminate the Terminal Building as required by its use as an airline transportation terminal.

**ARTICLE 9
PROVISIONS BY CONCESSIONAIRE**

- 9.1 In the operation of the retail and food & beverage Space in the Terminal, the Concessionaire shall provide the following at its cost and expense.
- 9.2 Trash removal and janitorial service within the concession Space.
- 9.3 All interior furnishings and finishes for the concession Space, painting with compatible approved colors, floor covering and electronic installations, subject to the prior written approval of SWFAA.
- 9.4 All concession equipment, subject to the prior written approval of SWFAA
- 9.5 Special accounting equipment adequate for providing records of gross revenues and related receipt requirements.
- 9.6 Connection of utilities to operating equipment with separate meters installed for utilities. Utilities will be stubbed to the perimeter of the premises within the 120-day time period described in Section 2.1.
- 9.7 All interior maintenance and repair of its Space and all permits, licenses, notices and other requirements specified by the Federal, state or local governmental rules or regulations.
- 9.8 All costs for the installation and maintenance of Concessionaire's furniture, finishes and equipment shall be borne by Concessionaire. Concessionaire shall comply with all National, State and Local Fire Codes and shall not do or permit to be done any act that will invalidate or will increase the rate of fire insurance policies covering the airport.
- 9.9 Concessionaire's failure to comply with provisions of this Article 9 shall give SWFAA the right to declare the Concessionaire in default of this Agreement.

**ARTICLE 10
COMPLIANCE**

- 10.1 The Concessionaire, its officers, agents, servants, employees, contractors, and licensees shall in the carrying out of this Agreement comply with all present and future laws, ordinances, orders, directives, rules and regulations of the United States of America, the State of New York, the County of Orange and the Towns of New Windsor and Newburgh, their respective agencies, departments, authorities or commissions ("Applicable Law"). Concessionaire shall abide by all Airport Rules and Regulations.

- 10.2 Except as otherwise provided herein, Concessionaire shall pay, or in good faith contest, on or before their respective due dates, to the appropriate collecting authority, all federal, state, and local taxes and fees, including PILOT, which may be levied upon Concessionaire on account of the business being conducted by Concessionaire at the Airport. It is the express intent of the parties that this Agreement grants no real property rights to Concessionaire. Concessionaire's trade fixture equipment shall be deemed the personal property of Concessionaire. Fixed improvements shall become the property of SWFAA after expiration of this Agreement. SWFAA shall not assess or bill Concessionaire for any property, real estate, or lease tax. Concessionaire shall maintain in current status all federal, state, and local licenses and permits required for the operation of the business conducted by Concessionaire.
- 10.3 Concessionaire shall pay wages that are not less than the minimum wages required by law to persons employed in its operations hereunder.
- 10.4 This Agreement is governed by the laws of New York State. Any disputes relating to this Agreement shall be resolved in accordance with the laws of New York State and all litigation or arbitration respecting same shall be commenced and maintained in the courts or tribunals within Orange County, New York.

ARTICLE 11 ASSIGNMENTS AND SUB-AGREEMENTS

- 11.1. Concessionaire shall not assign this Agreement or allow same to be assigned by operation of law or otherwise without the prior written consent of SWFAA, which consent may be withheld in its sole discretion. Concessionaire will be allowed however, to assign the lease to an affiliate or a subsidiary of the Concessionaire with prior written consent of SWFAA.

ARTICLE 12 INSURANCE AND INDEMNIFICATION

- 12.1 Concessionaire shall protect, defend, indemnify and hold the State of New York and SWFAA, its officers, Directors, employees, boards and commissions, completely harmless from and against any and all liabilities, damages, demands, suits, claims, losses, fines, or judgments arising by reason of the injury or death of any person or damage to any property, including all reasonable costs from investigation and defense thereof (including but not limited to attorney fees, court costs, and expert fees), of any nature whatsoever arising out of or incidental to the operation of the food/beverage and retail concession pursuant to this Agreement or the use by Concessionaire of the Space, regardless of where the injury, death or damage may occur. Concessionaire shall have the right to control the defense of any such claim, suit or other action as mentioned above for which Concessionaire indemnifies the State of New York and SWFAA. This subsection shall not create any third party rights and shall not be interpreted as a waiver by SWFAA of any immunities or limitations on damages available to SWFAA pursuant to Applicable Law.
- 12.2 Concessionaire shall maintain throughout the Term comprehensive public liability and property damage insurance in an amount of not less than three million (\$ 3,000,000) general liability, one-million (\$1,000,000) auto liability, combined single limit. Such insurance policies shall name SWFAA, its landlord NYSDOT, its officers, employees, boards and commissions as additional insureds to the full extent of Concessionaire's insurance coverage but in no event less than the required minimum coverage limit amount.
- 12.3 Concessionaire shall maintain throughout the Term workers' compensation insurance at statutory limits.
- 12.4 Concessionaire agrees that all insurance policies specified herein, except workers' compensation, shall contain severability of interest or cross liability provision or endorsement.
- 12.5 Concessionaire agrees that all insurance policies shall provide that they will not be altered or canceled without thirty (30) days advance written notice to SWFAA. Such insurance must be primary insurance as respects any other valid and collectible insurance, self-insured retention, or deductible SWFAA may possess. Any other insurance or self-insured retention of SWFAA shall be considered excess insurance only.
- 12.6 Concessionaire shall obtain all insurance required from an insurance company or companies licensed to do business in the State of New York. The insurance company must be acceptable to SWFAA. Approval may be denied a company based on its Best rating or other indication of financial inadequacy.
- 12.7 Concessionaire shall provide to SWFAA such evidence of compliance with SWFAA's insurance requirements as SWFAA may from time to time request. The Concessionaire shall provide, at the commencement of the Term,

certificates of insurance confirming all required coverage. All such certificates shall be completed to show compliance with Concessionaire's obligations hereunder. SWFAA may also require copies of the declaration pages, insurance policies, and endorsements thereto.

ARTICLE 13 TERMINATION BY SWFAA

- 13.1 In addition to all other remedies available to SWFAA, this Agreement shall be subject to termination by SWFAA should any one or more of the following events occur ("Concessionaire Default"):
- 13.1.1 If Concessionaire shall neglect or fail to perform or observe any of the terms, provisions, conditions or covenants herein contained and on Concessionaires part to be performed and observed and if such neglect or failure should continue for a period of thirty (30) days after receipt by Concessionaire of written notice of such neglect or failure or, if more than thirty (30) days shall be required because of the nature of the default, if Concessionaire shall fail within said thirty (30) day period to commence and thereafter diligently proceed to cure such default. Notwithstanding the above, the time period for cure of any failure to make timely payment of any fee due hereunder shall be ten (10) days; and if Concessionaire is in default of this Agreement, SWFAA is not required to give notice.
 - 13.1.2 If the concession rights hereby created shall be taken by execution or by other process of law;
 - 13.1.3 The taking by a court of competent jurisdiction of Concessionaire's assets pursuant to proceedings under the provisions of any federal or state reorganization code or act, insofar as the enumerated remedies for license default are provided for or permitted in such code or act;
 - 13.1.4 If any court of competent jurisdiction shall enter a final order with respect to Concessionaire, providing for modification or alteration of the rights of creditors;
 - 13.1.5 If Concessionaire shall continually after notice fail to abide by any material Applicable Law;
 - 13.1.6 If Concessionaire shall fail to make productive use of concession Space; or,
 - 13.1.7 If Concessionaire shall abandon all or any part of the concession Space or shall discontinue the conduct of its operations in all or any part of the Airport.
- 13.2 In the event Concessionaire shall fail to cure a Concessionaire Default within the time herein specified, SWFAA, then, or at any time thereafter, shall have the right, at its election, to immediately terminate this Agreement.
- 13.3 If SWFAA shall terminate this Agreement by reason of a condition of Concessionaire Default, Concessionaire shall forthwith remove its non-permanent improvements, fixtures, displays and equipment from the concession Space at its own expense.

ARTICLE 14 TERMINATION BY CONCESSIONAIRE

- 14.1 In addition to all other remedies available to the Concessionaire, this Agreement shall be subject to termination by the Concessionaire, should any one or more of the following events occur ("SWFAA Default"):
- 14.1.1 The abandonment of the Terminal Building for longer than sixty (60) days;
 - 14.1.2 The issuance of an order or injunction by any court of competent jurisdiction preventing or restraining the use of the Terminal Building in such a manner as to substantially restrict the Concessionaire from conducting its operation of the food/beverage and retail concession where such order or injunction was not caused by any act or omission of the Concessionaire; provided that such order or injunction remain in force for at least sixty (60) days;
 - 14.1.3 The breach by SWFAA of any of the material terms, covenants, or conditions of this Agreement to be kept, performed, and observed by SWFAA, and the failure of SWFAA to remedy such breach, for a period of thirty (30) days after receipt of written notice from the Concessionaire of the existence of such breach or, if

more than thirty (30) days shall be required because of the nature of the default, if SWFAA shall fail within said thirty (30) day period to commence and thereafter diligently proceed to cure such default.

- 14.1.4 The assumption by the United States Government, or any authorized agency thereof, of the operation, control or use of the Terminal Building and its facilities in such a manner as to substantially restrict the Concessionaire from conducting its display advertising concession if such restriction be continued for a period of sixty (60) days or more;
- 14.1.5 The destruction of such a significant portion of the Terminal Building due to fire, earthquake or any other causes not the fault of Concessionaire so as to make continuation of the food/beverage and retail concession commercially unreasonable.

ARTICLE 15 SECURITY

- 15.1 Concessionaire agrees to observe all security requirements of Federal Aviation Regulations and the Airport's rules and regulations, as the same may be from time to time amended. Concessionaire shall take such steps as may be necessary or directed by SWFAA to ensure that its employees, agents and contractors observe these requirements.

ARTICLE 16 FIRE AND OTHER DAMAGE

- 16.1 In the event that structural or permanent portions of the Space shall be partially damaged by fire or other casualty not the fault of Concessionaire, the Concessionaire shall give immediate notice after discovery thereof to SWFAA and the same shall be repaired at the expense of SWFAA unless SWFAA determines that the damage is so extensive that repair or rebuilding is not feasible. From the date of such casualty until such area is so repaired (including if such area is not repaired), any fee payments otherwise due hereunder attributable to such area, shall abate; provided, however, that if an area shall be so slightly injured in any such casualty as not to be rendered unfit for normal usage, the fees related thereto shall not cease during any repair period. In the event of the area being damaged by fire or other casualty to such an extent as to render it necessary in the exclusive judgment of SWFAA not to rebuild the same, then, at the option of SWFAA or Concessionaire, and upon thirty (30) days written notice to the other, this Agreement as it applies to said area shall cease and come to an end, and the fees payable to SWFAA shall be proportionally adjusted to represent the loss of the use of the area to Concessionaire. If SWFAA elects to rebuild said areas, SWFAA shall notify Concessionaire of such intention within thirty (30) days of the date of the damage. Anything herein to the contrary notwithstanding, SWFAA's obligation to rebuild and repair shall be limited to the net proceeds of applicable insurance.

ARTICLE 17 APPROVALS BY

- 17.1 Whenever this Agreement calls for approval by SWFAA, such approval shall be evidenced by the written approval of SWFAA's Chief Operating Officer or his designee.

ARTICLE 18 ENVIRONMENTAL PROTECTION

- 18.1 Concessionaire agrees to comply in the performance of this Agreement with all applicable environmental laws, statutes, ordinances, regulations and orders, including all rules and regulations adopted by SWFAA relating to protection of the environment.
- 18.2 Concessionaire shall not cause or permit any substances, materials or wastes regulated by any governmental authority ("Hazardous Materials") to be generated, treated, stored, used, installed or disposed in, on, under or about the Space, except as required for the conducting of its business, and shall at all times maintain such Hazardous Materials in full compliance with applicable laws and regulations. Concessionaire shall defend, indemnify and hold harmless SWFAA from and against any and all obligations, losses, claims, suits, judgments, liabilities, penalties, damages, costs and expenses (including attorneys' and consultants' fees and expenses) of any kind or nature whatsoever that may be incurred by, or asserted against, SWFAA resulting from (a) the actual or alleged presence of hazardous materials which is caused or permitted by Concessionaire and (b) any environmental claim relating to Concessionaire's operation of its business or use of the Space. The provisions of this sub-section shall survive the expiration or termination of this Agreement.

**ARTICLE 19
GENERAL PROVISIONS**

- 19.1 Federal Aviation Act, Section 308 - Nothing herein contained shall be deemed to grant the Concessionaire any exclusive right or privilege within the meaning of Section 308 of the Federal Aviation Act.
- 19.2 THIS SECTION INTENTIONALLY OMITTED
- 19.3 Nonwaiver of Rights - No failure by either party to strictly enforce any of the terms, covenants, and conditions hereof to be performed, kept, and observed by the other party shall be construed as, or shall operate as, a waiver of any subsequent default of any of the terms, covenants, or conditions herein contained, to be performed, kept, and observed by the other party.
- 19.4 Notices - All notices, requests and other communications under this Agreement shall be effectively given only if in writing and sent by United States registered or certified mail, return receipt requested, postage prepaid, or by nationally recognized and receipted overnight courier service (e.g. FedEx, D.H.L. or Airborne Express) guaranteeing next business day delivery, addressed as follows:

If to SWFAA:

SWFAA Airport Acquisition, Inc.

1180 First Street

New Windsor, NY 12553

Attention: President and COO

If to Concessionaire:

Name: HUDSON GROUP

Address: 9TH FLOOR
ONE MEADOWLANDS PLAZA
EAST RUTHERFORD, NJ 07073

Attention: JAY G. MARSHALL

or to such other addresses of which SWFAA or Concessionaire shall have provided notice as herein provided. Such notices shall be considered received three (3) days after the mailing of such notices or the next day if mailed by overnight express.

- 19.5 Captions - The headings of the several articles of this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope or intent of any provisions of this Agreement and shall not be construed to affect in any manner the terms and provisions hereof or the interpretation or construction thereof.
- 19.6 Severability - If one or more clauses, sections, or provisions of this Agreement shall be held to be unlawful, invalid, or unenforceable, the parties hereto agree that the remaining portions of this Agreement or portions thereof shall not be affected thereby, and such remaining provisions or portions thereof shall remain in full force and effect.
- 19.7 Right to Develop Terminal Building - SWFAA reserves the right to engage in further development and improvement of the Terminal Building as it may see fit without notice or consent of Concessionaire.
- 19.8 Nonliability of Officers and Employees - No member, director or officer of any SWFAA board or commission or its sponsoring authority, nor any officer, director, employee, elected or appointed official of SWFAA or its sponsoring authority, and no officer, director, employee or agent of Concessionaire, shall be charged personally or held personally contractually liable by or to the other due to any breach of this Agreement or relating to the execution of this Agreement.
- 19.9 Successors and Assigns Bound - SWFAA and any successor, transferee or assignee of this Lease for the operation and management of the Stewart International Airport ("Lease"), agree that any contract providing for the transfer or assignment of the Lease shall expressly require the assumption of this Agreement by the successor, transferee or assignee of the Lease. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto

- 19.10 Right to Amend - In the event that the Federal Aviation Administration or its successors requires modifications or changes in this Agreement as a condition precedent to the granting of funds for the improvement of the Terminal Building, or otherwise, the Concessionaire agrees to consent to such amendments, modifications, revisions, supplements, or deletions of any of the terms, conditions, or requirements of this Agreement as may be reasonably required.
- 19.11 Force Majeure - Neither SWFAA nor the Concessionaire shall be deemed in violation of this Agreement if it is prevented from performing any of the obligations hereunder by reason of strikes, boycotts, labor disputes, embargoes, shortages of material, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, riots, rebellion, sabotage, or any other circumstances for which it is not responsible or which is not within its control.

**ARTICLE 20
NON-DISCRIMINATION AND EQUAL OPPORTUNITY**

- 20.1.1 Nondiscrimination - The Concessionaire 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. Concessionaire agrees that Disadvantage Business Enterprises as defined in 49 CFR Part 23 shall have an opportunity to participate in contracts financed in whole or in part with Federal funds and in concession agreements on the Airport.

**ARTICLE 21
AMERICAN'S WITH DISABILITIES ACT**

- 21.1 Concessionaire agrees to comply with all pertinent provisions of the American's with Disabilities Act of 1990, P.L. 101-336, July 26, 1990, 42 USC 12101, et seq.: and all pertinent regulations pursuant thereto.

**ARTICLE 22
ENTIRE AGREEMENT**

- 22.1 The parties hereto understand and agree that this instrument contains the entire agreement between the parties hereto. The parties hereto further understand and agree that the other party and its agents have made no representations or promises with respect to this Agreement or the making or entry into this Agreement, except as in this Agreement expressly set forth. No claim or liability or cause for termination shall be asserted by either party against the other and such party shall not be liable by reason of the making of any representations or promises not expressly stated in this Agreement, any other written or oral agreement with the other being expressly waived.
- 22.2 The individuals executing this Agreement personally warrant that they have full authority to execute this Agreement on behalf of the entity for whom they are acting herein.
- 22.3 The parties hereto acknowledge that they have thoroughly read and understand this Agreement, including any exhibits or attachments hereto.

**ARTICLE 23
APPROVAL OF OVERLANDLORD**

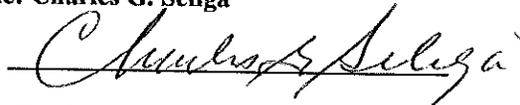
- 23.1 The parties acknowledge that SWFAA operates the Airport in accordance with a 99-year lease dated as of September 24, 1999 ("Overlease") with the State of New York acting by and through the New York State Department of Transportation ("Overlandlord"). All subleases, franchises, concessions and licenses including, without limitation, this Agreement require the consent of the Overlandlord and are subject to the terms and requirements of the Overlease. In connection therewith, Concessionaire agrees to execute and deliver to SWFAA, simultaneously with the execution of the Concession Agreement, an affidavit, a copy of which is annexed hereto as Exhibit "??". Concessionaire further agrees to supply, upon request, any additional information or documentation reasonably required by Overlandlord in connection with the request for consent to this Agreement.

[INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers or representatives as of the date and year first above written.

SWF Airport Acquisition, Inc.

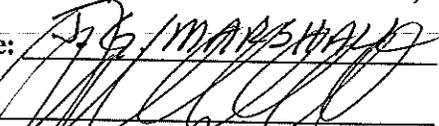
Name: Charles G. Seliga

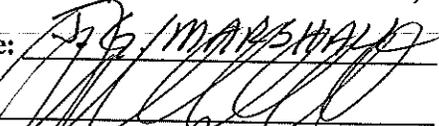
BY: 

Title: President and Chief Operating Officer

Date: 11/11/04

AIRPORT MANAGEMENT SERVICES, LLC

Name: 

BY: 

Title: VICE-PRESIDENT

Date: 11/9/04

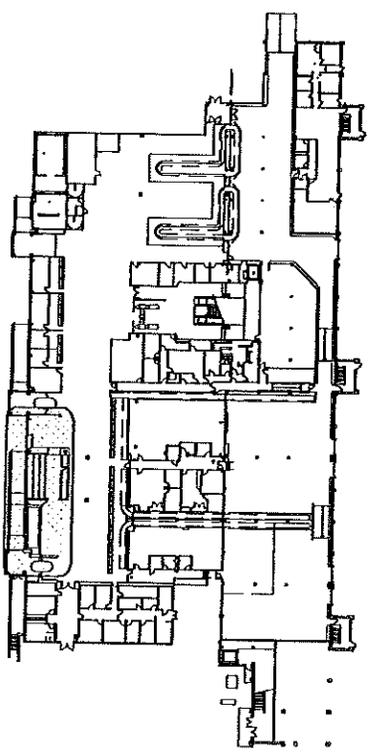
Exhibit A
Concession Space



Concession Space

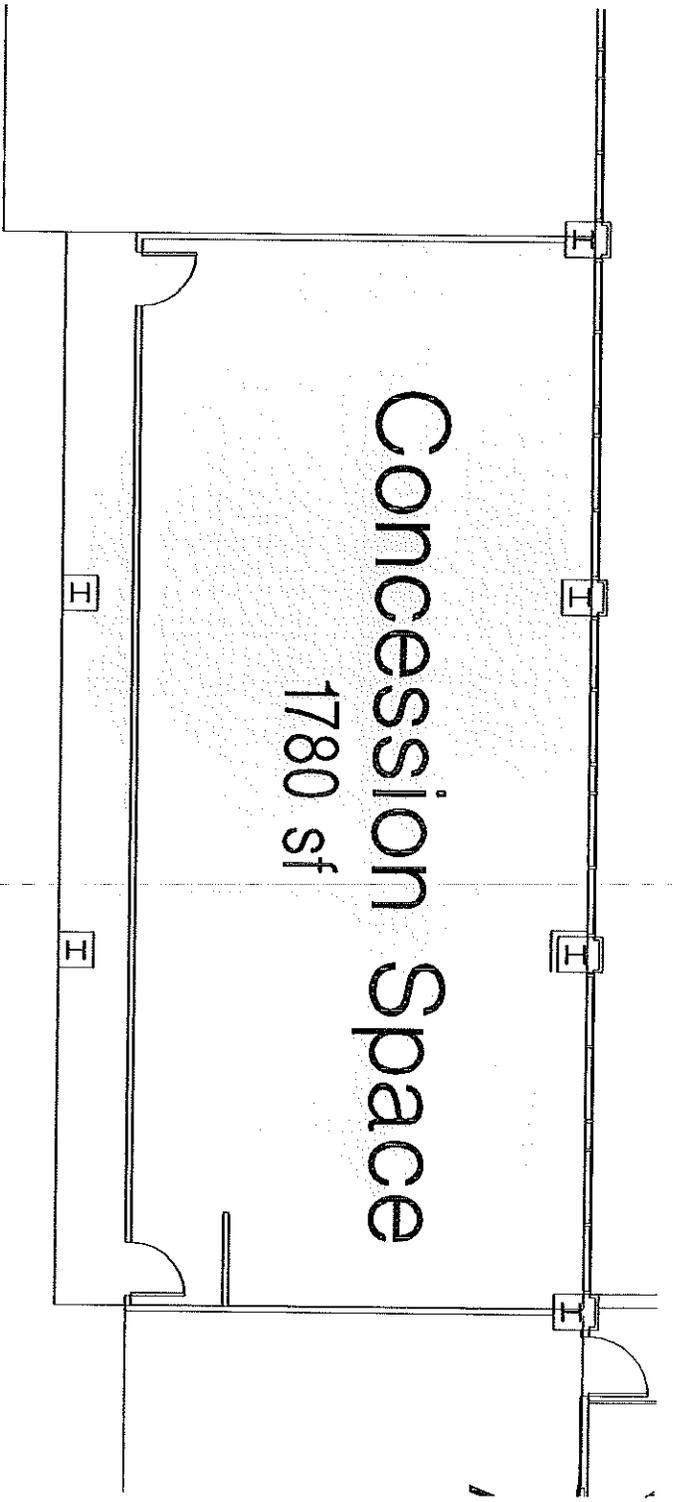
1825 sf

Key Plan



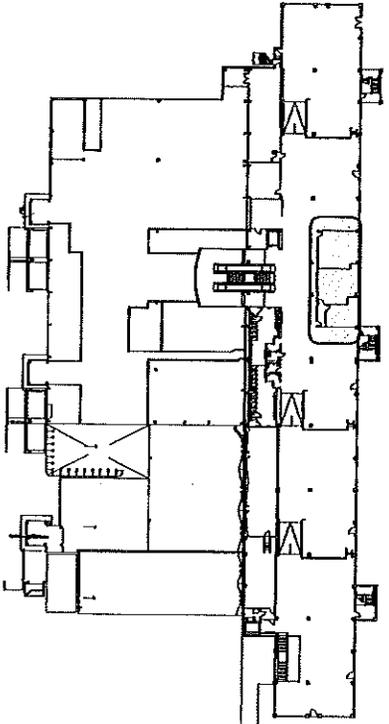
Hudson Group
 d/b/a
Airport Management Services
 1st Floor Lease Exhibit
Exhibit A

1825 Sq Ft
 August 20, 2004



Concession Space

1780 sf



Key Plan

Hudson Group
d/b/a
Airport Management Services
2nd Floor Lease Exhibit
Exhibit A

1780 Sq Ft

August 20, 2004

Exhibit B
Concession Fee

| <u>GROSS REVENUE</u> | <u>PERCENTAGE FEE</u> |
|-------------------------------|------------------------------|
| Up to \$1,000,000 | 5% |
| \$1,000,000.01 to \$1,500,000 | 8% |
| Over \$1,500,000 | 10% |

***Note: If the annual enplanement level for the lease year is below 200,000, then no Percentage Rent or MAG will be paid.**

Minimum Annual Guarantee:

| | |
|------------------------------|---|
| Year 1 | Percentage Rent Only |
| Year 2 and thereafter | 80% of the rent paid in the previous year. (*Note) |

EXHIBIT C
MENU ITEMS

THE SANDWICH KING PLUS

Tel: 845-567-9477

271 Breunig Rd. New Windsor, NY 12553

10 Best Sandwich Menu

(Boar's Head Presents)

- 1. HAM, GENOA SALAMI, PEPPERONI, PROVOLONE, LETTUCE, TOMATO OIL & VINEGAR..... \$6.25**
- 2. HOMEMADE ROAST BEEF WITH SHARP CHEDDAR CHEESE, LETTUCE MARINATED ROAST PEPPERS, MAYO..... \$6.25**
- 3. CRACKED PEPPER TURKEY BREAST WITH MUENSTER CHEESE, LETTUCE TOMATO, SWEET PEPPERS, HONEY MUSTARD..... \$6.25**
- 4. HONEY TURKEY & HONEY HAM WITH SWISS CHEESE, LETTUCE, TOMATO LITE RED ONION, HONEY MUSTARD..... \$6.25**
- 5. SMOKED TURKEY BREAST WITH SMOKED GOUDA CHEESE, LETTUCE TOMATO, HERB MAYO..... \$6.25**
- 6. HOMEMADE CHICKEN SALAD WITH CRISP BACON-LETTUCE-TOMATO IN A WRAP..... \$6.25**
- 7. HONEY TURKEY WITH MUENSTER CHEESE, LETTUCE, ROAST PEPPERS CRANBERRY MUSTARD IN A WRAP..... \$6.25**
- 8. DELICIOUS TUNA SALAD WITH MARINATED ROAST PEPPERS, LETTUCE IN A SUN-DRIED TOMATO WRAP..... \$6.25**
- 9. CREAMY EGG SALAD WITH CRISP BACON, LETTUCE, SLICED CUCUMBERS IN A WRAP..... \$6.25**
- 10. CAJUN TURKEY BREAST WITH PEPPER JACK CHEESE, HOT PEPPERS LITE SPANISH ONION, MAYO & VINEGAR IN A WRAP..... \$6.25**

FRESH GARDEN SALAD

- 1. Chef's Salad..... \$6.95
(Ham, Turkey, Roast Beef with Swiss Roll Up with House Dressing)**
- 2. Grilled Chicken/Garden Salad..... \$6.95
(Homemade Marinated Chicken with Housed Dressing)**
- 3. Trio Salad..... \$6.95
(Homemade Egg, Tuna, Chicken Salad on Garden Salad)**

EXHIBIT "C"

(Menu changes subject to the provisions of Article 5 of the Concession Agreement)

Specialty Coffee

| | |
|-----------------------|--------|
| Caffe Latte | \$2.50 |
| Cappuccino | \$2.50 |
| Caffe Mocha | \$2.70 |
| White Chocolate Mocha | \$3.20 |
| Caffe Macchiato | \$2.70 |
| Café au Lait | \$2.50 |
| Caffe Americano | \$1.70 |
| Espresso | \$1.40 |

TALL 12 fl.oz

GRANDE 16 fl. oz

ULTIMO 20 fl. oz

Single Shot

| | | |
|--------|--------|--------|
| \$2.50 | \$2.95 | \$3.35 |
| \$2.50 | \$2.95 | \$3.35 |
| \$2.70 | \$3.25 | \$3.50 |
| \$3.20 | \$3.70 | \$4.20 |
| \$2.70 | \$3.25 | \$3.50 |
| \$2.50 | \$2.95 | \$3.35 |
| \$1.70 | \$1.95 | \$2.25 |
| \$1.40 | \$1.75 | |

Iced Beverages

| | |
|----------------------------|--------|
| Iced Caffe Mocha | \$2.70 |
| Iced White Chocolate Mocha | \$3.20 |
| Iced Caffe Latte | \$2.50 |
| Iced Caffe Macchiato | \$2.70 |
| Iced Caffe Americano | \$1.70 |
| Iced Brewed Coffee | \$1.35 |
| Iced Tea | \$1.35 |
| Iced Chai Latte | \$2.70 |

TALL 12 fl.oz

GRANDE 16 fl. oz

ULTIMO 20 fl. oz

| | | |
|--------|--------|--------|
| \$2.70 | \$3.25 | \$3.50 |
| \$3.20 | \$3.70 | \$4.20 |
| \$2.50 | \$2.95 | \$3.35 |
| \$2.70 | \$3.25 | \$3.50 |
| \$1.70 | \$1.95 | \$2.25 |
| \$1.35 | \$1.50 | \$1.70 |
| \$1.35 | \$1.50 | \$1.70 |
| \$2.70 | \$2.95 | \$3.20 |

Blended Cool Beverages

| | |
|-------------------------|--------|
| Double Chocolate Frappe | \$3.00 |
| White Chocolate Frappe | \$3.00 |
| Caramel Frappe | \$3.00 |
| Cookies & Creme Frappe | \$3.00 |

TALL 12 fl.oz

GRANDE 16 fl. oz

ULTIMO 20 fl. oz

| | | |
|--------|--------|--------|
| \$3.00 | \$3.45 | \$3.95 |
| \$3.00 | \$3.45 | \$3.95 |
| \$3.00 | \$3.45 | \$3.95 |
| \$3.00 | \$3.45 | \$3.95 |

Smoothies

| | |
|-------------------|--------|
| Berry Berry | \$3.80 |
| Strawberry | \$3.80 |
| Strawberry Banana | \$3.80 |
| Mango | \$3.80 |
| Tropical Delight | \$3.80 |
| Protein Mix | \$1.00 |

Brewed Coffees

- Euro Café Blend \$1.35
- Euro Café Decafinated \$1.35
- Coffee of the Day \$1.35
- Syrup \$0.60

TALL 12 fl. oz

Extra Shot

GRANDE 16 fl. oz

ULTIMO 20 fl. oz

- \$1.35
- \$1.35
- \$1.35
- \$0.60
- \$1.50
- \$1.50
- \$1.50
- \$0.50
- \$1.70
- \$1.70
- \$1.70

Coffee Alternatives

- Hot Cocoa \$2.10
- Steamed Milk \$2.25
- Chai Latte \$2.70
- Green Tea \$1.35
- Tea \$1.35

Cold Drink

- Coke Cola \$1.29
- Diet Coke Cola \$1.29
- Sprite \$1.29
- Dr Pepper \$1.29
- Dasani Water \$1.45
- Cool Nestera \$1.29
- Minute Maid Cranberry \$1.65
- Country Time Lemonade \$1.65
- Minute Maid Orange \$1.65
- Dannon Yogurt**
- Blueberry \$1.50
- Strawberry \$1.50
- Raspberry \$1.50

Roasted Coffee

- Euro Café Blend \$5.49
- Decaf \$5.49

Half Pound

- \$5.49
- \$5.49

One Pound

- \$10.50
- \$10.50

Fresh Fruit

- Apples \$0.95
- Banana \$0.95
- Pears \$0.95

Cereal Bowl

- Kellogg Cereal w/Milk \$2.69
- Cream Cheese \$0.50

Pastries

| | | |
|------------------------------|--------------|--------|
| Biscotti | Retail Price | \$1.10 |
| Crumb Buns | | \$1.85 |
| Sugar Buns | | \$1.85 |
| Apple Danish | | \$1.70 |
| Cherry Danish | | \$1.70 |
| Cheese Danish | | \$1.70 |
| Plain Danish | | \$1.70 |
| Plain Croissants | | \$1.60 |
| Chocolate Croissants | | \$1.85 |
| Strawberry Cheese Croissants | | \$1.85 |
| Blueberry Bagels | | \$1.10 |
| Plain Bagels | | \$1.10 |
| Poppy Seed Bagels | | \$1.10 |
| Sesame Seed Bagels | | \$1.10 |
| Cinnamon Raisin Bagels | | \$1.10 |
| German Chocolate Cake | | \$3.25 |
| Carrot Cake | | \$3.25 |
| Cheese Cake | | \$3.25 |

Pastries

| | | |
|---------------------------|--------------|--------|
| Bran Muffins | Retail Price | \$1.60 |
| Blueberry Muffins | | \$1.60 |
| Carrot Muffins | | \$1.60 |
| Corn Muffins | | \$1.60 |
| Chocolate Chip Muffins | | \$1.60 |
| Pound Cake | | \$1.80 |
| Chocolate Bundt Cake | | \$2.50 |
| Lemon Bundt Cake | | \$2.50 |
| Chocolate Chip Cookies | | \$1.25 |
| Oatmeal Raisin Cookies | | \$1.25 |
| M & M Cookies | | \$1.25 |
| Peanut Butter Cookies | | \$1.25 |
| Brownie/ Blondies | | \$2.00 |
| Glazed Donuts | | \$0.89 |
| Boston Cream Donuts | | \$0.89 |
| Chocolate Frosted Donuts | | \$0.89 |
| Jelly Powdered Donuts | | \$0.89 |
| Cinnamon Donuts | | \$0.89 |
| Devils Food Glazed Donuts | | \$0.89 |

Ice Cream Novelties

| | |
|-----------------------------|--------|
| Butterfinger Bars | \$2.49 |
| Dole Strawberry Cream | \$1.29 |
| Drum Stick Supreme | \$2.49 |
| Nestle Crunch King | \$1.49 |
| Sandwiches | \$1.29 |
| Toll House | \$2.49 |
| Hagen Daz Vanilla Milk Bars | \$2.99 |
| Hagen Daz Vanilla Milk Cups | \$2.49 |

EXHIBIT D
AIRPORT RULES AND REGULATIONS



Stewart International Airport
1035 First Street
New Windsor, NY 12553
Telephone 845 564 7200
Fax 845 567 0532
www.swfny.com

EXHIBIT "D"

RULES & REGULATIONS

STEWART INTERNATIONAL AIRPORT

NEWBURGH, NEW YORK

For further information please contact Airport Administration at (845)564-7200.



Stewart International Airport
1035 First Street
New Windsor, NY 12553
Telephone 845 564 7200
Fax 845 567 0532
www.swfny.com

EXHIBIT "D"

RULES & REGULATIONS

STEWART INTERNATIONAL AIRPORT

NEWBURGH, NEW YORK

For further information please contact Airport Administration at (845)564-7200.

**NEW YORK STATE
DEPARTMENT OF TRANSPORTATION**

.....
STEWART INTERNATIONAL AIRPORT
.....

Owned by: State of New York

Operated By: **NATIONAL EXPRESS CORPORATION**

**RULES
&
REGULATIONS**

EFFECTIVE MAY 19, 1999

PART 79

(Statutory Authority: Transportation Law,
Section 400)

GENERAL

Section 79.1 Definitions.

The following terms shall have these meanings:

- (a) "Aircraft" shall mean and include any and all contrivances now or hereafter used for the navigation of or flight in air or space.
- (b) "Airport" shall mean Stewart International Airport, Newburgh, New York.
- (c) "Airport Operator" shall mean the New York State Department of Transportation or its managing agent.
- (d) "Air Operations Area" shall mean that portion of the Airport reserved exclusively for the storage, movement, takeoff and landing of aircraft.
- (e) "Commercial Activity" shall mean and include any and all activity conducted at or out of the Airport by any person, in which any product is exchanged or sold, or any service provided for monetary gain or exchange of goods or services.
- (f) "Fixed Base Operator" shall mean a firm doing business at the Airport dedicated to the sale, storage and hangaring of aircraft, the sale of petroleum, oil and lubricants, the services of maintenance, repair and modification of aircraft, engines and ancillary equipment, the cleaning and provisioning of aircraft, and the provision of transient and related services pursuant to an agreement with the Airport Operator.
- (g) "Flight Training" shall mean any use of an aircraft to increase or maintain pilot proficiency.

- (h) "Fuel" shall mean the substance, either solid, liquid or gaseous, used to operate any engine in an aircraft or vehicle.
- (i) "Fuel Handling" shall mean the transporting, delivering, fueling and defueling of fuel or fuel waste products.
- (j) "Jet Aircraft" shall mean and include any and all aircraft which are not propeller-driven, and which accomplish motion entirely as a direct reaction to the thrust of any engine.
- (k) "Operator" shall mean the owner of an aircraft or any person who has rented or leased such an aircraft for the purpose of operation by himself or his own agents or any person operating an aircraft.
- (l) "Permission" shall mean a right or approval granted by the Airport Operator in writing.
- (m) "Person" shall mean any individual, firm, co-partnership, corporation, association or company (including any assignee, receiver, trustee or similar representative thereof) or the United States of America, or any foreign government or any state or political subdivision thereof, or the United Nations.
- (n) "Rules and Regulations" shall mean these rules and regulations as herein set forth in this Part.
- (o) "Touch and Go" shall mean the act of landing an aircraft on a runway and immediately departing before coming to a full stop.
- (p) "Vehicle" shall mean and include automobiles, trucks, trailers, buses, motorcycles, horse-drawn vehicles, bicycles, push carts and any other device in or upon or by which any person or property is or may be transported, carried or drawn upon land, except railroad rolling equipment or other devices running only on stationary rails or tracks or aircraft.

Section 79.2

Compliance with Rules and Regulations a Condition to Entry
Upon or use of Airport.

- (a) Any permission granted directly or indirectly, expressly or by implication, to any person or persons, to enter upon or use the Airport or any part thereof (including aircraft operators, crew members and passengers, spectators, sightseers, pleasure and commercial vehicles, officers and employees of lessees or other persons occupying space at the Airport, persons doing business with the Airport Operator, its sub-contractors and licensees, and all other persons whatsoever whether or not of the type indicated), is conditioned upon compliance with these rules and regulations; and entry upon or into the Airport by any person shall be deemed to constitute an agreement by such person to comply with said rules and regulations.
- (b) The Airport Operator will evaluate any requests for permission or approval to engage in commercial activity at the Airport against the following criteria:
1. the capacity and needs of the Airport and needs of Airport's users and the general public for the proposed services or activity;
 2. that the applicant, its principals and its employees are professionally qualified to perform the proposed service or activity up to the standards of the particular industry;
 3. that the applicant, its principals and employees possess all the necessary Federal, State and local approvals and licenses for the proposed service or activity;
 4. that the applicant and its principals can demonstrate sound financial responsibility and integrity, including certificates of insurance in an amount meeting the particular industry standards.
- (c) The Airport Operator shall evaluate any requests for permission or consent other than to engage in commercial activity against the following criteria:
1. the proposed activity must be able to be accomplished without danger to persons or property;
 2. the proposed activity must be in accordance with applicable Federal, State and local laws.

Section 79.3 Unauthorized Commercial Activity Prohibited

- (a) No person shall carry on any commercial activity at the Airport without the prior written consent of the Airport Operator.

- (b) No person basing or otherwise maintaining an aircraft at the Airport shall permit it to be used for a commercial activity conducted at or from the Airport, unless such commercial activity is expressly authorized by the terms of an agreement with the Airport Operator or with a Fixed Base Operator with the Airport Operator's approval. In addition, no person shall permit an aircraft to be serviced, cleaned, repaired or otherwise be worked on at the Airport by any person other than those operating at the Airport pursuant to an agreement with the Airport Operator or with a Fixed Base Operator with the Airport Operator's approval. No person shall operate an aircraft based or maintained at the Airport for commercial flight instruction without the prior written approval of the Airport Operator.

Section 79.4 Unauthorized Parking or Storage of Aircraft Prohibited

Unless otherwise provided for in a lease or other written agreement authorized by the Airport Operator, no person shall use any area of the Airport for parking or storage of aircraft, other than those areas designated by the Airport Operator as transient parking, without the prior written permission of the Airport Operator. If, notwithstanding the above prohibition, a person uses such areas for parking or storage as aforesaid, without first obtaining such permission, then the Airport Operator shall have the authority to order the aircraft removed and stored at the expense of the owner thereof, without liability for damage thereto arising from or out of such removal or storage.

Section 79.5 Compliance with Official Directions Required

No person shall use or otherwise conduct himself upon any portion of the Airport in a manner contrary to directions applicable to that area.

**Section 79.6 Use of Certain Facilities Conditioned Upon
Payment of Prescribed Fees**

No person shall land or depart an aircraft on or from the Airport, or use any area restricted by Airport Operator, except upon payment of such fees and charges as from time to time may be prescribed for such use, unless such person is entitled to make such use without such payment under a lease or other agreement authorized by the Airport Operator or as otherwise stated in these rules and regulations.

**Section 79.7 Penalties for Violations of Airport Rules and
Regulations**

- (a) Any person failing to comply with or violating any Rule or Regulation contained herein shall be guilty of a violation of law and, upon conviction thereof, may be fined up to \$250 for each such violation.
- (b) In addition to the penalties prescribed in subdivision (a) of this Section, operators who willfully continue to violate the Airport Rules and Regulations may be denied the use of the Airport and its facilities.

AIRCRAFT OPERATIONS

Section 79.8 Compliance with Aircraft/Airport Noise Abatement Procedures Required

Except in an emergency as defined in this section, no aircraft shall be operated on the Airport, except as provided in subdivisions (a) to (d) of this section, unless specifically exempted by prior permission of the Airport Operator for an unusual situation.

- (a) Compliance with FAA noise rules, regulations, order and procedures.

All aircraft operations shall be in compliance with all applicable FAA rules, regulations, orders and procedures respecting noise, as amended from time to time, except as exempted or otherwise authorized by the FAA.

- (b) Aircraft engine operation for maintenance purposes.

Aircraft engine testing may be conducted only in areas and at times as designated by the Airport owner/operator.

- (c) Flight training.

Flight training, including instrument approaches and touch-and-go landings and take-offs, may be restricted in consideration of operational constraints at the direction of the Airport owner/operator.

- (d) Exemption of emergency conditions.

Notwithstanding the provisions of this Section, aircraft may utilize the Airport under the following circumstances:

1. An immediate landing is required due to a declared aircraft emergency.
2. A take-off or landing is conducted as a part of a medical or life-saving emergency precipitated by the existence of a life-threatening situation.

Section 79.9 Prohibition of Landing or Taking-off Under Certain Circumstances

The Airport Operator may prohibit aircraft from landing, except for emergency landings, or taking off at any time when, and under any circumstances under which, the Airport Operator deems such landings and take-offs may be likely to endanger persons or property, or exceed the weight limitation established for the Airport.

Section 79.12 Careless, Negligent or Reckless Operation of Aircraft Prohibited

No person shall operate an aircraft on the Airport in a careless or negligent manner or in disregard of the rights and safety of others, or without due caution and circumspection, or at a speed or in a manner which endangers or is likely to endanger persons or property, or while any pilot or any other person aboard controlling any part of the operation thereof, is under the influence of intoxicating liquor, hallucinogenic substances, or any drug affecting the senses, or if such aircraft is so constructed, equipped or loaded as to endanger or be likely to endanger persons or property.

Section 79.13 Compliance with Official Orders, Signals or Directions is Required.

The aircraft operator shall comply with any order, signal or direction of any representative of the Airport Operator. When the operation of the aircraft is controlled by lights, signs, mechanical or electrical signals or pavement markings, such lights, signs, signals and markings shall be obeyed unless the Airport Operator directs otherwise.

Section 79.14 Activities for Which Prior Written Permission is Required

The aircraft operator shall comply with any order, signal or direction of any representative of the Airport Operator. When the operation of the aircraft is controlled by lights, signs, mechanical or electrical signals or pavement markings, such lights, signs, signals and markings shall be obeyed unless the Airport Operator directs otherwise.

Section 79.15 Activities for Which Prior Written Permission is Required

Operators shall obtain prior written permission from the Airport Operator before conducting the following activities at the Airport:

- (a) Motorless Aircraft - Gliders, sail-planes or any other certificated or non-certificated motorless aircraft shall not land upon, or take-off from the Airport without prior written permission of the Airport Operator.
- (b) Ultralight Vehicles - Ultralight vehicles shall not land upon, or take off from the Airport without prior permission of the Airport Operator.
- (c) Lighter-than-Air Aircraft - Airships, dirigibles and other certificated lighter-than-air aircraft shall not land upon, moor or take-off from the Airport without prior written permission of the Airport Operator.
- (d) Banner or Glider Towing - No person shall tow banners, gliders, or any other device to or from the Airport without prior written permission of the Airport Operator.
- (e) Formation Landings or Take-Offs - No person shall land upon or depart from the Airport in a formation of two or more aircraft without prior written permission of the Airport Operator.
- (f) Parachute Drop - No person shall conduct a parachute drop on Airport property without prior written permission of the Airport Operator.

Section 79.16 Brakes and Two-Way Radio Required

Except when landing as a result of an in-flight emergency, no aircraft shall land upon, operate on the surface of, or take-off from the Airport unless it is equipped with operable wheel brakes and functioning radio capable of direct two-way communication with the Air Traffic Control Tower.

Section 79.17 Requirement to Start and Run Aircraft Engines and to Taxi Aircraft

No person shall start or run an aircraft engine at the Airport or taxi an aircraft on the Airport, unless wheel chocks, or other approved devices for blocking the movement of an aircraft, are placed at the front and rear of each main landing gear and the brakes of the aircraft locked before the engine or engines are started.

Section 79.18 Requirement to Attend Aircraft While Engines Running

No person shall leave an aircraft, or its controls, unattended while the aircraft's engines are running.

Section 79.19 Taxiing in or out of Hangars Prohibited

No aircraft shall be taxied under its own power into or out of any hangar at the Airport.

Section 79.21 Identification of Student Pilots

Pilots holding a student pilot certificate issued by the Federal Aviation Administration shall at all times identify themselves as student pilots upon initial radio contact with Stewart's Air Traffic Control Tower or when transmitting their intentions on the radio within the Airport air traffic area during periods when the Airport air traffic control tower is closed.

Section 79.22 Parking and Storing of Aircraft

Parking and storing of aircraft at the Airport shall be accomplished in locations designated and in the manner prescribed by the Airport Operator for such parking and storage. The following conditions shall apply:

- (a) **Aircraft tie-down.**
No person shall park an aircraft or leave an aircraft standing at any place on the Airport other than inside a hangar unless it is firmly tied to the ground in the manner prescribed by the Airport Operator. The main landing wheels shall be chocked with wheel blocks or other approved devices except in cases where, in the opinion of the Airport Operator, other proven procedures are equally safe. In addition to the above, helicopters shall have braking devices and/or rotor mooring blocks applied to the rotor blades.
- (b) **Transient Parking.**
Operators may park or leave standing an aircraft in areas designated by the Airport Operator for transient parking provided the aircraft is secured to the ground in the manner described in subdivision (a) of this section.

(c) Movement of parked or stored aircraft.

Upon direction from the Airport Operator, the operator of any aircraft parked or stored at the Airport shall move said aircraft from the place where it is parked or stored to any other designated place. Should the operator refuse to comply with such direction, the Airport Operator may tow said aircraft to such designated place at the operator's expense and, if such direction was reasonable under the circumstances, without liability for damage which may result in the course of such moving.

Section 79.23 Accident Reporting Required

The Operator of any aircraft involved in any accident at the Airport causing personal injury or property damage shall make a full and prompt report of said accident to the Airport Operator. In addition, such reports as required by any agency of the State of New York shall also be made.

Section 79.24 Wrecked or Disabled Aircraft to be Removed

The owner of a wrecked or disabled aircraft shall at its sole expense be responsible and solely liable for the removal of said aircraft and parts thereof as directed by the Airport Operator, but shall not begin such removal without the written permission of the Airport Operator. In the event of failure to comply with such direction, such wrecked or disabled aircraft and parts may be removed by the Airport Operator at the aircraft owner's expense. The Airport Operator shall have no liability for damage or loss which may occur in the course of any aircraft removal.

VEHICLE OPERATIONS

Section 79.25 Compliance with Official Orders, Signals or Directions is Required

All vehicular traffic in or upon the Airport shall at all times comply with the order, signal or direction of the Airport Operator. When such traffic is controlled by official traffic lights, signs, mechanical or electrical signals, or pavement markings, such lights, signs, signals and markings shall be obeyed.

Section 79.26 Careless, Negligent or Dangerous Operation Prohibited.

No vehicle shall be operated in or upon the Airport in a careless or negligent manner or in disregard of the rights and safety of others, or without due caution or circumspection, or at a speed or in a manner which endangers unreasonably or is likely to endanger unreasonably persons or property, or while the driver thereof is under the influence of intoxicating liquor or any drug affecting the senses, or if such vehicle is so construed, equipped or loaded as to endanger unreasonably or be likely to endanger unreasonably persons or property.

Section 79.27 Operators to be Licensed and Vehicles to be Properly Equipped

- (a) No vehicle shall be operated in or upon the Airport unless the driver thereof is duly licensed to operate such vehicle on state highways or the vehicle is of specific nature to the operation of the Airport and is not intended for road use.
- (b) No vehicle shall be operated in or upon the Airport unless it is in sound mechanical order, has adequate lights, horn and brakes and clear vision from the driver's position. In addition, trailers and semi-trailers will not be permitted unless they are equipped with reflectorized devices on all sides and unless they are equipped with proper brakes so that when disengaged from a towing vehicle, neither aircraft blast nor wind will cause them to become free rolling. Positive locking couplings shall be required for all towed equipment. Except for vehicles that are exclusively used in or upon the Airport and are permitted by written authorization of the Airport Operator, all vehicles shall meet New York State licensing and inspection requirements.

Section 79.28 Vehicles to Yield Right-of-Way to Aircraft

All vehicles in or upon the Airport, shall yield the right-of-way to any and all aircraft in motion. However, emergency vehicles shall have right-of-way over taxiing aircraft.

**Section 79.29 Operation of Vehicles in the Air Operations
Areas Restricted**

- (a) Ramp Speed Limits - Speed limits for all types of motorized vehicles and equipment shall be :
- (1) Around Aircraft - Five (5) miles per hour.
 - (2) Fire Lanes and Access Roads - Fifteen (15) miles per hour.
 - (3) Taxiways - Thirty-five (35) miles per hour.

Snow removal equipment and emergency response vehicles shall be exempt from these speed limits during snow removal operations and required emergency responses.

- (b) All vehicles operating in the air operations areas of the Airport shall be equipped with a functioning two-way radio capable of communicating on the proper aeronautical frequencies and shall obtain a clearance from the Airport Air Traffic Control Tower before entry thereon. Vehicles used on a regular basis in the air operations areas of the Airport shall be painted in a manner approved by the Airport Operator and be equipped with an approved amber rotating or flashing beacon on the roof or uppermost point of the vehicle. After obtaining permission of the Airport Operator, vehicles used on an irregular basis in or upon the Airport shall proceed directly to their destination and shall have in operation the flashing parking lights.

Section 79.30 Loading and Unloading of Passengers or Cargo by Vehicles Restricted.

No vehicle shall load or unload passengers or cargo in or upon the Airport at any place other than those areas designated by the Airport operator.

Section 79.31 Parking or Stopping in Certain Areas Prohibited.

No person shall park or stop a vehicle in or upon the Airport:

- (a) in front of a driveway.
- (b) Within a bus stop zone or taxicab zone, except vehicles authorized to use such areas.

- (c) In other than leased or authorized areas for the purpose of washing, greasing or repairing a vehicle, except those repairs necessitated by an emergency.
- (d) On the roadway side of any stopped or parked vehicle (double parking).
- (e) Within 15 feet of a fire hydrant.
- (f) Other than in accordance with the restrictions posted on authorized signs.

Section 79.32 Payment of Prescribed Parking Fees Required

No person shall park a vehicle within any public vehicular parking area of the Airport except upon the payment of such fees and charges as may from time to time be prescribed.

**Section 79.33 Disabled, Abandoned or Illegally Parked Vehicles
 Subject to Removal.**

The Airport Operator may remove from any area of the Airport any vehicle which is disabled, abandoned, parking in violation of these rules and regulations, or which presents an operational problem, at the operator's expense and without liability for damage which may result from such removal. Disabled, abandoned or illegally parked vehicles which are cited for such violations shall be subject to monetary fines for each incident pursuant to New York State Vehicle and Traffic Law.

Section 79.34 Operation of Tank Vehicles Restricted

No tank vehicle shall be operated in or upon the Airport unless prior written approval as to equipment, construction, condition and contents is given by the Airport Operator.

HAZARDOUS MATERIALS

Section 79.35 Open Fires Restricted

No person shall start any open fires of any type, including flare pots, torches or fires in containers formerly used for fuel, oil, paint or similar flammable material, on any part of the Airport without prior written permission of the Airport Operator.

Section 79.36 Fuel Handling

All fuel handled in or upon the Airport shall be treated with due caution and circumspection with regard to the rights and safety of others so as not to endanger, or be likely to endanger, persons or property. The following prohibitions, restrictions and requirements apply at the Airport:

- (a) **Smoking Prohibited.**
Smoking is prohibited within 50 feet of an aircraft or fuel truck during fuel handling operations.
- (b) **Fueling While Engines are Running or Being Heated Prohibited.**
Fueling is prohibited while engines are running or being heated.
- (c) **Operation of Aircraft Radios or Electrical Equipment Prohibited.**
No person shall operate any radio transmitter or receiver, any other electrical equipment, or switch any electrical circuit on or off, or do any act or use any material which may or could cause a spark, within 50 feet of an aircraft during fuel handling operations.
- (d) **Transfer of Bulk Fuel Prohibited.**
The transfer of bulk aircraft or vehicular fuel from one vehicular tender to another is prohibited in or upon the Airport.
- (e) **Operation of Airborne Radar Equipment Restricted.**
No airborne radar equipment shall be operated or ground tested in any area of the Airport wherein the directional beam of high intensity radar is within 300 feet, or the direction beam of low intensity radar (less than 1.0 KW output) is within 100 feet, of an aircraft fueling operation, an aircraft fueling truck, or an aircraft fuel or flammable liquid storage facility.
- (f) **Presence of Passengers and Unauthorized Persons Restricted.**
No passenger or passengers shall be permitted to remain aboard an aircraft during fueling operations, unless one set of compatible passenger stairs is in place at the left front passenger exit. Only authorized persons engaged in the fuel handling, or engaged in the maintenance and operation of the aircraft being fueled, shall be permitted within fifty (50) feet of such aircraft during fuel handling operations.

- (g) **Starting of Engines Near Fuel Spills Prohibited.**
No person shall start any aircraft engine when there is any type of fuel on the ground under the aircraft, even though the spillage may have been flushed, unless specific permission to start engines has been granted by the Airport Operator.
- (h) **Refueling of Automotive Equipment Restricted.**
Automotive equipment shall be refueled at the Airport only at refueling stations and from dispensing devices approved by the Airport Operator.
- (i) **Presence of at Least Two Approved Fire Extinguishers Required.**
At least two carbon dioxide fire extinguishers (15 pounds or larger), or other type fire extinguishers acceptable to the Airport Operator shall be immediately available for use during fuel handling operations.
- (j) **Use of Approved Fuel Storage and Delivery Facilities Required.**
All operators of aircraft who receive, and all persons who supply, aviation fuel, oil and lubricants at the Airport, shall use only those aviation fuel storage and delivery facilities and equipment approved by the Airport Operator for such use.
- (k) **Aircraft and Fuel Dispensing Apparatus to be Grounded.**
The aircraft and fuel dispensing or draining apparatus shall be grounded by metal wire or cable to a designated grounding point to prevent the possibility of static ignition of volatile liquids.
- (l) **Fueling to be Conducted at Least Fifty (50) Feet From Buildings.** Aircraft fuel handling shall be conducted at least fifty (50) feet from any hangar or any other building.

Section 79.37 Storage, Handling, Use or Transport of Hazardous Materials Restricted.

No person shall store, keep, handle, use, dispense or transport at, in or upon the Airport any hazardous material without prior written permission of the Airport Operator.

Section 79.38 Storage, Handling, Use or Transport of Radioactive Materials Restricted.

No person shall store, keep, handle, use or transport at, in or upon the Airport any radioactive material without prior written permission of the Airport Operator.

MISCELLANEOUS

Section 79.39 Unauthorized Commercial Activity, Entertainment and Solicitation of Alms Prohibited.

No person, unless duly authorized by the Airport Operator, shall, in or upon the Airport:

- (a) sell, or offer for sale, any article of merchandise; or
- (b) solicit any business or trade, including the carrying of baggage for hire, the shining of shoes or bootblacking; or
- (c) entertain any persons by singing, dancing or playing any musical instrument; or
- (d) solicit alms.

Section 79.40 Loitering Prohibited

No person who is unable to give satisfactory explanation of his presence, shall loiter in or about any toilet area, waiting room or any other location in or upon the Airport.

Section 79.41 Interference With, or Unauthorized Starting of Aircraft Prohibited.

No person shall interfere with the operation of any aircraft at the Airport, or start any engine of such aircraft without the operator's consent.

Section 79.42 Entry Upon Air Operations Restricted.

No person shall enter upon any air operations area of the Airport without permission of the Airport Operator except persons assigned to duty therein, authorized representatives of the Airport Operator, or passengers and crews entering for purposes of embarkation or debarkation.

Section 79.43 Carrying of Firearms Restricted.

No person except peace officers and other authorized government representatives, authorized security employees and members of the armed forces of the United States shall carry firearms in or upon the Airport without prior permission of the Airport Operator.

Section 79.44 Cleaning or Maintenance of Aircraft Restricted to Designated Areas.

Cleaning of or otherwise maintaining, repairing or servicing aircraft shall be accomplished only in areas of the Airport designated for that purpose by the Airport Operator.

Section 79.45 Garbage or Other Refuse Disposal Restricted.

No person shall place, discharge or deposit in any manner, garbage or any refuse in or upon any part of the Airport, except at such places and under such conditions as the Airport Operator from time to time may prescribe.

Section 79.46 Entry of Animals in or Upon the Airport Restricted.

No person shall enter in or upon any part of the Airport with any animal except a "Seeing Guide Dog", one properly confined for shipment, on a leash or confined in such a manner as to be under control.

Section 79.47 Permission to Post, Distribute or Display Printed Matter Required.

No person shall post, distribute or display signs, advertisements, circulars, printed or written matter at the Airport without prior written permission of the Airport Operator. Signs or any printed matter posted or displayed without the written permission of the Airport Operator may be removed at the expense of their owner.

Section 79.48 Permission for Solicitation of Funds Required.

No person shall solicit funds for any purpose in or upon the Airport without prior permission of the Airport Operator.

USER FEES - STEWART INTERNATIONAL Airport

Section 79.49 User Fees.

(a) Public Landing Area Charges

- (1) \$1.10 (One dollar and ten cents) per thousand pounds for all aircraft based on certified maximum gross take-off weight (CMGTW). Aircraft under 10,000 pounds not involved in commercial operations shall be exempt.
- (2) Aircraft of Federal or New York State Government agencies on government business are exempt from landing fees. (When total operations of a particular agency meet the intent of the "substantial use clause", as defined by the FAA, the Airport will negotiate a separate agreement for landing fees with the agency in question).
- (3) On approval of the Airport Operator, air carriers and general aviation operators utilizing aircraft in excess of 10,000 pounds CMGTW, for pilot proficiency training at the Airport may be eligible for negotiated runway use fees for such training (not to be less than 60 percent of the rates set forth in Section 79.49 (a) (1) of these rules). In the absence of a negotiated fee, the fee structure outlined in Section 79.49 (a) (1) of these rules will apply as set forth below:

(b) General aviation parking charges

General aviation aircraft for a period in excess of one hour and for each additional eight hour period or part thereof in any area designated and controlled by the Airport Operator will be charged \$1.25 per 1,000 pounds CMGTW.

- (c) Every person proposing to conduct the following activities at the Airport shall satisfy the Airport Operator that they are qualified to provide such services and shall pay the following fees:

Fees to be paid by a commercial operating permittee. An administrative fee of \$200 will be charged for the issuance of each permit.

(1) Aviation Related Services:

- (i) Flight Instruction
\$275 per year, per single engine aircraft
\$330 per year, per multi-engine aircraft
- (ii) Airframe and Powerplant Maintenance
\$550 per year
- (iii) Avionics and Instrument Maintenance
\$550 per year
- (iv) Charter Operations
\$110 per year per passenger seat
- (v) Aviation Ground School
\$330 per year
- (vi) Sightseeing Photo Operations
\$330 per year per Aircraft
- (vii) Ground Handling Services
Five percent (5% of gross receipts)
- (viii) Aircraft Interior Cleaning
\$550. per year
- (ix) Aircraft Sales
Two percent (2%) of gross sales.

(2) Landside Terminal Services:

- (i) Taxi Service
\$550 per year per vehicle

- (ii) Limousine Service
\$550 per year - 1st vehicle
Cost for additional vehicles will be determined in accordance with a fee schedule to be established by the Airport Operator.
- (iii) Hotel/Motel Courtesy Vehicle
\$550 per year
- (iv) Mobile Lunch Truck
\$550 per year
- (v) Newspaper/Vending Machines
\$220 per year, per machine
- (vi) Baggage Courier Services
\$550 per year
- (vii) Small Package Delivery Services
\$550 per year.

(3) Off-Airport User Fees:

- (i) Rental Car Companies
Ten percent (10%) of gross receipts of sales generated at the Airport.
- (ii) Parking Lots
Each month an amount equal to (x) \$27.50 multiplied by (y) the month's aggregate vehicles parked in the lot, divided by the number of days in the month or portion thereof.

(d) **Aircraft marketing/sales.**

Any person engaged in aircraft marketing at the Airport, for the purposes of aircraft sales, which may or may not lead to the sale of any aircraft at the Airport will be charged the following unless otherwise established in separate lease, or permit with the Airport Operator.

- (1) One or more aircraft between
0-5000 lbs. CMGTW \$ 2,500.
- (2) One or more aircraft between
5,001-10,000 lbs. CMGTW \$ 7,500.
- (3) One or more aircraft 10,001 lbs.
CMGTW or over \$15,000.

A maximum annual fee of \$15,000 per year shall apply for multiple categories of aircraft marketing/sales.

(e) **Fuel flowage fees.**

- (1) Aviation storage gasoline, jet A and other fuels
used to propel aircraft \$.06/gal
- (2) Engine oil or other lubricants \$.40/gal

(f) **Airline Parking Charges - Other Than Scheduled Service.**

Aircraft parked in any area designated and controlled by the NYSDOT will be subject to the following charges:

- Domestic Flights First 2 Hours - No charge
- International Flights First 3 Hours - No charge

Additional Time for each eight (8) hour period or fraction thereof:

- (1) Wide body aircraft (DC-10, B-747) \$250.00
- (2) Narrow body aircraft (DC-9/8, B-727) \$125.00
- (3) Large, turbo-prop aircraft (over 15 seats) \$75.00

(g) Passenger Terminal Charges -Other Than Scheduled Airline Service.

- (1) \$1.50 per passenger seat on each arriving aircraft.
- (2) \$1.50 per passenger seat on each departing aircraft.
- (3) \$1 per passenger seat for use of international customs clearance facilities.

(h) Scheduled Airline Service.

The Airport Operator reserves the right to negotiate rates and charges based on the level of service, frequency and use of Airport facilities.

(i) Passenger Terminal Security.

Equipment fee and manpower costs incurred plus fifteen percent (15%) administrative charge.

(j) **Animal Export Center Charges.**

Owned by the NYSDOT, the Animal Export Center is operated under contract by the USDA. Except as otherwise provided for in an agreement with the Airport, the following rates and charges shall apply:

| SPECIES | <u>Per Animal</u> | <u>Per Animal</u> | <u>Per Animal</u> |
|------------------------|-------------------------|--|---|
| | Start, up to 24 hrs. | Each add'l. 24 hrs. or fraction up to 72hrs. | Each add'l. 24hrs. or fraction over 72 hrs. |
| i. Swine/sheep/goats | \$ 5.00 | \$ 3.00 | \$ 5.00 |
| ii. Bred heifers/bulls | 8.90 | 3.00 | 8.90 |
| iii. Open heifers | 8.00 | 3.00 | 8.00 |
| iv. Calves | 4.00 | 3.00 | 4.00 |
| v. Cows | 11.50 | 5.00 | 11.50 |
| vi. Horses/ponies | 27.00 | 27.00 | 27.00 |

1. The export center features direct loading from the facility to the aircraft.

2. Rates include:
 - i. Receiving, weighing of animals and feed.
 - ii. Water and bedding
 - iii. Handling the animals while at the export center including assisting the USDA veterinarian with the required inspections.
 - iv. Loading the animals into aircraft.

3. Rates do not include:
 - (i) Special diets or grains, etc. There will be an additional cost to the consignor. Prior arrangements must be made with the USDA facility operator.
 - (ii) Individual stalls for horses. Note: rental stalls are available locally.
 - (iii) Additional space, pens or stalls required beyond facility capacity.
4. Stewart International Airport Operating Procedure 706 entitled Animal Export Facility Operations details the reservation and payment procedures utilized by the USDA and Stewart International Airport.
5. The Export Center may not be utilized as a quarantine station for full load charter flights operating from other Airports.
6. Rejected animals will be held at the above rates for only as long as the facility is being operated for other animals awaiting shipment. Other facilities must be used for their care at consignors expense.
7. Consignors may give medical attention, contract for their own veterinary services or authorize the USDA facility operator to provide veterinary service.
8. Truck to truck Operations. (1) \$300 per bay per 24 hour period or fraction thereof plus operator's handling fee.
9. Truck to aircraft operations. (1) \$500 per aircraft.

(k) **International Trash Removal**

Foreign trash container usage.

- (1) commercial aircraft - \$100 per flight
- (2) private and military aircraft - \$50 per flight

(l) **Customs Service Charge**

The following user fee structure applies for aircraft operators using customs services. Fees are based on aircraft's certified maximum gross takeoff weight (CMGTW).

| CMGTW | Airport BASED | TRANSIENT USER |
|-----------------------------|------------------|-------------------|
| Up to 6,000 pounds | \$ 25.00 | \$ 35.00 |
| 6,001 to 20,000 pounds | \$ 50.00 | \$ 75.00 |
| 20,001 to 50,000 pounds | \$ 75.00 | \$125.00 |
| 50,001 to 90,000 pounds | \$100.00 | \$150.00 |
| 90,001 to 130,000 pounds | \$150.00 | \$200.00 |
| 130,001 to 200,000 pounds | \$200.00 | \$250.00 |
| 200,001 to 250,000 pounds | \$275.00 | \$325.00 |
| 250,001 to 300,000 pounds | \$350.00 | \$400.00 |
| greater than 300,000 pounds | \$425.00 | \$475.00 |

The Airport reserves the right to negotiate customs fees with those operators who utilize customs services on a regular basis.

Amendment #1 to the Stewart International Airport Rules and Regulations

Section 79.49 (c) shall be deleted in its entirety and shall be replaced with the following:

Every person proposing to conduct the following activities at the Airport shall satisfy the Airport Operator that they are qualified to provide such services and shall pay the following fees:

Fees to be paid by a commercial operating permittee. An administrative fee of \$200 is included for the issuance of each permit.

(1) Aviation Related Services:

Flight Instruction

\$300 per year, per single engine aircraft

\$350 per year, per multi-engine aircraft

(ii) Airframe and Powerplant Maintenance
\$585 per year

(iii) Avionics and Instrument Maintenance
\$585 per year

(iv) Charter Operations
\$120 per year per passenger seat

Aviation Ground School
\$350 per year

(vi) Sightseeing Photo Operations
\$350 per year

(vii) Ground Handling Services
Five percent (5% of gross receipts)

(viii) Aircraft Interior Cleaning
\$585 per year

(ix) Aircraft Sales
Two percent (2%) of gross sales

Landside Terminal Services:

Taxi Service

\$585 per year per vehicle

- ii) Limousine Service
\$585 per year - 1st vehicle
Cost for additional vehicles will be determined in accordance with a fee schedule to be established by the Airport Operator.

- iii) Hotel/Motel Courtesy Vehicle
\$585 per year

- iv) Mobile Lunch Truck
\$585 per year or 5% of sales, whichever is greater

Newspaper/Vending Machines
\$235 per year

- vi) Baggage Courier Services
\$585 per year

- vii) Small Package Delivery Services
\$585 per year

- viii) Security Services
\$585 per year

- ix) Retail Operations
\$585 per year or 5% of gross sales, whichever is greater

(3) Off-Airport User Fees:

- (i) Rental Car Companies
Ten percent (10%) of gross receipts of sales generated at the Airport.

- (ii) Parking Lots
Each month an amount equal to (x) \$27.50 multiplied by (y) the month's aggregate vehicles parked in the lot, divided by the number of days in the month or portion thereof.

Approved this ____ day of _____, 2002

Charles G. Seliga
Managing Director

Amendment #2 to the Stewart International Airport Rules and Regulations

Section 79.49 (c) shall be deleted in its entirety and shall be replaced with the following:

- (c) Every person proposing to conduct the following activities at the Airport shall satisfy the Airport Operator that they are qualified to provide such services and shall pay the following fees:

Fees to be paid by a Commercial Operating Permittee. An administrative fee of \$200 is included for the issuance of each permit.

(1) Aviation Related Services:

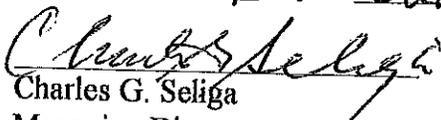
- (i) Flight Instruction
\$315.00 per year, per single engine aircraft
\$367.50 per year, per multi-engine aircraft
- (ii) Airframe and Power plant Maintenance
\$614.25 per year
- (iii) Avionics and Instrument Maintenance
\$614.25 per year
- (iv) Charter Operations
\$126.00 per year per passenger seat
- (v) Aviation Ground School
\$367.50 per year
- (vi) Sightseeing Photo Operations
\$367.50 per year
- (vii) Ground Handling Services
Five percent (5% of gross receipts)
- (viii) Aircraft Interior Cleaning
\$614.25 per year
- (ix) Aircraft Sales
Two percent (2%) of gross sales

(2) Landside Terminal Services:

- (i) Taxi Service
\$614.25 per year per vehicle

- (ii) Limousine Service
\$614.25 per year - 1st vehicle
Cost for additional vehicles will be determined in accordance with a fee schedule to be established by the Airport Operator.
 - (iii) Hotel/Motel Courtesy Vehicle
\$614.25 per year
 - (iv) Mobile Lunch Truck
\$614.25 per year or 5% of sales, whichever is greater
 - (v) Newspaper/Vending Machines
\$246.75 per year
 - (vi) Baggage Courier Services
\$614.25 per year
 - (vii) Small Package Delivery Services
\$614.25 per year
 - (viii) Security Services
\$614.25 per year
 - (ix) Retail Operations
\$614.25 per year or 5% of gross sales, whichever is greater
- (3) Off-Airport User Fees
- (i) Rental Car Companies
Ten percent (10%) of gross receipts of sales generated at the Airport.
 - (ii) Parking Lots
Each month an amount equal to (x) \$27.50 multiplied by (y) the month's aggregate vehicles parked in the lot, divided by the number of days in the month or portion thereof.
- (d) In the month of July of the year 2003 and for every year thereafter, the fees paid by the Commercial Operating Permittee shall be increased by 5%.

Approved this 9 day of June, 2003


Charles G. Seliga
Managing Director

Amendment #3 to the Stewart International Airport Rules and Regulations

Section 79.7 (c) shall be added in its entirety:

(c) PENALTIES FOR VIOLATIONS OF THE AIRPORT SECURITY PLAN

Penalties for violations of this security plan include but are not limited to permanent removal of SIDA privileges to include no "Under Escort" privileges for the employee, the escort, and the supervisor; fines up to \$10,000.00 dollars per person per violation applicable to the employee, the escort, the supervisor, and the supervisor's employer; and results of any investigation turned over to local, state, and federal authorities.

Section 79.49 (m) shall be added in its entirety:

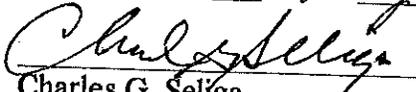
(m) FEES FOR KEYS, LOCKS, CORES, OR ADDITIONAL LIKE SERVICES

Each Airport Tenant will be issued 2 keys for every lock associated with leased space.

(1) For each additional key required:
\$5.00

(2) For each core change:
\$25.00

Approved this 3/day of July, 2003


Charles G. Seliga
Managing Director

Amendment #4 to the Stewart International Airport Rules and Regulations

Section 79.7 (a) sub items shall be replaced in its entirety as follows:

Any person failing to comply with or violating any Rule or Regulation including but not limited to:

- (1) Disobeying of any airport sign in the air operations area
- (2) Vehicles operating faster than allowed for that area (Speeding) in the air operations area
- (3) Smoking in prohibited areas
- (4) Vehicles operating in the air operations area not meeting requirements of that area

Contained herein shall be guilty of a violation of law, and upon conviction thereof maybe fined up to \$250.00 for each violation.

Section 79.27 (c) add the following paragraphs in their entirety:

Aircraft service vehicles that are used only in the Non-Movement aircraft parking areas need only be painted and marked so as to be easily distinguishable from equipment operated by other companies.

All vehicles entering the air operations area that are legal to operate on public roads must get a 'Ramp Authorized' permit for Airport Operations prior to entering the air operations area. The Permit sticker must be attached to the vehicle on the driver's side front bumper.

To get a 'Ramp Authorization', the registration and current insurance documents must be presented with a copy to remain with Airport Operations.

All vehicle operators in the air operations area must have a current and valid drivers license legal for that vehicle type and posses a valid SIDA badge with driving privileges.

Motorcycles, motorbikes, three-wheeled motor vehicles, and scooters are prohibited from operating in the air operations area.

Section 79.29 (b) sub-item shall be replaced in its entirety:

- (b) "Airport Tenant Vehicles" Vehicles shall be painted in a manner approved by the Airport Operator. Vehicles must display a logo or sign, which identifies the organization that operates the vehicle. Vehicles must be equipped with an approved amber rotating or flashing beacon on the roof or uppermost point of the vehicle observable from 360 degrees. All vehicles operating in the runway and taxiway safety areas of the Airport shall be equipped or operated with a functioning two-way radio capable of communicating on the proper aeronautical frequencies and shall obtain a clearance from the Airport Air Traffic Control Tower before entry thereon.

(c) - (d) sub-items shall be added in its entirety:

(c) "Airport Construction Vehicles" Construction vehicles must be equipped with an approved amber rotating or flashing beacon on the roof or uppermost point of the vehicle observable from 360 degrees. Construction vehicles used only in the construction area during daytime (daylight) hours may use an approved high visibility checkerboard flag on the roof or uppermost point of the vehicle observable from 360 degrees. All construction vehicles operating in the runway and taxiway safety areas of the Airport shall be equipped or operated with a functioning two-way radio capable of communicating on the proper aeronautical frequencies and shall obtain a clearance from the Airport Air Traffic Control Tower before entry thereon.

(d) Vehicles used on an irregular basis or not meeting the requirements of Section 79.29 (b) or (c) in or upon the Airport shall operate in 'Under Escort' conditions as dictated by Airport Operations and shall have in operation flashing parking lights (emergency flashers).

Section 79.31 (g) shall be added in its entirety:

(g) No parking along the Main Terminal curb as posted.

Section 79.35 paragraph shall be added in its entirety following the current paragraph:

Smoking on any aircraft ramp area in the Air Operations Area and / or inside of any airport building is prohibited.

Section 79.43 paragraph shall be added replaced in its entirety:

No person except Federal Law Enforcement, Police Officers, Peace Officers, and other authorized government representatives, authorized security employees, and members of the armed forces of the United States in direct performance of their duties required on Airport Property shall carry firearms in or upon the Airport without prior permission of the Airport Operator. Unloaded and secure weapons for transportation for travel aboard commercial aircraft are allowed movement on Airport Property.

Section 79.49 (e) (3) shall be added in its entirety:

(3) Gasoline, Diesel, and other fuels used in support of aircraft and aircraft support equipment are changed as indicated

\$ 0.06 / gallon

Approved this 6 day of October, 2003


Charles G. Sellga
Managing Director

Amendment #5 to the Stewart International Airport Rules and Regulations

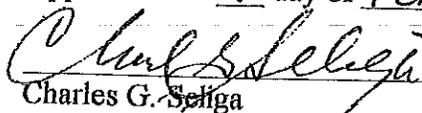
Section 79.49 (a) (1) shall be deleted in its entirety and shall be replaced with the following

Section 79.49 User Fees

(a) Public Landing Area Charges

- (1) \$1.15 (One dollar and fifteen cents) per thousand pounds for all aircraft based on certified maximum gross take-off weight (CMGTW). Aircraft under 10,000 pounds not involved in commercial operations shall be exempt.

Approved this 4 day of February, 2004



Charles G. Seliga
President & COO

GLORIA ALISANDRELLA
Notary Public, State of New York
Qualified in Orange County
Reg. No. 4899328
Commission Expires 7-6-07

Amendment #6 to the Stewart International Airport Rules and Regulations

Section 79.49 (c) shall be deleted in its entirety and shall be replaced with the following:

- (c) Every person proposing to conduct the following activities at the Airport shall satisfy the Airport Operator that they are qualified to provide such services and shall pay the following fees:

Fees to be paid by a Commercial Operating Permittee. An administrative fee of \$200 is included for the issuance of each permit.

(1) Aviation Related Services:

- (i) Flight Instruction
\$330.00 per year, per single engine aircraft
\$385.00 per year, per multi-engine aircraft
- (ii) Airframe and Power plant Maintenance
Five percent (5% of gross receipts)
- (iii) Avionics and Instrument Maintenance
Five percent (5% of gross receipts)
- (iv) Charter Operations
\$133.00 per year per passenger seat
- (v) Aviation Ground School
\$385.00 per year
- (vi) Sightseeing Photo Operations
\$385.00 per year
- (vii) Ground Handling Services
Five percent (5% of gross receipts)
- (viii) Aircraft Interior Cleaning
Five percent (5% of gross receipts)
- (ix) Aircraft Sales
Two percent (2%) of gross sales

(2) Landside Terminal Services:

- (i) Taxi Service
\$645.00 per year per vehicle

Limousine Service

\$645.00 per year - 1st vehicle

Cost for additional vehicles will be determined in accordance with a fee schedule to be established by the Airport Operator.

(iii) Hotel/Motel Courtesy Vehicle

\$645.00 per year

(iv) Mobile Lunch Truck

\$645.00 per year or 5% of sales, whichever is greater

(v) Newspaper/Vending Machines

\$260.00 per year or 5% of sales, whichever is greater

(vi) Baggage Courier Services

\$645.00 per year

(vii) Small Package Delivery Services

\$645.00 per year

(viii) Security Services

\$645.00 per year

(ix) Retail Operations

\$645.00 per year or 5% of gross sales, whichever is greater

(3) Off-Airport User Fees

(i) Rental Car Companies

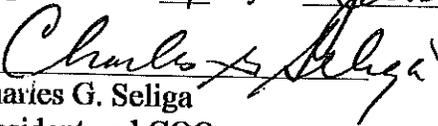
Ten percent (10%) of gross receipts of sales generated at the Airport.

(ii) Parking Lots

Each month an amount equal to (x) \$27.50 multiplied by (y) the month's aggregate vehicles parked in the lot, divided by the number of days in the month or portion thereof.

(d) In the month of July of the year 2003 and for every year thereafter, the fees paid by the Commercial Operating Permittee shall be increased by 5%.

Approved this 7 day of June, 2004


Charles G. Seliga
President and COO

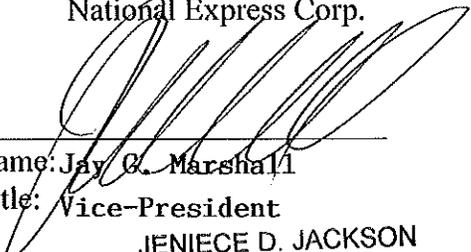
AFFIDAVIT FOR SUBLEASE

NOTE: Item 3 is not required for any corporation whose common stock is traded over the New York Stock Exchange, American Stock Exchange, Nasdaq, London Stock Exchange, or other commonly recognized hereinafter created stock exchange with disclosure requirements at least as demanding as the disclosure requirements of the foregoing exchanges.

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

Jay G. Marshall, being duly sworn, deposes and says:

- (1) I am a (duly authorized officer)/(general partner)/(managing member) of Hudson Group d/b/a Airport Management Services, LLC (Sublessee). Sublessee is the sublessee under that certain sublease from SWF Airport Acquisition, Inc. (ASWF@), dated as of November 9, 2004.
- (2) This affidavit is being executed in connection with Sections 10.05(e)(i) and 10.05(e)(iii) of that certain Agreement of Lease date as of September 24, 1999 (the ALease@), between the State of New York, acting by and through the New York State Department of Transportation, as landlord, and SWF, as tenant.
- (3) The following is a complete list of the names and addresses of all Persons (as defined in the Lease) having ten percent (10%) or greater record ownership of stock in, and all directors and officers of the Sublessee:
James S. Cohen (90%)
Hudson News Company (10%)
- (4) The documents submitted with this affidavit comprise the entire sublease and consist of Articles 1 through 23 and Exhibits A, B, C and D.
- (5) Sublessee is not an affiliate of SWF Airport Acquisition Inc. or its parent company, National Express Corp.


Name: Jay G. Marshall
Title: Vice-President

JENIECE D. JACKSON
Notary Public, State of New Jersey
No. 2306319
Qualified in Passaic County
Commission Expires 10/08/2008

Sworn to before me this
12 day of Nov, 2004


Notary Public

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
One World Trade Center
New York, New York 10048

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 the Port Authority Facility hereinafter named, in accordance with the Terms and Conditions 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. FACILITY: LaGuardia Airport
2. PERMITTEE: HUDSON COUNTY NEWS, INC., a New Jersey corporation
3. PERMITTEE'S ADDRESS: 1305 Paterson Plank Road
North Bergen, New Jersey 07047
4. PERMITTEE'S REPRESENTATIVE: Mario DiDomizio
5. PRIVILEGE: As set forth in Special Endorsement No. 1.
6. FEES: As set forth in Special Endorsement Nos. 2 and 3.
7. EFFECTIVE DATE: May 21, 1992
8. EXPIRATION DATE: December 31, 1998 unless sooner revoked or terminated pursuant to the terms of this Permit.
9. ENDORSEMENTS: 2.6, 3.1, 4.1, 4.5, 5.0, 6.1, 8.0, 9.1, 9.5, 9.6, 10.3, 13.1, 14.1, 16.1, 17.3, 19.1, 21.1, 22, 23.1, 28 and Special Endorsements 1 through 11, inclusive.

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

Dated: As of May 21, 1992

s/ Gerald P. FitzGerald
(Title) Deputy Director of Aviation

Consented and Agreed to as of the
21st day of May, 1992.

USAIR, INC.

HUDSON COUNTY NEWS, INC.

Permittee

s/ Robert A. Hazel

s/ James Cohen

(Title) President
(Corporate Seal)

(Title) Executive Vice President
(Corporate Seal)

*Vice President
Properties & Facilities*

| | |
|-----------------------------|------------|
| APPROVED FOR TRANSMITTAL | |
| FORM | TERMS |
| <i>RTV memo add 2/19/93</i> | <i>SED</i> |

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 at any time by the Port Authority, with or without cause, and with or without prior notice. Unless sooner revoked, such permission shall expire in any event upon the expiration date hereinbefore set forth. 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.~~

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,

(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 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.

The Permittee, its employees, invitees and others doing business with it shall have no right hereunder to park vehicles within the Facility, ~~beyond a reasonable loading or discharging time, except in regular parking areas and upon payment of the regular charges therefor.~~

6. The Permittee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives, from 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 of the operations, acts or omissions of the Permittee hereunder; this indemnity shall extend to and include the contractual obligation of indemnity, if any, undertaken by the Port Authority in favor of the lessor, if any, of the Facility.

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. In the event of revocation, the Permittee shall have two days, exclusive of Saturdays, Sundays and legal holidays (as determined by the laws of the State of New Jersey or of the State of New York, as the case may require), after the effective date of revocation, in which to remove such property.

If the Permittee shall so fail to remove such property upon the expiration or revocation hereof, the Port Authority may at its option, as agent for the Permittee and at the risk and expense of 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 days may sell the same at public auction; the proceeds of any such sale shall be applied first to the expenses of removal, sale and storage, 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.

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 claim 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 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 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. As used herein:

(a) The term "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.

(b) The terms "Manager of the Facility" or "General Manager of the Facility" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the Manager by this Permit; but until further notice from the Port Authority to the Permittee it shall mean the Manager or General Manager (or temporary or Acting Manager or General Manager) of the Facility 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 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 therefor 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 One World Trade Center, New York, New York 10048, or at such other address 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.

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

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

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

(c) Maintain, in accordance with accepted accounting practice, during the effective period of this Permit, for one (1) year after the expiration or earlier revocation or termination thereof, and for a further period extending until the Permittee shall receive written permission from the Port Authority to do otherwise, records and books of account 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;

(d) Permit in ordinary business hours during the effective period of the Permit, for one year thereafter, and during such further period as is mentioned in the preceding subdivision (c), the examination and audit by the officers, employees and representatives of the Port Authority of such records and books of account and also any records and books of account of any company which is owned or controlled by the 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;

(e) 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 cash registers;

~~(f) Furnish on or before the tenth day of each month following the effective date of this Permit a sworn statement of gross receipts arising out of operations of the Permittee hereunder for the preceding month, and furnish within ten days after the expiration or sooner revocation or termination of this Permit a statement of all the gross receipts arising out of operations of the Permittee hereunder during the effective period of this Permit, said statement being certified, at the Permittee's expense, by a certified public accountant;~~

(g) Install and use such cash registers, sales slips, invoicing machines and any other equipment or devices for recording orders taken, or services rendered as may be appropriate to the Permittee's business and necessary or desirable to keep accurate records of gross receipts.

ENDORSEMENT NO. 2.6

Airports

4/20/49; rev. 11/16/49; rev. 12/12/49; rev. 10/2/90

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 persons 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 therefor. The Permittee shall furnish all services hereunder on a fair, equal and non-discriminatory basis to all users thereof.

STANDARD ENDORSEMENT NO. 3.1

ACCOMMODATION OF THE PUBLIC

All Facilities

8/21/49

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

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

STANDARD ENDORSEMENT NO. 4.1

MERCHANDISE AND/OR SERVICES

All Airports

7/21/49

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

ENDORSEMENT NO. 4.5

All Installations

5/16/49

The Port Authority shall be under no obligation
to furnish any services or utilities whatsoever at or on the
Space.

STANDARD ENDORSEMENT NO. 5.0

SERVICES

All Installations

4/4/77

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

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

ENDORSEMENT NO. 6.1

All Installations

3/28/49

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 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 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 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.

STANDARD ENDORSEMENT NO. 9.1

FEDERAL AIRPORT AID

Airports

1/19/81

(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 represents that it is the owner of or fully authorized to use any and all services, processes, machines, articles, marks, names or slogans used by it in its operations under or in any wise connected with this Permit. The Permittee agrees to save and hold the Port Authority, its Commissioners, officers, employees, agents and representatives free and harmless of and from any loss, liability, expense, suit or claim for damages in connection with any actual or alleged infringement of any patent, trademark or copyright, or arising from any alleged or actual unfair competition or other similar claim arising out of the operations of the Permittee under or in any wise connected with this Permit.

STANDARD ENDORSEMENT NO. 13.1

PATENTS, TRADEMARKS, ETC.

All Facilities

7/21/49

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

STANDARD ENDORSEMENT NO. 10.3
GARBAGE REMOVAL
Airports
7/21/49

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

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

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

1. 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.

2. 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.

3. (a) 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.

(b) 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.

(c) 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.

STANDARD ENDORSEMENT NO. 17.3

LAW COMPLIANCE

Airports

4/17/50

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 provision of this Permit, the permission hereby granted shall in any event terminate with the expiration or termination of the lease of La Guardia Airport from the City of New York to the Port Authority under the agreement between the City and 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.

"La Guardia 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 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.

ENDORSEMENT NO. 19.1

La Guardia Airport

5/19/49

(1, The Permittee in its own name as assured shall secure and pay the premium or premiums for those of the following policies of insurance with respect to which minimum limits are fixed in the schedule below. Each such policy shall be maintained in at least the limit fixed with respect thereto, shall cover the operations of the Permittee under this Permit, and shall be effective throughout the effective period:

SCHEDULE

| <u>Policy</u> | <u>Minimum Limit</u> |
|--|--------------------------|
| <p>(a) Comprehensive general liability insurance (to include completed operations and contractual liability endorsements).</p> <p>(1) Bodily-injury liability: For injury or wrongful death to one person: \$2,000,000 For injury or wrongful death to more than one person from any one occurrence: \$2,000,000</p> <p>(2) Property-damage liability: For all damages arising out of injury to or destruction of property in any one occurrence: \$2,000,000</p> <p>(3) Products liability: \$2,000,000</p> | |
| <p>(b) Automobile liability insurance.</p> <p>(1) Bodily-injury liability: For injury or wrongful death to one person: \$2,000,000 For injury or wrongful death to more than one person from any one occurrence: \$2,000,000</p> <p>(2) Property-damage liability: For all damages arising out of injury to or destruction of property in any one occurrence: \$2,000,000</p> | |
| <p>(c) Plate and mirror glass insurance, covering all plate and mirror glass in the Space, and the lettering, signs, or decorations, if any, on such plate and mirror glass:</p> | <p>\$ _____</p> |
| <p>(d) Boiler and machinery insurance, covering all boilers, pressure vessels and machines operated by the Permittee in the Space:</p> | <p>\$ _____</p> |
| <p>(e) "Additional Interest" policy of boiler and machinery insurance, covering all boilers, pressure-vessels and machines operated by the Permittee in the Space:</p> | <p>\$ _____</p> |

(2) The Port Authority shall be named as an additional insured in any policy of liability insurance required by this Endorsement, unless the Port Authority shall, at any time during the effective period of this Permit, direct otherwise in writing, in which case the Permittee shall cause the Port Authority not to be so named.

(3) Every policy of insurance on property other than that of the Permittee required by this Endorsement shall name the Port Authority as the owner of the property, unless the Space is located in an area as to which the Port Authority itself is a lessee, in which case the Port Authority shall be named as the lessee and the owner shall be named as the owner, and the policy shall be endorsed substantially as follows:

"Loss, if any, under this policy, as to the interest of the owner and as to the interest of The Port Authority of New York and New Jersey, shall be adjusted solely with the Port Authority, and all proceeds under this policy shall be paid solely to the Port Authority."

(4) The "Additional Interest" policy of boiler and machinery insurance required by this Endorsement shall provide protection under Sections 1 and 2 only of the Insuring Agreements of the form of policy approved for use as of the date hereof by the National Bureau of Casualty Underwriters, New York, New York.

(5) As to any insurance required by this Endorsement, 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 within ten (10) days after the execution of this Permit. In the event any binder is delivered, it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy or certificate shall contain a valid provision or endorsement that the policy may not be cancelled, terminated, changed or modified, without giving ten (10) days' written notice thereof to the Port Authority. A renewal policy shall be delivered to the Port Authority at least fifteen (15) days prior to the expiration date of each expiring policy. If at any time any of the 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.

(6) Each policy of insurance required by this Endorsement shall contain a 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 or the provisions of any statutes respecting suits against the Port Authority.

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 of 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 Twelve Thousand Five Hundred Dollars and No Cents (\$12,500.00)

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

Standard Endorsement No. 23.1 (Page 1)
Security Deposit
All Facilities
6/12/87

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 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.

Standard Endorsement No. 23.1 (Page 2)
Security Deposit
All Facilities
6/12/87

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. (a) By Agreement of Lease dated as of June 2, 1989, (said agreement of lease as the same may have been supplemented and amended being hereinafter called "the Airline Lease") the Port Authority leased to Continental Airlines, Inc. and Eastern Air Lines, Inc., jointly and severally, certain premises at LaGuardia Airport for the construction and operation of an airline passenger terminal building (hereinafter called "the Terminal"). Eastern Air Lines, Inc. subsequently assigned to Continental Airlines, Inc. its entire interest in the Airline Lease with the approval of the Bankruptcy Court and the consent of the Port Authority. The Airline Lease was thereafter assigned with the approval of the Bankruptcy Court by Continental Airlines, Inc. to USAir, Inc. (hereinafter called "the Airline") pursuant to an Assignment of Lease and Related Documents with Assumption and Consent Agreement entered into among the Port Authority, the Airline and Continental Airlines, Inc., and dated January 17, 1992. It was contemplated under the Airline Lease that certain consumer services would be operated in space provided by the Airline in the Terminal and the Airline has entered into a Sublease Agreement dated May 21, 1992 (hereinafter called "the Concession Lease") with the Permittee under which the Permittee has agreed to operate a certain newsstand concession in such location(s) including any cart or kiosk operation as may be approved, if at all, in writing by the Airline, as the Airline shall designate with the Airline having the right to designate the item(s) which may be carried and sold at each location so designated and the Port Authority hereby consents to such subletting. By its terms the Concession Lease is subject and subordinate to the Airline Lease and the Permittee is obligated under the Concession Lease to comply with all applicable terms of the Airline Lease. The Permittee hereby agrees for the benefit of the Port Authority to so comply.

(b) It was stipulated in the Airline Lease and in the Concession Lease that the Permittee would also enter into a permit agreement with the Port Authority covering the consumer service operations described in the following grant. Accordingly, the Port Authority hereby grants to the Permittee the privilege to operate a first class newsstand concession for the sale at retail of paperback books, magazines, periodicals, newspapers, gum, candies and packaged snacks, cough drops, digestive aids, cigarettes, cigars and tobacco products and accessories, postal cards, stationery supplies, HBA, photographic film, batteries and those sundries identified as such in Exhibit 2.1 to the Concession Lease as originally executed (the foregoing items being herein collectively called "Category A items") as well as souvenirs and T-shirts (both items being herein collectively called "Category B items") and no other item except as may be approved in writing by both the Airline and the Port Authority in advance of the same being stocked or offered to customers. The Permittee shall exercise the privilege granted by

SPECIAL ENDORSEMENTS

this Permit only in such space in the Terminal as the Airline shall designate from time to time and the Permittee hereby agrees to exercise such privilege subject to all the terms and conditions of this Permit. Each area as the Airline shall designate from time to time hereunder for the Permittee's use shall hereinafter sometimes be referred to as "a Concession Area", and all of the Concession Areas are herein referred to collectively as "the Concession Space" or "the space". The Permittee understands that as the Terminal is leased to the Airline all arrangements as to the space and facilities in which the privilege described in this paragraph will be conducted, including utilities and services therefor, shall be made with the Airline and the Permittee acknowledges that it has made such arrangements. The Port Authority makes no representations or warranties as to the location, size, adequacy or suitability of the Concession Space and the facilities therein.

2. (a) As used herein:

(i) "Annual period" shall mean, as the context requires, the twelve-month period commencing with the Fee Commencement Date, as hereinafter defined, and each successive twelve-month period thereafter occurring during the effective period of the permission granted under this Permit commencing with each anniversary of the Fee Commencement Date, provided, however, that if the Fee Commencement Date occurs on a day which is other than the first day of a calendar month, the first annual period shall include the portion of the month following such date in which the Fee Commencement Date falls plus the succeeding twelve (12) calendar months and each such subsequent annual period shall commence on the anniversary of the first day of the first full calendar month following the month in which the Fee Commencement Date occurs.

(ii) "Semi-annual period" shall mean, as the context requires, the six calendar month period commencing with the Fee Commencement Date, as hereinafter defined, and each successive six calendar month period thereafter occurring during the effective period of the permission granted under this Permit commencing with the first day of each successive six calendar month period provided, however, that if the Fee Commencement Date occurs on a day which is other than the first day of a calendar month, the first semi-annual period shall include the portion of the month following such date in which the Fee Commencement Date falls plus the succeeding six (6) calendar months.

(iii) "Gross receipts" shall mean and include all monies paid or payable to the Permittee for sales made and services rendered at or from the Terminal or the Airport

SPECIAL ENDORSEMENTS

regardless of when or where the order therefor is received and outside the Terminal or Airport if the order is received at the Terminal or the Airport and any other revenues of any type arising out of or in connection with the Permittee's operations at the Terminal or the Airport provided, however, that there shall be excluded from gross receipts any taxes imposed by law which are separately stated to and paid by a customer and directly payable to the taxing authority by the Permittee and any receipts of the Permittee which arise from the Permittee's operations under any other agreement with the Port Authority at the Airport and which are subject to a percentage fee or rental under that agreement.

(b) The fee payable by the Permittee hereunder for each annual period shall be the highest of (i) a "fixed basic fee element" equal to One Hundred Fifty-five Thousand Dollars and No Cents (\$155,000.00), or (ii) for each annual period after the first annual period, a "prior year-based fee element" equal to Eighty percent (80%) of the fee amount determined under this paragraph (b) for the immediately preceding annual period (provided, however, if the Fee Commencement Date shall fall on other than the first day of a calendar month, in using this clause (ii) to determine such fee element solely for the second annual period, only the last twelve calendar months of the first annual period shall be included) or (iii) a "percentage fee element" equal to the sum of the following percentages of the Permittee's gross receipts attributable to the respective categories indicated below during each annual period: (aa) Ten percent (10%) of such gross receipts attributable to Category A items up to and including Seven Hundred Fifty Thousand Dollars (\$750,000) and Twelve percent (12%) of such gross receipts attributable to Category A items in excess of \$750,000; and (bb) Twenty-four percent (24%) of such gross receipts attributable to Category B items up to and including Five Hundred Thousand Dollars (\$500,000) and Twenty-six percent (26%) of such gross receipts attributable to Category B items in excess of \$500,000.

(c) The fee payable by the Permittee hereunder shall be paid in accordance with the following:

(i) The Permittee shall pay to each of the Port Authority and the Airline fifty percent (50%) (each such percentage share, whenever used, and to whatever object it is to be applied, in this paragraph (c), hereinafter called "the share") of the fixed basic fee element, which element shall be payable in advance in equal monthly installments of Twelve Thousand Nine Hundred Sixteen Dollars and Sixty-six Cents (\$12,916.66) each on the Fee Commencement Date and on the first day of each calendar month thereafter occurring during each

SPECIAL ENDORSEMENTS

annual period, except that if the Fee Commencement Date shall occur on a day other than the first day of a calendar month, the installment of the fixed basic fee element payable on the Fee Commencement Date shall be an amount equal to the amount of the installment described in this paragraph multiplied by a fraction, the numerator of which shall be the number of days from the Fee Commencement Date to the last day of the calendar month in which the Fee Commencement Date shall fall, and the denominator of which shall be the total number of days in that calendar month. If the effective period of the permission granted hereunder is terminated, revoked or expires effective on other than the last day of a month, the fixed basic fee element payable for the portion of the month in which the effective date of termination or revocation shall occur shall be the amount of the monthly installment of the fixed basic fee element set forth in this subparagraph prorated on a daily basis.

(ii) Commencing with the second annual period and for such period and each annual period thereafter the Permittee shall pay to each of the Port Authority and the Airline on each fixed basic fee element installment payment date provided in clause (i) of this paragraph (c) the share of one-twelfth ($1/12$) ("the PYB Installment"), of the prior year-based fee element, if and to the extent the PYB Installment exceeds the installment then payable of the fixed basic fee element. Inasmuch as a component of the prior year-based fee element may not be determinable as of an installment payment date referred to above and so as to give effect, as of the first day of the current annual period, to the Permittee's obligation under this clause (ii), on the first such installment payment date following the date when the prior year-based fee element is determinable, the Permittee shall pay to each of the Port Authority and the Airline, in addition to and together with the share of any PYB Installment required to be made on the same date, a lump sum equal to the share of the product of the PYB Installment and the total number of the preceding fixed basic fee element installment payment dates in the same annual period as that in which the PYB Installment is payable.

(iii) During each annual period the Permittee shall pay to each of the Port Authority and the Airline the share of the percentage fee element if and to the extent it exceeds the higher of the fixed basic fee element or of the prior year-based fee element. The computation of the percentage fee element for each annual period, or a portion thereof as herein provided, shall be individual to such annual period or portion of an annual period and without relation to any other annual period or any other portion of an annual period.

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The gross receipts shall be reported and the percentage fee element shall be paid as follows: on or before the 20th day of the first calendar month following the Fee Commencement Date (as hereinafter defined) and on or before the 20th day of each and every month thereafter during the period of permission hereunder and within twenty days following the expiration or the effective date of revocation or termination of the period of permission, as applicable, the Permittee shall render to the Airline and the Port Authority a sworn statement by the chief financial officer of the Permittee showing the gross receipts for the preceding month or portion thereof ending with such expiration, revocation or termination and also showing its gross receipts cumulatively from the date of the commencement of the then current annual period for all or a portion of which the report shall be made through the last day of the preceding month or the expiration or effective date of revocation or termination of this permit, as applicable; whenever any such monthly statement shall show that the sum of the applicable percentages of all gross receipts attributable to the respective categories as set forth in clause (iii) of paragraph (b) of this Special Endorsement from the date of the commencement of such annual period through the last day of the preceding month during such annual period is in excess of the higher of the fixed basic fee element or the prior year-based fee element, then, in addition to the payment on the first day of that calendar month of the monthly installment of the fixed basic fee element, as augmented, if at all, by the PYB Installment, (in the remainder of this sentence such amalgam is herein called "the minimum monthly installment") as provided above in this Special Endorsement, the Permittee shall pay to each of the Port Authority and the Airline at the time of rendering the statement the share of such excess and the Permittee shall thereafter, in addition to the payment on the first day of each succeeding calendar month of the minimum monthly installment, and on or before the 20th day of each succeeding month during the same annual period including the month following the end thereof pay to each of the Port Authority and the Airline the share of such excess.

(iv) Within sixty (60) days after the end of the first full six calendar months of each annual period and within sixty (60) days after the close of each annual period there shall be a reconciliation between the fee payable by the Permittee under paragraph (b) of this Special Endorsement for each such respective six-month period and annual period and the fee paid for each such period. If the amount of the share of the fee payable to each of the Port Authority and the Airline for any such period exceeds the amount of the share of the fee paid for the same period, the Permittee shall pay to the Port Authority and the Airline the amount of such underpayment; and if the share

SPECIAL ENDORSEMENTS

of the fee paid for any such annual period exceeds the share of the fee payable for the same period, the Port Authority and the Airline, if and as applicable, shall first apply the share of such excess against other accrued obligations of the Permittee under this Permit to the Port Authority and the Airline, as the case may be, and, in the case of any such excess owed by the Airline to the Permittee, the Airline also shall apply such excess against accrued obligations of the Permittee to the Airline under the Concession Lease and the Port Authority and the Airline shall credit any balance remaining against its respective share against future installments of the fee payable by the Permittee to them respectively hereunder. Such reconciliation or credit shall not prejudice the right of the Port Authority or the Airline to recover from the Permittee any amount so credited or thereafter found to be due to the Port Authority or the Airline hereunder or under the Concession Lease whether as a result of any inspection or audit provided under this Permit, the Concession Lease or otherwise.

(d) In the event that a check representing a payment of a fee by the Permittee under this Special Endorsement is returned for insufficient funds, thereafter during the remainder of the period of permission hereunder, at the request of the Port Authority, the Permittee shall make all payments of the fee payable to the Port Authority under this Special Endorsement in the form of a certified check or official bank draft.

(e) For the purpose of calculating the fee payable under this Special Endorsement for any annual period which contains more or less than 365 days except the first annual period if such contains more than 365 days, each of the applicable annual fee element amounts provided and/or described in clauses (i) and (ii) of paragraph (b) of this Special Endorsement and the applicable dollar amounts set forth in clause (iii) of said paragraph (b), respectively, shall be the product of (x) the respective annual fee element amounts provided and/or described in clauses (i) and/or (ii) of said paragraph (b) or (y) the dollar amounts mentioned in clause (iii) of said paragraph (b) multiplied by a fraction, the numerator of which shall be the number of days from the commencement of such annual period through the last day thereof, both dates inclusive, and the denominator of which shall be 365.

(f) Notwithstanding that the percentage fee element hereunder is measured by a percentage of the gross receipts, no partnership relationship or joint venture between the Port Authority and the Permittee or the Airline is created or intended to be created by this Permit.

SPECIAL ENDORSEMENTS

(g) As between the Permittee and the Airline, payment by the Permittee to the Airline of any portion of the fee payable in accordance with this Special Endorsement shall be deemed in satisfaction and discharge of the Permittee's rental payment obligations payable directly to the Airline in the identical amount under subsections 1.8.1, 1.8.2 and 1.8.6 of Section 1.8 of the Concession Lease.

(h) Payments made to the Port Authority hereunder shall be sent to the following address:

The Port Authority of New York and New Jersey
P.O. Box 17309
Newark, New Jersey

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

3. The Permittee's obligation to pay the fee under paragraph (b) of Special Endorsement 2 hereof shall commence as of Sept 12, 1992 (herein called "the Fee Commencement Date").

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JC PA
Hudson County
RAH Nck
USAIR, INC

4. Prior to the execution of this Permit by either party hereto the following deletions, additions and substitutions were made in the foregoing Terms and Conditions and Standard Endorsements:

(a) The last three sentences of Section 1 of the foregoing Terms and Conditions shall be deemed to have been deleted and the following shall be deemed to have been inserted in lieu thereof:

"Notwithstanding any other term or condition hereof, it may be revoked without cause, upon thirty (30) days' written notice to the Permittee, which notice must be jointly subscribed by the Port Authority and the Airline, provided, however, that it may be revoked on twenty-four (24) hours' notice by the Port Authority without consultation with or concurrence by the Airline if the Permittee shall fail to keep, perform and observe each and every promise, agreement, condition, term and provision contained in this Permit. Revocation or termination shall not relieve the Permittee of any liabilities

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or obligations hereunder which shall have accrued on or prior to the effective date of revocation or termination."

(b) The words "without the prior written consent of the Port Authority" shall be deemed to have been inserted after the word "contractor" at the end of the first full sentence following paragraph (d) of Section 2 of the foregoing Terms and Conditions.

(c) The word "written" in the eighth line of Section 4 of the foregoing Terms and Conditions shall be deemed to have been deleted and the following sentence shall be deemed to have been added to such Section:

"If the Manager of the Facility notifies the Permittee that any badge, identification or uniform is unacceptable in the sole judgment of the Manager of the Facility, the Permittee shall cease use of such objectionable badge, identification or uniform, as the case may be, and provide acceptable replacement(s) therefor within 30 days thereafter."

(d) That portion of the second paragraph of Section 5 of the foregoing Terms and Conditions following the word "Facility" shall be deemed to have been deleted.

(e) Wherever the term "expiration" is used in this Permit, it shall be deemed to mean the effective date of expiration, revocation or termination.

(f) The words "and the Airline and its Directors, officers, employees, agents and representatives" shall be deemed to have been inserted following the word "representatives" in the second line of the first sentence of Section 6 of the foregoing Terms and Conditions.

(g) Wherever in this Permit the word "Facility" is used it shall be deemed to mean, as the context requires, LaGuardia Airport and/or the Terminal in which the Permittee exercises its privileges hereunder.

(h) Section 11 of the foregoing Terms and Conditions shall be deemed to have been deleted in its entirety and the following shall be deemed to have been inserted in lieu thereof:

"In the event that any sign, poster or similar device erected, displayed or maintained by the Permittee in

SPECIAL ENDORSEMENTS

view of the general public, is unacceptable to the Manager of the Facility, in the sole judgment of the Manager of the Facility, then the same shall be removed by the Permittee upon receipt of notice of the objection thereto from the Manager of the Facility."

(i) Notwithstanding the provisions of Standard Endorsement No. 21.1 annexed to this Permit the Port Authority shall be named as an additional insured in any policy of liability insurance required by the provisions of this Permit and each such policy of insurance so required shall contain a 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 or the provisions of any statutes respecting suits against the Port Authority.

(j) The policies referred to in Standard Endorsement No. 21.1 shall provide or contain an 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 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.

(k) In paragraph (c) of Standard Endorsement No. 2.6 after the word "Airport" the following shall be deemed to have been inserted: "and separately as to transactions connected with the Terminal"; and paragraph (f) of Standard Endorsement No. 2.6 shall be deemed to have been deleted in its entirety.

(l) Standard Endorsement No. 8.0 shall be for the benefit of the Port Authority exclusively and may not be availed of by the Airline.

(m) It is hereby acknowledged that there are differences and inconsistencies between (i) the pricing requirements of Standard Endorsements Nos. 4.1 and 4.5 of this Permit on the one hand and the pricing requirements and performance standards as to prices set forth in Section 2.2 of the Concession Lease on the other and between (ii) the retail operating hour requirements set forth in Standard Endorsement No. 4.1 of this Permit on the one hand and such requirements set

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forth in Section 2.3 of the Concession Lease on the other. The parties hereto agree that notwithstanding the provisions of paragraph (c) of Special Endorsement 6 of this Permit, the provisions of Sections 2.2 and 2.3 of the Concession Lease shall not be deemed to be superseded or affected in any way by the provisions of Standard Endorsements Nos. 4.1 or 4.5 of this Permit and, as between the Permittee and the Airline, the provisions of Sections 2.2 and 2.3 of the Concession Lease shall continue in full force and effect.

(n) The words "To the extent not prohibited under or inconsistent with the Concession Lease and to the extent permitted under applicable law" shall be deemed to have been inserted at the beginning of Standard Endorsement No. 10.3.

It shall be unnecessary to physically indicate the foregoing additions, deletions and substitutions on the foregoing Terms and Conditions and Standard Endorsements.

5. Without limiting the Permittee's indemnity obligations under this Permit, the Permittee's indemnity obligations hereunder shall include any claims and demands made by the Port Authority against the Airline pursuant to the provisions of the Airline Lease and any claims and demands made by the City of New York against the Port Authority pursuant to or under the provisions of the agreement of lease between the City of New York and the Port Authority covering the leasing of the Airport by the City to the Port Authority, as the same from time to time may have been or may be supplemented or amended.

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

(b) Neither this Permit nor anything contained herein shall constitute or be deemed to constitute a consent by the Port Authority to, nor shall there be created an implication that there has been consent by the Port Authority to, any enlargement or change in the rights, powers and privileges granted to the Airline under the Airline Lease, nor a consent by the Port Authority to the granting or conferring of any rights, powers or privileges to the Permittee as may be provided under

SPECIAL ENDORSEMENTS

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

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

SPECIAL ENDORSEMENTS

(c) It is hereby expressly understood that there are differences and inconsistencies between the Concession Lease, the Airline Lease and this Permit and that as to any such inconsistency or difference the terms of this Permit shall control. No changes or amendments to the Concession Lease nor any renewals or extensions thereof shall be binding upon or effective against the Port Authority or shall modify any provision of this Permit unless the same have been expressly approved in advance by the Port Authority in writing. The Port Authority may at any time and from time to time by notice to the Permittee modify, withdraw or amend any approval, direction, or designation given to the Permittee hereunder or pursuant hereto.

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

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

8. The privilege granted hereunder is non-exclusive.

9. The Port Authority may at any time and from time to time by notice to the Permittee modify, withdraw or amend any approval, direction or designation given to the Permittee hereunder or pursuant hereto.

SPECIAL ENDORSEMENTS

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

11. With respect to the provisions of Standard Endorsement No. 23.1, the Permittee hereby certifies that its Federal Taxpayer I.D. No. is (Ex. 1)

SED

For the Port Authority

Initialed:

JL

For the Permittee

RAH

For the Airline

SUPP.
FORM A
7/6/73

Port Authority Permit No. AGA-281, dated as of May 21, 1992
Supplement No. 1
Port Authority Facility - La Guardia Airport

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY
One World Trade Center
New York, New York 10048

SUPPLEMENT TO PERMIT

THIS AGREEMENT, made by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority") and the undersigned Permittee (hereinafter referred to as "the Permittee"),

WITNESSETH, that the Port Authority and the Permittee hereby agree to amend, effective as of the dates set forth hereinafter, that certain Permit (identified above by Port Authority Permit Number and by date and granting privileges at the above-mentioned Port Authority Facility) issued by the Port Authority to the Permittee, as the same may have been previously supplemented and amended, called "the Permit", as follows:

1. Effective as of March 15, 1993, in addition to the privilege granted to the Permittee in Special Endorsement No. 1(b) of the Permit, the Permittee shall also be permitted to sell lottery tickets issued by the Lottery Commission of the State of New York and no other items except as may be approved in writing in advance by both the Airline and the Port Authority.
2. Notwithstanding the provisions of Special Endorsement No. 2(a)(iii) of the Permit, there shall be included in gross receipts under the Permit as herein amended, all fees or commissions received or receivable by the Lessee from the sale or dispensing of lottery tickets. As used herein "gross receipts" shall include all monies paid or payable to the Permittee for the sale or dispensing of lottery tickets at or from the Facility, regardless of when or where the order therefor is received and outside the Facility, if the order therefor is received at the Facility, and any other revenues of any type arising out of or in connection with the exercise by the Permittee of the privilege described in paragraph 1 of this Agreement. commissions
3. Without limiting the provisions of Section 11 of the Terms and Conditions of the Permit, the Permittee shall display in such area of the premises as shall be designated by the Port Authority and the Airline only such signs and advertising relating to the sale of lottery tickets issued by the Lottery Division of the New York State Department of Taxation and Finance as may be approved in advance by the Port Authority and the Airline. In addition to all other rights contained in the



Permit, as herein amended, the Port Authority and the Airline shall jointly have the right at any time upon not less than thirty (30) days' written notice to the Permittee to require the Permittee to discontinue the sale or dispensing of lottery tickets and in such event the Permittee shall discontinue the sale or dispensing of lottery tickets on or before the effective date stated in such notice.

4. Effective from and after March 15, 1993 and continuing throughout the balance of the period of the permission granted under the Permit:

(a) The Permittee shall pay to the Port Authority a fee equivalent to one-half percent (0.05%) of all of the Permittee's gross receipts arising out of the sale of lottery tickets.

(b) The Permittee shall pay to the Airline a fee equivalent to one-half percent (0.05%) of all the Permittee's gross receipts arising out of the sale of lottery tickets.

(c) The Permittee shall pay the percentage rental set forth in subparagraphs (a) and (b) of this paragraph as follows: on the 20th day of April, 1993, and on the 20th day of each and every month thereafter including the month following expiration or revocation of the period of the permission granted under the Permit, the Permittee shall render to the Port Authority and the Airline a sworn statement showing all its gross receipts arising out of the exercise of the privilege described in paragraph 1 of this Agreement for the preceding month specifying the number of different types of tickets sold and the Permittee shall pay at the time of rendering such statement an amount equal to one-half percent (0.50%) of such gross receipts to each of the Port Authority and the Airline for the preceding month. In the event of termination or revocation of the period of the permission granted under the Permit, (even if stated to have the same effect as expiration), the Permittee shall within twenty (20) days after the effective date of such termination or revocation render to the Port Authority and the Airline a sworn statement showing all its said gross receipts for the portion of the month prior to and including the effective date of termination or revocation and shall pay at the time of rendering this statement an amount equal to one-half percent (0.50%) of all such gross receipts to each of the Port Authority and the Airline for such portion of the month.

5. All obligations undertaken by the Permittee pursuant to the Permit and supplements thereto and pursuant to the alteration permit(s), if any, issued in connection therewith shall remain in full force and effect.

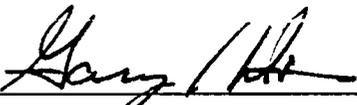
6. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof, shall be liable to the Permittee, under any term or provision of this Supplement, or because of its execution or attempted execution, or because of any breach thereof.

7. As hereby amended, all the provisions of the Permit shall be and remain in full force and effect.

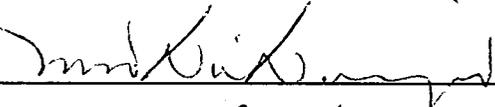
IN WITNESS WHEREOF, the Port Authority and the Permittee have caused these presents to be executed.

Dated: As of March 15, 1993

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

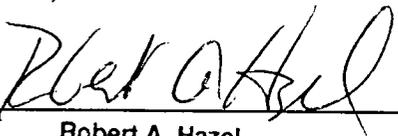
By 
(Title) Gary L. Davis
General Manager
Central Business Division
Aviation Department

HUDSON NEWS COMPANY
(FORMERLY HUDSON COUNTY NEWS INC.)

By 
(Title) Sr. Vice President

Consented and Agreed to
as of the 15th day of March, 1993

USAIR, INC.

By 
(Title) Robert A. Hazel
Vice President President
Proprietor & Beneficial

APPROVED:
FORM | TERMS
 | 

100

Form F - Privilege, All Facilities
2/9/93 : For Port Authority Use Only :
: :
: AGA-353 :
: _____ :

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
One World Trade Center
New York, New York 10048

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 the Port Authority Facility hereinafter named, in accordance with the Terms and Conditions 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. FACILITY: LaGuardia Airport
2. PERMITTEE: HUDSON COUNTY NEWS COMPANY, a New Jersey corporation
3. PERMITTEE'S ADDRESS: 1305 Paterson Plank Road
North Bergen, New Jersey 07047
4. PERMITTEE'S REPRESENTATIVE: Mario DiDomizio
5. PRIVILEGE: As set forth in Special Endorsement No. 1.
6. FEES: As set forth in Special Endorsement Nos. 2 and 3.
7. EFFECTIVE DATE: April 26, 1994
8. EXPIRATION DATE: August 31, 2000 unless sooner revoked or terminated pursuant to the terms of this Permit.
9. ENDORSEMENTS: 2.6, 3.1, 4.1, 4.5, 5.0, 6.1, 8.0, 9.1, 9.5, 9.6, 10.3, 13.1, 14.1, 16.1, 17.3, 19.1, 21.1, 22, 23.1, 28 and Special Endorsements 1 through 10, inclusive.

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

Dated: As of April 26, 1994

By Gerald P. Fitzgerald
(Title) Deputy Director
Aviation Department

Consented and Agreed to as of the
26th day of April, 1994.

SHUTTLE, INC.

HUDSON COUNTY NEWS COMPANY
Permittee

By Terry Hallcom
(Title) President
(Corporate Seal)

By Mario Di Domizio
(Title) Senior Vice President
(Corporate Seal)

| | |
|------------------------------------|-------|
| APPROVED FOR | |
| THE ORIGINAL | |
| ICER | TERMS |
| <i>No Copy memo from [unclear]</i> | |

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 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.

The Permittee, its employees, invitees and others doing business with it shall have no right hereunder to park vehicles within the Facility. ~~beyond a reasonable loading or discharging time, except in regular parking areas and upon payment of the regular charges therefor.~~

6. The Permittee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives, from 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 of the operations, acts or omissions of the Permittee hereunder; this indemnity shall extend to and include the contractual obligation of indemnity, if any, undertaken by the Port Authority in favor of the lessor, if any, of the Facility.

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.

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 at any time by the Port Authority, with or without cause, and with or without prior notice. ~~Unless sooner revoked, such~~ permission shall expire in any event upon the expiration date hereinbefore set forth. 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.~~

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,

(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.

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. ~~In the event of revocation, the Permittee shall have two days, exclusive of Saturdays, Sundays and legal holidays (as determined by the laws of the State of New Jersey or of the State of New York, as the case may require), after the effective date of revocation, in which to remove such property.~~

If the Permittee shall so fail to remove such property upon the expiration or revocation hereof, the Port Authority may at its option, as agent for the Permittee and at the risk and expense of 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 days may sell the same at public auction; the proceeds of any such sale shall be applied first to the expenses of removal, sale and storage, 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.

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 claim 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 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 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. As used herein:

(a) The term "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.

(b) The terms "Manager of the Facility" or "General Manager of the Facility" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the Manager by this Permit; but until further notice from the Port Authority to the Permittee it shall mean the Manager or General Manager (or temporary or Acting Manager or General Manager) of the Facility 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 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 therefor 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 One World Trade Center, New York, New York 10048, or at such other address 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.

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

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

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

(c) Maintain, in accordance with accepted accounting practice, during the effective period of this Permit, for one (1) year after the expiration or earlier revocation or termination thereof, and for a further period extending until the Permittee shall receive written permission from the Port Authority to do otherwise, records and books of account 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;

(d) Permit in ordinary business hours during the effective period of the Permit, for one year thereafter, and during such further period as is mentioned in the preceding subdivision (c), the examination and audit by the officers, employees and representatives of the Port Authority of such records and books of account and also any records and books of account of any company which is owned or controlled by the 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;

(e) 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 cash registers;

(f) Furnish on or before the tenth day of each month following the effective date of this Permit a sworn statement of gross receipts arising out of operations of the Permittee hereunder for the preceding month, and furnish within ten days after the expiration or sooner revocation or termination of this Permit a statement of all the gross receipts arising out of operations of the Permittee hereunder during the effective period of this Permit, said statement being certified, at the Permittee's expense, by a certified public accountant;

(g) Install and use such cash registers, sales slips, invoicing machines and any other equipment or devices for recording orders taken, or services rendered as may be appropriate to the Permittee's business and necessary or desirable to keep accurate records of gross receipts.

ENDORSEMENT NO. 2.6

Airports

4/20/49; rev. 11/16/49; rev. 12/12/49; rev. 10/2/90

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 persons 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 therefor. The Permittee shall furnish all services hereunder on a fair, equal and non-discriminatory basis to all users thereof.

STANDARD ENDORSEMENT NO. 3.1

ACCOMMODATION OF THE PUBLIC

All Facilities

8/21/49

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

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

STANDARD ENDORSEMENT NO. 4.1

MERCHANDISE AND/OR SERVICES

All Airports

7/21/49

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

ENDORSEMENT NO. 4.5

All Installations

5/16/49

The Port Authority shall be under no obligation to furnish any services or utilities whatsoever at or on the Space.

STANDARD ENDORSEMENT NO. 5.0

SERVICES

All Installations

4/4/77

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

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

ENDORSEMENT NO. 6.1

All Installations

3/28/49

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 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 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 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.

STANDARD ENDORSEMENT NO. 9.1

FEDERAL AIRPORT AID

Airports

1/19/81

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

STANDARD ENDORSEMENT NO. 10.3
GARBAGE REMOVAL
Airports
7/21/49

The Permittee represents that it is the owner of or fully authorized to use any and all services, processes, machines, articles, marks, names or slogans used by it in its operations under or in any wise connected with this Permit. The Permittee agrees to save and hold the Port Authority, its Commissioners, officers, employees, agents and representatives free and harmless of and from any loss, liability, expense, suit or claim for damages in connection with any actual or alleged infringement of any patent, trademark or copyright, or arising from any alleged or actual unfair competition or other similar claim arising out of the operations of the Permittee under or in any wise connected with this Permit.

STANDARD ENDORSEMENT NO. 13.1

PATENTS, TRADEMARKS, ETC.

All Facilities

7/21/49

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

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

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

1. 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.

2. 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.

3. (a) 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.

(b) 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.

(c) 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.

STANDARD ENDORSEMENT NO. 17.3

LAW COMPLIANCE

Airports

4/17/50

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 La Guardia Airport from the City of New York to the Port Authority under the agreement between the City and 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.

"La Guardia 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 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.

ENDORSEMENT NO. 19.1

La Guardia Airport

5/19/49

(1) The Permittee in its own name as assured shall secure and pay the premium or premiums for those of the following policies of insurance with respect to which minimum limits are fixed in the schedule below. Each such policy shall be maintained in at least the limit fixed with respect thereto, shall cover the operations of the Permittee under this Permit, and shall be effective throughout the effective period:

SCHEDULE

| <u>Policy</u> | <u>Minimum Limit</u> |
|---|--------------------------|
| (a) Comprehensive general liability insurance (to include contractual liability endorsement). | |
| (1) Bodily-injury liability: | |
| For injury or wrongful death to one person: | \$ 2,000,000 |
| For injury or wrongful death to more than one person from any one occurrence: | \$ 2,000,000 |
| (2) Property-damage liability: | |
| For all damages arising out of injury to or destruction of property in any one occurrence: | \$ 2,000,000 |
| (3) Products liability: | \$ 2,000,000 |
| (b) Automobile liability insurance. | |
| (1) Bodily-injury liability: | |
| For injury or wrongful death to one person: | \$ _____ |
| For injury or wrongful death to more than one person from any one occurrence: | \$ _____ |
| (2) Property-damage liability: | |
| For all damages arising out of injury to or destruction of property in any one occurrence: | \$ _____ |
| (c) Plate and mirror glass insurance, covering all plate and mirror glass in the Space, and the lettering, signs, or decorations, if any, on such plate and mirror glass: | \$ _____ |
| (d) Boiler and machinery insurance, covering all boilers, pressure vessels and machines operated by the Permittee in the Space: | \$ _____ |
| (e) "Additional Interest" policy of boiler and machinery insurance, covering all boilers, pressure-vessels and machines operated by the Permittee in the Space: | \$ _____ |

(2) The Port Authority shall be named as an additional insured in any policy of liability insurance required by this Endorsement, unless the Port Authority shall, at any time during the effective period of this Permit, direct otherwise in writing, in which case the Permittee shall cause the Port Authority not to be so named.

(3) Every policy of insurance on property other than that of the Permittee required by this Endorsement shall name the Port Authority as the owner of the property, unless the Space is located in an area as to which the Port Authority itself is a lessee, in which case the Port Authority shall be named as the lessee and the owner shall be named as the owner, and the policy shall be endorsed substantially as follows:

"Loss, if any, under this policy, as to the interest of the owner and as to the interest of The Port Authority of New York and New Jersey, shall be adjusted solely with the Port Authority, and all proceeds under this policy shall be paid solely to the Port Authority."

(4) The "Additional Interest" policy of boiler and machinery insurance required by this Endorsement shall provide protection under Sections 1 and 2 only of the Insuring Agreements of the form of policy approved for use as of the date hereof by the National Bureau of Casualty Underwriters, New York, New York.

(5) As to any insurance required by this Endorsement, 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 within ten (10) days after the execution of this Permit. In the event any binder is delivered, it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy or certificate shall contain a valid provision or endorsement that the policy may not be cancelled, terminated, changed or modified, without giving ten (10) days' written notice thereof to the Port Authority. A renewal policy shall be delivered to the Port Authority at least fifteen (15) days prior to the expiration date of each expiring policy. If at any time any of the 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.

(6) Each policy of insurance required by this Endorsement shall contain a 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 or the provisions of any statutes respecting suits against the Port Authority.

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 of 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.

(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 One Thousand Five Hundred Dollars and No Cents (\$1,500.00)

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

Standard Endorsement No. 23.1 (Page 1)
Security Deposit
All Facilities
6/12/87

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 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.

Standard Endorsement No. 23.1 (Page 2)
Security Deposit
All Facilities
6/12/87

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. (a) By Agreement of Lease dated as of March 17, 1977 bearing Port Authority Lease No. AG-751, (said agreement of lease as the same may have been supplemented and amended being hereinafter called "the Airline Lease") the Port Authority leased to Eastern Air Lines, Inc. certain premises at LaGuardia Airport for the operation of an airline passenger terminal building (hereinafter called "the Terminal"). Eastern Air Lines, Inc. subsequently assigned to Trump Shuttle, Inc. its entire interest in the Airline Lease. Shuttle, Inc. succeeded to the interests of Trump Shuttle, Inc. by virtue of the merger with Trump Shuttle, Inc. in which Shuttle, Inc. (hereinafter called "the Airline") was the surviving entity. It was contemplated under the Airline Lease that certain consumer services would be operated in space provided by the Airline in the Terminal. The Airline has entered into a Sublease Agreement dated April 26, 1994 (hereinafter called "the Concession Lease") with the Permittee under which the Permittee has agreed to operate a certain newsstand concession in such location(s) as provided in the Concession Lease, a copy of which is attached hereto, for the sale at retail of items set forth therein. By its terms the Concession Lease is subject and subordinate to the Airline Lease and the Permittee is obligated under the Concession Lease to comply with all applicable terms of the Airline Lease. The Permittee hereby agrees for the benefit of the Port Authority to so comply.

(b) It was stipulated in the Airline Lease that the Airline must obtain the written consent of the Port Authority to any subletting and it was stipulated in both the Airline Lease and in the Concession Lease that as a condition to the effectiveness of the Concession Lease the Permittee must obtain a permit from the Port Authority covering the consumer service operations described in the following grant. Accordingly, the Port Authority hereby consents to the Concession Lease on and subject to the terms and conditions of this Permit and on the same basis hereby grants to the Permittee the privilege of operating a first class newsstand concession for the sale at retail of paperback books, magazines, periodicals, newspapers, gum, candies and packaged snacks, cough drops, digestive aids, cigarettes, cigars and tobacco products and accessories, postal cards, stationery supplies, HBA, photographic film, batteries and those sundries identified as such in Exhibit 2.1 to the Concession Lease (the foregoing items being herein collectively called "Category A items") as well as souvenirs, T-shirts and gifts (herein collectively called "Category B items") and no other item except as may be approved in writing by both the Airline and the Port Authority in advance of the same being

SPECIAL ENDORSEMENTS

stocked or offered to customers. The Permittee shall exercise the privilege granted by this Permit only in the space in the Terminal designated in the Airline Lease (hereinafter sometimes referred to as "the Concession Space" or "the space"). The Permittee understands that as the Terminal is leased to the Airline all arrangements as to the space and facilities in which the privilege described in this paragraph will be conducted, including utilities and services therefor, shall be made with the Airline and the Permittee acknowledges that it has made such arrangements. The Port Authority makes no representations or warranties as to the location, size, adequacy or suitability of the Concession Space and the facilities therein.

2. (a) As used herein:

(i) "Annual period" shall mean, as the context requires, the twelve-month period commencing with the Effective Date of this Permit, and each successive twelve-month period thereafter occurring during the effective period of the permission granted under this Permit commencing with each anniversary of the Effective Date of this Permit, provided, however, that if the Effective Date of this Permit occurs on a day which is other than the first day of a calendar month, the first annual period shall include the portion of the month following such date in which the Effective Date of this Permit falls plus the succeeding twelve (12) calendar months and each such subsequent annual period shall commence on the anniversary of the first day of the first full calendar month following the month in which the Effective Date of this Permit occurs.

(ii) "Semi-annual period" shall mean, as the context requires, the six calendar month period commencing with the Effective Date of this Permit, and each successive six calendar month period thereafter occurring during the effective period of the permission granted under this Permit commencing with the first day of each successive six calendar month period provided, however, that if the Effective Date of this Permit occurs on a day which is other than the first day of a calendar month, the first semi-annual period shall include the portion of the month following such date in which the Effective Date of this Permit falls plus the succeeding six (6) calendar months.

(iii) "Gross receipts" shall mean and include all monies paid or payable to the Permittee for sales made and services rendered at or from the Terminal or the Airport

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regardless of when or where the order therefor is received and outside the Terminal or Airport if the order is received at the Terminal or the Airport and any other revenues of any type arising out of or in connection with the Permittee's operations at the Terminal or the Airport provided, however, that there shall be excluded from gross receipts any taxes imposed by law which are separately stated to and paid by a customer and directly payable to the taxing authority by the Permittee and any receipts of the Permittee which arise from the Permittee's operations under any other agreement with the Port Authority at the Airport and which are subject to a percentage fee or rental under that agreement.

(b) The fee payable by the Permittee hereunder for each annual period shall be the highest of (i) a "fixed basic fee element" equal to Thirty-six Thousand Dollars and No Cents (\$36,000.00), or (ii) for each annual period after the first annual period, a "prior year-based fee element" equal to Eighty percent (80%) of the fee amount determined under this paragraph (b) for the immediately preceding annual period but in no event to exceed the fee amount payable under this paragraph (b) with respect to the first annual period (provided, however, if the Effective Date of this Permit shall fall on other than the first day of a calendar month, to determine such fee element solely for the second annual period, only the last twelve calendar months of the first annual period shall be included) or (iii) a "percentage fee element" equal to the sum of the following percentages of the Permittee's gross receipts attributable to the respective categories indicated below during each annual period: (aa) Thirteen percent (13%) of such gross receipts attributable to Category A items up to and including Seven Hundred Fifty Thousand Dollars (\$750,000) and Fifteen percent (15%) of such gross receipts attributable to Category A items in excess of \$750,000; and (bb) Twenty-two percent (22%) of such gross receipts attributable to Category B items up to and including Four Hundred Thousand Dollars (\$400,000) and Twenty-six percent (26%) of such gross receipts attributable to Category B items in excess of \$400,000.

(c) The fee payable by the Permittee hereunder shall be paid in accordance with the following:

(i) The Permittee shall pay to each of the Port Authority and the Airline fifty percent (50%) (each such percentage share, whenever used, and to whatever object it is to

SPECIAL ENDORSEMENTS

be applied, in this paragraph (c), hereinafter called "the share") of the fixed basic fee element, which element shall be payable in advance in equal monthly installments of Three Thousand Dollars and No Cents (\$3,000.00) each on the Effective Date of this Permit and on the first day of each calendar month thereafter occurring during each annual period, except that if the Effective Date of this Permit shall occur on a day other than the first day of a calendar month, the installment of the fixed basic fee element payable on the Effective Date of this Permit shall be an amount equal to the amount of the installment described in this paragraph multiplied by a fraction, the numerator of which shall be the number of days from the Effective Date of this Permit to the last day of the calendar month in which the Effective Date of this Permit shall fall, and the denominator of which shall be the total number of days in that calendar month. If the effective period of the permission granted hereunder is terminated, revoked or expires effective on other than the last day of a month, the fixed basic fee element payable for the portion of the month in which the effective date of termination or revocation shall occur shall be the amount of the monthly installment of the fixed basic fee element set forth in this subparagraph prorated on a daily basis.

(ii) Commencing with the second annual period and for such period and each annual period thereafter the Permittee shall pay to each of the Port Authority and the Airline on each fixed basic fee element installment payment date provided in clause (i) of this paragraph (c) the share of one-twelfth (1/12) ("the PYB Installment"), of the prior year-based fee element, if and to the extent the PYB Installment exceeds the installment then payable of the fixed basic fee element. Inasmuch as a component of the prior year-based fee element may not be determinable as of an installment payment date referred to above and so as to give effect, as of the first day of the current annual period, to the Permittee's obligation under this clause (ii), on the first such installment payment date following the date when the prior year-based fee element is determinable, the Permittee shall pay to each of the Port Authority and the Airline, in addition to and together with the share of any PYB Installment required to be made on the same date, a lump sum equal to the share of the product of the PYB Installment and the total number of the preceding fixed basic fee element installment payment dates in the same annual period as that in which the PYB Installment is payable.

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(iii) During each annual period the Permittee shall pay to each of the Port Authority and the Airline the share of the percentage fee element if and to the extent such percentage fee element exceeds the higher of the fixed basic fee element or of the prior year-based fee element. The computation of the percentage fee element for each annual period, or a portion thereof as herein provided, shall be individual to such annual period or portion of an annual period and without relation to any other annual period or any other portion of an annual period.

The gross receipts shall be reported and the percentage fee element shall be paid as follows: on or before the 20th day of the first calendar month following the Fee Commencement Date (as hereinafter defined) and on or before the 20th day of each and every month thereafter during the period of permission hereunder and within twenty days following the expiration or the effective date of revocation or termination of the period of permission, as applicable, the Permittee shall render to the Airline and the Port Authority a sworn statement by the chief financial officer of the Permittee showing the gross receipts for the preceding month or portion thereof ending with such expiration, revocation or termination and also showing its gross receipts cumulatively from the date of the commencement of the then current annual period for all or a portion of which the report shall be made through the last day of the preceding month or the expiration or effective date of revocation or termination of this permit, as applicable; whenever any such monthly statement shall show that the sum of the applicable percentages of all gross receipts attributable to the respective categories as set forth in clause (iii) of paragraph (b) of this Special Endorsement from the date of the commencement of such annual period through the last day of the preceding month during such annual period is in excess of the higher of the fixed basic fee element or the prior year-based fee element, then, in addition to the payment on the first day of that calendar month of the monthly installment of the fixed basic fee element, as augmented, if at all, by the PYB Installment, (in the remainder of this sentence such amalgam is herein called "the minimum monthly installment") as provided above in this Special Endorsement, the Permittee shall pay to each of the Port Authority and the Airline at the time of rendering the statement the share of such excess and the Permittee shall thereafter, in addition to the payment on the first day of each succeeding calendar month of the minimum monthly installment, and on or before the 20th day of each

SPECIAL ENDORSEMENTS

succeeding month during the same annual period including the month following the end thereof pay to each of the Port Authority and the Airline the share of such excess.

(iv) Within sixty (60) days after the end of the first full six calendar months of each annual period and within sixty (60) days after the close of each annual period there shall be a reconciliation between the fee payable by the Permittee under paragraph (b) of this Special Endorsement for each such respective six-month period and annual period and the fee paid for each such period. If the amount of the share of the fee payable to each of the Port Authority and the Airline for any such period exceeds the amount of the share of the fee paid for the same period, the Permittee shall pay to the Port Authority and the Airline the amount of such underpayment; and if the share of the fee paid for any such annual period exceeds the share of the fee payable for the same period, the Port Authority and the Airline, if and as applicable, shall first apply the share of such excess against other accrued obligations of the Permittee under this Permit to the Port Authority and the Airline, as the case may be, and, in the case of any such excess owed by the Airline to the Permittee, the Airline also shall apply such excess against accrued obligations of the Permittee to the Airline under the Concession Lease and the Port Authority and the Airline shall credit any balance remaining against its respective share against future installments of the fee payable by the Permittee to them respectively hereunder. Such reconciliation or credit shall not prejudice the right of the Port Authority or the Airline to recover from the Permittee any amount so credited or thereafter found to be due to the Port Authority or the Airline hereunder or under the Concession Lease whether as a result of any inspection or audit provided under this Permit, the Concession Lease or otherwise.

(d) In the event that a check representing a payment of a fee by the Permittee under this Special Endorsement is returned for insufficient funds, thereafter during the remainder of the period of permission hereunder, at the request of the Port Authority, the Permittee shall make all payments of the fee payable to the Port Authority under this Special Endorsement in the form of a certified check or official bank draft.

(e) For the purpose of calculating the fee payable under this Special Endorsement for any annual period

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which contains more or less than 365 days except the first annual period if such contains more than 365 days, each of the applicable annual fee element amounts provided and/or described in clauses (i) and (ii) of paragraph (b) of this Special Endorsement and the applicable dollar amounts set forth in clause (iii) of said paragraph (b), respectively, shall be the product of (x) the respective annual fee element amounts provided and/or described in clauses (i) and/or (ii) of said paragraph (b) or (y) the dollar amounts mentioned in clause (iii) of said paragraph (b) multiplied by a fraction, the numerator of which shall be the number of days from the commencement of such annual period through the last day thereof, both dates inclusive, and the denominator of which shall be 365.

(f) Notwithstanding that the percentage fee element hereunder is measured by a percentage of the gross receipts and that a portion of the prior year-based fee element may derive from the percentage fee element and notwithstanding the provisions regarding the share as between the Port Authority and the Airline, no partnership relationship or joint venture between the Port Authority and the Permittee or the Airline is created or intended to be created by this Permit.

(g) As between the Permittee and the Airline, payment by the Permittee to the Airline of any portion of the fee payable in accordance with this Special Endorsement shall be deemed in satisfaction and discharge of the Permittee's corresponding rental payment obligations payable directly to the Airline in the identical amount under subsections 1.8.1, 1.8.2 and 1.8.6 of Section 1.8 of the Concession Lease.

(h) Amounts payable hereunder to the Port Authority hereunder shall be sent to the following address:

The Port Authority of New York and New Jersey
P.O. Box 17309
Newark, New Jersey

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

3. Prior to the execution of this Permit by either party hereto the following deletions, additions and substitutions

SPECIAL ENDORSEMENTS

were made in the foregoing Terms and Conditions and Standard Endorsements:

(a) The last three sentences of Section 1 of the foregoing Terms and Conditions shall be deemed to have been deleted and the following shall be deemed to have been inserted in lieu thereof:

"Notwithstanding any other term or condition hereof, it may be revoked without cause, upon thirty (30) days' written notice to the Permittee, which notice must be jointly subscribed by the Port Authority and the Airline, provided, however, that it may be revoked on twenty-four (24) hours' notice by the Port Authority without consultation with or concurrence by the Airline if the Permittee shall fail to keep, perform and observe each and every promise, agreement, condition, term and provision contained in this Permit. 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."

(b) The words "without the prior written consent of the Port Authority" shall be deemed to have been inserted after the word "contractor" at the end of the first full sentence following paragraph (d) of Section 2 of the foregoing Terms and Conditions.

(c) The word "written" in the eighth line of Section 4 of the foregoing Terms and Conditions shall be deemed to have been deleted and the following sentence shall be deemed to have been added to such Section:

"If the Manager of the Facility notifies the Permittee that any badge, identification or uniform is unacceptable in the sole judgment of the Manager of the Facility, the Permittee shall cease use of such objectionable badge, identification or uniform, as the case may be, and provide acceptable replacement(s) therefor within 30 days thereafter."

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(d) That portion of the second paragraph of Section 5 of the foregoing Terms and Conditions following the word "Facility" shall be deemed to have been deleted.

(e) Wherever the term "expiration" is used in this Permit, it shall be deemed to mean the effective date of expiration, revocation or termination.

(f) The words "and the Airline and its Directors, officers, employees, agents and representatives" shall be deemed to have been inserted following the word "representatives" in the second line of the first sentence of Section 6 of the foregoing Terms and Conditions.

(g) Wherever in this Permit the word "Facility" is used it shall be deemed to mean, as the context requires, LaGuardia Airport and/or the Terminal in which the Permittee exercises its privileges hereunder.

(h) Section 11 of the foregoing Terms and Conditions shall be deemed to have been deleted in its entirety and the following shall be deemed to have been inserted in lieu thereof:

"In the event that any sign, poster or similar device erected, displayed or maintained by the Permittee in view of the general public, is unacceptable to the Manager of the Facility, in the sole judgment of the Manager of the Facility, then the same shall be removed by the Permittee upon receipt of notice of the objection thereto from the Manager of the Facility."

(i) Notwithstanding the provisions of Standard Endorsement No. 21.1 annexed to this Permit the Port Authority shall be named as an additional insured in any policy of liability insurance required by the provisions of this Permit and each such policy of insurance so required shall contain a 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 or the provisions of any statutes respecting suits against the Port Authority.

SPECIAL ENDORSEMENTS

(j) The policies referred to in Standard Endorsement No. 21.1 shall provide or contain an 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 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.

(k) In paragraph (c) of Standard Endorsement No. 2.6 after the word "Airport" the following shall be deemed to have been inserted: "and separately as to transactions connected with the Terminal"; and paragraph (f) of Standard Endorsement No. 2.6 shall be deemed to have been deleted in its entirety.

(l) Standard Endorsement No. 8.0 shall be for the benefit of the Port Authority exclusively and may not be availed of by the Airline.

(m) It is hereby acknowledged that there are differences and inconsistencies between (i) the pricing requirements of Standard Endorsements Nos. 4.1 and 4.5 of this Permit on the one hand and the pricing requirements and performance standards as to prices set forth in Section 2.2 of the Concession Lease on the other and between (ii) the retail operating hour requirements set forth in Standard Endorsement No. 4.1 of this Permit on the one hand and such requirements set forth in Section 2.3 of the Concession Lease on the other. The parties hereto agree that notwithstanding the provisions of paragraph (c) of Special Endorsement 6 of this Permit, the provisions of Sections 2.2 and 2.3 of the Concession Lease shall not be deemed to be superseded or affected in any way by the provisions of Standard Endorsements Nos. 4.1 or 4.5 of this Permit and, as between the Permittee and the Airline, the provisions of Sections 2.2 and 2.3 of the Concession Lease shall continue in full force and effect.

(n) The words "To the extent not prohibited under or inconsistent with the Concession Lease and to the extent permitted under applicable law" shall be deemed to have been inserted at the beginning of Standard Endorsement No. 10.3.

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It shall be unnecessary to physically indicate the foregoing additions, deletions and substitutions on the foregoing Terms and Conditions and Standard Endorsements.

4. Without limiting the Permittee's indemnity obligations under this Permit, the Permittee's indemnity obligations hereunder shall include any claims and demands made by the Port Authority against the Airline pursuant to the provisions of the Airline Lease and any claims and demands made by the City of New York against the Port Authority pursuant to or under the provisions of the agreement of lease between the City of New York and the Port Authority covering the leasing of the Airport by the City to the Port Authority, as the same from time to time may have been or may be supplemented or amended. The Permittee's indemnity obligations shall be deemed to include, without limitation, brokerage or similar claims with respect to the subject matter of this Permit and all costs and expenses incurred by the Port Authority in any attempt by it to collect any fees and other amounts payable by the Permittee under this Permit, including the cost of legal counsel whether or not part of its own staff and if part of its staff as such costs, including unallocable costs, are generally calculated by the Port Authority.

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

(b) Neither this Permit nor anything contained herein shall constitute or be deemed to constitute a consent by the Port Authority to, nor shall there be created an implication that there has been consent by the Port Authority to, any enlargement or change in the rights, powers and privileges granted to the Airline under the Airline Lease, nor a consent by the Port Authority to the granting or conferring of any rights, powers or privileges to the Permittee as may be provided under the Concession Lease if not granted to the Airline under the Airline Lease unless specifically set forth in this Permit. The

SPECIAL ENDORSEMENTS

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

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

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(c) It is hereby expressly understood that there are differences and inconsistencies between the Concession Lease, the Airline Lease and this Permit and that as to any such inconsistency or difference the terms of this Permit shall control. No changes or amendments to the Concession Lease nor any renewals or extensions thereof shall be binding upon or effective against the Port Authority or shall modify any provision of this Permit unless the same have been expressly approved in advance by the Port Authority in writing, the non-monetary provisions of the Concession Lease to be enforceable by and for the benefit of the Port Authority. The Port Authority may at any time and from time to time by notice to the Permittee modify, withdraw or amend any approval, direction, or designation given to the Permittee hereunder or pursuant hereto.

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

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

7. The privilege granted hereunder is non-exclusive.

8. The Port Authority may at any time and from time to time by notice to the Permittee modify, withdraw or amend any approval, direction or designation given to the Permittee hereunder or pursuant hereto.

SPECIAL ENDORSEMENTS

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

10. With respect to the provisions of Standard Endorsement No. 23.1, the Permittee hereby certifies that its Federal Taxpayer I.D. No. is (Ex. 1) .

SED

For the Port Authority

Initialed:

MD

For the Permittee

TH

For the Airline

: For Port Authority Use Only :
:
: AGA-391 :
:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
One World Trade Center
New York, New York 10048

LAGUARDIA AIRPORT
PRIVILEGE PERMIT

The Port Authority of New York and New Jersey (herein called the "Port Authority") hereby grants to the hereinafter named Permittee the hereinafter described privilege at LaGuardia Airport, in the Borough and County of Queens, City and State of New York, in accordance with the Terms and Conditions hereof and the endorsements annexed thereto; 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 and endorsements as hereinafter set forth:

1. **PERMITTEE:** HUDSON NEWS COMPANY (formerly known as Hudson County News Company), a New Jersey corporation, d/b/a Hudson News.
2. **PERMITTEE'S ADDRESS:** 1 Meadowlands Plaza
Suite 902
East Rutherford, New Jersey 07073
3. **PERMITTEE'S REPRESENTATIVE:** Mario DiDomizio
Senior Vice President
4. **PRIVILEGE:** As set forth in Special Endorsement No. 1 hereto
5. **FEES:** As set forth in Special Endorsement No. 2 hereto
6. **EFFECTIVE DATE:** November 16, 1995
7. **EXPIRATION DATE:** November 30, 1998, subject to earlier revocation or termination as provided in this Permit
8. **ENDORSEMENTS:** 2.6, 3.1, 4.1, 4.5, 5.13, 6.1, 8.0, 9.1, 9.5, 9.6, 10.3, 13.1, 14.1, 16.1, 17.3, 19.1, 21.1, 22, 28 and SPECIAL

Dated: As of November 16, 1995

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By Gary L. Davis
(Name) **Gary L. Davis**
(Title) **General Manager**
Central Business Division
Aviation Department

HUDSON NEWS COMPANY
Permittee

By Mark [Signature]
(Name) **Senior Vice**
(Title)

APPROVED:
FORM 1 TERMS
[Signatures]

PA LAW DEPARTMENT
143329

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 at any time by the Port Authority, with or without cause, and with or without prior notice. ~~Unless sooner revoked, such permission shall expire in any event upon the expiration date hereinbefore set forth. 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.~~

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,

(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 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.

The Permittee, its employees, invitees and others doing business with it shall have no right hereunder to park vehicles within the Facility. ~~beyond a reasonable loading or discharging time, except in regular parking areas and upon payment of the regular charges therefor.~~

6. The Permittee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives, from 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 of the operations, acts or omissions of the Permittee hereunder; this indemnity shall extend to and include the contractual obligation of indemnity, if any, undertaken by the Port Authority in favor of the lessor, if any, of the Facility.

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. ~~In the event of revocation, the Permittee shall have two days, exclusive of Saturdays, Sundays and legal holidays (as determined by the laws of the State of New Jersey or of the State of New York, as the case may require), after the effective date of revocation, in which to remove such property.~~

If the Permittee shall so fail to remove such property upon the expiration or revocation hereof, the Port Authority may at its option, as agent for the Permittee and at the risk and expense of 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 days may sell the same at public auction; the proceeds of any such sale shall be applied first to the expenses of removal, sale and storage, 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.

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 claim 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 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 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. As used herein:

(a) The term "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.

(b) The terms "Manager of the Facility" or "General Manager of the Facility" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the Manager by this Permit; but until further notice from the Port Authority to the Permittee it shall mean the Manager or General Manager (or temporary or Acting Manager or General Manager) of the Facility 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 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 therefor 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 One World Trade Center, New York, New York 10048, or at such other address 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.

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

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

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

(c) Maintain, in accordance with accepted accounting practice, during the effective period of this Permit, for one (1) year after the expiration or earlier revocation or termination thereof, and for a further period extending until the Permittee shall receive written permission from the Port Authority to do otherwise, records and books of account 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;

(d) Permit in ordinary business hours during the effective period of the Permit, for one year thereafter, and during such further period as is mentioned in the preceding subdivision (c), the examination and audit by the officers, employees and representatives of the Port Authority of such records and books of account and also any records and books of account of any company which is owned or controlled by the 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;

(e) 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 cash registers;

(f) Furnish on or before the tenth day of each month following the effective date of this Permit a sworn statement of gross receipts arising out of operations of the Permittee hereunder for the preceding month, and furnish within ten days after the expiration or sooner revocation or termination of this Permit a statement of all the gross receipts arising out of operations of the Permittee hereunder during the effective period of this Permit, said statement being certified, at the Permittee's expense, by a certified public accountant;

(g) Install and use such cash registers, sales slips, invoicing machines and any other equipment or devices for recording orders taken, or services rendered as may be appropriate to the Permittee's business and necessary or desirable to keep accurate records of gross receipts.

ENDORSEMENT NO. 2.6

Airports

4/20/49; rev. 11/16/49; rev. 12/12/49; rev. 10/2/90

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 persons 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 therefor. The Permittee shall furnish all services hereunder on a fair, equal and non-discriminatory basis to all users thereof.

STANDARD ENDORSEMENT NO. 3.1

ACCOMMODATION OF THE PUBLIC

All Facilities

8/21/49

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

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

STANDARD ENDORSEMENT NO. 4.1

MERCHANDISE AND/OR SERVICES

All Airports

7/21/49

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

ENDORSEMENT NO. 4.5

All Installations

5/16/49

Except as hereinafter provided in this Endorsement, the Port Authority shall, without additional charge, furnish the following to the Permittee in the enclosed portion of the Space:

Electricity for illumination only by which is meant the energizing of incandescent and fluorescent bulbs (to be supplied by the Permittee) through existing wires, conduits and outlets, if any.

The Port Authority shall be under no obligation to furnish any of the above services if and to the extent and during any period that the furnishing of any of such services or the use of any component necessary therefor shall be prohibited or rationed by any federal, state or municipal law, rule, regulation, requirement, order or direction and if the Port Authority deems it in the public interest to comply therewith, even though such law, rule, regulation, requirement, order or direction may not be mandatory on the Port Authority as a public agency.

Any failure, delay or interruption, including without limitation thereto any failure, delay or interruption under the preceding paragraph of this Endorsement, in supplying agreed services (whether or not a separate charge is made therefor) shall not relieve the Permittee of any obligations hereunder and (unless resulting from the negligence of the Port Authority and continuing for a period of five (5) days after notice to the Port Authority) shall not be grounds for any claim by the Permittee for damages, consequential or otherwise.

STANDARD ENDORSEMENT NO. 5.13

SERVICES

All Installations

4/4/53

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

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

ENDORSEMENT NO. 6.1

All Installations

3/28/49

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 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 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 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.

STANDARD ENDORSEMENT NO. 9.1

FEDERAL AIRPORT AID

Airports

1/19/81

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

STANDARD ENDORSEMENT NO. 10.3
GARBAGE REMOVAL
Airports
7/21/49

The Permittee represents that it is the owner of or fully authorized to use any and all services, processes, machines, articles, marks, names or slogans used by it in its operations under or in any wise connected with this Permit. The Permittee agrees to save and hold the Port Authority, its Commissioners, officers, employees, agents and representatives free and harmless of and from any loss, liability, expense, suit or claim for damages in connection with any actual or alleged infringement of any patent, trademark or copyright, or arising from any alleged or actual unfair competition or other similar claim arising out of the operations of the Permittee under or in any wise connected with this Permit.

STANDARD ENDORSEMENT NO. 13.1

PATENTS, TRADEMARKS, ETC.

All Facilities

7/21/49

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

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

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

1. 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.

2. 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.

3. (a) 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.

(b) 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.

(c) 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.

STANDARD ENDORSEMENT NO. 17.3

LAW COMPLIANCE

Airports

4/17/50

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 La Guardia Airport from the City of New York to the Port Authority under the agreement between the City and 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.

"La Guardia 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 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.

ENDORSEMENT NO. 19.1

La Guardia Airport

5/19/49

(1) The Permittee in its own name as assured shall secure and pay the premium or premiums for those of the following policies of insurance with respect to which minimum limits are fixed in the schedule below. Each such policy shall be maintained in at least the limit fixed with respect thereto, shall cover the operations of the Permittee under this Permit, and shall be effective throughout the effective period:

SCHEDULE

| <u>Policy</u> | <u>Minimum Limit</u> |
|---|--------------------------|
| (a) Comprehensive general liability insurance (to include contractual liability endorsement). | |
| (1) Bodily-injury liability: | |
| For injury or wrongful death to one person: | \$ <u>2,000,000</u> |
| For injury or wrongful death to more than one person from any one occurrence: | \$ <u>2,000,000</u> |
| (2) Property-damage liability: | |
| For all damages arising out of injury to or destruction of property in any one occurrence: | \$ <u>2,000,000</u> |
| (3) Products liability: | \$ <u>2,000,000</u> |
| (b) Automobile liability insurance. | |
| (1) Bodily-injury liability: | |
| For injury or wrongful death to one person: | \$ _____ |
| For injury or wrongful death to more than one person from any one occurrence: | \$ _____ |
| (2) Property-damage liability: | |
| For all damages arising out of injury to or destruction of property in any one occurrence: | \$ _____ |
| (c) Plate and mirror glass insurance, covering all plate and mirror glass in the Space, and the lettering, signs, or decorations, if any, on such plate and mirror glass: | \$ _____ |
| (d) Boiler and machinery insurance, covering all boilers, pressure vessels and machines operated by the Permittee in the Space: | \$ _____ |
| (e) "Additional Interest" policy of boiler and machinery insurance, covering all boilers, pressure-vessels and machines operated by the Permittee in the Space: | \$ _____ |

(2) The Port Authority shall be named as an additional insured in any policy of liability insurance required by this Endorsement, unless the Port Authority shall, at any time during the effective period of this Permit, direct otherwise in writing, in which case the Permittee shall cause the Port Authority not to be so named.

(3) Every policy of insurance on property other than that of the Permittee required by this Endorsement shall name the Port Authority as the owner of the property, unless the Space is located in an area as to which the Port Authority itself is a lessee, in which case the Port Authority shall be named as the lessee and the owner shall be named as the owner, and the policy shall be endorsed substantially as follows:

"Loss, if any, under this policy, as to the interest of the owner and as to the interest of The Port Authority of New York and New Jersey, shall be adjusted solely with the Port Authority, and all proceeds under this policy shall be paid solely to the Port Authority."

(4) The "Additional Interest" policy of boiler and machinery insurance required by this Endorsement shall provide protection under Sections 1 and 2 only of the Insuring Agreements of the form of policy approved for use as of the date hereof by the National Bureau of Casualty Underwriters, New York, New York.

(5) As to any insurance required by this Endorsement, 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 within ten (10) days after the execution of this Permit. In the event any binder is delivered, it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy or certificate shall contain a valid provision or endorsement that the policy may not be cancelled, terminated, changed or modified, without giving ten (10) days' written notice thereof to the Port Authority. A renewal policy shall be delivered to the Port Authority at least fifteen (15) days prior to the expiration date of each expiring policy. If at any time any of the 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.

(6) Each policy of insurance required by this Endorsement shall contain a 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 or the provisions of any statutes respecting suits against the Port Authority.

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 of 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

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. Grant of Privilege. The Port Authority hereby grants to the Permittee the privilege of operating a first class newsstand concession for the sale at retail of paperback books, magazines, periodicals, newspapers, gum, candies and packaged snacks, cough drops, digestive aids, cigarettes, cigars, tobacco products and accessories, postal cards, stationery supplies, health and beauty aids, photographic film, batteries, sundries, souvenirs, T-shirts and gifts and no other items except as may be approved in writing by the Port Authority in advance of the same being stocked or offered to customers. The Permittee shall exercise the privilege granted by this Permit only in the space in the Marine Air Terminal (the "Terminal") designated by the Port Authority (hereinafter sometimes referred to as the "Concession Space" or the "Space"), subject to all the terms and conditions of this Permit.

2. Fees. (a) As used herein:

(i) "Annual Period" shall mean, as the context requires, the twelve-month period commencing with the Fee Commencement Date (as defined below) and each twelve-month period occurring thereafter during the Term (as defined below), commencing with each anniversary of the Fee Commencement Date, provided, however, that if the Fee Commencement Date occurs on a day which is other than the first day of a calendar month, the first Annual Period shall consist of the partial calendar month commencing on the Fee Commencement Date plus the succeeding twelve (12) calendar months, and each subsequent Annual Period shall commence on the anniversary of the first day of the first full calendar month following the month in which the Fee Commencement Date occurs.

(ii) "Fee Commencement Date" shall mean November 16, 1995, the date upon which the Permittee's obligation to pay fees hereunder commences.

(iii) "Gross Receipts" shall mean all monies paid or payable to the Permittee for sales made and services rendered at or from the Terminal, regardless of when or where the order therefor is received, and outside the Terminal or Airport if the order is received at the Terminal, and any other revenues of any type arising out of or in connection with the Permittee's operations at the Terminal, provided, however, that there shall be excluded from Gross Receipts any taxes imposed by law which are separately stated to and paid by a customer and directly payable to the taxing authority by the Permittee, and any receipts of the Permittee which arise from the Permittee's operations under any other agreement with the Port Authority at the Airport and which are subject to a percentage fee or rental under that agreement.

(iv) "Term" shall mean the effective period of the permission granted under this Permit.

SPECIAL ENDORSEMENTS

(b) (i) During the Term the Permittee shall pay to the Port Authority a basic fee (the "Basic Fee") at a per annum rate of Ten Thousand Eight Hundred Dollars and No Cents (\$10,800.00). The Basic Fee shall be payable in advance in equal monthly installments of Nine Hundred Dollars and No Cents (\$900.00), on the Fee Commencement Date and on the first day of each calendar month thereafter, except that if the Fee Commencement Date occurs on a day other than the first day of a calendar month, the Basic Fee installment payable on the Fee Commencement Date shall be an amount equal to the amount of the installment provided in this paragraph multiplied by a fraction, the numerator of which shall be the number of days from the Fee Commencement Date to the last day of the calendar month in which the Fee Commencement Date occurs (including both the Fee Commencement Date and such last day), and the denominator of which shall be the full number of days in that calendar month.

(ii) If the Term is terminated or revoked or expires effective on other than the last day of a calendar month, the applicable Basic Fee payable for the portion of the month in which the Term ends shall be the amount of the monthly installment of Basic Fee set forth in this Special Endorsement, prorated on a daily basis.

(c) In addition to the Basic Fee, the Permittee shall pay to the Port Authority an annual percentage fee (the "Percentage Fee") equal to the excess, over the Basic Fee, of ten percent (10%) of all Gross Receipts. The time for making payment and the method of calculation of the Percentage Fee shall be as set forth in paragraph (e) of this Special Endorsement.

(d) For the purpose of calculating the Basic Fee and the Percentage Fee due for any Annual Period which contains more or less than 365 days, the Basic Fee and the Percentage Fee shall be equal to the monthly installments payable multiplied by a fraction, the numerator of which shall be the number of days from the first day of such Annual Period through the last day thereof, including both such days, and the denominator of which shall be 365.

(e) (i) Gross Receipts shall be reported and the Percentage Fee shall be paid as follows: on the 20th day of the first month following the commencement of each Annual Period and on the 20th day of each month thereafter, including the month following the end of each Annual Period and the month following the expiration of the Term, the Permittee shall render to the Port Authority a sworn statement showing all Gross Receipts arising in the preceding month and also showing cumulative Gross Receipts from the first day of the Annual Period to which the statement applies through the last day of the preceding month. Whenever any monthly

SPECIAL ENDORSEMENTS

statement shows that the Percentage Fee for the Annual Period to which the statement applies is in excess of the Basic Fee, the Permittee shall pay to the Port Authority at the time of rendering the statement an amount equal to the excess of such sum over the Basic Fee, and shall thereafter on the 20th day of each month during that Annual Period, and the month following the end of that Annual Period, including the month following the expiration of the Term, pay the Percentage Fee, if any, for each subsequent month during that Annual Period.

(ii) Upon any termination or revocation of this Permit (even if stated to have the same effect as expiration), Gross Receipts shall be reported and the Percentage Fee shall be paid on the 20th day of the first month following the month in which the effective date of such termination or revocation occurs, as follows. The Permittee shall render to the Port Authority a sworn statement of all Gross Receipts for the Annual Period in which the effective date of termination or revocation falls, showing the cumulative amount of Gross Receipts. The payment then due on account of the entire amount of the Percentage Fee for the Annual Period in which the effective date of termination or revocation falls shall be the excess of the Percentage Fee over the total of all Percentage Fee payments previously made for such Annual Period.

(f) All payments due the Port Authority under this Permit shall be sent to the following address:

The Port Authority of New York and New Jersey
P.O. Box 17309
Newark, New Jersey 07194

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. Terms and Conditions and Standard Endorsements Modified.

(a) The Terms and Conditions of this Permit are hereby modified as follows:

(i) The last three sentences of Section 1 shall be deemed deleted and the following shall be deemed to be inserted in their place:

"Notwithstanding any other term or condition hereof, it may be revoked without cause, upon thirty (30) days' written notice to the Permittee by the Port Authority, provided, however, that it may be revoked on twenty-four

SPECIAL ENDORSEMENTS

(24) hours' written 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. 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."

(ii) The words "without the prior written consent of the Port Authority" shall be deemed inserted after the word "contractor" at the end of the first full sentence following paragraph (d) of Section 2.

(iii) The word "written" shall be deemed deleted from the eighth line of Section 4.

(iv) The following sentence shall be deemed inserted following the third sentence of Section 4:

"If the Manager of the Facility notifies the Permittee that any badge, identification or uniform is unacceptable in the sole judgment of the Manager of the Facility, then the Permittee shall upon receipt of such notice cease use of such objectionable badge, identification or uniform, as the case may be, and shall provide acceptable replacement(s) therefor within thirty (30) days thereafter."

(v) That portion of the second paragraph of Section 5 following the word "Facility" shall be deemed deleted.

(vi) That portion of the second paragraph of Section 8 following the word "granted" shall be deemed deleted.

(vii) Section 11 shall be deemed deleted in its entirety and the following shall be deemed inserted in its place:

"In the event that any sign, poster or similar device erected, displayed or maintained by the Permittee in view of the general public, is unacceptable to the Manager of the Facility, in the sole judgment of the Manager of the Facility, then the same shall be removed by the Permittee upon receipt of notice to do so by the Manager of the Facility and any not so removed by the Permittee may be removed by the Port Authority at the expense of the Permittee."

SPECIAL ENDORSEMENTS

(b) Paragraph (f) of Standard Endorsement 2.6 to this Permit shall be deemed deleted in its entirety.

4. Insurance. (a) (i) Throughout the Term, the Permittee in its own name as insured, with the Port Authority designated as an additional insured, shall maintain and pay the premiums on a policy or policies of comprehensive general liability insurance, with an endorsement for products liability 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 limits set forth below.

| | <u>Minimum Limit</u> |
|--|----------------------|
| Comprehensive General Liability: Combined single limit per occurrence for death, bodily injury and property damage liability. | \$2,000,000 |
| Products Liability: | \$2,000,000 |

(ii) Each such policy of insurance shall also provide, or contain an endorsement providing, that the protection 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 claim or action against the Permittee by the Port Authority, but such endorsement shall not limit, vary, change or affect the protection afforded the Port Authority thereunder as an additional insured. In addition, each such policy of insurance shall also provide, or contain an endorsement providing, that the protection afforded the Port Authority thereunder with respect to any claim or action against the Port Authority by the Permittee shall be the same as the protection afforded the Permittee thereunder with respect to any claim or action against the Permittee by a third person, as if the Port Authority were the named insured thereunder. Each such policy of insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Permittee under Section 6 of the Terms and Conditions of this Permit, as amended by Special Endorsement No. 5 below.

(b) (i) Notwithstanding any minimum insurance coverage limits set forth in this Permit, it is specifically understood and agreed that the Port Authority shall have the right (x) to review all insurance coverages and policies required by the Port Authority for adequacy of terms, conditions and limits and, upon notice to the Permittee given from time to time and at any time, (y) to require the Permittee to amend or modify the insurance coverage, and (z) to require the Permittee to obtain such other or additional insurance, in such reasonable amounts and against such other

SPECIAL ENDORSEMENTS

insurable hazards, as the Port Authority may deem necessary. The Permittee shall promptly comply with such requirements and shall promptly submit to the Port Authority a certificate or certificates evidencing such compliance.

(ii) The insurance required herein shall be written by a company or companies approved by the Port Authority. If at any time any of the insurance policies are or become unsatisfactory to the Port Authority as to form or substance, or if any of the carriers issuing such policies are or become unsatisfactory to the Port Authority, the Permittee shall promptly obtain in replacement a new policy satisfactory to the Port Authority. A certified copy of each policy shall be delivered to the Port Authority promptly upon the Port Authority's request at any time.

(c) The Permittee shall deliver to the Port Authority, upon execution and delivery of this Permit, a certified copy of each policy, a certificate evidencing the existence thereof or a binder. Each policy, certificate or binder delivered shall bear the endorsement of or be accompanied by evidence of payment of the premium for the policy. Any binder delivered shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy or certificate shall contain a valid provision or endorsement that the policy may not be cancelled, terminated, changed or modified without giving thirty (30) days' advance written notice to the Port Authority. Each such copy or certificate required shall contain a provision that the insurer shall not, without the express advance written permission of the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port Authority. Any renewal policy, or evidence thereof, as provided above, shall be delivered to the Port Authority at least thirty (30) days prior to the expiration of each expiring policy.

5. Indemnity. Without limiting the Permittee's indemnity obligations under this Permit, the Permittee's indemnity obligations hereunder shall extend to and include any claims and demands made by the City of New York against the Port Authority pursuant to or under the provisions of the agreement of lease between the City of New York and the Port Authority covering the leasing of the Airport by the City to the Port Authority, as the same from time to time may have been or may be extended, supplemented or amended.

SPECIAL ENDORSEMENTS

6. Affirmative Covenant. The Permittee hereby covenants that it shall hire and train visually impaired community members of the Queens Lighthouse for the Blind.

7. Interpretation. (a) Notwithstanding that the Percentage Fee hereunder is measured by percentages of Gross Receipts, no partnership relationship or joint adventure between the Port Authority and the Permittee is created or intended to be created by this Permit.

(b) Wherever in this Permit the word "Facility" is used, it shall be deemed to mean, as the context requires, LaGuardia Airport and/or the Terminal.

8. Right to Modify or Withdraw Approvals, etc. The Port Authority may at any time and from time to time by notice to the Permittee modify, withdraw or amend any approval, direction, or designation given hereunder or pursuant hereto to the Permittee.

9. Right of Entry. The Port Authority shall have the right by its officers, employees, agents, representatives and contractors at all reasonable times to enter the Concession Space for the purpose of inspecting the same, for observing the performance by the Permittee of its obligations under this Permit and for the doing of any act or thing which the Port Authority may be obligated or have the right to do under this Permit or otherwise.

10. Non-Exclusive Privilege. The privilege granted hereunder is non-exclusive.



For the Port Authority

Initialed:



For the Permittee

: For Port Authority Use Only :
:
: AGA-391 :

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
One World Trade Center
New York, New York 10048

LAGUARDIA AIRPORT
PRIVILEGE PERMIT

The Port Authority of New York and New Jersey (herein called the "Port Authority") hereby grants to the hereinafter named Permittee the hereinafter described privilege at LaGuardia Airport, in the Borough and County of Queens, City and State of New York, in accordance with the Terms and Conditions hereof and the endorsements annexed thereto; 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 and endorsements as hereinafter set forth:

1. **PERMITTEE:** HUDSON NEWS COMPANY (formerly known as Hudson County News Company), a New Jersey corporation, d/b/a Hudson News.
2. **PERMITTEE'S ADDRESS:** 1 Meadowlands Plaza
Suite 902
East Rutherford, New Jersey 07073
3. **PERMITTEE'S REPRESENTATIVE:** Mario DiDomizio
Senior Vice President
4. **PRIVILEGE:** As set forth in Special Endorsement No. 1 hereto
5. **FEES:** As set forth in Special Endorsement No. 2 hereto
6. **EFFECTIVE DATE:** November 16, 1995
7. **EXPIRATION DATE:** November 30, 1998, subject to earlier revocation or termination as provided in this Permit
8. **ENDORSEMENTS:** 2.6, 3.1, 4.1, 4.5, 5.13, 6.1, 8.0, 9.1, 9.5, 9.6, 10.3, 13.1, 14.1, 16.1, 17.3, 19.1, 21.1, 22, 28 and SPECIAL

Dated: As of November 16, 1995

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By Gary L. Davis
(Name) **Gary L. Davis**
(Title) **General Manager**
Central Business Division
Aviation Department

HUDSON NEWS COMPANY
Permittee

By Mario DiDomizio
(Name)
(Title) **Senior Vice President**

APPROVED:
FORM 1 TERMS
PAN TV SED

12/12/77

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 at any time by the Port Authority, with or without cause, and with or without prior notice. Unless ~~sooner~~ revoked, such permission shall expire in any event upon the expiration date hereinbefore set forth. 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.~~

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,

(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 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.

The Permittee, its employees, invitees and others doing business with it shall have no right hereunder to park vehicles within the Facility. ~~beyond a reasonable loading or discharging time, except in regular parking areas and upon payment of the regular charges therefor.~~

6. The Permittee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives, from 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 of the operations, acts or omissions of the Permittee hereunder; this indemnity shall extend to and include the contractual obligation of indemnity, if any, undertaken by the Port Authority in favor of the lessor, if any, of the Facility.

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. ~~In the event of revocation, the Permittee shall have two days, exclusive of Saturdays, Sundays and legal holidays (as determined by the laws of the State of New Jersey or of the State of New York, as the case may require), after the effective date of revocation, in which to remove such property.~~

If the Permittee shall so fail to remove such property upon the expiration or revocation hereof, the Port Authority may at its option, as agent for the Permittee and at the risk and expense of 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 days may sell the same at public auction; the proceeds of any such sale shall be applied first to the expenses of removal, sale and storage, 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.

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 claim 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 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 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. As used herein:

(a) The term "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.

(b) The terms "Manager of the Facility" or "General Manager of the Facility" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the Manager by this Permit; but until further notice from the Port Authority to the Permittee it shall mean the Manager or General Manager (or temporary or Acting Manager or General Manager) of the Facility 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 registered mail addressed to the Permittee at the address specified on the first page hereof or at

Form F - Privilege, All Facilities
12/4/73

the address that the Permittee may have most recently substituted therefor 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 One World Trade Center, New York, New York 10048, or at such other address 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.

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

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

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

(c) Maintain, in accordance with accepted accounting practice, during the effective period of this Permit, for one (1) year after the expiration or earlier revocation or termination thereof, and for a further period extending until the Permittee shall receive written permission from the Port Authority to do otherwise, records and books of account 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;

(d) Permit in ordinary business hours during the effective period of the Permit, for one year thereafter, and during such further period as is mentioned in the preceding subdivision (c), the examination and audit by the officers, employees and representatives of the Port Authority of such records and books of account and also any records and books of account of any company which is owned or controlled by the 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;

(e) 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 cash registers;

(f) Furnish on or before the tenth day of each month following the effective date of this Permit a sworn statement of gross receipts arising out of operations of the Permittee hereunder for the preceding month, and furnish within ten days after the expiration or sooner revocation or termination of this Permit a statement of all the gross receipts arising out of operations of the Permittee hereunder during the effective period of this Permit, said statement being certified, at the Permittee's expense, by a certified public accountant;

(g) Install and use such cash registers, sales slips, invoicing machines and any other equipment or devices for recording orders taken, or services rendered as may be appropriate to the Permittee's business and necessary or desirable to keep accurate records of gross receipts.

ENDORSEMENT NO. 2.6

Airports

4/20/49; rev. 11/16/49; rev. 12/12/49; rev. 10/2/90

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 persons 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 therefor. The Permittee shall furnish all services hereunder on a fair, equal and non-discriminatory basis to all users thereof.

STANDARD ENDORSEMENT NO. 3.1

ACCOMMODATION OF THE PUBLIC

All Facilities

8/21/49

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

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

STANDARD ENDORSEMENT NO. 4.1

MERCHANDISE AND/OR SERVICES

All Airports

7/21/49

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

ENDORSEMENT NO. 4.5

All Installations

5/16/49

Except as hereinafter provided in this Endorsement, the Port Authority shall, without additional charge, furnish the following to the Permittee in the enclosed portion of the Space:

Electricity for illumination only by which is meant the energizing of incandescent and fluorescent bulbs (to be supplied by the Permittee) through existing wires, conduits and outlets, if any.

The Port Authority shall be under no obligation to furnish any of the above services if and to the extent and during any period that the furnishing of any of such services or the use of any component necessary therefor shall be prohibited or rationed by any federal, state or municipal law, rule, regulation, requirement, order or direction and if the Port Authority deems it in the public interest to comply therewith, even though such law, rule, regulation, requirement, order or direction may not be mandatory on the Port Authority as a public agency.

Any failure, delay or interruption, including without limitation thereto any failure, delay or interruption under the preceding paragraph of this Endorsement, in supplying agreed services (whether or not a separate charge is made therefor) shall not relieve the Permittee of any obligations hereunder and (unless resulting from the negligence of the Port Authority and continuing for a period of five (5) days after notice to the Port Authority) shall not be grounds for any claim by the Permittee for damages, consequential or otherwise.

STANDARD ENDORSEMENT NO. 5.13

SERVICES

All Installations

4/4/53

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

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

ENDORSEMENT NO. 6.1

All Installations

3/28/49

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 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 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 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.

STANDARD ENDORSEMENT NO. 9.1

FEDERAL AIRPORT AID

Airports

1/19/81

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

STANDARD ENDORSEMENT NO. 10.3
GARBAGE REMOVAL
Airports
7/21/49

The Permittee represents that it is the owner of or fully authorized to use any and all services, processes, machines, articles, marks, names or slogans used by it in its operations under or in any wise connected with this Permit. The Permittee agrees to save and hold the Port Authority, its Commissioners, officers, employees, agents and representatives free and harmless of and from any loss, liability, expense, suit or claim for damages in connection with any actual or alleged infringement of any patent, trademark or copyright, or arising from any alleged or actual unfair competition or other similar claim arising out of the operations of the Permittee under or in any wise connected with this Permit.

STANDARD ENDORSEMENT NO. 13.1

PATENTS, TRADEMARKS, ETC.

All Facilities

7/21/49

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

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

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

1. 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.

2. 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.

3. (a) 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.

(b) 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.

(c) 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.

STANDARD ENDORSEMENT NO. 17.3

LAW COMPLIANCE

Airports

4/17/50

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 La Guardia Airport from the City of New York to the Port Authority under the agreement between the City and 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.

"La Guardia 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 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.

ENDORSEMENT NO. 19.1

La Guardia Airport

5/19/49

(1) The Permittee in its own name as assured shall secure and pay the premium or premiums for those of the following policies of insurance with respect to which minimum limits are fixed in the schedule below. Each such policy shall be maintained in at least the limit fixed with respect thereto, shall cover the operations of the Permittee under this Permit, and shall be effective throughout the effective period:

SCHEDULE

| <u>Policy</u> | <u>Minimum Limit</u> |
|---|--------------------------|
| (a) Comprehensive general liability insurance (to include contractual liability endorsement). | |
| (1) Bodily-injury liability: | |
| For injury or wrongful death to one person: | \$ <u>2,000,000</u> |
| For injury or wrongful death to more than one person from any one occurrence: | \$ <u>2,000,000</u> |
| (2) Property-damage liability: | |
| For all damages arising out of injury to or destruction of property in any one occurrence: | \$ <u>2,000,000</u> |
| (3) Products liability: | \$ <u>2,000,000</u> |
| (b) Automobile liability insurance. | |
| (1) Bodily-injury liability: | |
| For injury or wrongful death to one person: | \$ _____ |
| For injury or wrongful death to more than one person from any one occurrence: | \$ _____ |
| (2) Property-damage liability: | |
| For all damages arising out of injury to or destruction of property in any one occurrence: | \$ _____ |
| (c) Plate and mirror glass insurance, covering all plate and mirror glass in the Space, and the lettering, signs, or decorations, if any, on such plate and mirror glass: | \$ _____ |
| (d) Boiler and machinery insurance, covering all boilers, pressure vessels and machines operated by the Permittee in the Space: | \$ _____ |
| (e) "Additional Interest" policy of boiler and machinery insurance, covering all boilers, pressure-vessels and machines operated by the Permittee in the Space: | \$ _____ |

STANDARD ENDORSEMENT NO. 21.1 (Page 1)

INSURANCE

All Facilities

3/25/82 (R)

(2) The Port Authority shall be named as an additional insured in any policy of liability insurance required by this Endorsement, unless the Port Authority shall, at any time during the effective period of this Permit, direct otherwise in writing, in which case the Permittee shall cause the Port Authority not to be so named.

(3) Every policy of insurance on property other than that of the Permittee required by this Endorsement shall name the Port Authority as the owner of the property, unless the Space is located in an area as to which the Port Authority itself is a lessee, in which case the Port Authority shall be named as the lessee and the owner shall be named as the owner, and the policy shall be endorsed substantially as follows:

"Loss, if any, under this policy, as to the interest of the owner and as to the interest of The Port Authority of New York and New Jersey, shall be adjusted solely with the Port Authority, and all proceeds under this policy shall be paid solely to the Port Authority."

(4) The "Additional Interest" policy of boiler and machinery insurance required by this Endorsement shall provide protection under Sections 1 and 2 only of the Insuring Agreements of the form of policy approved for use as of the date hereof by the National Bureau of Casualty Underwriters, New York, New York.

(5) As to any insurance required by this Endorsement, 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 within ten (10) days after the execution of this Permit. In the event any binder is delivered, it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy or certificate shall contain a valid provision or endorsement that the policy may not be cancelled, terminated, changed or modified, without giving ten (10) days' written notice thereof to the Port Authority. A renewal policy shall be delivered to the Port Authority at least fifteen (15) days prior to the expiration date of each expiring policy. If at any time any of the 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.

(6) Each policy of insurance required by this Endorsement shall contain a 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 or the provisions of any statutes respecting suits against the Port Authority.

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 of 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.

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. Grant of Privilege. The Port Authority hereby grants to the Permittee the privilege of operating a first class newsstand concession for the sale at retail of paperback books, magazines, periodicals, newspapers, gum, candies and packaged snacks, cough drops, digestive aids, cigarettes, cigars, tobacco products and accessories, postal cards, stationery supplies, health and beauty aids, photographic film, batteries, sundries, souvenirs, T-shirts and gifts and no other items except as may be approved in writing by the Port Authority in advance of the same being stocked or offered to customers. The Permittee shall exercise the privilege granted by this Permit only in the space in the Marine Air Terminal (the "Terminal") designated by the Port Authority (hereinafter sometimes referred to as the "Concession Space" or the "Space"), subject to all the terms and conditions of this Permit.

2. Fees. (a) As used herein:

(i) "Annual Period" shall mean, as the context requires, the twelve-month period commencing with the Fee Commencement Date (as defined below) and each twelve-month period occurring thereafter during the Term (as defined below), commencing with each anniversary of the Fee Commencement Date, provided, however, that if the Fee Commencement Date occurs on a day which is other than the first day of a calendar month, the first Annual Period shall consist of the partial calendar month commencing on the Fee Commencement Date plus the succeeding twelve (12) calendar months, and each subsequent Annual Period shall commence on the anniversary of the first day of the first full calendar month following the month in which the Fee Commencement Date occurs.

(ii) "Fee Commencement Date" shall mean November 16, 1995, the date upon which the Permittee's obligation to pay fees hereunder commences.

(iii) "Gross Receipts" shall mean all monies paid or payable to the Permittee for sales made and services rendered at or from the Terminal, regardless of when or where the order therefor is received, and outside the Terminal or Airport if the order is received at the Terminal, and any other revenues of any type arising out of or in connection with the Permittee's operations at the Terminal, provided, however, that there shall be excluded from Gross Receipts any taxes imposed by law which are separately stated to and paid by a customer and directly payable to the taxing authority by the Permittee, and any receipts of the Permittee which arise from the Permittee's operations under any other agreement with the Port Authority at the Airport and which are subject to a percentage fee or rental under that agreement.

(iv) "Term" shall mean the effective period of the permission granted under this Permit.

SPECIAL ENDORSEMENTS

(b) (i) During the Term the Permittee shall pay to the Port Authority a basic fee (the "Basic Fee") at a per annum rate of Ten Thousand Eight Hundred Dollars and No Cents (\$10,800.00). The Basic Fee shall be payable in advance in equal monthly installments of Nine Hundred Dollars and No Cents (\$900.00), on the Fee Commencement Date and on the first day of each calendar month thereafter, except that if the Fee Commencement Date occurs on a day other than the first day of a calendar month, the Basic Fee installment payable on the Fee Commencement Date shall be an amount equal to the amount of the installment provided in this paragraph multiplied by a fraction, the numerator of which shall be the number of days from the Fee Commencement Date to the last day of the calendar month in which the Fee Commencement Date occurs (including both the Fee Commencement Date and such last day), and the denominator of which shall be the full number of days in that calendar month.

(ii) If the Term is terminated or revoked or expires effective on other than the last day of a calendar month, the applicable Basic Fee payable for the portion of the month in which the Term ends shall be the amount of the monthly installment of Basic Fee set forth in this Special Endorsement, prorated on a daily basis.

(c) In addition to the Basic Fee, the Permittee shall pay to the Port Authority an annual percentage fee (the "Percentage Fee") equal to the excess, over the Basic Fee, of ten percent (10%) of all Gross Receipts. The time for making payment and the method of calculation of the Percentage Fee shall be as set forth in paragraph (e) of this Special Endorsement.

(d) For the purpose of calculating the Basic Fee and the Percentage Fee due for any Annual Period which contains more or less than 365 days, the Basic Fee and the Percentage Fee shall be equal to the monthly installments payable multiplied by a fraction, the numerator of which shall be the number of days from the first day of such Annual Period through the last day thereof, including both such days, and the denominator of which shall be 365.

(e) (i) Gross Receipts shall be reported and the Percentage Fee shall be paid as follows: on the 20th day of the first month following the commencement of each Annual Period and on the 20th day of each month thereafter, including the month following the end of each Annual Period and the month following the expiration of the Term, the Permittee shall render to the Port Authority a sworn statement showing all Gross Receipts arising in the preceding month and also showing cumulative Gross Receipts from the first day of the Annual Period to which the statement applies through the last day of the preceding month. Whenever any monthly

SPECIAL ENDORSEMENTS

statement shows that the Percentage Fee for the Annual Period to which the statement applies is in excess of the Basic Fee, the Permittee shall pay to the Port Authority at the time of rendering the statement an amount equal to the excess of such sum over the Basic Fee, and shall thereafter on the 20th day of each month during that Annual Period, and the month following the end of that Annual Period, including the month following the expiration of the Term, pay the Percentage Fee, if any, for each subsequent month during that Annual Period.

(ii) Upon any termination or revocation of this Permit (even if stated to have the same effect as expiration), Gross Receipts shall be reported and the Percentage Fee shall be paid on the 20th day of the first month following the month in which the effective date of such termination or revocation occurs, as follows. The Permittee shall render to the Port Authority a sworn statement of all Gross Receipts for the Annual Period in which the effective date of termination or revocation falls, showing the cumulative amount of Gross Receipts. The payment then due on account of the entire amount of the Percentage Fee for the Annual Period in which the effective date of termination or revocation falls shall be the excess of the Percentage Fee over the total of all Percentage Fee payments previously made for such Annual Period.

(f) All payments due the Port Authority under this Permit shall be sent to the following address:

The Port Authority of New York and New Jersey
P.O. Box 17309
Newark, New Jersey 07194

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. Terms and Conditions and Standard Endorsements Modified.

(a) The Terms and Conditions of this Permit are hereby modified as follows:

(i) The last three sentences of Section 1 shall be deemed deleted and the following shall be deemed to be inserted in their place:

"Notwithstanding any other term or condition hereof, it may be revoked without cause, upon thirty (30) days' written notice to the Permittee by the Port Authority, provided, however, that it may be revoked on twenty-four

SPECIAL ENDORSEMENTS

(24) hours' written 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. 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."

(ii) The words "without the prior written consent of the Port Authority" shall be deemed inserted after the word "contractor" at the end of the first full sentence following paragraph (d) of Section 2.

(iii) The word "written" shall be deemed deleted from the eighth line of Section 4.

(iv) The following sentence shall be deemed inserted following the third sentence of Section 4:

"If the Manager of the Facility notifies the Permittee that any badge, identification or uniform is unacceptable in the sole judgment of the Manager of the Facility, then the Permittee shall upon receipt of such notice cease use of such objectionable badge, identification or uniform, as the case may be, and shall provide acceptable replacement(s) therefor within thirty (30) days thereafter."

(v) That portion of the second paragraph of Section 5 following the word "Facility" shall be deemed deleted.

(vi) That portion of the second paragraph of Section 8 following the word "granted" shall be deemed deleted.

(vii) Section 11 shall be deemed deleted in its entirety and the following shall be deemed inserted in its place:

"In the event that any sign, poster or similar device erected, displayed or maintained by the Permittee in view of the general public, is unacceptable to the Manager of the Facility, in the sole judgment of the Manager of the Facility, then the same shall be removed by the Permittee upon receipt of notice to do so by the Manager of the Facility and any not so removed by the Permittee may be removed by the Port Authority at the expense of the Permittee."

SPECIAL ENDORSEMENTS

(b) Paragraph (f) of Standard Endorsement 2.6 to this Permit shall be deemed deleted in its entirety.

4. Insurance. (a) (i) Throughout the Term, the Permittee in its own name as insured, with the Port Authority designated as an additional insured, shall maintain and pay the premiums on a policy or policies of comprehensive general liability insurance, with an endorsement for products liability 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 limits set forth below.

| | <u>Minimum Limit</u> |
|--|----------------------|
| Comprehensive General Liability: Combined single limit per occurrence for death, bodily injury and property damage liability. | \$2,000,000 |
| Products Liability: | \$2,000,000 |

(ii) Each such policy of insurance shall also provide, or contain an endorsement providing, that the protection 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 claim or action against the Permittee by the Port Authority, but such endorsement shall not limit, vary, change or affect the protection afforded the Port Authority thereunder as an additional insured. In addition, each such policy of insurance shall also provide, or contain an endorsement providing, that the protection afforded the Port Authority thereunder with respect to any claim or action against the Port Authority by the Permittee shall be the same as the protection afforded the Permittee thereunder with respect to any claim or action against the Permittee by a third person, as if the Port Authority were the named insured thereunder. Each such policy of insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Permittee under Section 6 of the Terms and Conditions of this Permit, as amended by Special Endorsement No. 5 below.

(b) (i) Notwithstanding any minimum insurance coverage limits set forth in this Permit, it is specifically understood and agreed that the Port Authority shall have the right (x) to review all insurance coverages and policies required by the Port Authority for adequacy of terms, conditions and limits and, upon notice to the Permittee given from time to time and at any time, (y) to require the Permittee to amend or modify the insurance coverage, and (z) to require the Permittee to obtain such other or additional insurance, in such reasonable amounts and against such other

SPECIAL ENDORSEMENTS

insurable hazards, as the Port Authority may deem necessary. The Permittee shall promptly comply with such requirements and shall promptly submit to the Port Authority a certificate or certificates evidencing such compliance.

(ii) The insurance required herein shall be written by a company or companies approved by the Port Authority. If at any time any of the insurance policies are or become unsatisfactory to the Port Authority as to form or substance, or if any of the carriers issuing such policies are or become unsatisfactory to the Port Authority, the Permittee shall promptly obtain in replacement a new policy satisfactory to the Port Authority. A certified copy of each policy shall be delivered to the Port Authority promptly upon the Port Authority's request at any time.

(c) The Permittee shall deliver to the Port Authority, upon execution and delivery of this Permit, a certified copy of each policy, a certificate evidencing the existence thereof or a binder. Each policy, certificate or binder delivered shall bear the endorsement of or be accompanied by evidence of payment of the premium for the policy. Any binder delivered shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy or certificate shall contain a valid provision or endorsement that the policy may not be cancelled, terminated, changed or modified without giving thirty (30) days' advance written notice to the Port Authority. Each such copy or certificate required shall contain a provision that the insurer shall not, without the express advance written permission of the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port Authority. Any renewal policy, or evidence thereof, as provided above, shall be delivered to the Port Authority at least thirty (30) days prior to the expiration of each expiring policy.

5. Indemnity. Without limiting the Permittee's indemnity obligations under this Permit, the Permittee's indemnity obligations hereunder shall extend to and include any claims and demands made by the City of New York against the Port Authority pursuant to or under the provisions of the agreement of lease between the City of New York and the Port Authority covering the leasing of the Airport by the City to the Port Authority, as the same from time to time may have been or may be extended, supplemented or amended.

SPECIAL ENDORSEMENTS

6. Affirmative Covenant. The Permittee hereby covenants that it shall hire and train visually impaired community members of the Queens Lighthouse for the Blind.

7. Interpretation. (a) Notwithstanding that the Percentage Fee hereunder is measured by percentages of Gross Receipts, no partnership relationship or joint adventure between the Port Authority and the Permittee is created or intended to be created by this Permit.

(b) Wherever in this Permit the word "Facility" is used, it shall be deemed to mean, as the context requires, LaGuardia Airport and/or the Terminal.

8. Right to Modify or Withdraw Approvals, etc. The Port Authority may at any time and from time to time by notice to the Permittee modify, withdraw or amend any approval, direction, or designation given hereunder or pursuant hereto to the Permittee.

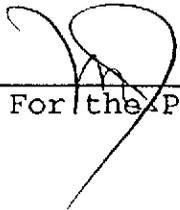
9. Right of Entry. The Port Authority shall have the right by its officers, employees, agents, representatives and contractors at all reasonable times to enter the Concession Space for the purpose of inspecting the same, for observing the performance by the Permittee of its obligations under this Permit and for the doing of any act or thing which the Port Authority may be obligated or have the right to do under this Permit or otherwise.

10. Non-Exclusive Privilege. The privilege granted hereunder is non-exclusive.



For the Port Authority

Initialed:



For the Permittee



THIS SUPPLEMENT TO 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

Port Authority Permit No. AGA-391
Supplement No. 1
LaGuardia Airport

SUPPLEMENT TO PERMIT

THIS AGREEMENT, made by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter referred to as the "Port Authority") and HUDSON NEWS COMPANY, formerly known as Hudson County News Company (hereinafter referred to as the "Permittee"),

WITNESSETH, that the Port Authority and the Permittee hereby agree to amend, effective as of November 30, 1998, (unless otherwise stated, that certain Permit, identified above by Port Authority Permit Number and dated as of November 16, 1995, and covering privileges at the above-mentioned Port Authority Facility) issued by the Port Authority to the Permittee, and hereinafter called the "Permit", as follows:

1. The effective period of the permission granted under the Permit shall be extended to and including November 30, 2001, unless sooner terminated or revoked as provided in the Permit, as herein amended.
2. Effective as of April 1, 2000, Special Endorsement No. 2 of the Permit shall be amended as follows (it being understood and agreed this deletion and amendment are not to affect or limit the obligation of the Permittee to pay all fees due and unpaid pursuant to such deleted and amended terms and provisions of the Permit prior to April 1, 2000):
 - (a) The words "November 16, 1995" in the first and second lines of subparagraph (ii) of paragraph (a) shall be deemed deleted and the words "April 1, 2000" shall be deemed substituted in lieu thereof.
 - (b) The words "Ten Thousand Eight Hundred Dollars and No Cents (\$10,800.00)" in the third and fourth lines of subparagraph (i) of paragraph (b) shall be deemed deleted and the words "Eleven Thousand Eight Hundred Eighty Dollars and No Cents (\$11,880.00)" shall be deemed substituted in lieu thereof.

- (c) The words "Nine Hundred Dollars and No Cents (\$900.00)" in the fifth and sixth lines subparagraph (i) of paragraph (b) shall be deemed deleted and the words "Nine Hundred and Ninety Dollars and No Cents (\$990.00)" shall be deemed substituted in lieu thereof.
- (d) The words "ten percent (10%)" in the third line of paragraph (c) shall be deemed deleted and the words "eleven percent (11%)" shall be deemed substituted in lieu thereof.

3. 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 the Permittee, under any term or provision of this Supplement, or because of its execution or attempted execution, or because of any breach thereof.

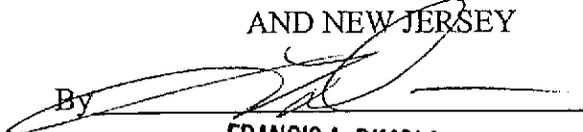
4. The Permittee represents and warrants that no broker has been concerned in the negotiation of this Supplement and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Permittee shall indemnify and save harmless the Port Authority of and from all claims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

5. This Supplement and the Permit which it amends constitute the entire agreement between the Port Authority and the Permittee on the subject matter, and may not be changed, modified, discharged or extended except by instrument in writing duly executed on behalf of the Port Authority, and the Permittee. The Permittee agrees that no representation or warranty with respect to this Supplement shall be binding upon the Port Authority unless expressed in writing herein.

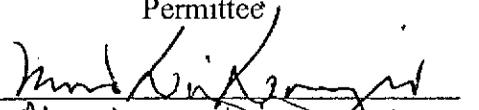
IN WITNESS WHEREOF, the Port Authority and the Permittee have caused these presents to be executed.

Dated: As of November 30, 1998

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By 
(Title) FRANCIS A. DIMOLA
ASSISTANT DIRECTOR
AVIATION DEPT.

HUDSON NEWS COMPANY
Permittee

By 
(Title) MARIO Di Demizio
Vice President

APPROVED:
FORM | TERMS
FOR PV CB

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

Consent to Sublease No. AGA-405
Supplement No. 3
Facility: LaGuardia Airport
Lease No.: AGA-317

THIS AGREEMENT, made as of August 30, 2003 by and among **The Port Authority of New York and New Jersey** (hereinafter called the "Port Authority"), **MarketPlace LaGuardia Limited Partnership** (hereinafter called the "Lessee"), and **Hudson-NEU-LaGuardia J.V.**, a New Jersey joint venture comprised of Hudson News Company and NEU News, Inc. (such joint venture and coporations acting jointly and severally hereunder and collectively referred to herein as the "Sublessee").

WITNESSETH, THAT:

WHEREAS, the Lessee and Hudson News Company entered into a retail sublease dated December 29, 1995 (hereinafter called the "Sublease") pursuant to which the Lessee made available to Hudson News Company certain space upon which the Hudson News Company operates a store in the Central Terminal Building at the above-described Port Authority facility;

WHEREAS, heretofore and as of January 1, 1996 the Port Authority, the Lessee and Hudson News Company entered into a consent to sublease agreement (hereinafter called the "Consent to Sublease"), pursuant to which the Port Authority granted its consent for the operation of a store for the sale at retail of goods/services (hereinafter called the "Sublease Agreement") entered into between the Lessee and Hudson News Company covering portions of the premises under the Lease (such portion being hereinafter called the "Space");

WHEREAS, the Sublease was subsequently assigned to the Sublessee with the consent of the Port Authority; and

WHEREAS, the Lessee and the Sublessee have requested the consent of the Port Authority to a proposed Third Sublease Amendment, dated as of August 30, 2003, providing for an extension of the sublease, and deletion and addition of certain space to the Space, a copy of which is attached hereto and made a part hereof (hereinafter called the "Third Sublease Amendment");

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

1. The Port Authority hereby consents to the Third Sublease Amendment.
2. Except as hereby amended, all of the terms, covenants, provisions, conditions and agreements of the Consent to Sublease shall be and remain in full force and effect.
3. The Lessee and the Sublessee represent and warrant that no broker has been concerned in the negotiation of this Agreement and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Lessee and the Sublessee shall indemnify and save

harmless the Port Authority of and from all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Agreement.

4. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof, shall be charged personally by the Lessee and the Sublessee with any liability or held liable to either of them under any term or condition of this Agreement, or because of its execution or attempted execution or because of any breach or attempted or alleged breach thereof. The Lessee and the Sublessee agree that no representations or warranties with respect to this Agreement shall be binding upon the Port Authority unless expressed in writing herein.

5. This Agreement, together with the Consent to Sublease (to which it is supplementary) constitutes the entire agreement between the Port Authority, the Lessee and the Sublessee on the subject matter, and may not be changed, modified, discharged or extended except by instrument in writing duly executed on behalf of both the Port Authority, the Lessee and the Sublessee. The Lessee and the Sublessee agree that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in the Sublease Agreement or this Agreement.

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

ATTEST:

[Signature]
Secretary

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By: [Signature]
(Title) Asst. Director, CCAS
(Seal)

ATTEST:

[Signature]
Secretary

MARKETPLACE LAGUARDIA LIMITED
PARTNERSHIP
By: Marketplace LaGuardia, Inc., its General Partner

By: [Signature]
(Title) Paul O. McGinn President
(Corporate Seal)

ATTEST:

[Signature]
Secretary

HUDSON-NEU-LAGUARDIA, J.V.

By: Hudson News Company, General Partner

By: [Signature]
(Title) Michael R. Mullaney President
Executive Vice President
Corporate Strategy & Development
(Corporate Seal)

By: NEU News, Inc., General Partner

By: [Signature]
(Title) Ruth Ann Menutis President
Ruth Ann Menutis
(Corporate Seal)



ATTEST:

[Signature]
Secretary

HUDSON NEWS COMPANY

By: [Signature]
(Title) Michael R. Mullaney Executive Vice President
President
Corporate Strategy & Development
(Corporate Seal)



ATTEST:

[Signature]
Secretary

NEU NEWS, INC.

By: [Signature]
(Title) Ruth Ann Menutis President
Ruth Ann Menutis
(Corporate Seal)



| Port Authority Use Only | |
|-------------------------|----------------------|
| Approval as to Terms: | Approval as to Form: |
| 5/5 | 1/1 |

sem

THIRD SUBLEASE AMENDMENT

This instrument is the Third Amendment to a Sublease dated December 29, 1995, as amended by that certain First Sublease Amendment dated effective as of January 1, 1996 and that certain Second Sublease Amendment dated as of October 25, 1999 (as amended, the "Sublease") of certain premises at the Central Terminal Building at LaGuardia Airport, New York City, New York between MarketPlace LaGuardia Limited Partnership (the "Landlord") and Hudson-NEU-LaGuardia J.V., successor-in-interest to Hudson News Company (the "Tenant") d/b/a Hudson News. Terms capitalized but not defined herein shall have the meanings given in the Sublease.

The parties have agreed that the term of the Sublease shall be extended and that certain other modifications shall be made, as hereinafter provided.

Accordingly, in consideration of the mutual undertakings of the parties under this Third Amendment and the Sublease, the parties hereby agree as follows:

1. Basic Data; Premises. Section 1.1 of the Sublease is hereby amended, such that the definition of Premises (as amended by all subsequent amendments) is hereby deleted in its entirety and is amended to read as follows:

Premises:

That portion of the Retail Area shown on the floor plans attached to this Third Amendment as Schedule A and Schedule A-1, which Premises includes (a) retail store Locations ALK1, AR1, AR5, BR1, BR3, CR1, DR2, DR6, WR3 and (b) storage space Locations CSBS5, CSBS10 (f/k/a CSBS2), and CSBS10B. The square footage of each of the Locations that comprise the Premises is provided on Schedule A-2, attached hereto. The Premises contains in the aggregate approximately 5,928 square feet.

2. Basic Data; Term. Section 1.1 of the Sublease is hereby amended, such that the definition of the Term of the Sublease (as amended in the Second Sublease Amendment) is hereby deleted in its entirety and is amended to read as follows:

Term:

Seventeen (17) years and eight (8) calendar months, beginning on January 1, 1996, and ending on August 30, 2013.

3. Attachments; Plan Showing the Retail Area and Location of Premises. Section 1.3 of the Sublease is amended to remove the original and any subsequent amendments to Schedule A: Plan Showing the Retail Area and Location of Premises, and to replace it with a new Schedule A: Plan Showing the Retail Area and Location of Premises, a copy of which is attached to this Third Amendment.

4. Attachments; Plan Showing the Storage Space. Section 1.3 of the Sublease is amended to remove the original and any subsequent amendments to Schedule A-1: Plan Showing the Storage Space, and to replace it with a new Schedule A-1: Plan Showing the Storage Space, a copy of which is attached to this Third Amendment.

5. Attachments; Square Footages of Premises and Storage Space. Section 1.3 of the Sublease is amended to add Schedule A-2: Square Footages of Premises and Storage Space, a copy of which is attached to this Third Amendment.

6. Renovation of the Premises. Section 7.2(d) of the Sublease (as provided in the Second Sublease Amendment) is hereby deleted and the following new Subsection 7.2(d) is hereby added to the Sublease:

(d) By not later than August 31, 2003, Tenant shall complete the renovations to the Premises indicated on Schedule B-2 attached to this Third Amendment in accordance with the requirements of Sections 7.2 and 9.4 and Schedule B of this Sublease. Tenant shall, within thirty (30) days of each fifth anniversary of the date of this Third Sublease Amendment, at Tenant's expense, repaint and refurbish the Premises and any part or portion thereof required to assure that the same are in a first-class, tenantable and attractive condition throughout the Term. Such work shall be in accordance with the requirements of Article 7 and Section 9.4 and Schedules B and B-2 of this Sublease.

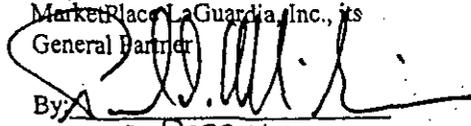
7. As modified and amended hereby, the Sublease is ratified and confirmed and remains in full force and effect. This Third Amendment shall inure to the benefit of and be binding upon Landlord and Tenant and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Third Sublease Amendment to be executed, under seal, dated as of the 30th day of August, 2003.

LANDLORD:

MarketPlace LaGuardia Limited Partnership

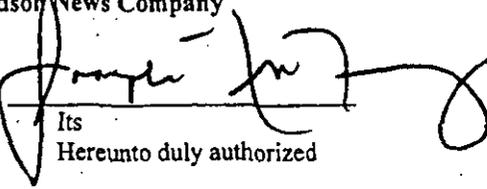
By: MarketPlace LaGuardia, Inc., its
General Partner

By: 
Its President
Hereunto duly authorized

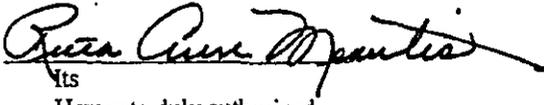
TENANT:

Hudson-NEU-LaGuardia J.V.

Hudson News Company

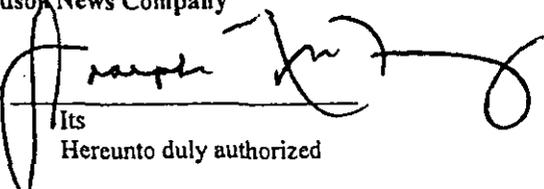
By: 
Its
Hereunto duly authorized

NEU News, Inc.

By: 
Its
Hereunto duly authorized

JOINT VENTURERS:

Hudson News Company

By: 
Its
Hereunto duly authorized

NEU News, Inc.

By: 
Its
Hereunto duly authorized

Schedule A

**Plan Showing the Retail Area and Location of Premises
(other than the Storage Space)**

(attached)

Schedule A-1

Plan Showing the Location of the Storage Space.

(attached)

Schedule A-2

Square Footages of Premises and Storage Space

(attached)

Hudson News
Master Space Listing

| <u>Space Number</u> | <u>Square Footage</u> |
|---------------------|-----------------------|
| ALK1 | 287 (formerly 108) |
| AR1 | 510 |
| AR5 | 245 |
| BR1 | 323 |
| BR3 | 250 (formerly 170) |
| CR1 | 625 |
| DR2 | 850 |
| DR6 | 372 |
| WR3 | 734 |

| <u>Storage Space Number</u> | <u>Square Footage</u> |
|-----------------------------|-----------------------|
| CSBS5 | 1280 |
| CSBS10 (formerly CSBS2) | 292 (formerly 280) |
| CSBS10B (did not exist) | 160 (did not exist) |

| | | |
|--|--|------------------------------------|
| | | 7. Reconfigure cash/wrap buildout. |
|--|--|------------------------------------|

For the Port Authority of NY & NJ

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

On the 11th day of March in the year ²⁰⁰⁹~~2005~~, before me, the undersigned, a Notary Public in and for said state, personally appeared DOUG STEARNS personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Marie M. Edwards
(notarial seal and stamp)
Marie M. Edwards
Notary Public, State of New York
No. 01ED4959693
Qualified in Kings County
Commission Expires 2/9/2010

For MarketPlace LaGuardia Limited Partnership

STATE OF Massachusetts)
) ss.
COUNTY OF Middlesex)

On the 13th day of January in the year ²⁰⁰⁹~~2005~~, before me, the undersigned, a Notary Public in and for said state, personally appeared Paul O. McGinn personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Kevin Egan
(notarial seal and stamp)
KEVIN EGAN
NOTARY PUBLIC
My commission expires June 30, 2011

For Hudson News Company

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

On the 6th day of JANUARY in the year 2009, before me, the undersigned, a Notary Public in and for said state, personally appeared Michael R. Mullaney, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

J Blount
(notarial seal and stamp)
JENNY BLOUNT,
Notary Public, State of New Jersey
My Commission Expires,
July 18, 2011

For NEU News, Inc.

STATE OF LOUISIANA)
) ss.
COUNTY OF LAFAYETTE)

On the 6th day of January in the year 2009, before me, the undersigned, a Notary Public in and for said state, personally appeared RUTH ANN MENUTIS, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Aubrey Reed
(notarial seal and stamp)
AUBREY REED
NOTARY PUBLIC,
LAFAYETTE PARISH COUNTY, LA
My Commission is for Life
#80119

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

Port Authority Agreement No. AGA-538
Supplement No. 1
LaGuardia Airport

THIS AGREEMENT, effective as of August 30, 2003 (hereinafter called the "Effective Date"), by and among THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority"), MARKETPLACE LAGUARDIA LIMITED PARTNERSHIP (hereinafter called the "Lessee") and HUDSON NEWS COMPANY (hereinafter called the "Sublessee").

WITNESSETH, That:

WHEREAS, by an agreement of lease dated September 19, 1994, bearing Port Authority Lease No. AGA-317 (said agreement of lease, as heretofore and hereafter supplemented and amended being hereinafter called the "Lease"), the Port Authority leased to MarketPlace LaGuardia Limited Partnership certain areas in the Central Terminal Building (hereinafter called the "Terminal") including those in its passenger concourses, its Center Section and its East and West Wings (hereinafter collectively referred to as the "premises") at LaGuardia Airport (hereinafter called the "Airport") to be used by such parties as may be approved by the Port Authority as provided therein; and

WHEREAS, the Lessee and the Sublessee entered into a sublease agreement, dated as of October, 1999 for the operation of a store for the sale at retail of goods/services (hereinafter called the "Sublease Agreement") covering portions of the premises under the Lease (such portion being hereinafter called the "Space"); and

WHEREAS, heretofore and as of September 1, 1999 the Port Authority, the Lessee and the Sublessee entered into a consent to sublease agreement (hereinafter called the "Consent to Sublease"), pursuant to which the Port Authority granted its consent to the Sublease Agreement; and

WHEREAS, the Lessee and the Sublessee have requested the consent of the Port Authority to a proposed First Sublease Amendment, dated as of August 30, 2003, providing for an extension of the term under the Sublease Agreement, and renovation of the Space, a copy of which is attached hereto and made a part hereof (hereinafter called the "First Sublease Amendment");

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

1. The Port Authority hereby consents to the First Sublease Amendment subject to the terms and conditions of this Agreement.

2. Except as hereby amended, all of the terms, covenants, provisions, conditions and agreements of the Consent to Sublease shall be and remain in full force and effect.

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

4. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof, shall be charged personally by the Lessee and the Sublessee with any liability or held liable to either of them under any term or condition of this Agreement, or because of its execution or attempted execution or because of any breach or attempted or alleged breach thereof. The Lessee and the Sublessee agree that no representations or warranties with respect to this Agreement shall be binding upon the Port Authority unless expressed in writing herein.

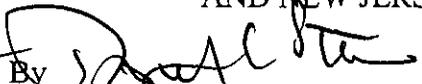
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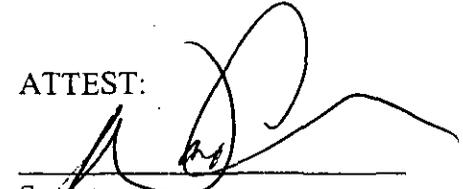
5. This Agreement, together with the Consent to Sublease (to which it is supplementary) constitutes the entire agreement between the Port Authority, the Lessee and the Sublessee on the subject matter, and may not be changed, modified, discharged or extended except by instrument in writing duly executed on behalf of both the Port Authority, the Lessee and the Sublessee. The Lessee and the Sublessee agree that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in the Sublease Agreement or this Agreement.

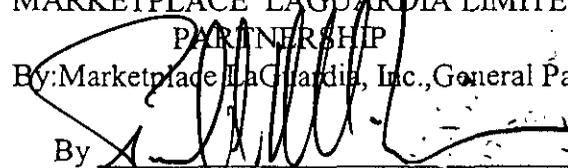
IN WITNESS WHEREOF, the Port Authority, the Lessee and the Sublessee have executed these presents.

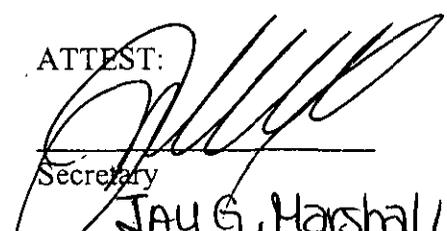
ATTEST:

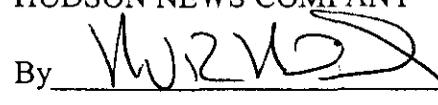
 Secretary

THE PORT AUTHORITY OF NEW YORK
 AND NEW JERSEY
 By 
 (Title) Asst. Dir. of CC&D
 (Seal)

ATTEST:

 Secretary

MARKETPLACE LAGUARDIA LIMITED
 PARTNERSHIP
 By: Marketplace LaGuardia, Inc., General Partner
 By 
 (Title) Paul O. McGinnis President
 (Corporate Seal)

ATTEST:

 Secretary
Jay G. Marshall

HUDSON NEWS COMPANY
 By 
 (Title) _____ President
 (Corporate Seal)
Michael R. Mullaney
 Executive Vice President
 Corporate Strategy & Development

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

For the Port Authority NY & NJ

STATE OF NEW YORK)

) ss.

COUNTY OF NEW YORK)

On the 26th day of February in the year 2009, before me, the undersigned, a Notary Public in and for said state, personally appeared DOUG STEARNS, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(~~s~~) whose name(~~s~~) is (~~are~~) subscribed to the within instrument and acknowledged to me that he/~~she~~/~~they~~ executed the same in his/~~her~~/~~their~~ capacity(~~ies~~), and that by his/~~her~~/~~their~~ signature(~~s~~) on the instrument, the individual(~~s~~), or the person upon behalf of which the individual(~~s~~) acted, executed the instrument.



(notarial seal and stamp)

Marie M. Edwards
Notary Public, State of New York
No. 01ED4959693 Richmond
Qualified in Kings County
Commission Expires 2/09/2010

For MarketPlace LaGuardia Limited Partnership

STATE OF Massachusetts)

) ss.

COUNTY OF Middlesex)

On the 13th day of January in the year 2009, before me, the undersigned, a Notary Public in and for said state, personally appeared Paul O. McGinn, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.



(notarial seal and stamp)

KEIKO SOWAN
NOTARY PUBLIC
My commission expires June 30, 2011

FIRST SUBLEASE AMENDMENT

This instrument is the First Amendment to a Sublease dated October 25, 1999 (as amended, the "Sublease") of certain premises at Location CSDP2 in the Central Terminal Building at LaGuardia Airport, New York City, New York between **MarketPlace LaGuardia Limited Partnership** (the "Landlord") and **Hudson News Company (d/b/a Discover New York)** (the "Tenant"). Terms capitalized but not defined herein shall have the meanings given in the Sublease.

The parties have agreed that the term of the Sublease shall be extended and that certain other modifications shall be made, as hereinafter provided.

Accordingly, in consideration of the mutual undertakings of the parties under this Amendment and the Sublease, the parties hereby agree as follows:

1. Basic Data: Term. Section 1.1 of the Sublease is hereby amended, such that the definition of the Term of the Sublease is hereby deleted in its entirety and is amended to read as follows:

Term: Fourteen (14) years, beginning on September 1, 1999 and ending on August 30, 2013.

2. Renovation of the Premises. The last two sentences of Section 7.2(b) of the Sublease are hereby deleted and the following provisions are hereby added to the end of Section 7.2(b) of the Sublease:

By not later than August 31, 2003, Tenant shall repaint and refurbish the Premises to assure that the same are in a first-class, tenantable and attractive condition, in accordance with the requirements of the Tenant's Guidelines for Center Section tenants, Sections 7.2 and 9.4 and **Schedule B** of this Sublease. Tenant shall, within thirty (30) days of each fifth anniversary of the date of this First Sublease Amendment, at Tenant's expense, repaint and refurbish the Premises and any part or portion thereof required to assure that the same are in a first-class, tenantable and attractive condition throughout the Term. Such work shall be in accordance with the requirements of Article 7 and Section 9.4 and **Schedule B** of this Sublease.

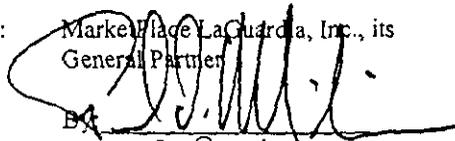
3. As modified and amended hereby, the Sublease is ratified and confirmed and remains in full force and effect. This Amendment shall inure to the benefit of and be binding upon Landlord and Tenant and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this First Sublease Amendment to be executed, under seal, dated as of the 30th day of August, 2003.

LANDLORD:

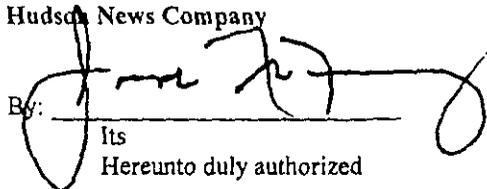
MarketPlace LaGuardia Limited Partnership

By: MarketPlace LaGuardia, Inc., its
General Partner

By: 
Its President
Hereunto duly authorized

TENANT:

Hudson News Company

By: 
Its
Hereunto duly authorized

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

ORIGINAL

CONSENT TO SUBLEASE

Consent Agreement No. AGA-539
Port Authority Lease No. AGA-317
Facility - LaGuardia Airport

THIS CONSENT TO SUBLEASE AGREEMENT (hereinafter called "the Consent"), made as of September 1, 1999 by and among THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and MARKETPLACE LAGUARDIA LIMITED PARTNERSHIP (hereinafter called "the Lessee") and HUDSON NEWS COMPANY d/b/a Grandstand Sports Shop (hereinafter called "the Sublessee") with an office and place of business at One Meadowlands Plaza, Suite 902, East Rutherford, NJ 07073, whose representative is Mr. Mario DiDomizio;

WITNESSETH, That:

WHEREAS, by an agreement of lease dated September 19, 1994, bearing Port Authority Lease No. AGA-317 (said agreement of lease, as heretofore and hereafter supplemented and amended being hereinafter called the "Lease"), the Port Authority leased to MarketPlace LaGuardia Limited Partnership certain areas in the Central Terminal Building (hereinafter called "the Terminal") including those in its passenger concourses, its Center Section and its East and West Wings (hereinafter collectively referred to as "the premises") at LaGuardia Airport (hereinafter called "the Airport") to be used by such parties as may be approved by the Port Authority as provided therein; and

WHEREAS, the Lessee and the Sublessee have requested the consent of the Port Authority to a proposed sublease agreement between the Lessee and the Sublessee, dated October, 1999, pursuant to which the Lessee has made available to the Sublessee certain space in the premises (sometimes hereinafter collectively called "the Space") upon which the Sublessee shall operate a store to provide for the sale at retail of the goods/services set forth therein, a copy of which agreement is attached hereto, hereby made a part hereof and hereinafter called "the Sublease Agreement";

WHEREAS, the applicable provisions of the Lease require, and the Sublease Agreement

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

WHEREAS, the Sublessee and the Lessee have requested the consent of the Port Authority to the Sublease Agreement;

NOW, THEREFORE, for and in consideration of the covenants and mutual agreements herein contained, the Port Authority, the Lessee and the Sublessee hereby agree, effective as of September 1, 1999, as follows:

1. On the terms and conditions hereinafter set forth the Port Authority consents to the Sublease Agreement.
2. Notwithstanding any provision of the Sublease Agreement to the contrary, including but not limited to Sections 1.1 and 3.2 thereof, this Consent and the Sublease Agreement shall terminate, without notice to the Lessee or the Sublessee, on the day preceding the date of expiration or earlier termination of the Lease, or on such earlier date as the Lessee and the Sublessee may agree upon (in those circumstances where the Lease does not require the consent of the Port Authority to such earlier termination); provided, however, that the Sublease Agreement shall not terminate in the event of the termination of the Lease prior to the expiration of the term of the Sublease Agreement if the Port Authority shall notify the Sublessee and the Lessee at or prior to such effective date of termination of the Lease that the Port Authority shall and does assume the rights and obligations of the Lessee thereunder from the date of such notice and upon such notice the Sublessee shall be deemed to have fully attorned to the Port Authority, all as more specifically set forth in the Lease. In the event of such termination, the Sublessee shall cease its activities and operations at the Terminal, quit the Space and remove its property and property for which it is responsible therefrom on or before the effective date of termination of the Sublease Agreement.
3. If the Lessee shall at any time be in default of any of its monetary obligations under the Lease, and for so long as the Port Authority deems such default to be continuing or uncured, the Sublessee shall on demand of the Port Authority pay directly to the Port Authority any rental, fee or other amount due to the Lessee. No such payment shall relieve the Lessee from any obligation under the Lease or under this Consent, but all such payments shall be credited against the obligations of the Lessee or of the Sublessee as the Port Authority may determine for each payment or part thereof.
4. (a) The Sublessee, in its operations under or in connection with the Sublease Agreement, agrees to assume, observe, be bound by and comply with all the terms, provisions, covenants and conditions of the Lease applicable thereto as if it were the Lessee under the Lease.

(b) All acts and omissions of the Sublessee (including but not limited to those on or with respect to non-exclusive areas, if any) shall be deemed to be acts and omissions of the Lessee under the Lease and, as between the Lessee and the Port Authority, the Lessee shall also be severally responsible for said acts and omissions, including, but not limited to, the obligations of

nor consent to the granting or conferring of any rights, powers or privileges to the Sublessee as may be provided under the Sublease Agreement if not granted to the Lessee under the Lease, unless specifically set forth in this Consent, nor shall this Consent or anything contained herein impair or affect any of the duties, liabilities, or obligations imposed on the Lessee under the Lease.

(b) The Sublease Agreement is an agreement between the Lessee and the Sublessee with respect to the various matters set forth therein. Neither this Consent nor anything contained herein shall constitute an agreement between the Port Authority, the Lessee, or the Sublessee that, except as expressly provided for in paragraph 2 herein under the circumstances therein described and then only to the extent therein provided, the provisions of the Sublease Agreement shall apply and pertain as between them, it being understood that the terms, provisions, covenants, conditions and agreements of the Lease shall, in all respects, be controlling, effective and determinative.

(c) In the event of differences and inconsistencies between the terms of the Sublease Agreement and the terms of the Lease, the terms of the Lease shall control, it being the intention of the Lessee and the Port Authority merely to permit the conduct of retail operations by the Sublessee to the extent permitted by the Lease, the Sublease Agreement and this Consent and not to enlarge or otherwise change the rights granted by the Lease. All of the terms, provisions, covenants and conditions of the Lease shall be and remain in full force and effect. In addition, in any case of difference or inconsistency between the provisions of this Consent and those of the Sublease Agreement, this Consent shall be controlling. The specific mention of or reference to the Lessee or the Port Authority in any part of the Sublease Agreement including, without limitation thereto, any mention of any consent or approval of either the Port Authority or the Lessee now or hereafter to be obtained, shall not be or be deemed to create an inference that either the Port Authority or the Lessee has granted its consent or approval thereto or shall hereafter grant its consent or approval thereto, or that the discretion of either the Port Authority or the Lessee as to any such consent or approval shall in any way be affected or impaired. The lack of any specific reference in any provision of the Sublease Agreement to the Port Authority's or the Lessee's approval or consent shall not be deemed to imply that no such approval or consent is required and the Lease shall, in all respects, be controlling, effective and determinative.

(d) No provision of the Sublease Agreement including, but not limited to, those imposing obligations on the Sublessee with respect to laws, rules, regulations, taxes, assessments and liens, shall be construed as a submission or admission by the Port Authority that the same could or does lawfully apply to the Port Authority, nor shall the existence of any provision of the Sublease Agreement covering actions which shall or may be undertaken by the Sublessee including, but not limited to, construction on the Space, title to property, the right to assign the Sublessee's interest in the Sublease Agreement, or to further sublease the subject Space or any part thereof, and the right to perform services, be deemed to imply or infer that either the Port Authority's or the Lessee's consent or approval thereto will be given or that the discretion of either the Port Authority or the Lessee with respect thereto will in any way be affected or impaired. Reference in this paragraph to specific matters and provisions contained in the Sublease Agreement shall not be construed as indicating any limitation upon the rights of either the Port Authority or the Lessee with respect to their respective discretion as to the granting or withholding of approvals or consents as to other

matters and provisions in the Sublease Agreement which are not specifically referred to herein.

(e) It is hereby acknowledged and agreed by the Lessee and the Sublessee that, except as expressly provided in Section 1(e) of the Lease, the Port Authority has no obligation under the Lease, this Consent or otherwise to pay, subsidize or in any manner whatsoever finance, directly or indirectly, all or any portion of any amount of the Sublessee's unamortized capital investment in the Space or at the premises. Any specific mention of or reference in the Sublease Agreement to the Port Authority in connection with any payment or other compensation to the Sublessee, upon termination of the Sublease Agreement or the Lease or upon revocation of this Consent with or without cause, of any amount of the Sublessee's unamortized capital investment in the Space or at the premises shall not be or be deemed to create an obligation or inference of an obligation on the part of the Port Authority to either the Sublessee or the Lessee to pay, subsidize or finance said unamortized capital investment, except in the event of a termination under Section 1(e) of the Lease, in which event the Port Authority's responsibility with respect to the Sublessee shall be strictly limited to the obligation expressly set forth in such Section 1(e).

(f) Notwithstanding anything to the contrary stated in Section 3.2(c) of the Sublease, title to any installation, improvement, alteration, modification, addition, repair or replacement resulting from work done at the Space shall be in accordance with Section 31 of the Lease and with the terms and conditions of the application therefor. Accordingly, Tenant shall have no right to remove from the Space any non-removable trade fixtures or any improvement which does not constitute personal property except in strict accordance with the application described in said Section 31.

7. No changes or amendments to the Sublease Agreement nor any renewals or extensions thereof shall be binding or effective upon either the Port Authority or the Lessee unless the same have been approved in advance by the Port Authority and the Lessee in writing. The Port Authority may at any time and from time to time by notice to the Sublessee modify, withdraw or amend any approval, direction, or designation given hereunder or pursuant hereto.

8. Anything contained in the Sublease Agreement or this Consent to the contrary notwithstanding, nothing in the Sublease Agreement or this Consent shall be deemed to imply that the Sublessee has the right to make any alteration, demolition, installation, addition or improvement to the premises or the Space, structural or non-structural, exterior or interior, including without limitation the installation of any signs at the Airport, except pursuant to the express written approval of the Port Authority and an approved Alteration Application which the Lessee shall prepare and submit to the Port Authority as more specifically provided in the Lease.

9. This Consent may be revoked at any time by the Port Authority without cause on thirty (30) days' notice to the Lessee and Sublessee, and no such revocation shall be deemed to affect the Lease or the continuance thereof, but the Sublease Agreement shall be terminated thereby.

10. (a) Neither any assignment by the Lessee to the Port Authority of its interest under the Sublease Agreement, nor the application or payment of security deposits to or for the benefit of the Port Authority, nor any direction to the Sublessee to pay rent or other amounts to the Port Authority,

nor the payment thereof to and acceptance thereof by the Port Authority shall constitute or denote an assumption by the Port Authority of any of the obligations of the Lessee under the Sublease Agreement.

(b) Without limiting the generality and notwithstanding the provisions of paragraph 6(b) herein, the Sublessee and the Lessee further acknowledge and expressly agree that the Port Authority shall have the right to enforce the Sublease Agreement directly against the Sublessee, including but not limited to all insurance provisions thereof.

11. The Lessee and the Sublessee acknowledge and agree that, except as may be specifically and expressly set forth in the Lease and subject to the terms and conditions of the Lease, the Port Authority shall not be obligated to perform or furnish any services or utilities whatsoever in connection with the Sublease Agreement or the use and occupancy of the Space thereunder, including without limitation any obligation to provide or install or cause to be provided or installed any meters or submeters. Without limiting the generality of the foregoing, whenever the Port Authority undertakes pursuant to the Lease to sell, furnish and supply directly to the Sublessee a particular service or utility (e.g., Section 41 of the Lease), the Sublessee shall take the same from the Port Authority and make payment directly to the Port Authority, as required by the Lease, including but not limited to the payment as directed by the Port Authority of any charge, fee or rent or increase thereof (or the portion thereof allocated by the Port Authority to the Space or the operations therein) which any federal, state, municipal or other governmental body, authority or agency or any public utility assesses, levies, imposes, makes or increases.

12. (a) In addition to the insurance required to be maintained by the Lessee under the Lease, the Sublessee during the period the Sublease Agreement shall remain in effect shall in its own name as insured and including the Port Authority and the Lessee as additional insureds obtain, maintain and pay the premiums on a policy or policies of comprehensive general liability insurance, covering bodily injury, including death, products liability and property damage liability, none of the foregoing to contain care, custody or control exclusions, the foregoing to provide for coverage in the limits set forth below. All the aforesaid policy or policies of insurance shall also provide or contain an endorsement providing that the protection afforded the Sublessee thereunder with respect to any claim or action against the Sublessee by a third person shall pertain and apply with like effect with respect to any claim or action against the Sublessee by the Port Authority or Lessee, or both, but such endorsement shall not limit, vary, change or affect the protection afforded the Port Authority and Lessee as additional insureds. In addition, the insurance required hereunder shall provide or contain an endorsement providing that the protection afforded the Port Authority or Lessee, or both, thereunder as additional insureds with respect to any claim or action against the Port Authority or Lessee, or both, by the Sublessee shall be the same as the protection afforded the Sublessee thereunder with respect to any claim or action against the Sublessee by a third person as if the Port Authority and Lessee were the named insureds thereunder. Further, the said policy or policies of insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Sublessee under subparagraphs (a) and (b) hereof.

Comprehensive General Liability:
Combined single limit per occurrence
for death, bodily injury
and property damage liability

Minimum Limit
\$2,000,000

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

All insurance coverages and policies required under this paragraph may be reviewed by the Port Authority for adequacy of terms, conditions and limits of coverage at any time and from time to time during the period the Sublease Agreement remains in effect. The Port Authority at any such time may make additions, deletions, amendments to or modifications of the above-scheduled insurance requirements, including an increase in such minimum limits, and may require such other and additional insurance, in such reasonable amounts, against such other insurable hazards, as the Port Authority may deem advisable and the Sublessee shall promptly comply therewith.

(b) As to the insurance required by the provisions of this paragraph, a certified copy of the policies or a certificate or certificates or binders satisfactory to the Port Authority evidencing the existence thereof, shall be delivered by Lessee to the Port Authority within fifteen (15) days after delivery of this Consent to the Port Authority. Each policy, certificate or binder delivered as aforesaid shall bear the endorsement of or be accompanied by evidence of payment of the premium thereon. In the event a binder is delivered, it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy or certificate shall contain a valid provision or endorsement, unqualifiedly committing the insurer not to cancel, terminate, change or modify the policy without giving thirty (30) days' written advance notice thereof to the Port Authority. Each such copy or certificate shall contain an additional endorsement providing that the insurance carrier shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port Authority. Any renewal policy shall be delivered to the Port Authority at least thirty (30) days prior to the expiration of each expiring policy, except for any policy expiring after the date of expiration of the Sublease Agreement. 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 Sublessee shall promptly obtain a new and satisfactory policy in replacement thereof. If the Port Authority at any time so requests, a certified copy of each of the policies shall be delivered to the Port Authority.

13. The granting of this Consent by the Port Authority shall not be or be deemed to operate as a waiver of the rights of the Port Authority or as a consent as to any subsequent use, occupancy or sublease (by the Lessee or by the Sublessee) of the Space or any other portion or area of the premises under the Lease, or to any assignment of the Lease or the Sublease Agreement or of any rights under either of them, whether in whole or in part.

14. Reference herein to the "Sublessee" shall mean and include the Sublessee, its officers, agents, employees and also others on the Airport with the consent of the Sublessee.

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

16. The Sublease Agreement shall not be changed, modified or extended except by written instrument duly executed by the parties thereto and only with the express prior written consent of the Port Authority.

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

ATTEST:


Secretary

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By 
(Title) FRANCIS A. DIMOLA
ASSISTANT DIRECTOR
AVIATION DEPT.

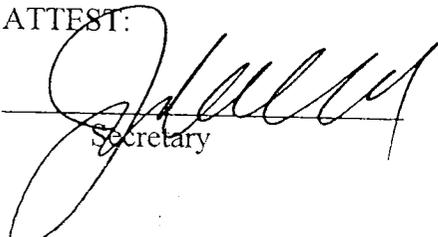
ATTEST:


Secretary
CLERK

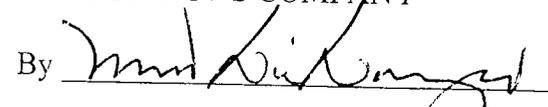
MARKETPLACE LAGUARDIA LIMITED
PARTNERSHIP

By: Marketplace LaGuardia, Inc., General
Partner
By 
(Title) Vice President
(Corporate Seal)

ATTEST:


Secretary

HUDSON NEWS COMPANY

By 
(Title) Vice President
(Corporate Seal)

MS RV JB give

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

On the 9 day of November in the year 2000, before me, the undersigned, a Notary Public in and for said state, personally appeared Francis A. DiMola, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Mary Ann Grasso
(notarial seal and stamp)

MARY ANN GRASSO
Notary Public, State of New York
No. 41-4390605
Qualified in Queens County
Commission Expires April 27, 2001

STATE OF Mass)
) ss.
COUNTY OF Suffolk)

On the 11th day of July in the year 199, before me, the undersigned, a Notary Public in and for said state, personally appeared Paul McGinn, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

KAREN A. KIRKLYS
Notary Public
Commonwealth of Massachusetts
My Commission Expires
January 26, 2007

Karen A. Kirklys
(notarial seal and stamp)

STATE OF)
) ss.
COUNTY OF)

On the 22 day of Sept. in the year 199, before me, the undersigned, a Notary Public in and for said state, personally appeared Mario D. Domizio, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Catherine R. Bogdan
(notarial seal and stamp)

Catherine R. Bogdan
Notary Public, State of New Jersey
No. 2217080
Qualified in Bergen County
Commission Expires September 11, 2003

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

Consent Agreement No. AGA-648
Port Authority Lease No. AGA-317
Supplement No. 1
Facility - LaGuardia Airport

THIS SUPPLEMENTAL AGREEMENT, dated as of February 24, 2010, by and among THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority"), MARKETPLACE LAGUARDIA LIMITED PARTNERSHIP (hereinafter called the "Lessee") and HUDSON NEWS COMPANY d/b/a Life is Good, a corporation organized and existing under the laws of the state of New Jersey (hereinafter called the "Sublessee") with an office and place of business at One Meadowlands Plaza, Suite 1902, East Rutherford, NJ 07073, whose representative is Jay Marshall.

WITNESSETH, That:

WHEREAS, by an agreement of lease dated September 19, 1994, bearing Port Authority Lease No. AGA-317 (said agreement of lease, as heretofore and hereafter supplemented and amended being hereinafter called the "Lease"), the Port Authority leased to MarketPlace LaGuardia Limited Partnership certain areas in the Central Terminal Building (hereinafter called the "Terminal") including those in its passenger concourses, its Center Section and its East and West Wings (hereinafter collectively referred to as the "premises") at LaGuardia Airport (hereinafter called the "Airport") to be used by such parties as may be approved by the Port Authority as provided therein; and

WHEREAS, the Lessee and the Sublessee entered into a sublease agreement ("Sublease"), dated as of September 19, 2003, pursuant to which the Lessee made available to the Sublessee space to operate a store, for the sale at retail of the goods/services set forth therein (sometimes hereinafter called the "Space"); and

WHEREAS, heretofore the Port Authority, the Lessee and the Sublessee entered into a consent to sublease agreement (hereinafter called the "Consent Agreement"), made as of September 19, 2003, pursuant to which the Port Authority consented to the Sublease;

WHEREAS, the Lessee and the Sublessee entered into a First Sublease Amendment, dated as of February 24, 2010 ("First Sublease Amendment"), copy of which is attached hereto; and

WHEREAS, the Lessee and the Sublessee request the consent of the Port Authority to the proposed First Sublease Amendment, and the Port Authority is willing to provide its consent to same, subject to the terms and conditions of this Supplemental Agreement;

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

1. The Port Authority hereby consents to the First Sublease Amendment.
2. Except as hereby amended, all of the terms, covenants, provisions, conditions and agreements of the Consent Agreement shall be and remain in full force and effect.

3. Certain Definitions:

(a) **“Airport”** shall mean 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 and premises as may be acquired in connection with and added to such premises pursuant to the terms of the City Lease.

(b) **“City”** shall mean The City of New York, a municipal corporation of the State of New York.

(c) **“City Insureds”** shall mean the following entities: The City of New York, the officials and employees of The City of New York (to the extent that the officials and employees of the Port Authority of New York and New Jersey are likewise insured) and the New York City Economic Development Corporation, a local development corporation formed pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York, or such successor entity as may be designated by the City.

(d) **“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.

4. The City Lease

(a) The Lessee and the Sublessee acknowledge that they have received a copy of, and are familiar with the contents of, the City Lease (excepting exhibits, schedules and appendices referenced therein, copies of which are available to, but were not requested by, the Lessee and Sublessee). The Permittee acknowledges that no greater rights or privileges are hereby granted to the Lessee and the Sublessee 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, the Lessee and the Sublessee hereby agree as follows:

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

(ii) The Lessee and the Sublessee shall not pay the fees or other sums under the Consent Agreement for more than one (1) month in advance (excluding security and other deposits required under the Consent Agreement). Sublessee agrees that amounts due to Landlord under Section 14.3 of the Sublease are Landlord's damages and do not and are not intended to constitute rent payable in advance in the ordinary course of business in contravention of this Section 18(b)(ii);

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

(iv) The Lessee and the Sublessee shall indemnify the City with respect to all matters described in Section 31 of the City Lease to the extent such matters are referenced in, with respect to the Lessee, Lessee's indemnification obligations in the Lease, and with respect to the Sublessee, Sublessee's indemnification obligations in the Sublease and in the Consent Agreement;

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

(vi) The Lessee and the Sublessee shall exercise the privileges granted under the Lease and the Sublease, respectively, in a manner consistent with the Port Authority's obligations under Section 28 of the City Lease to the extent applicable to, for the Lessee, Lessee's obligations under the Lease, and for the Sublessee, Sublessee's obligations under the Sublease and the Consent Agreement;

(vii) The failure of the Lessee and the Sublessee to comply with the foregoing provisions (after, with respect to the Lessee, the notice and the cure period provided in Section 18(a)(10) of the Lease) shall be an event of default under the Consent Agreement, which shall provide the Port Authority with the right to terminate the Consent Agreement and exercise any other rights that the Port Authority may have as the grantor of the privilege hereunder; and

(viii) The City Insureds (as such term is defined in the City Lease) shall be named as additional insureds or loss payees, as applicable, under each policy of insurance procured by the Lessee and the Sublessee pursuant to the terms of the Lease, the Sublease and the Consent Agreement, as applicable.

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

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

7. In the event the Port Authority exercises its right to revoke the Consent Agreement for any reason other than "without cause", as referenced in paragraph 9 of the Consent Agreement, the Lessee and the Sublessee shall be obligated to pay to the Port Authority an amount equal to all costs and expenses reasonably incurred by the Port Authority in connection with such revocation, including without limitation any and all personnel and legal costs (including but not limited to the cost to the Port Authority of in-house legal services) and disbursements incurred by it arising out of, relating to, or in connection with the enforcement or revocation of the Consent Agreement including, without limitation, legal proceedings initiated by the Port Authority to exercise its revocation rights and to collect all amounts due and owing to the Port Authority under the Consent Agreement.

8. Labor Harmony at the Airport

(a) General. In connection with its operations at the Airport under this Consent, the Sublessee shall serve the public interest by promoting labor harmony, it being acknowledged that strikes, picketing, or boycotts may disrupt the efficient operation of the Terminal. The Sublessee recognizes the essential benefit to have continued and full operation of the Airport as a whole and the Terminal as a transportation center. The Sublessee shall immediately give oral notice to the Port Authority (to be followed reasonably promptly by written notices and reports) of any and all impending or existing labor-related disruptions and the progress thereof.

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

(b) Labor peace agreement. The Sublessee represents that, prior to or upon entering into this Consent Agreement, it has delivered to the Port Authority either: (1) evidence that the Sublessee has entered into a signed "labor peace agreement", in the form attached hereto as Exhibit X, or (2) written notification from an officer of the Sublessee on the Sublessee's letterhead that no labor organization (as defined by 29 U.S.C. Section 152(5)) has sought to represent the employees of the Sublessee at the Airport as of the date of such notification.

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

revocation of this Consent.

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

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

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

11. The Consent Agreement and any claim, dispute or controversy arising out of, under or related to the Consent Agreement 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.

12. (a) Notwithstanding any other provision in this Supplemental Agreement, in the event that the Sublessee shall continue to use the Space after the expiration or earlier termination of the term of the Sublease, such continuation of use shall not be deemed to operate as a renewal or extension of the Sublease but shall only create a month-to-month extension of the Sublease, which extension shall be terminable on thirty (30) days' notice.

(b) The Sublessee acknowledges that the failure of the Sublessee to surrender, vacate and yield up the Space to the Port Authority on the effective date of such expiration, revocation or termination will or may cause the Port Authority injury, damage or loss. The Sublessee hereby assumes the risk of such injury, damage or loss and hereby agrees that it shall be responsible for the same and shall pay the Port Authority for the same whether such are foreseen or unforeseen, special, direct, consequential or otherwise and the Sublessee hereby expressly agrees to indemnify and hold the Port Authority harmless against any such injury, damage or loss.

13. No Commissioners, director, officer, agent or employee of any party shall be charged personally by the other parties hereto with any liability, or held liable to any other party, under any term or provision of this Supplemental Agreement, or because of the party's execution or attempted execution, or because of any breach thereof.

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

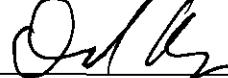
15. This Supplemental Agreement, together with the Consent Agreement (to which it is supplementary) constitutes the entire agreement between the Port Authority, the Lessee and the Sublessee on the subject matter, and may not be changed, modified, discharged or extended except by instrument in writing duly executed on behalf of both the Port Authority, the Lessee and the Sublessee. The Lessee and the Sublessee agree that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in the Consent Agreement or this Supplemental Agreement.

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

ATTEST:

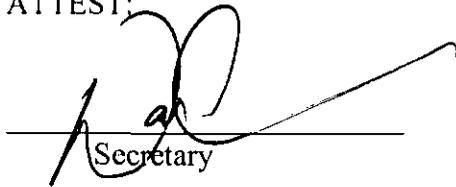
THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY


Secretary

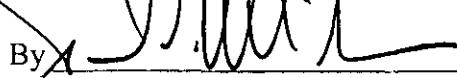
By 
(Title) Asst Director

ATTEST:

MARKETPLACE LAGUARDIA LIMITED
PARTNERSHIP


Secretary

By: Marketplace LAGuardia, Inc., General Partner

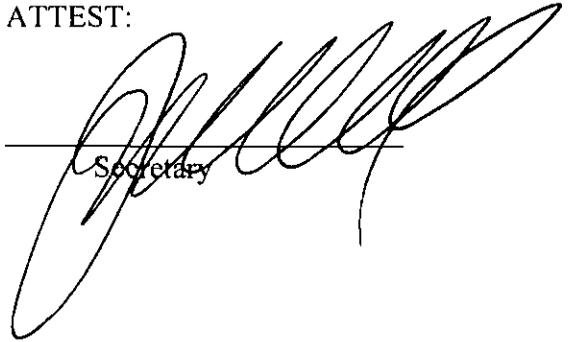
By 

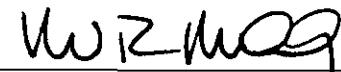
Print Name Paul O. McGinn

(Title) _____ President
(Corporate Seal)

ATTEST:

HUDSON NEWS COMPANY d/b/a Life is Good


Secretary

By 

Print Name Michael R. Mullaney

(Title) Executive Vice President
Corporate Strategy & Development
(Corporate Seal)

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

gem

MC/mmw

FIRST SUBLEASE AMENDMENT

This instrument is the First Amendment ("First Amendment") to a Retail Sublease (the "Sublease") dated September 19, 2003 between **MarketPlace LaGuardia Limited Partnership** ("Landlord") and **Hudson News Company** ("Tenant") for certain premises at the Central Terminal Building at LaGuardia Airport, New York City, New York known as CSDR2, containing approximately 956 square feet. Terms capitalized but not defined herein shall have the meanings given in the Sublease.

The parties have agreed that Tenant shall change its Trade Name and that certain other modifications shall be made to the Sublease, as hereinafter provided.

Accordingly, in consideration of the mutual undertakings of the parties under this First Amendment and the Sublease, the parties hereby agree as follows:

1. Basic Data; Tenant's Trade Name. Section 1.1 of the Sublease is hereby amended such that the Tenant's Trade Name shall be "Life is Good", not "National Geographic". Tenant hereby warrants and represents that it has the right to use Tenant's Trade Name (as amended in the preceding sentence) at the Premises for the entire Term of the Sublease.

2. Basic Data; Permitted Use. Section 1.1 of the Sublease is hereby amended such that the Permitted Use shall be:

Only as a first-class, high-quality retail store for the display and retail sale of only those items set forth on Schedule I, all of which must be branded with the "Life is Good" brand.

3. Basic Data; Tenant's Required Insurance Coverage. Section 1.1 of the Sublease is hereby amended to add the following new language to the end of the paragraphs on Tenant's Required Insurance Coverage:

Tenant shall deliver certified copies of the policies and/or certificates of insurance evidencing such coverage, as well as evidence of payment of all premiums thereof, within thirty (30) days of the execution of this Sublease. Each of Tenant's certificates of insurance shall contain:

(i) the following statement known as the "Port Authority Immunity Clause":

"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."

(ii) the statement, "cross-liability coverage is included,"

(iii) the Port Authority's agreement number (AGA-413) on each and every page of the certificate of insurance, including any supplementary pages.

- (iv) the following as the named insured Certificate Holder: MarketPlace LaGuardia Limited Partnership, LaGuardia Airport, Central Terminal Building, 3rd Floor West, Flushing, NY 11371, and
- (v) the following list of additional insured parties, which list may be changed from time to time by Landlord upon notice to Tenant:
 - a) MarketPlace Development, Inc.
 - b) MarketPlace Development, Limited Partnership
 - c) MarketPlace LaGuardia, Inc.
 - d) MarketPlace LaGuardia Limited Partnership
 - e) The Port Authority
 - f) The City of New York and its officials and employees
 - g) The New York City Economic Development Corporation

4. Indemnity by Tenant. Section 11.1 of the Sublease is hereby amended such that the City of New York shall be included as an indemnified party. For the avoidance of doubt, the list of indemnified parties in the first sentence of Section 11.1, as amended by the preceding sentence, shall be as follows: Landlord, the directors, officers, agents and employees of Landlord, and those in privity of estate with Landlord, the Port Authority, the commissioners, employees, representatives, directors and officers of the Port Authority, and the City of New York.

5. Tenant's Certification. A new Section 16.20 is hereby added to the Sublease as follows:

Tenant hereby warrants, represents and certifies that Tenant is not acting, directly or indirectly, for or on behalf of any person, group, entity, or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person", or other banned or blocked person, group, entity, nation, or transaction pursuant to any law, order, rule, or regulation that is enforced or administered by the Office of Foreign Assets Control and that it is not engaged in this transaction, directly or indirectly, on behalf of, or instigating or facilitating this transaction, directly or indirectly, on behalf of any such person, group, entity, or nation. Tenant agrees that any breach of the foregoing shall at Landlord's election be a default under this Sublease for which there shall be no cure, and Tenant hereby agrees to defend, indemnify, and hold harmless Landlord from and against any and all claims, damages, losses, risks, liabilities, and expenses (including attorneys' fees and costs) arising from or related to any breach of the foregoing warranty, representation, and certification. The provisions of this Section 16.20 shall survive the expiration or earlier termination of the Term.

6. Notice Address. Notwithstanding anything to the contrary in the Sublease, the notice address for Landlord's Counsel is as follows:

Landlord's DLA Piper LLP (US)
Counsel: 33 Arch Street, 26th floor
 Boston, MA 02110
 Attn: Anita S. Agajanian

7. Ratification of Sublease. As modified and extended hereby, the Sublease is ratified and confirmed and shall remain in full force and effect. This First Amendment shall inure to the benefit of and be binding upon Landlord and Tenant and their respective successors and assigns. This First Amendment shall not take effect without the prior written consent of the Port Authority, except Tenant agrees that during any period prior to receipt of such consent it will perform all of its obligations hereunder as fully as if such First Amendment was in effect during such period. Tenant hereby agrees to execute the Port Authority's current form of consent, as the same may be revised from time to time by the Port Authority, with respect to this First Amendment and return the same to Landlord within five (5) days after receipt of a request for execution thereof.

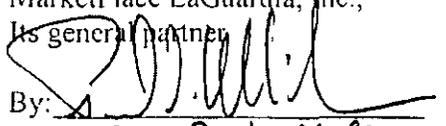
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IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be executed, under seal, dated as of the 24th day of February, 2010.

LANDLORD:

MarketPlace LaGuardia Limited Partnership

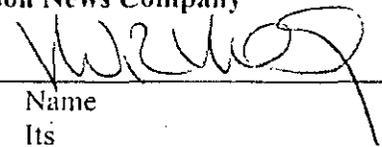
By: MarketPlace LaGuardia, Inc.,
Its general partner

By: 

Name Paul O. McGinnis
Its President
Hereunto duly authorized

TENANT:

Hudson News Company

By: 

Name
Its
Hereunto duly authorized

Michael R. Mullaney
Executive Vice President
Corporate Strategy & Development

Schedule I

Men's

Football Tee's
Baseball Tee's
Nubby Tee's
S/S Tee's
L/S Tee's
Lounge Pants
Boxers
Ballyward Hoodies

Ladies

Football tee's
Nubby Tee's
Katahdin Capris
Lounge Pants
Boxers
S/S Tee's
L/S Tee's
Ribbed Tanks
Feather Tee's

Kids

S/S Tee's
L/S Tee's
Lounge pants
Boxers
Ribbed Tanks

Infants

onzie's
two piece
Tee's
Pants
Booties
Rompers
Bibs
Blankets

Newborn

Tee's
Rompers
Dresses

Jewelry

Bracelets
Necklaces
Earrings
Key Chains
Phone Homies

Headwear

Chill caps
Ripstars
Visors
Buckets
Youth Bucket
Youth Chill

Bags

Duffles
Smile Messenger
Rambler Backpack
Satchels
Family Coolers
Yoga Mat
Tote Bags
Cinch Sacks
Antonia Tote
Isabelle Tote

Beach Stuff

Beach Towel
Aqua Football
Aqua Soccer Ball
Aqua MiniBall
Super Balls
Frissbee's

Dog Products

Ceramic Bowls 6"
Ceramic Bowls 9"
Collars
Leashes
Fetch Balls
Boomerangs
Launchers 6"
Launchers 9"

Accessories

Lexan Water
bottles
Travel Mugs
Diner Mugs
Stress Balls
Stickers
Magnets
Greeting cards

Socks

No shows
Crew
Snuggle
Quarter

Sandals

Mens
Ladies

Frames

Assorted
Assorted

SCHEDULE G

AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE (ACDBE) PARTICIPATION

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

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

Qualification as an ACDBE

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

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

part 23 is \$750,000.

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

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

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

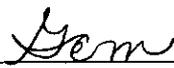
Certification of ACDBEs hereunder shall be made by the New York State or New Jersey UCP. If Concessionaire wishes to utilize a firm not listed in the UCP directories but

which the Concessionaire believes should be certified as an ACDBE, that firm shall submit to the Port Authority a written request for a determination that the firm is eligible for certification. This shall be done by completing and forwarding such forms as may be required under 49 CFR Part 23. All such requests shall be in writing, addressed to Lash Green, Director, Office of Business and Job Opportunity, The Port Authority of New York and New Jersey, 233 Park Avenue South, 4th Floor, New York, New York 10003 or such other address as the Port Authority may designate from time to time. Contact OBJOcert@panynj.gov for inquiries or assistance.

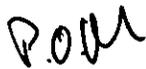
General

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

Initialed:



For the Port Authority



For the Lessee



For the Sublessee

EXHIBIT X

EVIDENCE OF SIGNED LABOR PEACE AGREEMENT

HUDSON NEWS COMPANY (the "Company") has complied with Board Resolution "All airports - Labor Harmony Policy" passed October 18, 2007, which stipulates that the Company must sign a Labor Peace Agreement with a labor organization that seeks to represent the Company's employees and that contains provisions under which the labor organization and its members agree to refrain from engaging in any picketing, work stoppages, boycotts or any other economic interference with the Company's operations.

FOR THE COMPANY:
HUDSON NEWS COMPANY

BY: WIZMOS
DATE: 5/28/10

FOR THE UNION:
[Insert Name of Labor Organization]

BY: RES [Signature]
DATE: 6/10/2010

Initialed:

gem
For the Port Authority

MM
For the Sublessee

P.D.M
For the Lessee

For The Port Authority Of New York & New Jersey

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

On the 12th day of July in the year 2010, before me, the undersigned, a Notary Public in and for said state, personally appeared David Kagan personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

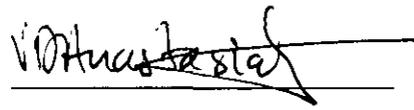

(notarial seal and stamp)

MICHAEL F. SCHMIDT
Notary Public, State of New York
No. 01SC6118149
Qualified in New York County
Commission Expires November 1, 2012

For MarketPlace LaGuardia Limited Partnership

STATE OF MA)
) ss.
COUNTY OF Middlesex

On the 24th day of June in the year 2010, before me, the undersigned, a Notary Public in and for said state, personally appeared Paul O. Mc Ginn personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

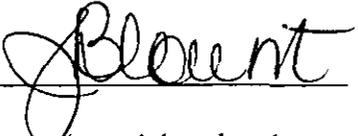

(notarial seal and stamp)

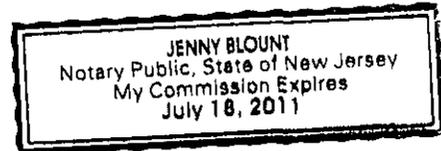
 VICTORIA B. ANASTASIA
NOTARY PUBLIC
COMMONWEALTH OF MASSACHUSETTS
BY COMM. EXP. NOV. 28, 2013

For Hudson News Company

STATE OF New Jersey) ss.
COUNTY OF Bergen)

On the 28th day of May in the year 2010, before me, the undersigned, a Notary Public in and for said state, personally appeared Michael R. Mullaney, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.


(notarial seal and stamp)



: For Port Authority Use Only :
: Permit Number: AGA-862 :

LAGUARDIA AIRPORT
PRIVILEGE PERMIT

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

1. **PERMITTEE:** HUDSON NEWS COMPANY, a New Jersey corporation
2. **PERMITTEE'S ADDRESS:** One Meadowlands Plaza
East Rutherford, NJ 07073
3. **PERMITTEE'S REPRESENTATIVE:** Michael Mullaney
4. **PRIVILEGE:** As set forth in Special Endorsement No. 1 hereof
5. **FEES:** As set forth in Section 4 of the Terms and Conditions hereof and Special Endorsement Nos. 3 and 4
6. **EFFECTIVE DATE:** September 1, 2009
7. **EXPIRATION DATE:** August 31, 2012, unless sooner revoked or terminated as herein provided
8. **REQUIRED SECURITY DEPOSIT:** NONE, subject to Special Endorsement No. 8
9. **INSURANCE REQUIREMENTS:** \$2,000,000.00 minimum limit Commercial General Liability
\$2,000,000.00 minimum limit Automobile Liability
10. **ENDORSEMENTS:** Standard Endorsements 4.1, 4.5, 6.1, 10.3, 14.1, Specials, Schedule G and Exhibit X

Dated: As of September 1, 2009

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

By [Signature]
Name DAVID KAGAN
(Please Print Clearly)
(Title) Assistant Director

HUDSON NEWS COMPANY, Permittee

By [Signature]
Name Roger Fordyce
(Please Print Clearly)
(Title) Executive Vice President

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

Term

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 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.

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

(e) A certified copy of each policy or a certificate or certificates of insurance evidencing the existence thereof, or binders, shall be delivered to the Port Authority upon execution and delivery of this Permit by the Permittee to the Port Authority. In the event any binder is delivered it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate of insurance. Any renewal policy shall be evidenced by a renewal certificate of

insurance delivered to the Port Authority at least seven (7) days prior to the expiration of each expiring policy, except for any policy expiring after the date of expiration of this Permit. The aforesaid insurance shall be written by a company or companies approved by the Port Authority. If at any time any insurance policy shall be or become unsatisfactory to the Port Authority as to form or substance or if any of the carriers issuing such policy shall be or become unsatisfactory to the Port Authority, the Permittee shall promptly obtain a new and satisfactory policy in replacement. If the Port Authority at any time so requests, a certified copy of each policy shall be delivered to or made available for inspection by the Port Authority.

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

9. Special Endorsements:

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

10. No Waiver:

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

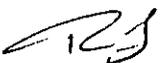
(c) The Section and paragraph headings, if any, in this Permit are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of any provision hereof.

(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:



For the Port Authority



For the Permittee

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

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

STANDARD ENDORSEMENT NO. 4.1
MERCHANDISE AND/OR SERVICES
All Airports
7/21/49

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

STANDARD ENDORSEMENT NO. 4.5

PRICES AND/OR CHARGES

All Installations

5/16/49

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

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

STANDARD ENDORSEMENT NO. 6.1
All Installations
3/28/49

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

STANDARD ENDORSEMENT NO. 10.3

GARBAGE REMOVAL

Airports

7/21/49

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

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

STANDARD ENDORSEMENT NO. 14.1
DUTIES UNDER OTHER AGREEMENTS
All Facilities
7/21/49

SPECIAL ENDORSEMENTS

1. Subject to all of the terms, covenants and provisions of this Permit, the Port Authority hereby grants to the Permittee the privilege of operating a first class newsstand concession for the sale at retail of magazines, periodicals, newspapers, paperback books, gum, candies and packaged snacks, cough drops, digestive aids, cigarettes, cigars, tobacco products, and accessories, postal cards, stationery supplies, health and beauty aids, photographic film, batteries, sundries, souvenirs, T-shirts, gifts and any other items as may be consented to in advance in writing by the Port Authority, and for no other purpose or purposes whatsoever. The Permittee shall exercise the privilege granted by this Permit only in the space in the Rotunda area of Marine Air Terminal (the "Terminal") to be specifically designated by the Port Authority (such space being referred to as the "Concession Area").

2. As used herein:

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

(b) "Fee Commencement Date" shall mean September 1, 2009, the date upon which the Permittee's obligation to pay fees hereunder commences.

(c) "Minimum Annual Guarantee" or "MAG" shall have the meaning ascribed to it in Special Endorsement No. 3 to this Permit.

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

(e) "Percentage fee" shall mean for and during the period commencing on the Effective Date and continuing through the period of permission granted hereunder, with respect to each annual period, the following:

(i) seven percent (7%) of the Permittee's Gross Receipts up to and including Three Hundred Thousand Dollars and No Cents (\$300,000.00); and

(ii) eleven percent (11%) of the Permittee's Gross Receipts in excess of Three Hundred Thousand Dollars and No Cents (\$300,000).

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

3. (a) The Minimum Annual Guarantee or MAG shall mean, during each Annual Period occurring from the Fee Commencement Date through the effective period of the permission granted hereunder, applicable to the entire Concession Area, the amount of Ten Thousand Dollars and No Cents (\$10,000.00) per annum which amount shall be payable in advance in equal, consecutive monthly installments equal to Eight Hundred Thirty-three Dollars and Thirty-three Cents (\$833.33). The MAG installment payments shall be due and payable on the Fee Commencement Date and on the first day of each and every calendar month thereafter occurring during the period of permission under this Permit. The MAG is subject to annual adjustments as set forth in subparagraph (b) of this Special Endorsement.

(b) If annual enplanements in the Terminal for the Annual Period which precedes the anniversary of the Fee Commencement Date ("Annual Enplanement Number") are less than 450,000, then the MAG will be waived for the Annual Period commencing on the anniversary of the Fee Commencement Date following the close of such Annual Period, and only the percentage fee will be payable during this Annual Period. The Annual Enplanement Number for each Annual Period shall be provided by the Port Authority to the Permittee in writing as soon as practicably possible after the close of an Annual Period, it being understood that such Annual Enplanement Number is derived from information provided to the Port Authority by airlines that operate at the Terminal and, accordingly, the Port Authority makes no representation to the Permittee as to the accuracy of the Annual Enplanement Number. Once waived, the MAG shall continue to be waived with respect to a succeeding Annual Period until such time as the Annual Enplanement Number for an Annual Period exceeds 450,000 and, in such case, the obligation to pay the MAG shall be applicable and reinstated effective as of the

anniversary of the Fee Commencement Date which follows the specific Annual Period during which the 450,000 Annual Enplanement Number was exceeded.

4. (a) In addition to the payment of the MAG, subject to Special Endorsement 3(b) herein, commencing as of the Fee Commencement Date, and continuing throughout the period of the permission under this Permit, the Permittee shall pay directly to the Port Authority a percentage fee amount equal to the excess over the MAG after applying the appropriate percentages set forth in subparagraph (e) of Special Endorsement No. 2 of this Permit. The computation of percentage fees for each Annual Period, or a portion of an Annual Period, shall be individual to such Annual Period, or such portion of an Annual Period, and without relation to any other Annual Period, or any other portion of any Annual Period.

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

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

5. The Permittee shall have the right and option to extend the period of

permission granted under this Permit for two additional one (1) year terms upon the same terms as are in effect immediately preceding the period for which such option is exercised; provided, however, the Permittee may only exercise the option to extend described in this paragraph, and such extension shall only be effective, if both at the time of the giving of the notice of exercise of the option and on the intended effective extension date the Permittee is not in default under any term or provision of this Permit or under notice of revocation or termination from the Port Authority.

There shall be no right and option to extend the period of permission granted under this Permit beyond the expiration of the last of the said periods for which such option is exercisable. Upon the exercise of any such option, which exercise shall be by notice in writing to the Port Authority from the Permittee at least ninety (90) days prior to the period for which the option is exercised, the period of permission granted under this Permit shall be deemed extended without the further execution of any further agreement or other instrument.

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

7. Labor Harmony at the Airport

(a) General. In connection with its operations at the Airport under this Permit, the Permittee shall serve the public interest by promoting labor harmony, it being acknowledged that strikes, picketing, or boycotts may disrupt the efficient operation of the Terminal. The Permittee recognizes the essential benefit to have continued and full operation of the Airport as a whole and the Terminal as a transportation center. The Permittee shall immediately give oral notice to the Port Authority (to be followed reasonably promptly by written notices and reports) of any and all impending or existing labor-related disruptions and the progress thereof.

If any type of strike, picketing, boycott or other labor-related disruption is directed against the Permittee at the Terminal, or against its operations thereat pursuant to this Permit, which in the opinion of the Port Authority (i) physically interferes with the operation of the Airport, the Terminal or the Concession Area, or (ii) physically interferes with public access between the Concession Area and any portion of the Terminal or the Airport, or (iii) physically interferes with the operations of other operators at the Airport or the Terminal, or (iv) presents a danger to the health and safety of users of the Airport or the Terminal, including persons employed thereat or members of the public, the Port Authority shall have the right at any time

during the continuance thereof to take such actions as the Port Authority may deem appropriate including, without limitation, revocation of this Permit.

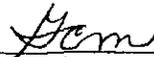
(b) Labor peace agreement. The Permittee represents that, prior to or upon entering into this Permit, it has delivered to the Port Authority evidence of a signed labor peace agreement, in the form attached hereto as Exhibit X or, if Exhibit X is inapplicable, a written notification from an officer of the Permittee on the Permittee's letterhead that no labor organization (as defined by 29 U.S.C. Section 152 (3)) has sought to represent the employees of the Permittee at the Airport or of the date of such notification.

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

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

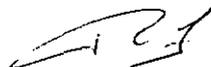
8. Even if this Permit does not set forth a stated amount of security deposit that must be provided by the Permittee prior to or upon the effective date of this Permit in connection with the Permittee's operations hereunder, nothing in this Permit shall prevent or preclude, or shall be construed as preventing or precluding, the Port Authority from requiring a security deposit at any time during the period of permission of this Permit, or as a condition of entering into any agreement (including without limitation extensions, amendments or supplements to this Permit or existing agreements) which may be entered into between the Port Authority and the Permittee subsequent to the execution of this Permit. Accordingly, the Port Authority reserves the right, in its sole discretion, upon fifteen (15) days written notice, to require that a security deposit be delivered to it by the Permittee hereunder and, in such event, the amount and type of security deposit set forth in said notice shall be deposited with the Port Authority forthwith in strict accordance with the Port Authority's notice. Similarly, the Port Authority reserves the right, in its sole discretion, to further adjust such amount, at any time and from time to time, upon fifteen (15) days written notice to the Permittee, thereby increasing or decreasing the security amount,

based upon changes in the Permittee's activity at any Port Authority Facility. From and after the effective date set forth in said notice the Permittee shall deposit with the Port Authority the new security amount as set forth in said notice.



For the Port Authority

Initialed:



For the Permittee

SCHEDULE G

AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE (ACDBE) PARTICIPATION

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

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

Qualification as an ACDBE

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

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

part 23 is \$750,000.

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

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

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

Certification of ACDBEs hereunder shall be made by the New York State or New Jersey UCP. If Concessionaire wishes to utilize a firm not listed in the UCP directories but

which the Concessionaire believes should be certified as an ACDBE, that firm shall submit to the Port Authority a written request for a determination that the firm is eligible for certification. This shall be done by completing and forwarding such forms as may be required under 49 CFR Part 23. All such requests shall be in writing, addressed to Lash Green, Director, Office of Business and Job Opportunity, The Port Authority of New York and New Jersey, 233 Park Avenue South, 4th Floor, New York, New York 10003 or such other address as the Port Authority may designate from time to time. Contact OBJOcert@panynj.gov for inquiries or assistance.

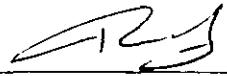
General

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

Initialed:



For the Port Authority



For the Permittee

EXHIBIT X

EVIDENCE OF SIGNED LABOR PEACE AGREEMENT

HUDSON NEWS COMPANY (the "Company") has complied with board Resolution "All Airports – Labor Harmony Policy" passed October 18, 2007, which stipulates that the Company must sign a Labor Peace Agreement with a labor organization that seeks to represent the Company's employees and that contains provisions under which the labor organization and its members agree to refrain from engaging in any picketing, work stoppages, boycotts or any other economic interference with the Company's operations.

FOR THE COMPANY:
HUDSON NEWS COMPANY

FOR THE UNION:
[Insert Name of Labor Organization]

BY: _____

BY: _____

Print Name: _____

Print Name: _____

DATE: _____

DATE: _____

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

AVIATION DEPT
FILE COPY

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
One World Trade Center
New York, New York 10048

NEWARK INTERNATIONAL AIRPORT
PARKING PERMIT

The Port Authority of New York and New Jersey (herein called "the Port Authority") hereby grants to the Permittee hereinafter named permission to use and occupy the following described space at Newark International Airport, in the County of Essex, and State of New Jersey, (hereinafter referred to as "the Space") for the purposes hereinafter specified and purposes incidental thereto in accordance with the Terms and Conditions hereof consisting of Sections 1 through 32; 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. PERMIT NO: ANA-472 DATED: as of February 1, 1990
2. PERMITTEE: HUDSON COUNTY NEWS CORP., a corporation of the State of New Jersey
3. PERMITTEE'S ADDRESS: 1305 Paterson Plank Road
North Bergen, New Jersey 07047
4. PERMITTEE'S REPRESENTATIVE: Mario DiDomizio
5. SPACE: As set forth in Special Endorsement No. 31 hereof
6. PURPOSES: For the parking of six (6) automotive vehicle(s) of executive management personnel of the Permittee and for no other purpose whatsoever.
7. FEES: Five Hundred Forty Dollars and No Cents (\$540.00) per month
8. EFFECTIVE DATE: February 1, 1990
9. EXPIRATION DATE: An indefinite period or when sooner cancelled, revoked or terminated as provided in the Permit.
10. ENDORSEMENTS ANNEXED AT TIME OF ISSUANCE: None

THE PORT AUTHORITY
OF NEW YORK AND NEW JERSEY

By Gerard P. Fitzgerald
(Title) ASSISTANT DIRECTOR OF AVIATION

HUDSON COUNTY NEWS CORP.
Permittee
By Mario DiDomizio
(Title) Vice President

APPROVED:
FORM TERMS
WJY

PA LAW DEPARTMENT
135647

TERMS AND CONDITIONS

1. The permission hereby granted 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 days' written notice, by the Port Authority or terminated without cause, upon thirty days' written notice by the Permittee, provided, however, that it may be revoked on twenty-four 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 hereinbefore set forth. 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. (a) 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 Newark International Airport from The City of Newark (hereinafter called "the City") 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 (hereinafter referred to as "the Basic Lease"). 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 the Basic Lease.

(b) "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 Basic Lease 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.

(c) The Port Authority has agreed by a provision in the Basic 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.

3. 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,

(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.

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

5. 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 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.

6. The Permittee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives, from 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 the use or occupancy of the Space or the means of ingress thereto and egress therefrom by the Permittee, or out of any of the operations, acts or omissions of the Permittee hereunder, or out of any of the acts or omissions of others on the Space or the means of ingress thereto and egress therefrom with the Permittee's consent, including claims and demands of the City against the Port Authority pursuant to the provisions of the Basic Lease, whereby the Port Authority has agreed to indemnify the City against claims.

7. The Permittee shall accept the Space in its present condition and shall repair any damage thereto caused by its operations. The Permittee shall not install any fixtures or make any alterations, additions, improvements or repairs in the Space except with the written approval of the Port Authority.

8. (a) The personal property placed or installed by the Permittee in the Space 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.

(b) If the Permittee shall fail to remove its property upon the expiration, termination, cancellation or revocation hereof, the Port Authority may, at its option, as agent for the Permittee and at the Permittee's risk and expense, remove such property to a public warehouse for deposit or retain the same in its own possession and after the expiration of thirty days sell the same at public auction, the proceeds of which shall be applied first to the expenses of sale, second to any sums owed by the Permittee to the Port Authority, and any balance remaining shall be paid to the Permittee, or may take such other action as may be necessary or desirable.

9. No signs, posters or similar devices shall be erected, displayed or maintained in view of the general public in or about the Space without the written approval of the General Manager of the Airport; and any not approved by him may be removed by the Port Authority at the expense of the Permittee.

10. (a) The Port Authority, by its officers, employees, agents, representatives and contractors shall have the right at any time and as often as it considers necessary, to enter upon the Space to inspect the same, to make repairs (without any obligation so to do), and, in the event of emergency, to take such action therein as may be required for the protection of persons or property.

(b) Without limiting the generality of the foregoing, the Port Authority, by its officers, employees, representatives, contractors, licensees, and their employees, shall have the right for the benefit of the Port Authority, or the Permittee and/or for the benefit of others than the Permittee, to maintain existing and future heating, water, gas, electricity, sewerage, drainage, fire protection, sprinkler, ventilating, refrigerating, fuel and communication systems and other such service systems including all tubes, pipes, lines, mains, wires, conduits and equipment on or about the Space and to enter upon the Space at all reasonable times and to make such repairs, replacements and alterations as may, in the opinion of the Port Authority, be deemed necessary or advisable, and, from time to time, to construct or install over, on, in or under the Space new tubes, pipes, lines, mains, wires, conduits and equipment, provided, however, that the same shall be done so as to interfere as little as reasonably possible with the Permittee's operations.

(c) Nothing contained in this Section 10 shall or shall be construed to impose upon the Port Authority any obligations so to maintain, or to make repairs, replacements, alterations or additions, or any liability for failure so to do.

11. 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 any things 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.

12. As used herein:

(a) The term "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.

(b) The term "General Manager of the Airport" or "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 New Jersey Airports for the time being or his duly designated representative or representatives.

(c) The term "Manager of the Business Administration Division 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 Manager by this Permit; but until further notice from the Port Authority to the Permittee it shall mean the Manager of Business Administration of Newark International Airport for the time being or his duly designated representative or representatives.

13. A bill or statement may be rendered or any notice or communication which the Port Authority may desire to give the Permittee shall be deemed sufficiently rendered or given if the same be in writing and 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, 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 or certified mail addressed to the Executive Director of the Port Authority at One World Trade Center, New York, N.Y. 10048 or at such other address as the Port Authority shall hereafter designate by notice to the Permittee.

14. The Permittee agrees to be bound by and comply with the provisions of all endorsements, if any, annexed to the Permit at the time of issuance.

15. 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 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 1 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.

16. (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 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. 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 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 under the Permit.

17. 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.

18. (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 including any Space covered by this Permit and the means of ingress to and egress from the Space, or for the safe and efficient operation of the Airport including any Space covered by this Permit and the means of ingress thereto and egress therefrom, or for the safety and convenience of persons who park automobiles in the Parking Area, or for the safety or proper identification of such automobiles, or in connection with the operation of the Parking Area. The Rules and Regulations and procedures of the Port Authority relating to safe and orderly operations and conduct on the public vehicular parking area shall apply to the Permittee's operations on the Space and the means of ingress thereto and egress therefrom as if the Space were a public vehicular parking area, and the Permittee's obligations in connection therewith shall be as stated in said Rules and Regulations and procedures. 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.

(b) In the use of the means of ingress to and egress from the Space, the Permittee shall exercise a high degree of care to avoid injuries to persons and damage to property. The indemnity provided in Section 6 of the Terms and Conditions of this Permit shall cover all claims of third persons including without limitation thereto claims for death, personal injuries or property damages, arising out of such use, regardless of the degree of care exercised, regardless of whether such use was by the Permittee or by others with the consent of the Permittee, and regardless of whether such use was in accordance with the rules and regulations of the Port Authority.

19. 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 General Manager of the Airport.

20. (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.

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(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.

21. (a) 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 Insurance Services Office of New Jersey and the National Fire Protection Institute, 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.

(b) 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 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
- (vi) 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.

(c) For the purpose of this Section 21, "Airport" includes all structures located thereon.

22. If any type of strike or other labor activity is directed against the Permittee at the Airport 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 to adversely affect the operation of the Airport 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.

23. (a) The Port Authority shall have the right to change any or all of the Permittee's Parking Unit(s) from time to time and at any time to any other Parking Unit(s) within the Parking Area by five (5) days' written notice to the Permittee, given by the Manager of the Business Administration Division of the Airport or such other representative as the Port Authority may substitute from time to time by notice to the Permittee. The Port Authority shall also have the right to change the location of any or all of the Parking Area(s) hereunder from time to time and at any time to any other Parking Area(s) within the Airport by five (5) days' written notice to the Permittee, given by the Manager of the Business Administration Division of the Airport or such other representative as the Port Authority may substitute from time to time by notice to the Permittee. Upon the effective date stated in the notice replacing Parking Area(s), the new Parking Area(s) shall become, as the case shall be, all or one of the Parking Area(s) under the Permit and the former Parking Area(s) shall no longer be the Parking Area(s) under the Permit; and upon the effective date stated in the notice replacing the Parking Unit(s), the new Parking Unit(s) shall become, as the case shall be, all or a part of the Space under the Permit and

the Space under the Permit shall no longer include the former Parking Unit(s).

(b) Neither the substitution nor replacement of any Parking Area(s) or Parking Unit(s) pursuant to paragraph (a) above shall relieve the Permittee of any liabilities or obligations under the Permit which shall accrue on or prior to the effective date thereof; the Permittee's duty of restoration, if any, with respect to the replaced area which would have matured on or before the date of expiration, termination, cancellation or revocation of the Permit, shall mature on or before the day preceding the effective date thereof. The Permittee agrees that as of the day preceding the effective date thereof it will quit and leave the replaced area in a clean and orderly condition and appearance.

24. The Port Authority shall have the right to change the means of ingress to and egress from the Parking Area and further shall not be obligated to keep the Space or the means of ingress thereto and egress therefrom or the Parking Area free from snow or ice or otherwise unobstructed for use by the Permittee, or to police the use of the Space or to provide any other service whatsoever in connection therewith.

25. (a) The Permittee shall maintain the Space in a clean and orderly condition and appearance and shall daily wipe up all oil, gasoline, grease, lubricants and other inflammable liquids and substances and all liquids and substances having a corrosive or detrimental effect on the paving or other surface of the Space or of the means of ingress to and egress from the Space, which may leak or be spilled or placed thereon by reason of the operations of the Permittee hereunder.

(b) The Permittee shall promptly repair any damage to the Space, including but not limited to any damage to the paving or other surface of the Space caused by any oil, gasoline, grease, lubricants or other liquids and substances, or to any other Port Authority property caused by the Permittee's operations. In the event the Permittee fails to commence to repair within a period of ten (10) days after notice from the Port Authority so to do, or fails diligently to continue to completion such repair, the Port Authority, in addition to other remedies it may have, may at its option repair all or any part of the paving or other surface of the Space or other property of the Port Authority and charge the cost thereof to the Permittee, which cost the Permittee hereby agrees to pay on demand.

(c) The Permittee shall daily remove from the Airport by means to be provided by the Permittee all garbage, debris and other waste material arising out of the use or occupancy of the Space by the Permittee.

(d) The Permittee shall not perform mechanical, electrical or structural repairs of vehicles on the Space, and shall not thereon clean, wash, fuel, lubricate or paint any vehicle or vehicles, and shall not store on the Space any automotive fuel or lubricants, oil, grease or other chemicals or supplies, except automotive fuel, oil and other liquids contained in the functional reservoirs of the vehicles parked on the Space.

26. (a) The Permittee shall promptly surrender any tickets, cards or other devices or means of identification in its possession, issued by the Port Authority in connection with the permission granted hereunder, upon the termination, cancellation, revocation or expiration of the Permit.

(b) In the event any ticket, card or other device or means of identification referred to in paragraph (a) hereof is lost at any time, a replacement charge of Fifty Dollars and No Cents (\$50.00) for each lost ticket, card or other device will be imposed on the Permittee (which charge is hereinafter called the "lost ticket charge"), provided, however, that the Port Authority may from time to time upon thirty (30) days' notice to the Permittee, given by the Manager of the Business Administration Division of the Airport or such other representative as the Port Authority may substitute from time to time by notice to the Permittee, increase the lost ticket charge whenever it deems an increase advisable. The lost ticket charge will be payable by the Permittee on demand from the Port Authority to The Port Authority of New York and New Jersey, P.O. Box 17309, Newark, New Jersey 07194, or at such other address as the Port Authority may designate by notice to the Permittee.

27. (a) Neither the execution and delivery of this Permit nor any act done pursuant thereto shall create between the Permittee and the Port Authority the relationship of bailor and bailee, the relationship of storer and garage-keeper, or any other relationship except that of licensee of space and licensor; nor shall there be created thereby any legal status which would impose upon the Port Authority with respect to any property in the Space any duty or obligation whatsoever. The Permittee shall park only in those Parking Unit(s) within the Parking Area(s) designated for its use on the first page of this Permit. The Permittee shall assume all risks of using the Parking Area(s) including without limitation all risks arising out of the acts or omissions of other users of the Parking Area(s) or of any other persons in or on the Parking Area(s) and the Port Authority shall not be responsible or liable for any of the acts or omissions of any of the foregoing. The Permittee expressly agrees that unless otherwise agreed in writing, the Port Authority shall have no liability with respect to any vehicle parked in the Space, or with respect to property of the Permittee or of any other person whatsoever left in or on any vehicle parked in the Space, except for damage resulting from affirmative willful acts of the Port Authority.

(b) The Permittee has examined the Space and the various means of ingress thereto and egress therefrom and acknowledges that it has been advised that such means of ingress and egress may be regularly used by other permittees, licensees and lessees of the Port Authority and others whose vehicles and employees may be admitted to the Airport under various arrangements with the Port Authority but for whose acts the Port Authority is not responsible. The Permittee acknowledges that it has also been advised that the Port Authority shall have no responsibility to keep the Space or the Parking Area guarded, patrolled or attended at any time, nor shall the Port Authority have any responsibility to ensure that others do not use or occupy the Space.

28. (a) The fee specified is a monthly fee, payable in full in advance to The Port Authority of New York and New Jersey, P.O. Box 17309, Newark, New Jersey 07194, or at such other address as the Port Authority may designate by notice to the Permittee, on the effective date hereof and on the first day of each and every calendar month thereafter.

(b) If the permission granted hereunder becomes effective on a date other than the first day of a calendar month or expires or is revoked or terminated on a date other than the last day of a calendar month, the fee payable for the part of the month during which the permission is in effect shall be computed by prorating the monthly fee on a daily basis, using the exact number of days in the month involved.

(c) The fees payable under the 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 New Jersey Airports 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 will become effective on the date set forth in the Port Authority's notice as aforesaid. No cancellation of the Permit and the permission granted thereunder pursuant to this paragraph (c) shall, or 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.

29. In the event that any or all of the Space under this Permit was occupied by the Permittee under a prior permit issued by the Port Authority to the Permittee, neither this Permit nor the execution thereof by the Port Authority shall be or shall be construed to be a waiver by the Port Authority of, or a release or discharge of the Permittee from, any liabilities or obligations of the Permittee under any said prior permit, or under any alteration permits issued pursuant thereto, with respect to the restoration of any Space hereunder which was occupied by the Permittee under any such prior permit, which shall have accrued on or before the effective date as set forth in Item 8 on page 1 hereof. Any of said liabilities or obligations which would have matured on or before the date of expiration, termination, cancellation or revocation of any said prior permit, shall mature on said effective date hereof.

30. 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.

31. The Space under the Permit shall consist of Parking Unit No. 25A as shown in stipple on the sketch attached hereto, hereby made a part hereof and marked "Exhibit A-1-A", Parking Units Nos. 24, 26 and 27 as shown in stipple on the sketch attached hereto, hereby made a part hereof and marked "Exhibit B-2B" and Parking Units Nos. 8 and 13, as shown on the sketch attached hereto, hereby made a part hereof and marked "Exhibit B-3", all within the areas on the plot plans drawn on the Exhibits hereto, each said area on the plot plans comprising all of the numbered parking units shown thereon and the means of ingress thereto and egress therefrom as each such area may be changed from time to time in accordance with the terms and provisions hereof or by supplement hereto being hereinafter referred to as a "Parking Area". The parties acknowledge that the Space under the Permit constitutes non-residential real property.

32. This Permit, including the attached Exhibit(s) and endorsement(s), if any, constitutes the entire agreement of the Port Authority and the Permittee on the subject matter hereof. The 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 23, 26 and 28 hereof. The Permittee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing herein.



THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
One World Trade Center
New York, New York 10048

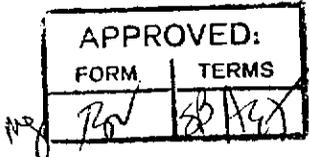
PRIVILEGE PERMIT

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 the Port Authority Facility hereinafter named, in accordance with the Terms and Conditions 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. FACILITY: Newark International Airport
- 2. PERMITTEE: News Emporium, Inc., a New Jersey corporation
- 3. PERMITTEE'S ADDRESS: 34 Kennedy Boulevard
East Brunswick, New Jersey 08816
- 4. PERMITTEE'S REPRESENTATIVE: Robert Crews
- 5. PRIVILEGE: As set forth in Special Endorsement No. 1 herein
- 6. FEES: As set forth in Special Endorsement No. 2 herein
- 7. EFFECTIVE DATE: February 15, 2000
- 8. EXPIRATION DATE: September 14, 2008, unless sooner revoked as provided in Section 1 of the following Terms and Conditions
- 9. ENDORSEMENTS: 2.8, 3.1, 4.1, 4.5, 6.1, 8.0, 9.1, 9.5, 9.6, 10.2, 14.1, 16.1, 17.1, 19.3, 21.1, 23.2, 28 and SPECIAL

Dated: As of February 15, 2000

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY



By:

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

CONSENTED AND AGREED TO
BY CONTINENTAL AIRLINES, INC.

NEWS EMPORIUM, INC.

By:

By:

(Title) Holden Shannon
Vice President
Corporate Real Estate
& Environmental Affairs President

(Title): C.E.O. President

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 at any time by the Port Authority, with or without cause, and with or without prior notice. Unless sooner revoked, such permission shall expire in any event upon the expiration date hereinbefore set forth. 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.

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,

(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

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uniforms. The badges, means of identification and uniforms shall be subject to the written approval of the Manager of the Facility. 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.

The Permittee, its employees, invitees and others doing business with it shall have no right hereunder to park vehicles within the Facility beyond a reasonable loading or discharging time, except in regular parking areas and upon payment of the regular charges therefor.

6. The Permittee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives, from 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 of the operations, acts or omissions of the Permittee hereunder; this indemnity shall extend to and include the contractual obligation of indemnity, if any, undertaken by the Port Authority in favor of the lessor, if any, of the Facility.

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. In the event of revocation, the Permittee shall have two days, exclusive of Saturdays, Sundays and legal holidays (as determined by the laws of the State of New Jersey or of the State of New York, as the case may require), after the effective date of revocation, in which to remove such property.

If the Permittee shall so fail to remove such property upon the expiration or revocation hereof, the Port Authority may at its option, as agent for the Permittee and at the risk and expense of 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 days may sell the same at public auction; the proceeds of any such sale shall be applied first to the expenses of removal, sale and

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storage, 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.

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 claim 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 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 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. As used herein:

(a) The term "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

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Permittee, it shall mean the Executive Director of the Port Authority for the time being, or his duly designated representative or representatives.

(b) The terms "Manager of the Facility" or "General Manager of the Facility" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the Manager by this Permit; but until further notice from the Port Authority to the Permittee it shall mean the Manager or General Manager (or temporary or Acting Manager or Acting General Manager) of the Facility 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 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 therefor 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 One World Trade Center, New York, New York 10048, or at such other address 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.

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

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

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

(c) Maintain, in accordance with accepted accounting practice, during the effective period of this Permit, for one (1) year after the expiration or earlier revocation or termination thereof, and for a further period extending until the Permittee shall receive written permission from the Port Authority to do otherwise, records and books of account recording all transactions of the Permittee at, through, or in anywise connected with the Airport (which records and books of account are hereinafter be called the "Permittee's Records"). The Permittee's Records shall be kept at all times within the Port of New York District.

(d) Permit in ordinary business hours during the effective period of the Permit, for one year thereafter, and during such further period as is mentioned in the preceding subdivision (c), the examination and audit by the officers, employees and representatives of the Port Authority of (i) the records and books of account of the Permittee and (ii) also any records and books of account 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. The Permittee shall make available to the Port Authority within the Port of New York District for examination and audit by the Port Authority pursuant to this paragraph (d) those records and books of account described in (i) which are not required by paragraph (c) above to be kept at all times in the Port of New York District and those records and books of account described in (ii) above (all of the foregoing being hereinafter called the "Other Relevant Records" and the Permittee's Records and the Other Relevant Records being hereinafter collectively referred to as the "Records").

(e) 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 cash registers;

(f) Furnish on or before the twentieth day of each month following the effective date of this Permit a sworn statement of gross receipts arising out of operations of the Permittee hereunder for the preceding month;

(g) Furnish on or before the twentieth day of April of each calendar year following the effective date of this Permit a statement of all gross receipts arising out of operations of the Permittee hereunder for the preceding calendar year certified, at the Permittee's expense, by a certified public accountant;

(h) Install and use such cash registers, sales slips, invoicing machines and any other equipment or devices for recording orders taken, or services rendered, as may be appropriate to the Permittee's business and necessary or desirable to keep accurate records of gross receipts.

2. Without implying any limitation on the right of the Port Authority to revoke the Permit for cause for the breach of any term or condition thereof, including but not limited to paragraph 1 above, the Permittee understands that compliance by the Permittee with the provisions of paragraphs (c) and (d) above are of the utmost importance to the Port Authority in having entered into the percentage fee arrangement under the Permit and in the event of the failure of the Permittee to maintain, keep within the Port District or make available for examination and audit the Permittee's Records in the manner and at the times or location as provided in this Standard Endorsement then, in addition to all and without limiting any other rights and remedies of the Port Authority, the Port Authority may:

(1) Estimate the gross receipts of the Permittee 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 Permittee's fees based thereon to be payable to the Port Authority when billed; or

(2) If any such Records have been maintained outside of the Port District, but within the Continental United States then the Port Authority in its sole discretion may (i) require such Records to be produced within the Port District or (ii) examine such Records at the location at which they have been maintained and in such event 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, or

(3) If any such Records have been maintained outside the continental United States then, in addition to the costs specified in paragraph (2)(ii) above, the Permittee shall pay to the Port Authority when billed all other costs of the examination and audit of such Records including without limitation salaries, benefits, travel costs and related expenses, overhead costs and fees and charges of third party auditors retained by the Port Authority for the purpose of conducting such audit and examination.

3. The foregoing auditing costs, expenses and amounts set forth in subparagraphs (2) and (3) of paragraph 2 above shall be deemed fees and charges under the Permit payable to the Port Authority with the same force and effect as all other fees and charges thereunder.

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 persons 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 therefor. The Permittee shall furnish all services hereunder on a fair, equal and non-discriminatory basis to all users thereof.

STANDARD ENDORSEMENT NO. 3.1
ACCOMMODATION OF THE PUBLIC
All Facilities
8/21/49

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

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

STANDARD ENDORSEMENT NO. 4.1
MERCHANDISE AND/OR SERVICES
All Airports
7/21/49

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

STANDARD ENDORSEMENT NO. 4.5

PRICES AND/OR CHARGES

All Installations

5/16/49

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

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

STANDARD ENDORSEMENT NO. 6.1

All Installations

3/28/49

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 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 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 therefore 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 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.

STANDARD ENDORSEMENT NO. 9.1

FEDERAL AIRPORT AID

Airports

1/19/81

(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
AFFIRMATIVE ACTION
Airports

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

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

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

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

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

(d) The Permittee shall daily remove from the Airport by means of facilities provided by it all garbage, debris and other waste material (whether solid or liquid) arising out of or in connection with its operations hereunder, and any such not immediately removed shall be temporarily stored in a clean and sanitary condition, in suitable garbage and waste receptacles, the same to be made of metal and equipped with tight-fitting covers, and to be of a design safely and properly to contain whatever material may be placed therein; said receptacles being provided and maintained by the Permittee. The receptacles shall be kept covered except when filling or emptying the same. The

STANDARD ENDORSEMENT NO. 10.2 (Page 1)

SANITARY REQUIREMENTS

Airports

7/20/49

Permittee shall exercise extreme care in removing such garbage, debris and other waste materials from the Airport. The manner of such storage and removal shall be subject in all respects to the continual approval of the Port Authority. No facilities of the Port Authority shall be used for such removal unless with its prior consent in writing. No such garbage, debris or other waste materials shall be or be permitted to be thrown, discharged or disposed into or upon the waters at or bounding the Airport.

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

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

STANDARD ENDORSEMENT NO. 10.2 (Page 2)

SANITARY REQUIREMENTS

Airports

7/20/49

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

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

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 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.

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 persons 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.

STANDARD ENDORSEMENT NO. 17.1

LAW COMPLIANCE

All Facilities

8/29/49

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 and privileges are hereby granted to 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

03/15/74

(a) The Permittee in its own name as insured shall secure and pay the premium or premiums for such of the following policies of insurance affording those coverages as to which minimum limits are fixed in the schedule set forth below. Each such policy shall be maintained in at least the limit fixed with respect thereto, shall cover the operations of the Permittee under this Permit, and shall be effective throughout the term of the letting.

| SCHEDULE | | <u>Minimum Limit</u> |
|-----------------|--|-----------------------|
| <u>Policy</u> | | |
| (1) | Comprehensive general liability insurance (to include contractual liability endorsement) including premises operations and completed operations | |
| | (i) Bodily-injury liability: | |
| | For injury or wrongful death to one person: | <u>\$2,000,000.00</u> |
| | For injury or wrongful death to more than one person in any one occurrence: | <u>\$2,000,000.00</u> |
| | (ii) Property-damage liability: | |
| | For all damages arising out of injury to or destruction of property in any one occurrence: | <u>\$2,000,000.00</u> |
| | (iii) Products liability: | <u>\$2,000,000.00</u> |
| (2) | Automotive liability insurance: | |
| | (i) Bodily-injury liability | |
| | For injury or wrongful death to one person: | \$ _____ |
| | For injury or wrongful death to more than one person in any one occurrence: | \$ _____ |
| | (ii) Property-damage liability: | |
| | For all damages arising out of injury to or destruction of property in any one occurrence: | \$ _____ |
| (3) | Plate and mirror glass insurance, covering all plate and mirror glass in the premises, and the lettering, signs, or decorations, if any, on such plate and mirror glass: | \$ _____ |
| (4) | Boiler and machinery insurance, covering all boilers, pressure vessels and machines operated by the Lessee in the premises: | \$ _____ |
| (5) | "Additional Interest" policy of boiler and machinery insurance, covering all boilers, pressure vessels and machines operated by the Lessee in the premises: | \$ _____ |
| (6) | Garagekeepers' legal liability: | \$ _____ |

STANDARD ENDORSEMENT NO. L21.1 (2 pages)

INSURANCE

All Facilities

3/25/82

(b) The Port Authority shall be named as an additional insured in any policy of liability insurance required by this Endorsement, unless the Port Authority shall, at any time during the term of the letting under this Permit, direct otherwise in writing, in which case the Permittee shall cause the Port Authority not to be so named.

(c) In any policy of insurance on property other than that of the Permittee required by this Endorsement, the Port Authority shall be named as the owner except that as to property as to which the Port Authority is itself a lessee, the Port Authority shall be named as the lessee and the owner shall be named as the owner. Each shall be endorsed substantially as follows:

“Loss, if any, under this policy, as to the interest of the owner and as to the interest of the Port Authority of New York and New Jersey, shall be adjusted solely with the Port Authority and all proceeds under this policy shall be paid solely to the Port Authority.”

(d) Any “Additional Interest” policy of boiler and machinery insurance required by this Endorsement shall provide protection under Sections 1 and 2 only of the Insuring Agreements of the form of policy approved for use as of the date hereof by the Insurance Rating Board, New York, New York.

(e) As to any insurance required by this Endorsement, 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 within ten (10) days after the execution of this Permit. In the event any binder is delivered, it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy or certificate shall contain a valid provision or endorsement that the policy may not be cancelled, terminated, changed or modified, without giving ten (10) days’ written advance notice thereof to the Port Authority. A renewal policy shall be delivered to the Port Authority at least fifteen (15) days prior to the expiration date of each expiring policy, except for any policy expiring after the date of expiration of the term of the letting under this Permit, as the same may be from time to time extended. If at any time any of the 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.

(f) Each policy of insurance required by this Endorsement shall contain a 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 or the provisions of any statutes respecting suits against the Port Authority.

(a) Upon the execution of this Agreement by the Lessee and delivery thereof to the Port Authority, the Lessee shall deposit with the Port Authority (and shall keep deposited throughout the letting under this Agreement) either the sum of **FIFTY THOUSAND DOLLARS AND NO CENTS (\$50,000.00)** 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 Lessee, all of the terms, provisions, covenants and conditions of this Agreement 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 Lessee may deposit such bond 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 Lessee) in a manner satisfactory to the Port Authority. The Lessee may request the Port Authority to accept a registered bond in the Lessee's name and if acceptable to the Port Authority the Lessee shall deposit such bond together with a 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 Lessee any expenses incurred by the Port Authority in re-registering a bond to the name of the Lessee shall be borne by the Lessee. 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 Lessee. 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 Lessee. With respect to any bonds deposited by the Lessee, the Port Authority shall have the right, in order to satisfy any of its claims or demands against the Lessee, 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 or redemption of the Lessee. The Lessee 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 Lessee. 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 Lessee. 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 Lessee 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 Section. After the expiration or earlier termination of the letting under this Agreement as the said letting may have been extended, and upon condition that the Lessee shall then be in no wise in default under any part of this Agreement, as this Agreement may have been amended or extended (or both), and upon written request therefor by the Lessee, the Port Authority will return the deposit

STANDARD ENDORSEMENT NO. L23.2 (Page 1)

Security or Letter of Credit

All Facilities

9/15/84

to the Lessee 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 Lessee of this Agreement or any part thereof. The Lessee agrees that it will not assign or encumber the deposit. The Lessee 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 Lessee may at any time during the term of the letting under this Agreement offer to deliver to the Port Authority, as security for all obligations of the Lessee under this Agreement, a clean irrevocable letter of credit issued by a banking institution satisfactory to the Port Authority and having its main office within the Port of New York District, in favor of the Port Authority in the amount of **FIFTY THOUSAND DOLLARS AND NO CENTS (\$50,000.00)**. The form and terms of such letter of credit, as well as the institution issuing it, shall be subject to the prior and continuing approval of the Port Authority. Such letter of credit shall provide that it shall continue throughout the term of the letting under this Agreement and for a period of not less than six (6) months thereafter; such continuance may be by provision for automatic renewal or by substitution of a subsequent satisfactory letter. Upon notice of cancellation of a letter of credit the Lessee 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 Standard 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 Standard Endorsement. Failure to provide such a letter of credit at any time during the term of the letting, valid and available to the Port Authority, including any failure of any banking institution issuing any such letter of credit previously accepted by the Port Authority to make one or more payments as may be provided in such letter of credit shall be deemed to be a breach of this Agreement on the part of the Lessee. Upon acceptance of such letter of credit by the Port Authority, and upon request by the Lessee 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 Standard Endorsement. The Lessee 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 letting and fulfillment of the obligations of the Lessee under this Agreement. If the Port Authority shall make any drawing under a letter of credit held by the Port Authority hereunder, the Lessee, on demand of the Port Authority and within two (2) days thereafter, shall bring the letter of credit back up to its full amount.

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. (a) By agreement of lease, dated as of January 11, 1985 bearing Port Authority file No. ANA-170 (said agreement of lease as the same may have been supplemented and amended being hereinafter called the "Airline Lease") the Port Authority leased to People Express Airlines, Inc. certain premises in the passenger terminal building designated "Passenger Terminal Building C" at Newark International Airport for the construction therein by the airline of passenger terminal facilities (which facilities are hereinafter referred to as the "Terminal"), as set forth in Section 5 of the Airline Lease. The Airline Lease was assigned by People Express Airlines, Inc. to Continental Airlines, Inc. (hereinafter called the "Airline") pursuant to an Assignment of Lease with Assumption and Consent Agreement entered into among the Port Authority, the Airline and People Express Airlines, Inc., dated August 15, 1987. It was contemplated under the Airline Lease that certain food and beverage, newsstand, gift shop and other consumer service facilities would be operated in certain portions of the Terminal pursuant to agreements covering the operation of such consumer service facilities and it was stipulated in the Airline Lease that Port Authority consent to the arrangements covering the operation of such consumer service facilities would be required. The Airline and Westfield Concession Management, Inc. ("Manager") have entered into an agreement, made as of November 1, 1997 (which agreement, as the same may have been or may hereafter be supplemented, amended or extended is hereinafter called the "Management Agreement"), pursuant to which the Manager agreed to develop, sublease on behalf of and in the name of the Airline, manage and market certain concession facilities in the Terminal. The Manager and the Port Authority have entered into a permit agreement, consented and agreed to by the Airline and dated as of October 1, 1998 (which permit agreement, as the same may have been or may hereafter be supplemented, amended or extended is hereinafter called the "Manager Permit") pursuant to which, among other things, the Port Authority consented to the Management Agreement subject to the provisions of the Manager Permit.

(b) The Airline and the Permittee have entered into a sublease agreement, dated as of February 15, 2000, as amended by the First Amendment to Amended and Restated Sublease dated as of May 15, 2000 (said sublease agreement as the same has been and may hereafter be amended or supplemented being called the "Sublease"), under which the Permittee has agreed to operate certain consumer services in locations the Airline shall designate, and the Port Authority hereby consents to such subletting. By its terms the Sublease is subject and subordinate to the Airline Lease and the Permittee is obligated under the Sublease to comply with all applicable terms of the Airline Lease. The Permittee hereby agrees for the benefit of the Port Authority to comply with all applicable provisions of the Airline Lease. Further, it was stipulated in the Management Agreement and in the Manager Permit that any retail operating agreement entered into between the Airline and a third party retail operator shall be void *ab initio* and of no force of effect unless and until the proposed retail operator and the Port Authority shall have executed a written agreement covering such operations. The Port Authority hereby grants to the Permittee the privilege to operate one (1) concession at the Terminal for the sale at retail of hard cover

books, paperback books, audio cassette books, book related accessories, and the incidental sale at retail of magazines (limited to top thirty titles only), calendars, organizers and posters, provided, however, that the display and sale of such incidental items shall not exceed more than 15% of the sales display area of the floor area of the subleased premises, and for no other purpose or purposes whatsoever.

The Permittee shall exercise the privilege granted by this Permit only in such areas as the Airline shall designate from time to time. All of the areas designated for operations hereunder are herein referred to collectively as the "Space". The Permittee understands that as the Terminal is leased to the Airline, all arrangements as to the Space and facilities in which the privilege described in this paragraph will be conducted, including utilities and services therefor, shall be made with the Airline and the Permittee acknowledges that it has made such arrangements. The Port Authority makes no representations or warranties as to the location, size, adequacy or suitability of the Space and the facilities therein.

The Permittee may not receive any revenues or profits with respect to any of the following uses, operations or installations which the Port Authority reserves to itself and its designees exclusively in the Terminal: VIP lounges, airline clubs, monorail facilities, advertising (including, without limitation, static display, broadcast and other), pay telephones, rental of cellular phones, facsimile transmission machines and other public communication services, concierge services (i.e., a center or location which offers a variety of services for passengers (including, but not limited to, hotel reservations, sale of entertainment events tickets and lottery tickets, luggage storage and delivery, sightseeing tours, business services and provision of touring information)), ground transportation (including vehicle rentals), hotel and other lodging reservations, vending machines dispensing anything (including, but not limited to, catalog and electronic sales) other than products specifically permitted to be sold on the Space pursuant to the Sublease and if approved by the Port Authority, on-airport baggage carts or other on-airport baggage-moving devices, electronic amusements, and public service or airport operation information, messages and announcements. The Port Authority shall have the right to all revenues derived for the above-stated reserved uses.

2. (a) As used herein:

(i) "Affiliate" shall mean a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Permittee. The term control (including the terms controlling, controlled by and under common control with) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

(ii) "Minimum annual rent amount" (sometimes referred to herein as "Guaranteed Rent") shall mean the sum set forth in paragraph (b) of this Special Endorsement, as the same may adjusted and/or prorated by operation of the provisions hereof.

(iii) "Annual Period" shall mean, as the context requires, the period commencing with the effective date of the permission granted under this Permit and expiring December 31 of the same calendar year, both dates inclusive, and each of the twelve month periods thereafter occurring during the effective period of the permission granted hereunder commencing with the immediately succeeding January 1 and on each anniversary of that date, provided, however, that if the effective period of the permission granted under this Permit shall expire or shall terminate or be revoked effective on other than the last day of a calendar year then the annual period in which the date of expiration or earlier termination or revocation shall fall shall expire on the date of expiration or earlier termination or revocation of the effective period of the permission granted hereunder.

(iv) "Gross receipts" shall mean and include all monies paid or payable to the Permittee for sales made and services rendered at or from the Terminal or the Airport regardless of when or where the order therefor is received and outside the Terminal or Airport if the order is received at the Terminal or the Airport and any other revenues of any type arising out of or in connection with the Permittee's operations at the Terminal or the Airport, provided, however, that there shall be excluded from such gross receipts the following: (a) any taxes imposed by law which are separately stated to and paid by a customer and directly payable to the taxing authority by the Permittee; (b) receipts in the form of refunds from or the value of merchandise, services, supplies or equipment returned to vendors, shippers, suppliers or manufacturers including discounts received from Permittee's vendors, suppliers, or manufacturers (but specifically excluding retail display allowances or other promotional incentives received from vendors, suppliers and the like, all of which must be included in gross receipts); (c) shipping, delivery, alteration workroom and gift wrapping charges if there is no profit to Permittee and such charges are merely an accommodation to customers; (d) except with respect to proceeds paid on a gross earnings business interruption insurance policy, all other receipts from insurance proceeds received by Permittee as a result of a loss or casualty; (e) sale of trade fixtures, equipment or property which are not stock in trade and not in the ordinary course of business; (f) customary discounts, if separately stated, which must be given by Permittee on sales of merchandise and services to the Airline's employees (evidenced by a valid Continental Airlines ID Badge), Port Authority's employees (evidenced by a valid Port Authority ID Card) and other individuals employed at the Airport (who can demonstrate to the reasonable satisfaction of Permittee that such individuals are employed at the Airport), and the Permittee's employees, and limited in amount to not more than one percent (1%) of Permittee's gross receipts per lease month for discounts given to the Permittee's employees and not more than ten percent (10%) of the Permittee's gross receipts per lease month for discounts given to the Airline's employees, Port Authority's

employees and other individuals employed at the Airport as aforesaid. The "customary discounts" required in the foregoing sentence to other than the Permittee's employees shall be in the minimum amount of ten percent (10%) as compared to Permittee's normal, non-sale prices for the same products, merchandise and/or services to the general public; (g) any gratuities paid or given by patrons or customers to employees of the Permittee or others employed, or serving, at any of the facilities being operated on the Space; (h) exchange of merchandise between stores or warehouses owned by or affiliated with Permittee (where such exchange is made solely for the convenient operation of the business of Permittee and not for purposes of consummating a sale which has theretofore been made in or from the Space and/or for the purpose of depriving the Airline of the benefit of a sale which otherwise would be made in or from the Space); (i) proceeds from the sale of gift certificates or like vouchers until such time as the gift certificates or like vouchers have been treated as a sale in or from the Space pursuant to Permittee's record-keeping system; and (j) the sale or transfer in bulk of the inventory of Permittee to a purchaser of all or substantially all of the assets of Permittee in a transaction not in the ordinary course of Permittee's business.

For the purpose of determining the percentage rent payable by Permittee to the Airline and the Port Authority, respectively, all monies, payments, or fees paid or payable to the Permittee by any of its subtenants, franchisees or licensees in connection with their operations (including all monies, payments, or fees described in the applicable franchise or license agreement between the Permittee and a sub-retail operator, franchisee or licensee) and all receipts arising out of the permitted operations of the sub-retail operator, franchisee or licensee shall be deemed to be the gross receipts of the Permittee, shall be included in the gross receipts of the Permittee and shall be subject to the percentage rent set forth in the Sublease. In the event of any difference between the definition of gross receipts (or gross revenues) in the Sublease and the definition of gross receipts in this Permit, the definition of gross receipts set forth in this Permit shall control.

(v) "Annual Exemption Amount" shall mean the sum of One Million Six Hundred Sixty-six Thousand Six Hundred Sixty-six Dollars and Ninety Cents (\$1,666,666.90) as the same may be reduced by the operation of the proration provisions hereof and as the same may be adjusted pursuant to the Sublease. The Monthly Exemption Amount shall equal one-twelfth of the Annual Exemption Amount.

(b) (i) The Permittee shall pay to the Port Authority the PA Share, as defined in paragraph (f) of this Special Endorsement, of a Guaranteed Rent as follows:

(1) for the period from May 5, 2000 to and including May 14, 2004, at the rate of One Hundred Eighty-Four Thousand Eight Hundred Seventy-Five Dollars and No Cents (\$184,875.00) per annum, payable in advance in equal, consecutive monthly installments equal to the PA Share of Fifteen

Thousand Four Hundred Six Dollars and Twenty-Five Cents (\$15,406.25), on the Rent Commencement Date and on the first day of each calendar month thereafter occurring during said period. If the Rent Commencement Date shall occur on a day other than the first day of a calendar month, the installment of the Guaranteed Rent payable on the Rent Commencement Date shall be the amount of the installment described in this paragraph prorated on a daily basis, using the actual number of days in the subject calendar month. Further, the installment of the Guaranteed Rent payable on May 1, 2004 shall be the sum of (x) the amount of the installment described in this paragraph prorated on a daily basis for the period May 1, 2004 through May 14, 2004 and (y) the amount of the installment described in the succeeding subparagraph (2) prorated on a daily basis for the period May 15, 2004 through May 31, 2004;

(2) for the period from May 15, 2004 to and including May 14, 2005, at the rate of One Hundred Ninety-Seven Thousand Four Hundred Seventy-Nine Dollars and Twenty Cents (\$197,479.20) per annum, payable in advance in equal, consecutive monthly installments equal to the PA Share of Sixteen Thousand Four Hundred Fifty-Six Dollars and Sixty Cents (\$16,456.60), on May 1, 2004 (pro-rated as hereinabove described) and on the first day of each calendar month thereafter occurring during said period. The installment of the Guaranteed Rent payable on May 1, 2005 shall be the sum of (x) the amount of the installment described in this paragraph prorated on a daily basis for the period May 1, 2005 through May 14, 2005 and (y) the amount of the installment described in the succeeding subparagraph (3) prorated on a daily basis for the period May 15, 2005 through May 31, 2005; and

(3) for the period from May 15, 2000 to and including September 14, 2008, at the rate of Two Hundred Thousand Dollars and No Cents (\$200,000.00) per annum, payable in advance in equal, consecutive monthly installments equal to the PA Share of Sixteen Thousand Six Hundred Sixty-Six Dollars and Sixty-Seven Cents (\$16,666.67), on May 1, 2005 (pro-rated as hereinabove described) and on the first day of each calendar month thereafter occurring during the said period.

The Guaranteed Rent is subject to annual adjustments (but in no event shall Guaranteed Rent decrease below the amount of the Guaranteed Rent in effect on the Rent Commencement Date) based upon the Guaranteed Rent in effect during the previous annual period multiplied by the Percentage Change In Enplanements, pursuant to the terms of the Sublease.

(ii) If the effective period of the permission granted hereunder is terminated, revoked or expires effective on other than the last day of a month, the applicable Guaranteed Rent payable for the portion of the month in which the effective date of termination, revocation or expiration shall occur during which the permission granted hereunder remains effective, shall be the amount of the monthly installment of Guaranteed Rent set forth in subparagraph (b)(i) of this Special Endorsement, prorated on a daily basis, using the actual number of days in the subject calendar month.

(iii) For purposes of this Permit, and unless and until notified in writing otherwise by the Port Authority, the Port Authority hereby directs such payments of the PA Share (whether of Guaranteed Rent, percentage rent, or other concession operator payments (to the extent the same do not constitute actual pass-through charges for expenses actually incurred by the Airline and the Manager, as applicable)) be remitted on its behalf directly, and payable to, to Westfield Concession Management, Inc., which shall serve as the Port Authority's agent for this purpose.

(c) In addition to the Guaranteed Rent hereunder, the Permittee shall pay to the Port Authority an annual percentage rent equivalent to the PA Share of the following percentage of the Permittee's gross receipts arising during the effective period of permission hereunder: twelve percent (12%) of all gross receipts of the Permittee in excess of the Annual Exemption Amount. The computation of percentage rent for each annual period, or a portion of an annual period as herein provided, shall be individual to such annual period, or such portion of an annual period, and without relation to any other annual period, or any other portion of any annual period. The time for making payment and the method of calculation of the percentage rent shall be as set forth in paragraph (e) of this Special Endorsement.

(d) For the purpose of calculating the Guaranteed Rent and percentage rent due for any annual period which contains more or less than 365 days, the applicable annual Guaranteed Rent amount shall be prorated on a daily basis, using a 365-day year.

(e) (i) Gross receipts shall be reported and the percentage rent thereon shall be paid as follows: on the 15th day of the first month following the Rent Commencement Date and on the 15th day of each and every month thereafter, including the month following the end of each annual period and the month following the expiration of the permission granted hereunder, the Permittee shall render to the Port Authority a statement, certified by a responsible officer of the Permittee, showing all gross receipts arising from the Permittee's operations hereunder in the preceding month, and specifying the percentage(s) stated in paragraph (c) of this Special Endorsement of gross receipts, and also showing its cumulative gross receipts from the date of the commencement of the annual period for which the report is made through the last day of the preceding month and the percentages applicable thereto. Whenever any monthly statement shall show that (A) the applicable percentage set forth in paragraph (c) of this Special Endorsement applied to the gross receipts of the Permittee for the monthly period for which the report is made is in excess of the applicable Monthly Exemption Amount, established for the monthly period, or

(B) the applicable percentage set forth in paragraph (c) of this Special Endorsement applied to the gross receipts of the Permittee for the annual period for which the report is made is in excess of the applicable Annual Exemption Amount, established for such annual period, the Permittee shall pay to the Port Authority at the time of rendering the statement an amount equal to the following: with respect to statements for monthly periods and not annual periods, an amount equal to the PA Share of the excess over the applicable Monthly Exemption Amount, and with respect to statements for annual periods, an amount equal to the PA Share of the excess, over the applicable Annual Exemption Amount, less the total of all percentage rent payments previously made for such annual period. At any time that a Monthly Exemption Amount is decreased by proration hereunder so that there is an excess of gross receipts as to which the percentage rent has not been paid, the same shall be payable to the Port Authority on demand. In the event that, with respect to an annual period, the Permittee has previously made a total of percentage rent payments which is greater than the amount actually due hereunder in percentage rent for such annual period, then such overpayment shall be credited to accrued obligations of the Permittee or, if there be none, then to the next accruing obligations of the Permittee hereunder.

(ii) Upon any termination or revocation of the permission granted hereunder (even if stated to have the same effect as expiration), gross receipts shall be reported and rent shall be paid on the 15th day of the first month following the month in which the effective date of such termination or revocation occurs, as follows: first, if the monthly installment of Guaranteed Rent due on the first day of month in which the termination or revocation occurs has not been paid, the Permittee shall pay the prorated part of the amount of that installment; if the monthly installment has been paid, then the excess thereof shall be credited to the Permittee's other obligations; second, the Permittee shall within fifteen (15) days after the effective date of termination or revocation render to the Port Authority a statement, certified by a responsible officer of the Permittee, of all gross receipts for the monthly period and annual period in which the effective date of termination or revocation falls showing the monthly, and the cumulative for the annual period, amount of gross receipts and the percentages applicable thereto; and third, the payment then due on account of all percentage rent for the annual period in which the effective date of termination or revocation falls shall be the PA Share of the excess of the percentage rent computed as set forth in the following sentence, over the total of all percentage rent payments previously made for such annual period. The percentage rent due for any such annual period in which the effective date of termination or revocation falls shall be equal to the PA Share of the excess, over the prorated Annual Exemption Amount established for such annual period pursuant to the proration provisions set forth in paragraph (d) of this Special Endorsement, of the percentages stated in paragraph (c) of this Special Endorsement, each such percentage being applied to the cumulative amount of gross receipts arising during such annual period in accordance with the terms of paragraph (c) of this Special Endorsement.

(f) The Permittee shall pay to the Port Authority fifty percent (50%) of all rent payable under this Permit (such share being herein called the "PA Share") and the remainder shall be paid by the Permittee to the Airline, as directed by the Airline in accordance with the Sublease.

(g) Notwithstanding that the percentage rent hereunder are measured by a percentage of gross receipts, no partnership relationship or joint venture between the Port Authority and the Permittee or the Airline is created or intended to be created by this Permit.

3. The Permittee's obligation to pay rent under this Permit (herein called the "Rent Commencement Date") shall commence as of the earliest to occur of:

- (a) the date on which Permittee commences operations in the Space, or
- (b) sixty (60) days after the date of delivery of the Space to the Permittee, or
- (c) May 15, 2000,

subject to the Permittee's limited right to delay such Rent Commencement Date pursuant to Section 1.02 of the Sublease as modified by the Addenda thereto. The Airline shall promptly confirm to the Port Authority and the Permittee in writing the Rent Commencement Date hereunder.

4. The Permittee shall be required to make a minimum initial capital investment (excluding furniture, fixtures and equipment) to ready the Space for initial occupancy and operations in an amount equal to Two Hundred Dollars (\$200) per square foot. Nothing herein shall reduce the Permittee's obligations to comply with the Port Authority's Tenant Alteration and Application process and the Airline's design specifications and standards, nor reduce any obligation of the Permittee under the Sublease to maintain, improve or refurbish the Space during the term of the subletting.

5. Prior to the execution of this Permit by either party hereto the following deletions, additions and substitutions were made in the foregoing Terms and Conditions and Standard Endorsements:

(a) The last three sentences of Section I of the foregoing Terms and Conditions were deleted and the following shall be deemed to have been inserted in lieu thereof:

"Notwithstanding any other term or condition hereof, it may be revoked without cause, upon thirty (30) days' written notice to the Permittee which notice must be jointly subscribed by the Port Authority and the Airline; provided, however, that it may be revoked on twenty-four (24) hours' notice by the written notice by the Port Authority without consultation with or concurrence by the Airline if the Permittee shall fail to keep, perform and observe each and every promise, agreement, condition, term and provision contained in this Permit. 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."

(b) The words "without the prior written consent of the Port Authority" shall be deemed inserted after the word "contractor" at the end of the first full sentence following paragraph (d) of Section 2 of the foregoing Terms and Conditions.

(c) The word "written" in the fifth line of Section 4 of the foregoing Terms and Conditions was deleted and the following sentence was added to such Section:

"If the Manager of the Facility notifies the Permittee that any badge, identification or uniform is unacceptable in the sole judgment of the Manager of the Facility, then the Permittee shall upon receipt of such notice cease use of such objectionable badge, identification or uniform, as the case may be, and shall provide acceptable replacement(s) therefor within 30 days thereafter."

(d) That portion of the second paragraph of Section 5 of the foregoing Terms and Conditions following the word "Facility" was deleted.

(e) Wherever the term "expiration" is used in the Permit, it shall be deemed to mean, unless otherwise provided, the effective date of expiration, revocation or termination.

(f) The words "and the Airline and its directors, officers, employees, agents and representatives" shall be deemed inserted following the word "representatives" in the second line of the first sentence of Section 6 of the foregoing Terms and Conditions.

(g) Wherever in this Permit the word "Facility" is used it shall be deemed to mean, as the context requires, Newark International Airport and/or the Terminal.

(h) The last sentence of the first paragraph of Section 8 was deleted and the following clause shall be deemed to have been added to the first sentence of the said first paragraph: "or on or before the revocation or termination of the permission hereby granted, whichever shall be earlier." In addition, the word ", termination" shall be deemed to have been inserted after the word "expiration" in the first line of the last paragraph of Section 8.

(i) Section 11 of the foregoing Terms and Conditions was deleted in its entirety and the following shall be deemed to have been inserted in lieu thereof:

"In the event that any sign, poster or similar device erected, displayed or maintained by the Permittee in view of the general public, is unacceptable to the Manager of the Facility, in the sole judgment of the Manager of the Facility, then the same shall be removed by the Permittee upon receipt of notice to do so by the Manager of the Facility and any not so removed by the Permittee may be removed by the Port Authority at the expense of the Permittee."

(j) It is hereby acknowledged that there may be differences between (i) the pricing requirements set forth in Standard Endorsements 4.1 and 4.5 of this Permit and the pricing requirements set forth in Section 7.02 of the Sublease and (ii) the operating hours requirements of Standard Endorsement 4.1 of this Permit and the operating hours requirements set forth in Section 7.02 of the Sublease. The parties hereto agree that notwithstanding the provisions of paragraph (d) of Special Endorsement No. 7 of this Permit, the provisions of Section 7.02 of the Sublease shall not be deemed to be superseded or affected in any way by the provisions of Standard Endorsements 4.1 and/or 4.5 of this Permit and, as between the Permittee and the Airline, the provisions of Section 7.02 of the Sublease shall be and continue in full force and effect.

(k) (i) Paragraphs 1(f) and 1(g) of Standard Endorsement 2.8 were deleted in their entirety.

(ii) The reference in the introductory paragraph of paragraph 2 of Standard Endorsement 2.8 to "percentage fee" shall be deemed to mean "percentage rent" and the reference in subparagraph (1) of such paragraph 2 to "fees" shall be deemed to mean "percentage rent".

(iii) References in paragraph 3 of Standard Endorsement 2.8 to "fees" shall be deemed to mean "rent". In addition, any rent or charges to be paid pursuant to this Standard Endorsement 2.8 shall be paid directly to the Port Authority and not to the Manager on behalf of the Port Authority.

(l) All references in Standard Endorsement 8.0 to "fee" shall be deemed to mean "rent".

(m) Notwithstanding the provisions of Standard Endorsement 21.1 annexed to this Permit, the Port Authority (as well as the Airline and the Manager) shall be named as an additional insured in any policy of liability insurance required by the provisions of this Permit and each such policy of insurance so required shall contain a 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 or the provisions of any statutes respecting suits against the Port Authority.

(n) The policies referred to in Standard Endorsement 21.1 shall provide or contain an endorsement providing that:

(i) 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

(ii) the protections afforded the Port Authority thereunder with respect to any claim or action against 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 a third person as if the Port Authority were the named insured thereunder,

but such endorsement shall not limit, vary, change or affect the protections afforded the Port Authority thereunder as an additional insured.

(o) Without limiting the generality of the provisions of Standard Endorsement 23.1, the Permittee agrees that notwithstanding the sum stated to be the security deposit to be delivered to the Port Authority upon execution of this Permit, the security amount required hereunder shall at all times during the period of permission be an amount equal to at least three (3) months' Guaranteed Rent and, accordingly, such amount may change from time to time by notice to the Permittee during such period.

It shall be unnecessary to physically indicate the foregoing additions, deletions and substitutions on the foregoing Terms and Conditions and Standard Endorsements.

6. Without limiting the Permittee's indemnity obligations under this Permit, the Permittee's indemnity obligations hereunder shall extend to and include any claims and demands made by the Port Authority against the Airline pursuant to the provisions of the Airline Lease and any claims and demands made by the City of Newark against the Port Authority pursuant to or under the provisions of the agreement of lease between the City of Newark and the Port Authority covering the leasing of the Airport by the City to the Port Authority, as the same from time to time may have been or may be supplemented or amended.

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

(b) Neither this Permit nor anything contained herein shall constitute or be deemed to constitute a consent to nor shall there be created an implication that there has been consent to any enlargement or change in the rights, powers and privileges granted to the Airline under the Airline Lease, nor consent to the granting or conferring of any rights, powers or privileges to the Permittee as may be provided under the Sublease if not granted to the Airline

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

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

(d) It is hereby expressly understood that there are differences and inconsistencies between the Sublease, the Airline Lease and this Permit and that as to any such inconsistency or difference the terms of this Permit shall control. No changes or amendments to the Sublease nor any renewals or extensions thereof shall be binding or effective upon the Port Authority unless the same have been approved in advance by the Port Authority in writing. The Port Authority may at any time and from time to time by notice to the Permittee modify, withdraw or amend any approval, direction, or designation given hereunder or pursuant hereto to the Permittee.

(e) Notwithstanding any other provision of this Permit, this Permit and the privileges granted hereunder shall in any event expire, without notice to the Permittee, on the date of expiration or earlier termination of the Airline Lease or the Sublease, provided, however, that this shall not affect or impair the Port Authority's rights of revocation or termination as contained elsewhere in this Permit.

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

9. The privilege granted hereunder is non-exclusive and shall not be construed to prevent or limit the granting of similar privileges at the Terminal and/or Airport to another or others, whether by use of 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 or be construed to constitute a violation or breach of the permission herein granted.

10. No acceptance by the Port Authority of fees or other moneys for any period or periods after default by the Permittee under any of the terms or provisions of this Permit shall be deemed a waiver of any right on the part of the Port Authority to terminate or revoke this Permit nor shall any acceptance of an payment of fees, rents or other moneys in less than the required amount thereof be such a waiver. No waiver by the Port Authority of any default on the part of the Permittee in performing any of the terms or provisions of this Permit nor failure to take steps to rectify the same or terminate this Permit shall be or be construed a waiver by the Port Authority of any such or subsequent defaults in performance of any of the said terms or provisions of this Permit by the Permittee.

11. The effective date of this Permit is that date the Permittee commenced the activities permitted by this Permit. The Permittee in executing this Permit represents that the date stated as the "Effective Date" in Item 7 appearing on page 1 of this Permit is the date the Permittee commenced the activities permitted by this Permit. If the Port Authority determines by audit or otherwise that the Permittee commenced such activities prior to said Effective Date, the effective date of this Permit shall be the date the Permittee commenced the activities permitted by this Permit and all obligations of the Permittee under this Permit shall commence on such date including, but not limited to, the Permittee's indemnity obligations and obligations to pay fees.

12. The Permittee represents that for purposes of Standard Endorsement No. 23.1 its Federal tax identification number is (Ex. 1)

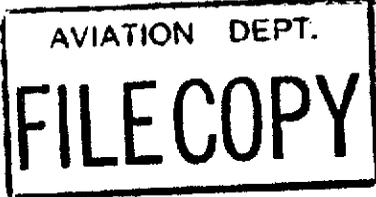
Initialed:

AET
For the Port Authority

BC
For the Permittee

[Signature]
For the Airline

THIS ASSIGNMENT WITH ASSUMPTION AND CONSENT SHALL NOT BE BINDING UPON THE PORT AUTHORITY UNTIL DULY EXECUTED BY AN EXECUTIVE OFFICER THEREOF AND DELIVERED TO THE ASSIGNOR AND ASSIGNEE BY AN AUTHORIZED REPRESENTATIVE OF THE PORT AUTHORITY



Port Authority Permit No. ANB- 173
Supp. No. 1
Facility: Newark International Airport

SUPPLEMENTAL AGREEMENT AND ASSIGNMENT WITH ASSUMPTION AND CONSENT AGREEMENT

THIS AGREEMENT, made as of the 1st day of November, 2000 (hereinafter called the "Effective Date"), by and among THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority"), NEWS EMPORIUM, INC., a New Jersey corporation (hereinafter called the "Assignor") and WORLD CONCOURSE VENTURES, LLC, a Delaware limited liability company (hereinafter called the "Assignee"), having an office and place of business at 4929 Wilshire Boulevard, #1010, Los Angeles, CA 90010, whose representative is Dale Mason Cochran,

WITNESSETH, That:

WHEREAS, the Assignor and Continental Airlines, Inc. (hereinafter called the "Airline") have heretofore entered into a sublease agreement dated as of February 15, 2000, as amended May 15, 2000 (hereinafter called the "Sublease") for the operation of a concession in Terminal C at Newark International Airport (hereinafter called the "Airport"), as as more particularly described in the Sublease; and

WHEREAS, the Port Authority and the Assignor have heretofore entered into a permit made as of February 15, 2000 and bearing Port Authority Permit No. ANB-173 (as the same has been and may hereafter be amended or supplemented being called the "Permit"), pursuant to which the Port Authority granted the Assignor the privilege to operate a concession at Terminal C at the Airport, all as more particularly described in the Permit; and

WHEREAS, the Assignor desires to assign the Sublease to the Assignee and the Assignee desires to assume said Sublease subject to the consent of the Airline which consent has been provided and, in addition, the Assignor desires to assign the Permit to the Assignee and the Assignee desires to assume the Permit and become the permittee of the Port Authority thereunder; and

WHEREAS, the Port Authority is willing to consent to such assignment of the

Permit from the Assignor to the Assignee on certain terms, provisions, covenants and conditions, to be effective on the Effective Date, unless otherwise stated, as hereinafter set forth;

WHEREAS, the parties desire to amend certain terms and provisions of the Permit effective as of the Effective Date;

NOW, THEREFORE, for and in consideration of the foregoing, and of the covenants and agreements herein contained, the Port Authority, the Assignor and the Assignee hereby agree as follows:

1. The Assignor does hereby assign, transfer and set over to the Assignee and its successors to its and their own proper use, benefit and behoof forever, the Permit, to have and to hold the same unto the Assignee and its successors from the Effective Date, for and during all of the rest, residue, and remainder of the balance of the period of permission under the Permit, as herein amended, supplemented and extended, subject nevertheless to all the terms, provisions and conditions therein contained.
2. The Port Authority hereby consents to the foregoing assignment. Notwithstanding anything herein to the contrary, the granting of such consent by the Port Authority shall not be, or be deemed to operate as, a waiver of the requirements for consent (or consents) to each and every subsequent assignment by the Assignee or by any subsequent assignee, nor shall the Assignor be relieved of liability under the terms, provisions, covenants and conditions of the Permit by reason of this consent of the Port Authority or of one or more other consents to one or more other assignments thereof.
3. The Assignor agrees that this assignment of the Permit and this consent of the Port Authority thereto shall not in any way whatsoever affect or impair the liability of the Assignor to perform all the terms, provisions, covenants and conditions, including without limitation thereto the obligation to pay fees, of the Permit on the part of the permittee thereunder to be performed, and that the Assignor shall continue fully liable for the performance of all the terms, provisions, covenants and conditions, including without limitation thereto the obligation to pay fees, on the part of the permittee thereunder to be performed. The liability of the Assignor as set forth in this paragraph shall remain and continue in full force and effect as to any and every modification of the Permit whether in accordance with the terms of the Permit or by a separate or additional document, and notwithstanding any such modification whether or not the Assignor has specifically consented to such modification. The liability of the Assignor hereunder shall in no way be affected by the failure of the Port Authority to obtain the Assignor's consent to any such modification notwithstanding that the Port Authority has previously obtained such consent with respect to a prior modification.
4. The Assignee does hereby assume the performance of and does hereby agree to perform all the terms, provisions, covenants and conditions, including without limitation thereto the obligation to pay fees, contained in the Permit, to be performed on the part of the permittee thereunder, as though the Assignee were the original signatory to the Permit. The execution of

this instrument by the Port Authority does not constitute a representation by it that the Assignor has performed or fulfilled every obligation required by the Permit, as to such matters the Assignee agrees to rely solely upon the representation of the Assignor.

5. (a) The Assignee shall provide and cause to be maintained in full force and effect, throughout the effective period of permission of the Permit, contracts of absolute and unconditional guaranty of the due and punctual payment of the fees and other monetary obligations under the Permit to be paid by the Assignee hereunder and of the full, faithful and prompt performance, observance and fulfillment on the part of the Assignee of all the terms, covenants and conditions of the Permit to be kept, observed, performed and fulfilled. Such contracts of guaranty, in the forms annexed hereto and made a part hereof, shall be executed by W.H. Smith Hotel Services, Inc., a Georgia corporation, and Concourse Ventures, Inc., a Louisiana corporation, both of which corporations constitute the members of the Assignee, simultaneously with the execution of this Agreement by the Assignee and the delivery thereof to the Port Authority; provided, however, that the liability of W.H. Smith Hotel Services, Inc. for rental payment obligations only shall be limited to forty percent (40%) of any and all liabilities of the Assignee under the Permit (including attorneys' fees and any and all expenses incurred by the Airline or the Port Authority or caused by any default and/or by the enforcement of its guaranty and provided, further, that the liability of Concourse Ventures, Inc. for rental payment obligations only shall be limited to sixty percent (60%) of any and all liabilities of the Assignee under the Permit (including the aforesaid fees and expenses).

(b) Standard Endorsement No. L23.2 of the Permit shall apply directly and fully to the Assignee except that the security to be deposited with the Port Authority thereunder shall be deposited upon the execution of this Supplemental Agreement by the Assignee and delivery thereof to the Port Authority, but in all events such security shall be deposited with the Port Authority on or before November 1, 2000. For purposes of the provisions of Standard Endorsement No. L23.2, the Assignee hereby certifies that its I.R.S. Employee Identification No. is (Ex. 1)

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

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

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

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

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

7. Effective as of the Effective Date, Page 1 of the Permit shall be and be deemed revised as follows:

(a) Item 3 shall provide as follows: "4929 Wilshire Boulevard, #1010, Los Angeles, California 90010".

(b) Item 4 shall provide as follows: "Dale Mason Cochran"

8. As an inducement and as consideration for the Port Authority's consent to the assignment of the Permit from Assignor to Assignee, the Airline and Assignee agree that the Permit shall be and be deemed amended as follows:

(a) Assignee shall promptly commence construction of the new book store concession facility within the Space in accordance with all of the requirements set forth in the Sublease and the Permit no later than November 1, 2000 and shall complete such construction within sixty (60) days thereafter and reopen for business within the Space no later than January 1, 2001 ("Bookstore Construction Period").

(b) As an accommodation to Assignee in order for Assignee to continue to provide certain services during the Bookstore Construction Period for its benefit and for the benefit of the users of Terminal C at the Airport, the Airline shall allow Assignee to operate a temporary location for the primary sale at retail of hard cover and paperback books, newspapers and magazines (limited to not more than the top thirty titles only) and the incidental sale at retail of a limited amount of basic sundries, all of the foregoing products being subject to Airline's approval. Assignee hereby agrees with Airline that under no circumstances shall Assignee display and/or offer for sale any other products from such temporary location including, but not limited to, gifts, souvenirs, novelties or apparel. The temporary location is more commonly referred to as Space No. AC06 and the exact location of Space No. AC06 shall be determined by Airline in its sole and absolute discretion at an area located within the airside corridor between Concourses C-1 and C-2 and shall contain approximately four hundred (400) square feet of floor area.

(c) Assignee shall install a temporary kiosk unit in Space No. AC06, at Assignee's sole cost and expense, and in accordance with all of the requirements imposed by Airline and the Port Authority. Assignee shall commence its business operations from the temporary kiosk unit in Space No. AC06 on November 1, 2000, or as soon thereafter as is reasonably possible under the circumstances but in no event later than November 15, 2000.

(d) During the Bookstore Construction Period, Assignee shall not be obligated to pay the monthly installments of the Guaranteed Rent for the months of November, 2000 and December, 2000. Assignee shall immediately recommence payment of Guaranteed Rent to the Airline effective January 1, 2001 pursuant to the provisions of the Sublease and the Permit. During the operation of the temporary kiosk unit in Space No. AC06, Assignee hereby agrees to pay to the Airline and the Port Authority (to the address and in the manner as specified in the Sublease and the Permit) the following amounts: (i) twelve percent (12%) of all Gross Receipts per monthly period, payable on or before the fifteen (15) days following the end of each monthly period; and (ii) all other items of Additional Rent (as defined in the Sublease).

(e) Assignee shall continue to operate the temporary kiosk unit in Space No. AC06 on a month-to-month basis until such time as Airline shall provide notice to Assignee to cease operations therein and to remove the temporary kiosk unit from Space No. AC06, and Airline shall provide Assignee such notice at least fifteen (15) days prior to the date Assignee is required to cease such operations. Upon the date that Assignee is required to cease such operations, Assignee shall immediately remove the temporary kiosk unit from Space No. AC06, at Assignee's sole cost and expense.

(f) In the event that Assignee is permitted to continue to operate the temporary kiosk unit in Space No. AC06 from and after January 1, 2001 and the reopening of the permanent book store concession facility within the Space, all Gross Receipts derived from the temporary kiosk unit in Space No. AC06 shall be combined with the Gross Receipts derived from the Space for the purpose of calculating the payment of Percentage Rent under the Sublease and the Permit.

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

10. Neither the Commissioners of the Port Authority nor any of them, nor any officers, agent or employee thereof, shall be charged personally by the Assignor or by the Assignee with any liability or held liable to either of them under any term or provision of this Agreement, or because of its execution, or because of any breach or attempted or alleged breach thereof.

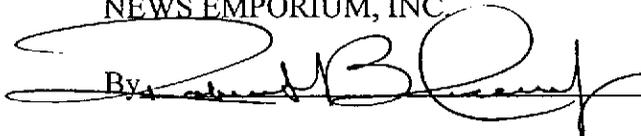
11. The Assignor and Assignee represent and warrant that no broker has been concerned in the negotiation of this Agreement and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Assignor and Assignee each shall indemnify and save harmless the Port Authority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

12. This Agreement and the Permit to which it refers constitutes the entire agreement between the Port Authority and the Assignor and the Assignee on the subject matter, and may not be changed, modified, discharged or extended except by an instrument in writing duly executed on behalf of both the Port Authority and said parties. The Assignor and the Assignee agree that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in the Permit or this Agreement.

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

ASSIGNOR:

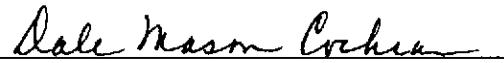
NEWS EMPORIUM, INC

By 

(Title) _____ President
(Corporate Seal)

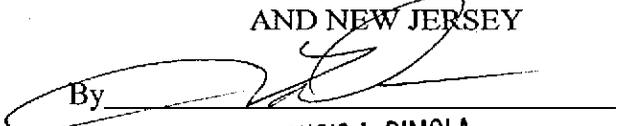
ASSIGNEE:

WORLD CONCOURSE VENTURES, LLC

By 

(Title) _____ President and Manager

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By 

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

Consented and agreed to as of the date hereinabove set forth:

CONTINENTAL AIRLINES, INC.

By 
(Title) Holden Shannon
Vice President
Corporate Real Estate
& Environmental Affairs

| | |
|---|---|
| APPROVED: | |
| FORM | TERMS |
|  |  |

 A47

THIS SUPPLEMENTAL AGREEMENT AND ASSIGNMENT WITH ASSUMPTION AND
CONSENT SHALL NOT BE BINDING UPON THE PORT AUTHORITY UNTIL DULY
EXECUTED BY AN EXECUTIVE OFFICER THEREOF AND DELIVERED TO THE
ASSIGNOR AND ASSIGNEE BY AN AUTHORIZED REPRESENTATIVE
OF THE PORT AUTHORITY

Newark Liberty International Airport
Port Authority Permit No. ANB-173,
dated as of February 15, 2000
Supplement No. 2

SUPPLEMENTAL AGREEMENT AND ASSIGNMENT WITH ASSUMPTION
AND CONSENT AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of August 30, 2007, by and among THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter referred to as the "Port Authority"), WORLD CONCOURSE VENTURES, LLC, a Delaware limited liability company (hereinafter called the "Assignor") and AMS-CV NEWARK, JV, a joint venture consisting of Airport Management Services, LLC, a Delaware limited liability company, having an office and place of business at One Meadowlands Plaza, East Rutherford, New Jersey 07073 and Concourse Ventures, Inc., a Louisiana corporation, having an office and place of business at 2373 N. Hobart Boulevard, Los Angeles, California 90027, (hereinafter Airport Management Services, LLC and Concourse Ventures, Inc. shall be collectively referred to as the "Assignee"). The Assignee is comprised of more than one legal entity but the joint venture and the parties comprising same agree that each and every obligation of the Assignee hereunder shall be the joint and several obligation of each such legal entity.

WITNESSETH, That:

WHEREAS, News Emporium, Inc. (hereinafter "News Emporium") and Continental Airlines, Inc. (hereinafter called the "Airline") have heretofore entered into a sublease agreement dated as of February 15, 2000, as amended May 15, 2000 (which sublease, as the same has been heretofore supplemented and amended is hereinafter called the "Sublease") for the operation of a concession in Terminal C at Newark Liberty International Airport (hereinafter called the "Airport"), as more particularly described in the Sublease; and

WHEREAS, the Port Authority and News Emporium have heretofore entered into an agreement, identified by the above Port Authority Permit Number (which permit, as the same has been heretofore extended, supplemented and amended is hereinafter called the "Permit") covering certain privileges at the Airport, as more fully described in the Permit; and

WHEREAS, the Permit was consented to by Continental Airlines, Inc. (the "Airline"); and

WHEREAS, the Permit was subsequently assigned to the Assignor with the consent of the Port Authority and concurrence of the Airline; and

WHEREAS, the Assignor desires to assign the Sublease to the Assignee and the Assignee desires to assume said Sublease subject to the consent of the Airline which consent has been provided pursuant to an Assignment of Sublease and Landlord Consent to Assignment made as of August 30, 2007, and, in addition, the Assignor desires to assign the Permit to the Assignee and the Assignee desires to assume the Permit and become the permittee of the Port Authority thereunder; and

WHEREAS, the Port Authority is willing to consent to such assignment of the Permit from the Assignor to the Assignee on certain terms, provisions, covenants and conditions as hereinafter set forth to be effective as if August 30, 2007, unless otherwise stated; and

WHEREAS, the Assignee and the Airline have entered into a Second Amendment and Extension Agreement, made and entered into as of April 17, 2008, extending and amending the Sublease; and

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

NOW, THEREFORE, for and in consideration of the foregoing, and of the covenants and agreements herein contained, the Port Authority, the Assignor and the Assignee hereby agree as follows:

1. (a) The Assignor does hereby assign, transfer and set over to the Assignee and its successors to its and their own proper use, benefit and behoof forever, its interests under the Permit, to have and to hold the same unto the Assignee and its successors from August 30, 2007, for and during all of the rest, residue, and remainder of the balance of the period of permission under the Permit, subject nevertheless to all the terms, provisions and conditions therein contained.

(b) The Assignee hereby certifies that its Federal Tax Identification Number is
(Ex. 2)

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

3. The Assignor agrees that this assignment of its interests in the Permit, and this consent of the Port Authority thereto shall not in any way whatsoever affect or impair the liability of the Assignor to perform all the terms, provisions and conditions including, without limitation thereto, the obligation to pay fees, of the Permit, on the part of the Permittee thereunder to be performed, and that the Assignor shall continue fully liable for the performance of all the terms, provisions and conditions including, without limitation thereto, the obligation to pay fees, on the part of the Permittee thereunder to be performed. The liability of the Assignor as set forth in this paragraph shall remain and continue in full force and effect as to any and every renewal, modification or extension of the Permit, whether in accordance with the terms of the Permit, or by a separate or additional document, and notwithstanding any such renewal, modification or extension whether or not the Assignor has specifically consented to such renewal, modification or extension. The liability of the Assignor hereunder shall in no way be affected by the failure of the Port Authority to obtain the Assignor's consent to any such renewal, modification or extension notwithstanding that the Port Authority has previously obtained such consent with respect to a prior renewal, modification or extension.

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

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

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

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

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

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

6. Effective as of August 30, 2007, the Cover Page of the Permit shall be and be deemed revised as follows:

(a) Item 3 shall provide as follows: "One Meadowlands Plaza, 9th Floor, East Rutherford, New Jersey 07114"; and

(b) Item 4 shall provide as follows: "~~Phil Capozzi~~" *Joseph Didimuzio* *MD* *TE* *OTC*

7. Effective as of September 14, 2008, the period of permission granted under the Permit is hereby extended to November 30, 2013, unless sooner terminated or revoked as provided in the Permit, as herein amended.

8. Effective as of September 15, 2008 the following amendments shall be deemed made to the Permit:

(a) The last sentence of the first subparagraph of paragraph (b) of Special Endorsement No. 1 shall be deleted in its entirety and the following sentence shall be substituted in lieu thereof:

"The Port Authority hereby grants to the Permittee the privilege to operate one (1) concession at the Terminal for the sale at retail of a full service bookstore selling (i) 8,000 to 10,000 separate book titles in both hardcover and paperback books along with book accessories such as book marks, book covers, book bags, and book lights; (ii) papyrus branded stationery, gift wrap, greeting cards, paper and writing instruments; and (iii) the incidental sale of magazines, journals, non-prescription reading glasses, travel guides and maps, calendars, downloadable media and audio books on tape or CD; provided, however, that the display and sale of such incidental items shall not exceed more than 15% of the sales display area of the floor area of the Space; and for no other purpose whatsoever."

(b) Subparagraph (v) of paragraph (a) of Special Endorsement No. 2 shall be deemed deleted and the following new subparagraph (v) shall be substituted in lieu thereof:

"(v) "Annual Exemption Amount" shall mean the sum of Four Hundred Thousand Dollars and No Cents (\$400,000.00) as the same may be reduced by the operation of the proration provisions hereof and as the same may be adjusted pursuant to the Sublease. The Monthly Exemption Amount shall equal one-twelfth of the Annual Exemption Amount".

(c) The following new subparagraph (iv) shall be deemed added to paragraph (b) of Special Endorsement No. 2:

"(iv) for the period from and after September 15, 2008, at the rate of Four Hundred Thousand Dollars and No Cents (\$400,000.00) per annum, payable in

advance in equal, consecutive monthly installments equal to the PA Share of Thirty-three Thousand Three Hundred Thirty-three Dollars and Thirty-three Cents (\$33,333.33), on September 15, 2008 and on the first day of each calendar month thereafter occurring during the extended period of permission under this Permit. Effective as of January 1, 2010, the Guaranteed Rent is subject to annual adjustments (but in no event shall Guaranteed Rent decrease below the amount of the Guaranteed Rent in effect on the Extension Rent Commencement Date) based upon the Guaranteed Rent in effect during the previous annual period multiplied by the Percentage Change In Enplanements, pursuant to the terms of the Sublease.”

(d) Paragraph (c) of Special Endorsement No. 2 shall be deemed deleted and the following new paragraph (c) shall be substituted in lieu thereof:

“(c) In addition to the Guaranteed Rent hereunder, the Permittee shall pay to the Port Authority an annual percentage rent equivalent to the PA Share of the sum of

- (i) fourteen percent (14%) of all gross receipts up to and including Four Million Dollars and No Cents (\$4,000,000.00); plus
- (ii) sixteen percent (16%) of all gross receipts in excess of Four Million Dollars and One Cent (\$4,000,000.01),

of the Permittee in excess of the Monthly Exemption Amount arising during the effective period of permission hereunder.

The computation of percentage rent for each annual period, or a portion of an annual period as herein provided, shall be individual to such annual period, or such portion of an annual period, and without relation to any other annual period, or any other portion of any annual period. The time for making payment and the method of calculation of the percentage rent shall be as set forth in paragraph (e) of this Special Endorsement.”

9. The following amendments shall be deemed made to the Permit:

(a) Effective as of August 30, 2007, the following new sentence shall be deemed inserted after the second sentence in Section 1 of the Terms and Conditions, as amended by paragraph (a) of Special Endorsement No. 5 of the Permit:

“Further, in the event the Port Authority exercises its right to revoke or terminate 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 or termination, including without limitation any re-entry, regaining or resumption of possession, collecting all amounts due to the Port Authority, the restoration of any space which may be used and occupied under this Permit (on failure of the

Permittee to have it restored), preparing such space for use by a succeeding permittee, the care and maintenance of such space during any period of non-use of the space, the foregoing to include, without limitation, personnel costs and legal expenses (including but not limited to the cost to the Port Authority of in-house legal services), repairing and altering the space and putting the space in order (such as but not limited to cleaning and decorating the same)."

(b) Effective as of August 30, 2007, the following new paragraph 4 shall be deemed added to Standard Endorsement No. 2.8:

"4. Effective from and after August 30, 2007, and continuing during the effective period of permission granted under this Permit, in the event that upon conducting an examination and audit as described in this Standard Endorsement the Port Authority determines that unpaid amounts are due to the Port Authority by the Permittee, the Permittee shall be obligated, and hereby agrees, to pay to the Port Authority a service charge in the amount of five percent (5%) of each amount determined by the Port Authority audit findings to be unpaid. Each such service charge shall be payable immediately upon demand (by notice, bill or otherwise) made at any time therefor by the Port Authority. Such service charge (s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority by the Permittee under this Permit or otherwise. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid service charge shall be deemed a waiver of the right of the Port Authority of payment of any late charge(s) or other service charge(s) payable under the provisions of this Standard Endorsement 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 Standard 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 to revoke this Permit or (ii) any obligations of the Permittee under this Permit."

10. Effective as of April 17, 2008, the following amendments shall be deemed made to the Permit:

(a) Standard Endorsement No. 23.2 shall be deleted from the Permit and Standard Endorsement No. 23.1, which is attached hereto and hereby made a part hereof, shall be deemed substituted in lieu thereof. The Assignee acknowledges and agrees that security deposit shall be in the form of a letter of credit as set forth in paragraph (b) of Standard Endorsement No. 23.1.

(b) Special Endorsement No. 12 shall be deemed deleted in its entirety without

substitution.

11. Without in any way limiting the provisions hereof, unless otherwise notified by the Port Authority in writing, in the event the Permittee shall continue to perform the privilege granted under the Permit, after the expiration, revocation or termination of the effective period of the permission granted under the Permit, as such effective period of permission may be extended from time to time, in addition to any damages to which the Port Authority may be entitled under the Permit or other remedies the Port Authority may have by law or otherwise, the Permittee shall pay to the Port Authority a fee for the period commencing on the day immediately following the date of such expiration or the effective date of such revocation or termination, and ending on the date that the Permittee shall cease to perform the privilege at the Airport under the Permit, equal to twice the sum of the monthly fee under the Permit. Nothing herein contained shall give, or be deemed to give, the Permittee any right to continue to perform the privilege granted under the Permit at the Airport after the expiration, revocation or termination of the effective period of the permission granted under the Permit. The Permittee acknowledges that the failure of the Permittee to cease to perform the privilege at the Airport from and after the effective date of such expiration, revocation or termination will or may cause the Port Authority injury, damage or loss. The 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.

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

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

14. Labor Harmony at the Airport

(a) General. In connection with its operations at the Airport under this Permit, the

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

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

(b) Labor peace agreement. The Permittee represents that, prior to or upon entering into this Supplemental Agreement, it has delivered to the Port Authority evidence of a signed labor peace agreement, in the form attached hereto as Exhibit X.

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

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

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

16. No Commissioner, officer, agent or employee of the Port Authority shall be charged personally by the Assignor or by the Assignee with any liability, or held liable to either of them under any term or provision of this Supplemental Agreement, or because of its execution or attempted execution, or because of any breach thereof.

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

18. This Supplemental Agreement, together with the Permit constitutes the entire agreement between the Port Authority and the Assignor and the Assignee on the subject matter, and may not be changed, modified, discharged or extended except by instrument in writing duly executed on behalf of both the Port Authority and said parties. The Assignor and the Assignee agree that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in the Permit or in this Supplemental Agreement.

IN WITNESS WHEREOF, the Port Authority, the Assignor and the Assignee have caused this Agreement to be executed as of the date first set forth above.

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By _____

(Title) Asst Director, CCCAS

WORLD CONCOURSE VENTURES, LLC

BY: AIRPORT ^{Assignor} MANAGEMENT SERVICES, LLC, ITS MEMBER
BY: HUDSON NEWS COMPANY, ITS MANAGING MEMBER

By: Dale Mason Cochran

Print Name: Dale Mason Cochran

Title: CEO President and Manager

Consented and Agreed to
By CONTINENTAL AIRLINES, INC.

By [Signature]

Print Name Toby Enqvist Emp. #96158

(Title): Staff Vice President
Global Real Estate President
Continental Airlines, Inc

AMS-CV NEWARK, JV
Assignee

By: Airport Management Services, LLC
By: HUDSON NEWS COMPANY, ITS MANAGING MEMBER
[Signature]

Print Name Michael R. Mullaney
Executive Vice President

(Title) Corporate Strategy & Development
Manager/Member

By: Concourse Ventures, Inc.

By Dale Mason Cochran

Print Name Dale Mason Cochran

(Title) President

AIRPORT MANAGEMENT SERVICES, LLC
By: HUDSON NEWS COMPANY, ITS MANAGING MEMBER
By [Signature]

Print Name Michael R. Mullaney
Executive Vice President

(Title) Corporate Strategy & Development
Manager/Member

CONCOURSE VENTURES, INC.

By Dale Mason Cochran

Print Name Dale Mason Cochran

(Title) President

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

OPC

MG/dmt

(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 One Hundred Thousand Dollars and No Cents (\$100,000.00) 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 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 One Hundred Thousand Dollars and No Cents (\$ 100,000.00).

The form and terms of such letter of credit, as well as the institution issuing it, shall be subject to the prior and continuing approval of the Port Authority. Such letter of credit shall provide that it shall continue throughout the effective 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 Standard 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 Standard 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 Standard 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.

Initialed

OPC
For the Port Authority

MRM
For the Assignee

JE
For the Airline

Standard Endorsement No. 23.1 (Page 3)

Security Deposit

All Facilities

6/12/87

EXHIBIT X

EVIDENCE OF SIGNED LABOR PEACE AGREEMENT

AMS-CV NEWARK, JV (the "Company") has complied with board Resolution "All airports – Labor Harmony Policy" passed October 18, 2007, which stipulates that the Company must sign a Labor Peace Agreement with a labor organization that seeks to represent the Company's employees and that contains provisions under which the labor organization and its members agree to refrain from engaging in any picketing, work stoppages, boycotts or any other economic interference with the Company's operations.

FOR THE COMPANY:

FOR THE UNION:

AMS-CV NEWARK, JV

[Insert Name of Labor Organization]

By: Airport Management Services, LLC

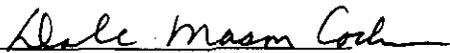
BY: _____

BY: 

DATE: _____

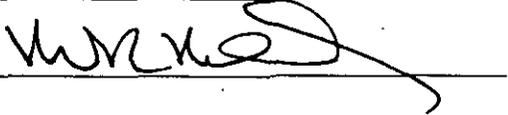
DATE: _____

By: Concourse Ventures, Inc.

By: 

DATE: _____

AIRPORT MANAGEMENT SERVICES, LLC

By: 

DATE _____

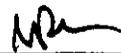
CONCOURSE VENTURES, INC.

By: 

Date _____

Initialed


For the Port Authority


For the Assignee


For the Airline

EXHIBIT X

EVIDENCE OF SIGNED LABOR PEACE AGREEMENT

AMS-CV NEWARK, JV (the "Company") has complied with board Resolution "All airports - Labor Harmony Policy" passed October 18, 2007, which stipulates that the Company must sign a Labor Peace Agreement with a labor organization that seeks to represent the Company's employees and that contains provisions under which the labor organization and its members agree to refrain from engaging in any picketing, work stoppages, boycotts or any other economic interference with the Company's operations.

FOR THE COMPANY:

AMS-CV NEWARK, JV

By: Airport Management Services, LLC

BY: [Signature]

DATE: _____

By: Concourse Ventures, Inc.

By: [Signature]

DATE: _____

AIRPORT MANAGEMENT SERVICES, LLC

By: [Signature]

DATE: _____

CONCOURSE VENTURES, INC.

By: [Signature]

Date: _____

FOR THE UNION:

Airport, TRACETRACK + Allied Workers
JOINT BOARD, UNITE HERE

BY: [Signature]

DATE: 2-12-09

Initialed

[Initials]
For the Port Authority

[Initials]
For the Assignee

For the Airline

SCHEDULE G

AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE (ACDBE) PARTICIPATION

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

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

Qualification as an ACDBE

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

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

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

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

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

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

General

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

oak
For the Port Authority

Initialed:

MRM
For the Permittee

TE
For the Airline

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

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 the Port Authority Facility hereinafter named, in accordance with the Terms and Conditions 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. **FACILITY:** Newark International Airport
2. **PERMITTEE:** Hudson News Company, a New Jersey corporation, Branded Works, Inc., a Louisiana corporation, and Hudson-NEU-Newark C J.V., a New Jersey joint venture comprised of Hudson News Company and Branded Works, Inc. (such joint venture and corporations acting jointly and severally hereunder and collectively referred to herein as the "Permittee")
3. **PERMITTEE'S ADDRESS:**
Hudson-NEU-Newark C J.V.: c/o The Hudson News Company, One Meadowlands Plaza, Suite 902, East Rutherford, NJ 07073
Branded Works, Inc.: 108 Royal Street, New Orleans, LA 70130
Hudson News Company: One Meadowlands Plaza, Suite 902, East Rutherford, NJ 07073
4. **PERMITTEE'S REPRESENTATIVE:** Bill Wolf
5. **PRIVILEGE:** As set forth in Special Endorsement No. 1 herein
6. **FEES:** As set forth in Special Endorsement No. 2 herein
7. **EFFECTIVE DATE:**
(a) August 2, 2000 with respect to Storage Space X
(b) December 1, 2001 with respect to Storage Space Dry-1
(c) April 17, 2001 with respect to Space Nos. 90 and 100
(d) March 15, 2005 with respect to Space Nos. 52, 65 and B-65, and Storage Space Nos. SO4 and B-68
8. **EXPIRATION DATE:** March 31, 2012 unless sooner revoked as provided in Section 1 of the following Terms and Conditions

9. ENDORSEMENTS: 2.8, 3.1, 4.1, 4.5, 6.1, 8.0, 9.1, 9.5, 9.6, 10.2, 14.1, 16.1, 17.1, 19.3, 21.1, 28 and SPECIAL

Dated: _____

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By

[Signature]
(Title) *Asst. Director, CCAAS*

CONSENTED AND AGREED TO
BY CONTINENTAL AIRLINES, INC.

By *[Signature]*
(Title) _____ President

Holden Shannon
Senior Vice President
Global Real Estate
and Security

HUDSON-NEU-NEWARK C.J.V.

By: Hudson News Company, a joint venturer

By: *[Signature]*
Michael R. Mulaney
(Title): *Senior Vice* President

HUDSON NEWS COMPANY

By: *[Signature]*
Michael R. Mulaney
(Title): *Senior Vice* President

BRANDED WORKS, INC.

By: *[Signature]*
(Title) President President

| | |
|-----------|-----------|
| APPROVED: | |
| FORM | TERMS |
| <i>mg</i> | <i>SD</i> |

1/27

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

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

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

(c) Maintain, in accordance with accepted accounting practice, during the effective period of this Permit, for one (1) year after the expiration or earlier revocation or termination thereof, and for a further period extending until the Permittee shall receive written permission from the Port Authority to do otherwise, records and books of account recording all transactions of the Permittee at, through, or in anywise connected with the Airport (which records and books of account are hereinafter be called the "Permittee's Records"). The Permittee's Records shall be kept at all times within the Port of New York District.

(d) Permit in ordinary business hours during the effective period of the Permit, for one year thereafter, and during such further period as is mentioned in the preceding subdivision (c), the examination and audit by the officers, employees and representatives of the Port Authority of (i) the records and books of account of the Permittee and (ii) also any records and books of account 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. The Permittee shall make available to the Port Authority within the Port of New York District for examination and audit by the Port Authority pursuant to this paragraph (d) those records and books of account described in (i) which are not required by paragraph (c) above to be kept at all times in the Port of New York District and those records and books of account described in (ii) above (all of the foregoing being hereinafter called the "Other Relevant Records" and the Permittee's Records and the Other Relevant Records being hereinafter collectively referred to as the "Records").

(e) 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 cash registers;

(f) Furnish on or before the twentieth day of each month following the effective date of this Permit a sworn statement of gross receipts arising out of operations of the Permittee hereunder for the preceding month;

(g) Furnish on or before the twentieth day of April of each calendar year following the effective date of this Permit a statement of all gross receipts arising out of operations of the Permittee hereunder for the preceding calendar year certified, at the Permittee's expense, by a certified public accountant;

(h) Install and use such cash registers, sales slips, invoicing machines and any other equipment or devices for recording orders taken, or services rendered, as may be appropriate to the Permittee's business and necessary or desirable to keep accurate records of gross receipts.

2. Without implying any limitation on the right of the Port Authority to revoke the Permit for cause for the breach of any term or condition thereof, including but not limited to paragraph 1 above, the Permittee understands that compliance by the Permittee with the provisions of paragraphs (c) and (d) above are of the utmost importance to the Port Authority in having entered into the percentage fee arrangement under the Permit and in the event of the failure of the Permittee to maintain, keep within the Port District or make available for examination and audit the Permittee's Records in the manner and at the times or location as provided in this Standard Endorsement then, in addition to all and without limiting any other rights and remedies of the Port Authority, the Port Authority may:

(1) Estimate the gross receipts of the Permittee 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 Permittee's fees based thereon to be payable to the Port Authority when billed; or

(2) If any such Records have been maintained outside of the Port District, but within the Continental United States then the Port Authority in its sole discretion may (i) require such Records to be produced within the Port District or (ii) examine such Records at the location at which they have been maintained and in such event 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, or

(3) If any such Records have been maintained outside the continental United States then, in addition to the costs specified in paragraph (2)(ii) above, the Permittee shall pay to the Port Authority when billed all other costs of the examination and audit of such Records including without limitation salaries, benefits, travel costs and related expenses, overhead costs and fees and charges of third party auditors retained by the Port Authority for the purpose of conducting such audit and examination.

3. The foregoing auditing costs, expenses and amounts set forth in subparagraphs (2) and (3) of paragraph 2 above shall be deemed fees and charges under the Permit payable to the Port Authority with the same force and effect as all other fees and charges thereunder.

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 persons 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 therefor. The Permittee shall furnish all services hereunder on a fair, equal and non-discriminatory basis to all users thereof.

STANDARD ENDORSEMENT NO. 3.1
ACCOMMODATION OF THE PUBLIC
All Facilities
8/21/49

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

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

STANDARD ENDORSEMENT NO. 4.1
MERCHANDISE AND/OR SERVICES

All Airports

7/21/49

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

STANDARD ENDORSEMENT NO. 4.5

PRICES AND/OR CHARGES

All Installations

5/16/49

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

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

STANDARD ENDORSEMENT NO. 6.1

All Installations

3/28/49

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 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 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 therefore 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 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.

STANDARD ENDORSEMENT NO. 9.1

FEDERAL AIRPORT AID

Airports

1/19/81

(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.

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

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

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

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

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

(d) The Permittee shall daily remove from the Airport by means of facilities provided by it all garbage, debris and other waste material (whether solid or liquid) arising out of or in connection with its operations hereunder, and any such not immediately removed shall be temporarily stored in a clean and sanitary condition, in suitable garbage and waste receptacles, the same to be made of metal and equipped with tight-fitting covers, and to be of a design safely and properly to contain whatever material may be placed therein; said receptacles being provided and maintained by the Permittee.

STANDARD ENDORSEMENT NO. 10.2

SANITARY REQUIREMENTS

Airports

7/20/49

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

AFFIRMATIVE ACTION

Airports

The receptacles shall be kept covered except when filling or emptying the same. The Permittee shall exercise extreme care in removing such garbage, debris and other waste materials from the Airport. The manner of such storage and removal shall be subject in all respects to the continual approval of the Port Authority. No facilities of the Port Authority shall be used for such removal unless with its prior consent in writing. No such garbage, debris or other waste materials shall be or be permitted to be thrown, discharged or disposed into or upon the waters at or bounding the Airport.

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

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

STANDARD ENDORSEMENT NO. 10.2
SANITARY REQUIREMENTS

Airports

7/20/49

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

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

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
06/29/62

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 persons 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.

STANDARD ENDORSEMENT NO. 17.1

LAW COMPLIANCE

All Facilities

8/29/49

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 and privileges are hereby granted to Permittee than the Port Authority has power to grant under said agreement as supplemented or amended as aforesaid.

"Newark Liberty 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

03/15/74

(1) The Permittee in its own name as assured shall secure and pay the premium or premiums for such of the following policies of insurance with respect to which minimum limits are fixed in the schedule below. Each such policy shall be maintained in at least the limit fixed with respect thereto, shall cover the operations of the Permittee under this Permit, and shall be effective throughout the effective period:

SCHEDULE

| <u>Policy</u> | <u>Minimum Limit</u> |
|--|------------------------|
| (a) Commercial general liability insurance (to include contractual liability endorsement) | |
| (1) Bodily-injury liability: | |
| For injury or wrongful death to one person: | <u>\$2,000,000.00</u> |
| For injury or wrongful death to more than one person in any one occurrence: | <u>\$2,000,000.00</u> |
| (2) Property-damage liability: | |
| For all damages arising out of injury to or destruction of property in any one occurrence: | <u>\$2,000,000.00</u> |
| (3) Products liability: | <u>\$ 2,000,000.00</u> |
| (b) Automotive liability insurance: | |
| (1) Bodily-injury liability | |
| For injury or wrongful death to one person: | \$ |
| For injury or wrongful death to more than one person in any one occurrence: | \$ |
| (2) Property-damage liability: | |
| For all damages arising out of injury to or destruction of property in any one occurrence: | \$ |
| (c) Plate and mirror glass insurance, covering all plate and mirror glass in the premises, and the lettering, signs, or decorations, if any, on such plate and mirror glass: | \$ |
| (d) Boiler and machinery insurance, covering all boilers, pressure vessels and machines operated by the Permittee in the Space: | \$ |
| (e) "Additional Interest" policy of boiler and machinery insurance, covering all boilers, pressure vessels and machines operated by the Permittee in the Space: | \$ |

(2) The Port Authority shall be named as an additional insured in any policy of liability insurance required by this Endorsement, unless the Port Authority shall, at any time during the effective period of this Permit, direct otherwise in writing, in which case the Permittee shall cause the Port Authority not to be so named.

STANDARD ENDORSEMENT NO. 21.1 (2 pages)

INSURANCE

All Facilities

3/25/82

(3) Every policy of insurance on property other than that of the Permittee required by this Endorsement shall name the Port Authority as the owner of property, unless the Space is located in an area as to which the Port Authority is itself a lessee, in which case the Port Authority shall be named as the lessee and the owner shall be named as the owner, and the policy shall be endorsed substantially as follows:

“Loss, if any, under this policy, as to the interest of the owner and as to the interest of the Port Authority of New York and New Jersey, shall be adjusted solely with the Port Authority, and all proceeds under this policy shall be paid solely to the Port Authority.”

(4) The “Additional Interest” policy of boiler and machinery insurance required by this Endorsement shall provide protection under Sections 1 and 2 only of the Insuring Agreements of the form of policy approved for use as of the date hereof by the National Bureau of Casualty Underwriters, New York, New York.

(5) As to any insurance required by this Endorsement, 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 within ten (10) days after the execution of this Permit. In the event any binder is delivered, it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy or certificate shall contain a valid provision or endorsement that the policy may not be cancelled, terminated, changed or modified, without giving ten (10) days’ written notice thereof to the Port Authority. A renewal policy shall be delivered to the Port Authority at least fifteen (15) days prior to the expiration date of each expiring policy. If at any time any of the 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 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.

(6) Each policy of insurance required by this Endorsement shall contain a 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 or the provisions of any statutes respecting suits against the Port Authority.

STANDARD ENDORSEMENT NO. 21.1 (2 pages)

INSURANCE

All Facilities

3/25/82

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 of 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

07/13/49

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. (a) By agreement of lease, dated as of January 11, 1985 bearing Port Authority file No. ANA-170 (said agreement of lease as the same may have been supplemented and amended being hereinafter called the "Airline Lease") the Port Authority leased to People Express Airlines, Inc. certain premises in the passenger terminal building designated "Passenger Terminal Building C" at Newark Liberty International Airport for the construction therein by the airline of passenger terminal facilities (which facilities are hereinafter referred to as the "Terminal"), as set forth in Section 5 of the Airline Lease. The Airline Lease was assigned by People Express Airlines, Inc. to Continental Airlines, Inc. (hereinafter called the "Airline") pursuant to an Assignment of Lease with Assumption and Consent Agreement entered into among the Port Authority, the Airline and People Express Airlines, Inc., dated August 15, 1987. It was contemplated under the Airline Lease that certain food and beverage, newsstand, gift shop and other consumer service facilities would be operated in certain portions of the Terminal pursuant to agreements covering the operation of such consumer service facilities and it was stipulated in the Airline Lease that Port Authority consent to the arrangements covering the operation of such consumer service facilities would be required. The Airline and Westfield Concession Management, Inc. ("Manager") have entered into an agreement, made as of November 1, 1997 (which agreement, as the same may have been or may hereafter be supplemented, amended or extended is hereinafter called the "Management Agreement"), pursuant to which the Manager agreed to develop, sublease on behalf of and in the name of the Airline, manage and market certain concession facilities in the Terminal. The Manager and the Port Authority have entered into a permit agreement, consented and agreed to by the Airline and dated as of October 1, 1998 (which permit agreement, as the same may have been or may hereafter be supplemented, amended or extended is hereinafter called the "Manager Permit") pursuant to which, among other things, the Port Authority consented to the Management Agreement subject to the provisions of the Manager Permit.

(b) (i) The Airline and the Permittee have entered into a sublease agreement, dated March 14, 2005 (hereinafter called the "Sublease"), under which the Permittee has agreed to operate certain consumer services in locations the Airline shall designate, and the Port Authority hereby consents to such subletting. By its terms the Sublease is subject and subordinate to the Airline Lease and the Permittee is obligated under the Sublease to comply with all applicable terms of the Airline Lease. The Permittee hereby agrees for the benefit of the Port Authority to comply with all applicable provisions of the Airline Lease. Further, it was stipulated in the Management Agreement and in the Manager Permit that any retail operating agreement entered into between the Airline and a third party retail operator shall be void *ab initio* and of no force of effect unless and until the proposed retail operator and the Port Authority shall have executed a written agreement covering such operations. The Port Authority hereby grants to the Permittee the privilege to operate five (5) concessions at the Terminal, at both in-line and kiosk locations designated in the Sublease as Space Nos. 52, 65, 90, 100 and B65, for the following purpose and for no other purpose or purposes whatsoever:

SPECIAL ENDORSEMENTS

(x) for locations designated in the Sublease as Space Nos. 52, 65, 90 and 100: operation of newsstand-gift shop facilities under the trade name "Hudson News" for the sale at retail of newspapers, magazines, and such sundry and newsstand items as are designated "Category A Products" on the schedule attached hereto, hereby made a part hereof, and marked "Schedule A" and for the sale of such gifts and items of general merchandise as are designated "Category B Products" on Schedule A; and

(y) for the location designated in the Sublease as Space No. B65: operation of a facility under the trade name "Hudson News-Euro Café" for the sale at retail of newspapers, magazines, and such sundry and newsstand items as are designated "Category A Products" on the schedule attached hereto, hereby made a part hereof, and marked "Schedule A" and for the sale of such gifts and items of general merchandise as are designated "Category B Products" on Schedule A; and the sale of food and non-alcoholic beverage items as are designated "Category C Products" on Schedule A,

all as may be more particularly described in the Sublease.

(ii) The parties acknowledge that while "prepaid telephone calling cards" are specifically identified as a permitted item on Schedule A, the Permittee may sell same only (x) if such sale is consented to in advance by both the Airline and the Port Authority and (y) if the specific prepaid telephone calling cards to be sold are ones which are provided by an approved Port Authority vendor which is a party to a written agreement with the Port Authority permitting such vendor to market and sell such cards at the Airline Terminal. It is further agreed that unless advised in writing to the contrary by the Port Authority, while the Permittee would be obligated to provide details in its monthly and annual reports as to the number of prepaid telephone cards sold, and the amount of proceeds generated therefrom, proceeds from the sale of such prepaid telephone cards would be excluded from gross receipts (as defined in the Permit) for purposes of calculating the basic and percentage fees due under the Permit and for purposes of calculating the basic and percentage rent due under the Sublease.

(c) The Permittee shall exercise the privilege granted by this Permit only in such areas as the Airline shall designate from time to time. All of the areas designated for operations hereunder are herein referred to collectively as the "Space". The Permittee understands that as the Terminal is leased to the Airline, all arrangements as to the Space and facilities in which the privilege described in this paragraph will be conducted, including utilities and services therefor, shall be made with the Airline and the Permittee acknowledges that it has made such arrangements. The Port Authority makes no representations or warranties as to the location, size, adequacy or suitability of the Space and the facilities therein.

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(d) The Permittee may not receive any revenues or profits with respect to any of the following uses, operations or installations which the Port Authority reserves to itself and its designees exclusively in the Terminal: VIP lounges; airline clubs; monorail facilities; advertising (including, without limitation, static display, broadcast and other); pay telephones, facsimile transmission machines and other public communications services, including without limitation, all Port Authority-owned or operated information and communications technology infrastructure for common Airport use; rental of cellular phones; concierge services (*i.e.*, a center or location which offers a variety of services for passengers (including, but not limited to, hotel reservations, sale of entertainment events tickets and lottery tickets, luggage storage and delivery, sightseeing tours, business services and provision of touring information)); ground transportation (including vehicle rentals); hotel and other lodging reservations; vending machines dispensing anything (including, but not limited to, catalog and electronic sales) other than products specifically permitted to be sold on the Space pursuant to the Sublease and if approved by the Port Authority; on-airport baggage carts (other than shopping carts made available free of charge to shoppers within the Space) or other on-airport baggage-moving devices; and electronic amusements. The Port Authority shall have the right to all revenues derived for the above-stated reserved uses.

2. (a) As used herein:

(i) "Affiliate" shall mean a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Permittee. The term control (including the terms controlling, controlled by and under common control with) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

(ii) "Minimum annual rent amount" (sometimes referred to herein as "Guaranteed Rent") shall mean the sum set forth in paragraph (b) of this Special Endorsement, as the same may adjusted and/or prorated by operation of the provisions hereof.

(iii) "Annual Period" shall mean, as the context requires, the period commencing with the effective date of the permission granted under this Permit and expiring December 31 of the same calendar year, both dates inclusive, and each of the twelve month periods thereafter occurring during the effective period of the permission granted hereunder commencing with the immediately succeeding January 1 and on each anniversary of that date, provided, however, that if the effective period of the permission granted under this Permit shall expire or shall terminate or be revoked effective on other than the last day of a calendar year then the annual period in which the date of expiration or earlier termination or revocation shall fall shall expire on the date of expiration or

SPECIAL ENDORSEMENTS

earlier termination or revocation of the effective period of the permission granted hereunder.

(iv) "Gross receipts" shall mean and include all monies paid or payable to the Permittee for sales made and services rendered at or from the Terminal or the Airport regardless of when or where the order therefor is received and outside the Terminal or Airport if the order is received at the Terminal or the Airport and any other revenues of any type arising out of or in connection with the Permittee's operations at the Terminal or the Airport, provided, however, that there shall be excluded from such gross receipts the following: (a) any taxes imposed by law which are separately stated to and paid by a customer and directly payable to the taxing authority by the Permittee; (b) receipts in the form of refunds from or the value of merchandise, services, supplies or equipment returned to vendors, shippers, suppliers or manufacturers including discounts received from Permittee's vendors, suppliers, or manufacturers (but specifically excluding retail display allowances or other promotional incentives received from vendors, suppliers and the like, all of which must be included in gross receipts); (c) shipping, delivery, alteration workroom and gift wrapping charges if there is no profit to Permittee and such charges are merely an accommodation to customers; (d) except with respect to proceeds paid on a gross earnings business interruption insurance policy, all other receipts from insurance proceeds received by Permittee as a result of a loss or casualty; (e) sale of trade fixtures, equipment or property which are not stock in trade and not in the ordinary course of business; (f) customary discounts, not to exceed ten percent (10%), which must be given by Permittee on sales of merchandise or services to employees of Airport airline lessees, other individuals employed at the Airport, and including Permittee's employees, if separately stated, and limited in amount to not more than one percent (1%) of Permittee's gross receipts per lease month for discounts given to Permittees' employees; (g) any gratuities paid or given by patrons or customers to employees of the Permittee or others employed, or serving, at any of the facilities being operated on the Space; (h) exchange of merchandise between stores or warehouses owned by or affiliated with Permittee (where such exchange is made solely for the convenient operation of the business of Permittee and not for purposes of consummating a sale which has theretofore been made in or from the Space and/or for the purpose of depriving the Airline of the benefit of a sale which otherwise would be made in or from the Space); (i) proceeds from the sale of gift certificates or like vouchers until such time as the gift certificates or like vouchers have been treated as a sale in or from the Space pursuant to Permittee's record-keeping system; and (j) the sale or transfer in bulk of the inventory of Permittee to a purchaser of all or substantially all of the assets of Permittee in a transaction not in the ordinary course of Permittee's business.

For the purpose of determining the percentage rent payable by Permittee to the Airline and the Port Authority, respectively, all monies, payments, or fees paid or payable to the Permittee by any of its subtenants, franchisees or licensees in connection with their

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operations (including all monies, payments, or fees described in the applicable franchise or license agreement between the Permittee and a sub-retail operator, franchisee or licensee) and all receipts arising out of the permitted operations of the sub-retail operator, franchisee or licensee shall be deemed to be the gross receipts of the Permittee, shall be included in the gross receipts of the Permittee and shall be subject to the percentage rent set forth in the Sublease. In the event of any difference between the definition of gross receipts (or gross revenues) in the Sublease and the definition of gross receipts in this Permit, the definition of gross receipts set forth in this Permit shall control.

(v) "PA Share" shall mean Fifty percent (50%) with respect to all Space except Twenty percent (20%) with respect to only in connection with food and beverage items from operations at Space No. B65.

(vi) "Annual Exemption Amount" shall mean the sum set forth as the Guaranteed Rent under this Permit, as the same may be reduced by the operation of the pro-ration provisions hereof and as the same may be adjusted pursuant to the Sublease. The Monthly Exemption Amount shall equal one-twelfth of the Annual Exemption Amount

(b) (i) Prior to March 15, 2005, effective as of the Effective Date for each respective Storage Space or other Space, on a per annum basis but payable in advance in equal, consecutive monthly installments (i.e., "equal" with respect to the non-percentage portion of any annual rental obligation), commencing on the Effective Date for each respective Storage Space or other Space, the Permittee shall pay to the Port Authority the PA Share, as defined in paragraph (f) of this Special Endorsement, of the following:

(aa) For Storage Space X, at the rate of \$5,200.00 per annum;

(bb) For Storage Spaces SO4, Dry-1 and B-68, at the rate of \$7,865.00, \$6,985.00 and \$18,700.00, respectively, per annum;

(cc) For Space No. 90, at the rate which is the greater of (1) \$500,000.00 per annum (\$41,666 per monthly period) and (2) the sum of the following percentage rents:

(x) Fourteen percent (14%) of all gross receipts of the Permittee from Category A Products, including but not limited to gross receipts arising out of retail display allowances and other promotional incentives; and

(y) Twenty-eight percent (28%) of all gross receipts of the Permittee from Category B Products percentages.

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(dd) For Space No. 100, at the rate which is the greater of (1) \$350,000.00 per annum (\$29,166.67 per monthly period) and (2) the sum of the following annual percentage rents:

(1) Fourteen percent (14%) of all gross receipts of the Permittee from Category A Products, including but not limited to gross receipts arising out of retail display allowances and other promotional incentives; and

(2) Twenty-eight percent (28%) of all gross receipts of the Permittee from Category B Products percentages.

For purposes of subparagraphs (b)(iii) and (b)(iv), references to Guaranteed Rent shall also be deemed to include the fixed annual rent (i.e., non-percentage rents) for Space Nos. 90 and 100 which are set forth in subparagraphs (b)(i) and (b)(ii) of this Special Endorsement.

(ii) As of March 15, 2005, the Permittee shall pay to the Port Authority the PA Share, as defined in paragraph (f) of this Special Endorsement, of the following:

(aa) For Storage Space X, at the rate of \$5,200.00 per annum;

(bb) For Storage Spaces SO4, Dry-1 and B-68, at the rate of \$7,865.00, \$6,985.00 and \$18,700.00, respectively, per annum; and

(cc) Guaranteed Rent at the rate of One Million Three Hundred Eighty-Five Thousand Five Hundred Dollars (\$1,385,500.00) per annum, payable in advance in equal, consecutive monthly installments equal to the PA Share of One Hundred Fifteen Thousand Four Hundred Fifty-Eight Dollars and Thirty-three Cents (\$115,458.33), on the Rent Commencement Date and on the first day of each calendar month thereafter occurring during the period of permission under this Permit. If the Rent Commencement Date shall occur on a day other than the first day of a calendar month, the installment of the Guaranteed Rent payable on the Rent Commencement Date shall be the amount of the installment described in this paragraph prorated on a daily basis, using the actual number of days in the subject calendar month. The Guaranteed Rent is subject to annual adjustments (but in no event shall Guaranteed Rent decrease below the amount of the Guaranteed Rent in effect on the Rent Commencement Date) based upon the Guaranteed Rent in effect during the previous annual period multiplied by the Percentage Change In Enplanements, pursuant to the terms of the Sublease.

(iii) If the effective period of the permission granted hereunder is terminated, revoked or expires effective on other than the last day of a month, the applicable Guaranteed Rent payable for the portion of the month in which the effective date of termination, revocation or expiration shall occur during which the permission granted hereunder remains

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effective, shall be the amount of the monthly installment of Guaranteed Rent set forth in subparagraphs (b)(i) and (b)(ii) of this Special Endorsement, prorated on a daily basis, using the actual number of days in the subject calendar month.

(iv) For purposes of this Permit, and unless and until notified in writing otherwise by the Port Authority, the Port Authority hereby directs such payments of the PA Share (whether of Guaranteed Rent, percentage rent, storage premises rent, or other concession operator payments (to the extent the same do not constitute actual pass-through charges for expenses actually incurred by the Airline and the Manager, as applicable)) be remitted on its behalf directly, and payable, to Westfield Concession Management, Inc., which shall serve as the Port Authority's agent for this purpose.

(c) In addition to the Guaranteed Rent hereunder, effective as of March 15, 2005, the Permittee shall pay to the Port Authority an annual percentage rent equivalent to the PA Share of the sum of the following percentages of all gross receipts of the Permittee in excess of the Monthly Exemption Amount arising during the effective period of permission hereunder:

(i) Fourteen percent (14%) of all gross receipts of the Permittee from Category A Products, including but not limited to gross receipts arising out of retail display allowances and other promotional incentives; and

(ii) Twenty-eight percent (28%) of all gross receipts of the Permittee from Category B Products; and

(iii) Fifteen percent (15%) of all gross receipts of the Permittee from Category C Products.

The computation of percentage rent for each annual period, or a portion of an annual period as herein provided, shall be individual to such annual period, or such portion of an annual period, and without relation to any other annual period, or any other portion of any annual period. The time for making payment and the method of calculation of the percentage rent shall be as set forth in paragraph (e) of this Special Endorsement.

(d) For the purpose of calculating the Guaranteed Rent and percentage rent due for any annual period which contains more or less than 365 days, the applicable annual Guaranteed Rent amount shall be prorated on a daily basis, using a 365-day year.

(e) (i) Gross receipts shall be reported and the percentage rent thereon shall be paid as follows: on the 15th day of the first month following the Rent Commencement Date and on the 15th day of each and every month thereafter, including the month following the end of each annual period and the month following the expiration of the permission granted hereunder, the Permittee shall render to the Port Authority a statement, certified by a responsible

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officer of the Permittee, showing all gross receipts arising from the Permittee's operations hereunder in the preceding month, and specifying the percentage(s) stated in paragraph (c) of this Special Endorsement of gross receipts, and also showing its cumulative gross receipts from the date of the commencement of the annual period for which the report is made through the last day of the preceding month and the percentage applicable thereto. Whenever any monthly statement shall show that (A) the applicable percentage set forth in paragraph (c) of this Special Endorsement applied to the gross receipts of the Permittee for the monthly period for which the report is made is in excess of the applicable Monthly Exemption Amount, established for the monthly period, or (B) the applicable percentage set forth in paragraph (c) of this Special Endorsement applied to the gross receipts of the Permittee for the annual period for which the report is made is in excess of the applicable Annual Exemption Amount, established for such annual period, the Permittee shall pay to the Port Authority at the time of rendering the statement an amount equal to the following: with respect to statements for monthly periods and not annual periods, an amount equal to the PA Share of the excess over the applicable Monthly Exemption Amounts, and with respect to statements for annual periods, an amount equal to the PA Share of the excess, over the applicable Annual Exemption Amount, less the total of all percentage rent payments previously made for such annual period. At any time that the Monthly Exemption Amount is decreased by pro-ration hereunder so that there is an excess of gross receipts as to which the percentage rent has not been paid, the same shall be payable to the Port Authority on demand. In the event that, with respect to an annual period, the Permittee has previously made a total of percentage rent payments which is greater than the amount actually due hereunder in percentage rent for such annual period, then such overpayment shall be credited to accrued obligations of the Permittee or, if there be none, then to the next accruing obligations of the Permittee hereunder.

(ii) Upon any termination or revocation of the permission granted hereunder (even if stated to have the same effect as expiration), gross receipts shall be reported and rent shall be paid on the 15th day of the first month following the month in which the effective date of such termination or revocation occurs, as follows: first, if the monthly installment of Guaranteed Rent due on the first day of month in which the termination or revocation occurs has not been paid, the Permittee shall pay the prorated part of the amount of that installment; if the monthly installment has been paid, then the excess thereof shall be credited to the Permittee's other obligations; second, the Permittee shall within fifteen (15) days after the effective date of termination or revocation render to the Port Authority a statement, certified by a responsible officer of the Permittee, of all gross receipts for the monthly period and annual period in which the effective date of termination or revocation falls showing the monthly, and the cumulative for the annual period, amount of gross receipts and the percentages applicable thereto; and third, the payment then due on account of all percentage rent for the annual period in which the effective date of termination or revocation falls shall be the PA Share of the excess of the percentage rent computed as set forth in the following sentence, over the total of all percentage rent payments previously made for such annual period. The percentage rent due for any such annual period in which the effective date of termination or revocation falls shall be

SPECIAL ENDORSEMENTS

equal to the PA Share of the excess, over the prorated Annual Exemption Amount(s) established for such annual period pursuant to the proration provisions set forth in paragraph (d) of this Special Endorsement, of the percentages stated in paragraph (c) of this Special Endorsement, each such percentage being applied to the cumulative amount of gross receipts arising during such annual period in accordance with the terms of paragraph (c) of this Special Endorsement.

(f) The Permittee shall pay to the Port Authority the PA Share of all rent payable under this Permit and the remainder shall be paid by the Permittee to the Airline, as directed by the Airline in accordance with the Sublease.

(g) Notwithstanding that the percentage rent hereunder are measured by a percentage of gross receipts, no partnership relationship or joint venture between the Port Authority and the Permittee or the Airline is created or intended to be created by this Permit.

(h) Consistent with the provisions of Section 27.33 of the Sublease, entitled "**DELIVERY OF AND ADDITIONAL TENANT'S WORK FOR SPACE NO. B65**", any amount of credit granted by the Airline to the Permittee with respect to approved "Tenant's Additional Costs" (as such term is defined in such Section of the Sublease) shall be strictly a credit against Guaranteed Rent due only as to the Airline share of the Guaranteed Rent and no such credit shall reduce, to any extent, the PA Share of such Guaranteed Rent.

3. The Permittee's obligation to pay rent under this Permit (herein called the "Rent Commencement Date") shall commence as of the earliest to occur of:

- (a) the date on which Permittee commences operations in the Space, or
- (b)
 - (i) April 17, 2001 with respect to Space Nos. 90 and 100; and
 - (ii) March 15, 2005 with respect to Space Nos. 52, 65 and B-65,

subject to the Permittee's limited right to delay such Rent Commencement Date pursuant to Section 1.02 of the Lease. The Airline shall promptly confirm to the Port Authority and the Permittee in writing the date of delivery of the Space, date of commencement of operations and Rent Commencement Date hereunder.

4. The Permittee shall be required to make a minimum initial capital investment (excluding furniture, fixtures and equipment) to ready the Space for initial occupancy and operations in an amount equal to Two Hundred Dollars (\$200) per square foot. Nothing herein shall reduce the Permittee's obligations to comply with the Port Authority's Tenant Alteration and Application process and the Airline's design specifications and standards, nor reduce any obligation of the Permittee under the Sublease to maintain, improve or refurbish the Space during the term of the subletting.

SPECIAL ENDORSEMENTS

5. Prior to the execution of this Permit by either party hereto the following deletions, additions and substitutions were made in the foregoing Terms and Conditions and Standard Endorsements:

(a) The last three sentences of Section 1 of the foregoing Terms and Conditions were deleted and the following shall be deemed to have been inserted in lieu thereof:

"Notwithstanding any other term or condition hereof, it may be revoked without cause, upon thirty (30) days' written notice to the Permittee which notice must be jointly subscribed by the Port Authority and the Airline; provided, however, that it may be revoked on twenty-four (24) hours' notice by the written notice by the Port Authority without consultation with or concurrence by the Airline if the Permittee shall fail to keep, perform and observe each and every promise, agreement, condition, term and provision contained in this Permit. 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. Further, in the event the Port Authority exercises its right to revoke or terminate 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 or termination, including without limitation any re-entry, regaining or resumption of possession, collecting all amounts due to the Port Authority, the restoration of any space which may be used and occupied under this Permit (on failure of the Permittee to have it restored), preparing such space for use by a succeeding permittee, the care and maintenance of such space during any period of non-use of the space, the foregoing to include, without limitation, personnel costs and legal expenses (including but not limited to the cost to the Port Authority of in-house legal services), repairing and altering the space and putting the space in order (such as but not limited to cleaning and decorating the same.)"

It is acknowledged and agreed that, in the event the Permittee operates hereunder at more than one concession facility area in the Space, the Port Authority's right to revoke this Permit pursuant to the foregoing proviso may be exercised with respect to the entire Space or any portion thereof. Accordingly, any such revocation by the Port Authority may revoke the permission hereunder with regard to all concession facility areas, or only one or more of such areas, in which latter case the Permittee shall not be relieved of any liabilities or obligations hereunder which relate to the area(s) as to which the permission remains in effect.

(b) The words "without the prior written consent of the Port Authority" shall be deemed inserted after the word "contractor" at the end of the first full sentence following paragraph (d) of Section 2 of the foregoing Terms and Conditions.

SPECIAL ENDORSEMENTS

(c) The word "written" in the fifth line of Section 4 of the foregoing Terms and Conditions was deleted and the following sentence was added to such Section:

"If the Manager of the Facility notifies the Permittee that any badge, identification or uniform is unacceptable in the sole judgment of the Manager of the Facility, then the Permittee shall upon receipt of such notice cease use of such objectionable badge, identification or uniform, as the case may be, and shall provide acceptable replacement(s) therefor within 30 days thereafter."

(d) Wherever the term "expiration" is used in the Permit, it shall be deemed to mean, unless otherwise provided, the effective date of expiration, revocation or termination.

(e) The words "and the Airline and its directors, officers, employees, agents and representatives" shall be deemed inserted following the word "representatives" in the second line of the first sentence of Section 6 of the foregoing Terms and Conditions.

(f) Wherever in this Permit the word "Facility" is used it shall be deemed to mean, as the context requires, Newark Liberty International Airport and/or the Terminal.

(g) Section 11 of the foregoing Terms and Conditions was deleted in its entirety and the following shall be deemed to have been inserted in lieu thereof:

"In the event that any sign, poster or similar device erected, displayed or maintained by the Permittee in view of the general public, is unacceptable to the Manager of the Facility, in the sole judgment of the Manager of the Facility, then the same shall be removed by the Permittee upon receipt of notice to do so by the Manager of the Facility and any not so removed by the Permittee may be removed by the Port Authority at the expense of the Permittee."

(h) It is hereby acknowledged that there may be differences between (i) the pricing requirements set forth in Standard Endorsements 4.1 and 4.5 of this Permit and the pricing requirements set forth in Section 7.02 of the Sublease and (ii) the operating hours requirements of Standard Endorsement 4.1 of this Permit and the operating hours requirements set forth in Section 7.02 of the Sublease. The parties hereto agree that notwithstanding the provisions of paragraph (d) of Special Endorsement No. 7 of this Permit, the provisions of Section 7.02 of the Sublease shall not be deemed to be superseded or affected in any way by the provisions of Standard Endorsements 4.1 and/or 4.5 of this Permit and, as between the Permittee and the Airline, the provisions of Section 7.02 of the Sublease shall be and continue in full force and effect.

(i) Special Endorsement No. 2.8 is hereby amended as follows:

SPECIAL ENDORSEMENTS

(i) Paragraphs 1(f) and 1(g) of Standard Endorsement 2.8 were deleted in their entirety.

(ii) The reference in the introductory paragraph of paragraph 2 of Standard Endorsement 2.8 to "percentage fee" shall be deemed to mean "percentage rent" and the reference in subparagraph (1) of such paragraph 2 to "fees" shall be deemed to mean "percentage rent".

(iii) References in paragraph 3 of Standard Endorsement 2.8 to "fees" shall be deemed to mean "rent". In addition, any rent or charges to be paid pursuant to this Standard Endorsement 2.8 shall be paid directly to the Port Authority and not to the Manager on behalf of the Port Authority.

(iv) A new paragraph (4) shall be added at the end thereof which shall read as follows:

"(4) In the event that upon conducting an examination and audit as described in this Special Endorsement the Port Authority determines that unpaid amounts are due to the Port Authority by the Permittee, the Permittee shall be obligated, and hereby agrees, to pay to the Port Authority a service charge in the amount of five percent (5%) of each amount determined by the Port Authority audit findings to be unpaid. Each such service charge shall be payable immediately upon demand (by notice, bill or otherwise) made at any time therefor by the Port Authority. Such service charge (s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority by the Permittee under this Permit or otherwise. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid service charge shall be deemed a waiver of the right of the Port Authority of payment of any late charge(s) or other service charge(s) payable under the provisions of this Special Endorsement 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 Special 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 to revoke this Permit or (ii) any obligations of the Permittee under this Permit."

(j) All references in Standard Endorsement 8.0 to "fee" shall be deemed to mean "rent".

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(k) Notwithstanding the provisions of Standard Endorsement 21.1 annexed to this Permit, the Port Authority (as well as the Airline and the Manager) shall be named as an additional insured in any policy of liability insurance required by the provisions of this Permit and each such policy of insurance so required shall contain a 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 or the provisions of any statutes respecting suits against the Port Authority.

(l) The policies referred to in Standard Endorsement 21.1 shall provide or contain an endorsement providing that:

(i) 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

(ii) the protections afforded the Port Authority thereunder with respect to any claim or action against 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 a third person as if the Port Authority were the named insured thereunder,

but such endorsement shall not limit, vary, change or affect the protections afforded the Port Authority thereunder as an additional insured.

(m) Without limiting the generality of the provisions of Standard Endorsement 23.1, the Permittee agrees that notwithstanding the sum stated to be the security deposit to be delivered to the Port Authority upon execution of this Permit, the security amount required hereunder shall at all times during the period of permission be an amount equal to at least three (3) months' Guaranteed Rent in cash or bonds (as described in said Standard Endorsement) or at least twelve (12) months' Guaranteed Rent in the form of a clean irrevocable letter of credit satisfactory to the Port Authority and, accordingly, such amount may change from time to time by notice to the Permittee during such period.

It shall be unnecessary to physically indicate the foregoing additions, deletions and substitutions on the foregoing Terms and Conditions and Standard Endorsements.

6. Without limiting the Permittee's indemnity obligations under this Permit, the Permittee's indemnity obligations hereunder shall extend to and include any claims and demands made by the Port Authority against the Airline pursuant to the provisions of the Airline Lease and

SPECIAL ENDORSEMENTS

any claims and demands made by the City of Newark against the Port Authority pursuant to or under the provisions of the agreement of lease between the City of Newark and the Port Authority covering the leasing of the Airport by the City to the Port Authority, as the same from time to time may have been or may be supplemented or amended.

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

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

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

SPECIAL ENDORSEMENTS

indicating any limitation upon the rights of the Port Authority with respect to its discretion as to the granting or withholding of approvals or consents as to other matters and provisions in the Sublease which are not specifically referred to herein.

(d) It is hereby expressly understood that there are differences and inconsistencies between the Sublease, the Airline Lease and this Permit and that as to any such inconsistency or difference the terms of this Permit shall control. No changes or amendments to the Sublease nor any renewals or extensions thereof shall be binding or effective upon the Port Authority unless the same have been approved in advance by the Port Authority in writing. The Port Authority may at any time and from time to time by notice to the Permittee modify, withdraw or amend any approval, direction, or designation given hereunder or pursuant hereto to the Permittee.

(e) Notwithstanding any other provision of this Permit, this Permit and the privileges granted hereunder shall in any event expire, without notice to the Permittee, on the date of expiration or earlier termination of the Airline Lease or the Sublease, provided, however, that this shall not affect or impair the Port Authority's rights of revocation or termination as contained elsewhere in this Permit.

(f) Notwithstanding anything to the contrary stated in paragraph (f) of Special Endorsement No. 2 to this Permit or anything to the contrary stated in the Sublease, it is understood and agreed that with respect to any storage premises used, occupied or subleased by the Permittee arising out of, relating to, or in connection with the operations permitted hereunder (whether such storage premises use is described, referenced or acknowledged in the Sublease or in a separate written agreement), the Permittee shall pay to the Port Authority fifty percent (50%) of all rent payable under such storage arrangement and the remainder shall be paid by the Permittee to the Airline and, further, in accordance with Special Endorsement No. 2 (b) (iii).

(g) Notwithstanding anything to the contrary stated in the Sublease, the following shall apply and, as applicable, supercede the provisions of the Sublease:

(1) In the event the Sublease is assigned to and assumed by the Port Authority, references in the Sublease to the landlord being reasonable, not unreasonably withholding, delaying or conditioning its consent, and phrases or language of similar import shall not apply to the Port Authority which instead shall be held to the standard that the Port Authority shall not be arbitrary or capricious.

(2) In paragraph 27.29 of the Sublease, entitled "Airport Security", the words "elected officials" in the last sentence of the paragraph shall be deleted.

(3) The following shall not apply to or be of any force or effect as against the Port Authority in the event the Sublease is assigned to and assumed by the Port

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Authority: (i) the last sentence of Section 19.01(a) of the Sublease inasmuch as the Port Authority shall have no obligation to mitigate damages in the event of a default by the Permittee and (ii) in Section 19.01 (a)(i), the obligation to provide any written notice of a monetary default inasmuch as the Port Authority shall not be obligated to provide written notice of a monetary default under the Sublease or this Permit.

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

9. The privilege granted hereunder is non-exclusive and shall not be construed to prevent or limit the granting of similar privileges at the Terminal and/or Airport to another or others, whether by use of 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 or be construed to constitute a violation or breach of the permission herein granted.

10. No acceptance by the Port Authority of fees or other moneys for any period or periods after default by the Permittee under any of the terms or provisions of this Permit shall be deemed a waiver of any right on the part of the Port Authority to terminate or revoke this Permit nor shall any acceptance of an payment of fees, rents or other moneys in less than the required amount thereof be such a waiver. No waiver by the Port Authority of any default on the part of the Permittee in performing any of the terms or provisions of this Permit nor failure to take steps to rectify the same or terminate this Permit shall be or be construed a waiver by the Port Authority of any such or subsequent defaults in performance of any of the said terms or provisions of this Permit by the Permittee.

11. The effective date of this Permit is that date the Permittee commenced the activities permitted by this Permit. The Permittee in executing this Permit represents that the date stated as the "Effective Date" in Item 7 appearing on page 1 of this Permit is the date the Permittee commenced the activities permitted by this Permit. If the Port Authority determines by audit or otherwise that the Permittee commenced such activities prior to said Effective Date, the effective date of this Permit shall be the date the Permittee commenced the activities permitted by this Permit and all obligations of the Permittee under this Permit shall commence on such date including, but not limited to, the Permittee's indemnity obligations and obligations to pay fees.

12. (a) Upon the execution of this Permit by the Permittee and delivery thereof to

SPECIAL ENDORSEMENTS

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 this 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 THREE HUNDRED FORTY SIX THOUSAND THREE HUNDRED SEVENTY FIVE DOLLARS AND NO CENTS (\$346,375.00). The form and terms of such letter of credit, as well as the institution issuing it, shall be subject to the prior and continuing approval of the Port Authority. Such letter of credit shall provide that it shall continue throughout the effective period of 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 of credit. 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 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 hereunder. Failure to provide such a letter of credit at any time during the effective period of 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 in accordance with the provisions of this Permit. 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 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. 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 a waiver of any default by the Permittee under the terms of this Permit and all remedies of the Port Authority consequent upon such default shall not be affected by the existence of any recourse to any such letter of credit.

(b) The Permittee hereby certifies that its Federal Tax Identification Number for the purposes of this Special Endorsement is as follows:

Hudson-NEU-Newark C J.V.:
Hudson News Company : (Ex. 1)
Branded Works, Inc. :

SPECIAL ENDORSEMENTS

(c) 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 and in such form as requested by said notice which new amount (including without limitation an amendment to or a replacement of the letter of credit) shall thereafter constitute the security deposit subject to said Special Endorsement.

13. Notwithstanding any provision to the contrary in this Permit, the two corporations comprising the joint venture known as Hudson-NEU-Newark C J.V., and said joint venture, shall be and be deemed to be jointly and severally liable for each and every obligation under this Permit.

14. The Port Authority shall have the right to separately revoke the permission granted hereunder without cause, on thirty (30) days' notice, as to any one or more of the concession Spaces and storage Spaces at the Terminal at which it has permission to operate, in which event the Permittee's obligations with respect to the remaining concession and storage Space shall remain in effect.

Initialed:

ACT
For the Port Authority

MR
For the Permittee

KB
For the Airline

SCHEDULE A

PERMITTED USE MERCHANDISE CATEGORIES

CATEGORY "A" PRODUCTS

- Newspapers: A complete supply of all local daily newspapers of general circulation including but not limited to the New York Times, New York Daily News, New York Post, Wall Street Journal, Newark's Star-Ledger, USA Today, Washington Post, Philadelphia Inquirer, etc.
- Magazines, periodicals and paperback books: The major, best-selling national magazines and periodicals, to include not less than one hundred fifty (150) separately displayed publications at all times. The twenty (20) best-sellers in the weekly New York Times Book Review Section, on the Paperback Best Sellers List, for fiction; and the top five (5) *nonfiction* best-sellers each from the General, Advice, How To, and Miscellaneous lists. A full line of other paperback books shall be stocked. All books must be sold at no more than the premarked price. Those book titles without a premarked price indicated thereon shall be sold at reasonable prices.
- Candy bars: The twenty (20) best-selling candy bars in the New Jersey/New York metropolitan area, each in a weight and size as packaged for normal retail sale.
- Gum, mints, candies, etc.: A full range of national brand gums, mints, breath mints, and candy items (such as Wrigley, Certs, Lifesavers, Beechnut, etc) each in a weight and size as packaged for normal retail sale.
- Pre-packaged snacks: A wide assortment of national brand pre-packaged snacks (such as potato and other chips, hard pretzels, peanuts, etc) each in a weight and size as packaged for normal retail sale.
- Cigarettes, cigars, pipe tobacco: A full range and supply of national brand items.
- Smoking accessories: Lighters, matches, pipes, pipe cleaners, ashtrays, etc.
- Bottled water, soda & juice drinks: A variety of bottled water, bottled soda and bottled juice drinks.
- Umbrellas.
- Camera, film and basic camera accessories: Including cameras, film, flashbulbs and batteries.
- Sunburn and suntan lotions.
- Utility writing tablets, pocket notebooks, postcards.
- Sunglasses and related items: Standard (generic, lower-priced brands) snuggles styles.
- Minor nonprescription drugs: Common pain remedy products (such as Tylenol, Midol, aspirin, Bufferin, Anacin, etc.) iodine, merthiolate, first-aid creams, travel sickness remedies, cough medicines, cold capsules, nasal inhalers, and chapped lip balms, and at least one aspirin-type medication and travel

sickness remedy offered in single dosage packets.

- Traveler necessity items: Band-Aids, pocket facial tissues, hand lotions, tampons, sanitary napkins, shaving creams, eyeglass Cleaners, contact lens solutions, dry or liquid clothes sash packets, toothbrushes, toothpaste, shampoo, hair rinses, deodorants, manicure aids, pocket combs, hairbrushes, women's utility hosiery (non-designer), sewing kits, razor blades, and shaver refills, disposable razors, and disposable diapers.
- Cosmetics, perfumes, and men's toiletries: A full range and supply of deluxe (high-fashion) and standard (mid-priced) items including, but not limited to, nationally and internationally known brands, as determined by Landlord.
- Greeting cards: A full range and supply to include a full assortment of individual occasion and all-occasion greeting cards, current holiday greeting cards, cards celebrating major ethnic, religious and seasonal holidays, and an assortment of contemporary humor cards.
- Gift wrapping, bow, ribbons, etc.
- Travel guides, maps, tour books, etc.
- Prepaid telephone calling cards.

CATEGORY "B" PRODUCTS

Along with the permitted use merchandise categories outlined under Category "A", Tenant will also be permitted to sell the following:

- Gifts: Diverse, high quality gift items representative of the New Jersey/New York metropolitan area. Such items shall also be representative of the various historical, geographical, and cultural perspectives of said area (such as colonial America, Native America items, pre-packaged food items, Pennsylvania Dutch, Amish, New Jersey Shore, etc.).
- Souvenir apparel: Popular souvenir, sports, and novelty apparel, such as T-shirts, sweatshirts, knit shirts, professional and college jerseys and apparel, etc. All apparel must be related to the New York/New Jersey area.
- Souvenirs, novelties, and traveler-related gifts: Diverse, high quality souvenir items representative of the New York/New Jersey metropolitan area.
- Children's gifts: A full range and supply of children's gifts (such as dolls, toys, board games, stuffed animals, and other "plush," etc).
- Hosiery: A full range and supply of men's and women's hosiery (such as socks, stockings, nylons, etc.) in popular sizes, styles, and brands.
- Hats, clothing, and other general apparel.

- Luggage, carrying cases, deluxe bags and containers, and other luggage related accessories.
- Posters, pictures, prints, paintings, art objects, pottery, and other "collectibles": To include figurines, medals, stamps, commemorative plates, etc.
- Prepared gift food and drink items: Such as cooking wines, cheeses, jams, breads, meats, pasta, etc. Each such item shall be pre-packaged and sold for off-Airport consumption by the customer.
- Electronic items and accessories: Such as calculators, watches, radios, audio cassette tape players and recorders, etc.
- Premium candy and nuts: Premium boxed chocolates, bulk chocolates, boxed and bulk nuts, and other premium "sweets" items as customarily carried by first-class northern New Jersey candy and confectionery stores.

Any additional items not included above which Tenant feels are desirable to properly service the passengers in the Terminal may be submitted to Landlord or its designated agent for prior written approval. Landlord, at its sole discretion, shall have the right to disapprove any such request if in Landlord's judgment, such items are deemed objectionable and not appropriate to be displayed and offered for sale in either the Terminal or the Airport, are being offered for sale by other concessions located within the Terminal or would otherwise disrupt the tenant merchandise mix within the Terminal.

CATEGORY "C" PRODUCTS

A gourmet coffee shop offering a vast selection of hot and cold freshly brewed regular and gourmet coffees, teas, cocoa, steamed milk and other non-alcoholic beverages including, without limitation, cappuccino, espresso, espresso drinks, frapuccino, latte, mocha and other hot and cold coffee and tea based beverages, bagels, pretzels, coffee cake, cheesecake, various pastries (such as biscotti, brownies, cinnamon rolls, gourmet cookies, croissants, danish, muffins and scones), popcorn and panini sandwiches and other wraps, pre-packaged salads and sandwiches. In addition the sale of ground bulk and packaged gourmet coffee beans and teas, coffee related accessories, such as tumblers, mugs and canisters. Also for the sale of drinks to include a wide assortment of fresh fruit drinks, fountain sodas, bottled sodas, bottled iced teas, bottled water, bottled fruit juices, plus fresh fruit cups and packages.

Tenant may request in writing that new food and beverage products may be prepared and sold at the premises, subject to the prior written consent of Landlord determined in Landlord's sole and absolute discretion.

NOTE: The term "Tenant" in this Schedule A shall also be deemed to mean "Permittee" under this Permit ANB-246. The term "Landlord" shall also be deemed to mean "Port Authority" under this Permit ANB-246.

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

AGREEMENT OF LEASE

Between

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

And

**AMS-BW NEWARK JV
AIRPORT MANAGEMENT SERVICES, LLC
BRANDED WORKS, INC.**

Dated as of February 24, 2009

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AGREEMENT OF LEASE

THIS AGREEMENT OF LEASE ("**Agreement**"), dated as of February 24, 2009, by and between the **PORT AUTHORITY OF NEW YORK AND NEW JERSEY** (hereinafter called the "**Port Authority**") a body corporate and politic, created by Compact between the States of New York and New Jersey with the consent of the Congress of the United States of America, and having an office at 225 Park Avenue South, in the Borough of Manhattan, City, County and State of New York, and **AMS-BW NEWARK JV**, a joint venture between Airport Management Services, LLC, a limited liability company organized and existing under and by virtue of the laws of the State of Delaware and Branded Works, Inc., a corporation organized and existing under and by virtue of the laws of the State of Louisiana and having an office for the transaction of business at c/o The Hudson Group, One Meadowlands Plaza, Suite 902, East Rutherford, New Jersey 07073 whose representative is Michael R. Mullaney; **AIRPORT MANAGEMENT SERVICES, LLC**, a limited liability company organized and existing under and by virtue of the laws of the State of Delaware and having an office for the transaction of business at c/o The Hudson Group, One Meadowlands Plaza, Suite 902, East Rutherford, New Jersey 07073 whose representative is Michael R. Mullaney; and **BRANDED WORKS, INC.**, a corporation organized and existing under and by virtue of the laws of the State of Louisiana and having an office for the transaction of business at 110 Travis Street, Lafayette, Louisiana 70503 whose representative is Ruth Ann Menutis (AMS-BW Newark JV, Airport Management Services, LLC and Branded Works, Inc. being jointly and severally liable hereunder and such joint venture, limited liability company and corporation being hereinafter collectively called the "**Lessee**").

WITNESSETH, THAT, the Port Authority and the Lessee, for and in consideration of the rents, covenants and agreements hereinafter contained, mutually covenant and agree as follows:

Section 1. Definitions

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

(a) "**Adjustment Period**" shall have the meaning set forth in the Section of this Agreement entitled "*Additional Rent Items and Lessee Obligations*".

(b) "**Affiliate**" shall mean any person that directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the Lessee and any entity in which the Lessee or a shareholder of the Lessee has an ownership, licensor/licensee or franchiser/franchisee interest or relationship, but if the Lessee shall be a corporation whose voting securities shall be registered with the Securities and Exchange Commission and publicly traded on a regular basis then only such shareholder of the Lessee having an ownership interest greater than five percent (5%). The term "**control**" (including the terms controlling, controlled by and under common control with) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise.

(c) "**Airline Leases**" shall mean those leases in effect at the Terminal(s) between the Port Authority, as lessor, and various airlines, as lessees, from time to time during the term of this Agreement, as the same have been or shall be supplemented or amended including, without limitation, all letter agreements entered into between the Port Authority and the relevant airline lessee(s). For purposes of this Agreement, the aforementioned airlines shall be referred to as "airline lessees".

(d) "**Airport**" shall mean Newark Liberty International Airport.

(e) "**Airport Concession Disadvantaged Business Enterprise ("ACDBE")**" shall have the meaning set forth in Schedule G.

(f) "**Anniversary Date**" shall have the meaning set forth in the Section of this

Agreement entitled "*Additional Rent Items and Lessee Obligations*".

(g) "**Annual Index Increase**" shall have the meaning set forth in the Section of this Agreement entitled "*Additional Rent Items and Lessee Obligations*".

(h) "**Annual Period**" shall mean the following: The first annual period shall be the period commencing with the Rental Payment Start Date and ending on December 31 next following, and thereafter Annual Period shall mean each twelve (12) month consecutive, calendar month period thereafter occurring during the term of the letting under this Agreement commencing on each anniversary of January 1, provided, however, that the last Annual Period shall expire in any event on the expiration date of the term of the letting under this Agreement.

(i) "**Anything of value**" shall have the meaning set forth in the Section of this Agreement entitled "*Ethical Standards*".

(j) "**Assignment**" shall have the meaning set forth in the Section of this Agreement entitled "*Assignment and Subletting*".

(k) "**Base Period**" shall have the meaning set forth in the Section of this Agreement entitled "*Additional Rent Items and Lessee Obligations*".

(l) The terms "**Basic Rental**" and "**MAG**" shall have the meaning set forth in Item 1 of **Exhibit B** hereof.

(m) "**Bid conditions**" shall have the meaning set forth in Part I of **Schedule E** hereof.

(n) "**Causes or conditions beyond the control of the Port Authority**" shall mean and include acts of God, the elements, weather conditions, tides, earthquakes, settlements, fire, acts of any governmental authority, war, terrorism, shortage of labor or materials, acts of third parties for which the Port Authority is not responsible, injunctions, labor troubles or disputes of every kind (including all those affecting the Port Authority, its contractors, suppliers or subcontractors) or any other conditions or circumstances, whether similar to or different from the foregoing (it being agreed that the foregoing enumeration shall not limit or be characteristic of such condition or circumstance which is beyond the control of the Port Authority) or which could not be prevented or remedied by reasonable effort and at reasonable expense.

(o) "**Cost**" shall have the meaning set forth in Item 6 of **Exhibit B** hereof.

(p) "**Date of Beneficial Occupancy**" shall have the meaning set forth in this Section under the definition of "**Rental Payment Start Date**".

(q) "**Distribution Fee**" shall have the meaning set forth in the Section of this Agreement entitled "*Additional Rent Items and Lessee Obligations*".

(r) "**Employer identification number**" shall have the meaning set forth in Part I of **Schedule E** hereof.

(s) "**Environmental Damages**" shall mean any one or more of the following: (i) the presence in, on, or under the Premises of any Hazardous Substance whether such presence occurred prior to or during the term of the letting under this Agreement or resulted from any act or omission of the Lessee or others, and/or (ii) the disposal, discharge, release or threatened release of any Hazardous Substance from the Premises or of any Hazardous Substance from under the Premises and/or (iii) the presence of any Hazardous Substance in, on or under other property at the Airport as a result of (x) the Lessee's use and occupancy of the Premises or the performance of the construction

work or any other work or activities at the Premises or (y) a migration of a Hazardous Substance from the Premises or from under the Premises or (z) the Lessee's operations at the Airport, and/or (iv) any personal injury, including wrongful death, or property damage, arising out of or related to any Hazardous Substance described in (i), (ii) or (iii) above, and/or (v) the violation of any Environmental Requirement pertaining to any Hazardous Substance described in (i), (ii) or (iii) above, the Premises and/or the activities thereon.

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

(1) 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;

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

(3) The Atomic Energy Act of 1954, 42 U.S.C. Section 2011 *et seq.*; the Clean Water Act also known as the Federal Water Pollution Control Act, 33 U.S.C. Section 1251 *et seq.*; the Clean Air Act, 42 U.S.C. Section 7401 *et seq.*; the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. Section 136 *et seq.*; the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 *et seq.*; the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), Section 2701 *et seq.*; the Emergency Planning and Community Right to Know Act, 42 U.S.C. Section 11001 *et seq.*; the Occupational Safety and Health Act, 29 U.S.C. Section 651 *et seq.*; the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101 *et seq.*; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 *et seq.*; the Toxic Substances Control Act, 15 U.S.C. Section 2601 *et seq.*; the Safe Drinking Water Act of 1974, 42 U.S.C. Sections 300f-300h-11 *et seq.*; the New Jersey Spill Compensation and Control Act (N.J.S.A. 58:10-23.11 *et seq.*) ("Spill Act"); the Industrial Site Recovery Act ("ISRA")(N.J.S.A. 13:1K and N.J.A.C. 7:26B); Solid Waste Management Act (N.J.S.A. 13:1E-1 to 48); and Water Pollution Control Act (N.J.S.A. 58:10A-1 to 60) together, in each case, with any amendment thereto, and the regulations adopted, guidances, memoranda and publications promulgated thereunder and all substitutions thereof.

(u) **"Food Court Maintenance Fee"** shall have the meaning set forth in the Section of this Agreement entitled **"Additional Rent Items and Lessee Obligations"**.

(v) "Gross Receipts" shall include all monies paid or payable to the Lessee for sales made or services rendered at or from the Premises, regardless of when or where the order therefor is received, and outside the Premises, if the order therefor is received at the Premises, and any other revenues of any type arising out of or in connection with the Lessee's operations at the Premises; provided, however, there shall be excluded from Gross Receipts the following: (1) any sums collected for any federal, state, county and municipal sales taxes, so-called luxury taxes, use taxes, consumer excise taxes, gross receipts taxes and other similar taxes now or hereafter imposed by law upon the sale of merchandise, food & beverage products or services which are separately stated to and paid by a customer and directly payable to the taxing authority by the Lessee, (2) any receipts of the Lessee which arise from its operations under any other agreement with the Port Authority at the Premises and which are subject to a percentage fee or percentage rental under that agreement, (3) receipts in the form of refunds from, or the value of merchandise (including food & beverage products), services, supplies or equipment returned to, vendors, shippers, suppliers or manufacturers, including volume discounts received from Lessee's vendors, suppliers or manufacturers, (4) gratuities for services performed by employees of Lessee which are paid or given by Lessee's customers to such employees at or serving at the Premises, (5) the sale or transfer in bulk of the inventory of the Lessee to a purchaser of all or substantially all of the assets of the Lessee in a transaction not in the ordinary course of Lessee's business, (6) except with respect to proceeds received for business interruptions paid on a gross earnings business interruption insurance policy, proceeds from all other insurance received by Lessee as a result of a loss or casualty, (7) rebates, exchanges or allowance made to customers of the Lessee at the Premises, (8) the exchange of merchandise between the stores or warehouses owned by or affiliated with Lessee, if any, where such exchanges of goods or merchandise are made solely for the convenient operation of the business of Lessee and not for the purpose of consummating a sale which has theretofore been made at, in, from or upon the Premises or for the purpose of depriving the Port Authority of the benefit of the sale which otherwise would be made at, in, from or upon the Premises, (9) income actually received by Lessee from manufacturers of goods (e.g., cosmetics, perfume) displayed for sale at the Premises if the conditions set forth in the succeeding sentence are fully and strictly satisfied with respect to such income; the conditions with respect to this clause (9) are as follows: (i) the manufacturer specifically identifies the time period to which the income relates, (ii) reimbursement from the manufacturer to Lessee occurs in connection with employees (1) who are on Lessee's payroll for the operations permitted under this Agreement and (2) who are on such payroll during the time period to which the reimbursement relates, (iii) the manufacturer and Lessee have previously entered into a written agreement that sets forth the material terms of their arrangement with regard to the reimbursement that is the subject of this clause (9), and (iv) Lessee provides to the Port Authority written documents and records substantiating the matters listed in sub-clauses (i) through (iii), (10) proceeds from the sale of gift certificates or like vouchers until such time as the gift certificates or like vouchers have been treated as a sale in or from the Premises pursuant to Lessee's record keeping system and (11) sale of trade fixtures, equipment or property which are not stock in trade and not in the ordinary course of business.

For the purpose of determining the Percentage Rental payable by the Lessee hereunder, Gross Receipts shall include all orders including, but not limited to, all orders by means of mail, catalogue, closed circuit television, electronic, telephonic, video, computer or other technology-based system, whether now existing or developed in the future, all deposits not refunded to or otherwise forfeited by customers, all orders taken in and from the Premises, whether or not such orders are filled elsewhere, the entire amount of the actual sales price and all other receipts for sales and services rendered, all insurance proceeds received due to loss of gross earnings paid under Lessee's business interruption insurance policy because of business interruptions, and the spread earned on any exchange or foreign currency transaction whether for an exchange service or for merchandise, products and/or services. A "sale" shall be deemed to have been consummated for purposes hereof, and the entire amount of the sales price shall be included in Gross Receipts and deemed received at the time of determination of the amount due for each transaction, whether for cash, credit or otherwise, and not at the time of billing or payment. Each sale made upon installment or credit shall be treated as a sale for the full price in the month during which such sale shall be made,

irrespective of the time when any payment is received. No deduction from Gross Receipts shall be allowed for uncollected or uncollectible credit amounts or "bad" checks. Gross Receipts shall include retail display allowances, slotting fees, on-Premises advertising and other promotional incentives (collectively referred to as "RDAs"). Gross Receipts shall include all such sales, revenues or receipts generated by Lessee's concessionaires, if any, or anyone else conducting business pursuant to an arrangement with Lessee and shall also include the full amount of all insurance proceeds paid on a gross earnings business interruption insurance policy to Lessee.

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

(x) "**Index**" shall have the meaning set forth in the Section of this Agreement entitled "*Additional Rent Items and Lessee Obligations*".

(y) "**Lessee**" shall have the meaning set forth in the first paragraph on the first page of this Agreement.

(z) "**Lessee's Work**" shall have the meaning set forth in the Section of this Agreement entitled "*Finishes and Decorating by the Lessee*".

(aa) "**Letting**" shall mean the letting under this Agreement for the original term stated herein, and shall include any extensions thereof which may be made pursuant to the provisions of this Agreement or otherwise.

(bb) "**Meaningful participation**" shall have the meaning set forth in Part II of **Schedule E** hereof.

(cc) "**Metro Area**" shall have the meaning set forth in the Section of this Agreement entitled "*Sales and Services by the Lessee*".

(dd) "**Minority**" shall mean those persons described in paragraph II (c) of Part I of **Schedule E** annexed hereto.

(ee) The terms "**Minority Business Enterprise**" and "**MBE**" shall have the meaning set forth in Part II of **Schedule E** hereof.

(ff) The terms "**Office of Foreign Asset Control**" and "**OFAC**" shall have the meaning set forth in the Section of this Agreement entitled "*Lessee's OFAC Certification*".

(gg) "**Percentage Increase**" shall have the meaning set forth in the Section of this Agreement entitled "*Additional Rent Items and Lessee Obligations*".

(hh) "**Port Authority**" shall have the meaning set forth in the first paragraph on the first page of this Agreement.

(ii) "**Port of New York District**" shall have the meaning set forth in the Port

Compact of 1921 authorized by C. 154 Laws of N.Y. 1921 and C. 151 Laws of N.J. 1921, approved by Public Resolution No. 17 of the 67th Congress, First Session.

(jj) "**Predecessor Concession**" shall have the meaning set forth in the Section of this Agreement entitled "*Labor Disturbances and Labor Harmony*".

(kk) "**Premises**" shall have the meaning set forth in the Section of this Agreement entitled "*Letting*".

(ll) "**Promotion Fee**" shall have the meaning set forth in the Section of this Agreement entitled "*Additional Rent Items and Lessee Obligations*".

(mm) The terms "**Records**", "**Lessee's Records**" and "**Other Relevant Records**" shall have the meanings set forth in the Section of this Agreement entitled "*Obligations in Connection with any Percentage Rental*".

(nn) The term "**Reserved Uses**" shall mean the following uses, operations or installations which the Port Authority reserves to itself and its designees exclusively in the Terminal: VIP lounges; airline clubs; airtrain/monorail facilities; advertising (including, without limitation, static display, broadcast and other); pay telephones, pre-paid phone cards, facsimile transmission machines and other public communications services including, without limitation, all Port Authority-owned or operated information and communications technology infrastructure for common Airport use; rental of cellular phones; concierge services (i.e., a center or location which offers a variety of services for passengers (including, but not limited to, hotel reservations, sale of entertainment events tickets and lottery tickets, luggage storage and delivery, sightseeing tours, business services and provision of touring information)); ground transportation (including vehicle rentals); hotel and other lodging reservations; vending machines dispensing anything (including, but not limited to, catalog and electronic sales) other than products specifically permitted to be sold on the Premises pursuant to a sublease with a specific concessionaire and if approved in advance by the Port Authority; on-airport baggage carts (other than shopping carts made available free of charge to shoppers within the concession areas of the Terminal) or other on-airport baggage-moving devices; and electronic amusements.

(oo) "**Rental Payment Start Date**" shall mean the earliest to occur of the following: (a) the date Gross Receipts are first generated in or from the Premises by the Lessee; or (b) ninety (90) days from the date the Port Authority makes available the Premises to the Lessee for its occupancy, such date being referred to herein as the "Date of Beneficial Occupancy".

(pp) The terms "**Terminal Building**" and "**Terminal**" shall have the meaning set forth in the Section of this Agreement entitled "*Letting*".

(qq) The term "**Transfer**" shall have the meaning set forth in the Section of this Agreement entitled "*Assignment and Subletting*".

(rr) The terms "**Street Prices**" and "**Street Pricing Policy**" shall have the meanings set forth in the Section of this Agreement entitled "*Sales and Services by the Lessee*".

(ss) The terms "**Women-owned Business Enterprise**" and "**WBE**" shall have the meanings set forth in Part II of Schedule E hereof.

Section 2. Letting

The Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority, at Newark Liberty International Airport in Passenger Terminal Building A (hereinafter sometimes called the "**Terminal Building**" or "**Terminal**") the area(s) as shown on the

sketch annexed hereto, hereby made a part hereof, and marked **Exhibit A-2** containing approximately 4,386 square feet, together with the fixtures, improvements and other property of the Port Authority located or to be located therein or thereon, all said space(s), fixtures, improvements and other property of the Port Authority hereinafter collectively referred to as the "**Premises**". **Exhibit A-1** is a general site plan of the Airport including the location of the Terminal. The Premises may include storage space on the operations level of the Terminal, if available, to be designated from time to time by the Port Authority in its sole discretion, which storage space may be shared with other tenants of the Port Authority and with respect to which there shall be no separate rental or fee imposed, nor shall any abatement to which the Lessee may be entitled under this Agreement apply to such storage space.

Section 3. Term

The term of the letting under this Agreement shall commence as of Date of Beneficial Occupancy and shall continue to and include eighty-four (84) months after the Rental Payment Start Date unless sooner terminated as provided herein. In the event that the Premises constitute more than one space to be operated under this Agreement, the term of this Agreement shall be determined based on eighty-four (84) months from the Rental Payment Start Date for the last of the spaces to be delivered, unless sooner terminated as provided herein (but in no event shall the term begin later than 90 days from the date the last space is delivered to Lessee for a retail concession space). The Term of this Lease will not extend beyond eighty-four months (84) from the Rental Payment Start Date for the Premises identified in Exhibit A-2 to this Lease, and the Term shall be unaffected by any other, additional or substituted space which may be described in an amendment to or modification of this Lease (unless such amendment or modification agreement expressly provides otherwise) or described in any other written communication which does not meet the requirements set forth in the first sentence of the second paragraph of the Section of this Agreement entitled "*Entire Agreement*".

Section 4. Rights of Use by the Lessee

The Lessee shall use the Premises for the following purpose only and for no other purpose whatsoever: for the operation of news & gift concessions limited to the sale at retail of newspapers, books, magazines, sundries, souvenirs, gifts, pre-packaged foods and non-alcoholic beverages, and for no other use or purpose. The Lessee's initial list of products, as approved by the Port Authority, is set forth in **Schedule A** attached hereto and hereby made a part hereof, and such **Schedule A** may be amended from time to time with the written consent of the Port Authority, determined in its sole and absolute discretion.

The rights of the Lessee under this Section shall not be exclusive.

Section 5. Rental

(a) The Lessee agrees to pay the Port Authority a Basic Rental for the Premises at the rates and otherwise as provided in Item 1 of **Exhibit B** to this Agreement.

(b) The Lessee agrees to pay the Port Authority the Percentage Rental, if any, stated in Item 1 of **Exhibit B** to this Agreement.

(c) The time for making payments of rental and the method of computation and abatement thereof are set forth in Item 1 of **Exhibit B** to this Agreement.

(d) The Port Authority shall have the right to all revenues derived for or from all Reserved Uses.

Section 6. Obligations in Connection with any Percentage Rental

(a) If any rental hereunder is measured by a percentage of the Lessee's Gross Receipts, the Lessee shall:

(1) Take all reasonable measures in every proper manner to maintain, develop and increase the business conducted by it hereunder;

(2) Not divert or cause or allow to be diverted any business from the Terminal;

(3) Maintain, in accordance with accepted accounting practice, during the term of this Agreement, for one (1) year after the expiration or earlier termination thereof, and for a further period extending until the Lessee shall receive written permission from the Port Authority to do otherwise, records and books of account recording all transactions of the Lessee, at, through, or in any way connected with the Airport (which records and books of account are hereinafter to be called the "**Lessee's Records**"). The Lessee's Records shall be kept at all times within the Port of New York District;

(4) Allow in ordinary business hours during the term of this Agreement, for one (1) year thereafter, and during such further period as is mentioned in the preceding subparagraph (3), above, the examination and audit by the officers, employees and representatives of the Port Authority of (i) the Lessee's Records and (ii) also any records and books of account of any Affiliate of the Lessee if said entity performs services, similar to those performed by the Lessee, anywhere in the Port of New York District. The Lessee shall make available to the Port Authority within the Port of New York District for examination and audit by the Port Authority pursuant to this paragraph those records and books of account described in (i) which are not required by subparagraph (3) above to be kept at all times in the Port of New York District and those records and books of account described in (ii) above (all of the foregoing being hereinafter called the "**Other Relevant Records**" and the Lessee's Records and the Other Relevant Records being hereinafter collectively referred to as the "**Records**");

(5) Allow the inspection by the officers, employees and representatives of the Port Authority of any equipment used by the Lessee, including but not limited to cash registers and other point of sale systems;

(6) Furnish on or before the fifteenth (15th) day of each month following the commencement date of the letting, and on or before the fifteenth (15th) day of April of each calendar year, the statements described in Item 1 of **Exhibit B** hereto;

(7) Install and use such cash registers and other point of sale systems, sales slips, invoicing machines and any other equipment or devices for recording orders taken, or services rendered, as may be appropriate to the Lessee's business and necessary or desirable to keep accurate records of Gross Receipts;

(b) Without implying any limitation on the right of the Port Authority to terminate this Agreement for the breach of any term or condition thereof, the Lessee understands that compliance by the Lessee with the provisions of subparagraphs (3) and (4) of paragraph (a) above are of the utmost importance to the Port Authority in having entered into the Percentage Rental arrangement under this Agreement and in the event of the failure of the Lessee to maintain, keep within the Port of New York District or make available for examination and audit the Lessee's Records in the manner and at the times or location as provided in this Section then, in addition to all and without limiting any other rights and remedies of the Port Authority, the Port Authority may:

(1) Estimate the Gross Receipts of the Lessee on any basis that the Port Authority, in its sole discretion, shall deem appropriate, such estimation to be final and binding on the Lessee and the Lessee's Percentage Rental based thereon to be payable to the Port Authority when billed; or

(2) If any such Records have been maintained outside of the Port of New York District, but within the Continental United States then the Port Authority in its sole discretion may (i) require such Records to be produced within the Port of New York District or (ii) examine such Records at the location at which they have been maintained and in such event the Lessee 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, or

(3) If any such Records have been maintained outside the continental United States then, in addition to the costs specified in subdivision (2)(ii) above, the Lessee shall pay to the Port Authority when billed all other costs of the examination and audit of such Records including without limitation salaries, benefits, travel costs and related expenses, overhead costs and fees and charges of third party auditors retained by the Port Authority for the purpose of conducting such audit and examination.

(c) The foregoing auditing costs, expenses and amounts set forth in subparagraphs (2) and (3) of paragraph (b) above shall be deemed fees and charges under this Agreement payable to the Port Authority with the same force and effect as all other fees and charges thereunder.

(d) 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 Lessee, the Lessee, shall be obligated, and hereby agrees, to pay to the Port Authority a service charge in the amount of five percent (5%) of each amount determined by the Port Authority audit findings to be unpaid. Each such service charge shall be payable immediately upon demand (by notice, bill or otherwise) made at any time therefore by the Port Authority. Such service charge(s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority by the Lessee under this Agreement or otherwise. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid service charge shall be deemed a waiver of the right of the Port Authority of payment of any late charge or late charges or other service charges payable under the provisions of this Section with respect to such unpaid amount. Each such service charge shall be and become additional rent, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the rental. Nothing in this paragraph is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Agreement, including, without limitation, the Port Authority's rights to terminate set forth in the Section of this Agreement entitled "Termination" or (ii) any obligations of the Lessee under this Agreement.

Section 7. Government Requirements

(a) The Lessee shall procure at its own cost and expense from all governmental authorities having jurisdiction over the operations of the Lessee at the Premises all licenses, certificates, permits or other authorization which may be necessary for the conduct of its operations, and shall maintain in full force and effect throughout the term hereof all the foregoing licenses, certificates, permits and authorizations.

(b) The Lessee 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.

(c) The Lessee shall promptly observe, comply with and execute the provisions of any and all present and future governmental laws, rules, regulations, requirements, orders and directions, including without limitation all Environmental Requirements, which now or at any time during the term hereof may pertain or apply to the operations of the Lessee or the Premises or its occupancy thereof, and the Lessee shall, in accordance with and subject to the provisions of the Section of this Agreement entitled "*Construction by the Lessee*", make any and all structural and nonstructural improvements, alterations or repairs of the Premises that may be required at any time hereafter by any such present or future law, rule, regulation, requirement, order or direction. This paragraph (c) shall not require Lessee to make structural improvements, alterations, or repairs to the Premises which are also required to be made generally throughout the Terminal, unless the requirement to make such structural improvements, alterations, and repairs generally throughout the Terminal results from the particular operations of the Lessee in the Premises which are not common to other tenants at the Terminal.

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

Section 8. Rules and Regulations

The Lessee covenants and agrees to observe and obey (and to compel its officers, members, employees, agents, representatives, contractors, customers, guests, invitees and those doing business with it to observe and obey) the existing rules and regulations of the Port Authority for the government of the conduct and operations of the Lessee and others on the Premises (see **Exhibit R**), and such further reasonable rules and regulations as may from time to time during the letting be promulgated by the Port Authority for reasons of safety, health, preservation of property, noise, sanitation, good order, and the economic and efficient operation of the Airport. If a copy of **Exhibit R** is not attached, then the Port Authority will either deliver a copy thereof to Lessee upon receipt of its request therefor or will make a copy available at the office of the Secretary of the Port Authority. The obligation of the Lessee to require such observance and obedience on the part of its guests, invitees and business visitors shall obtain only while such persons are on the Premises.

The Port Authority agrees that, except in cases of emergency, it will give notice to the Lessee of every such further rule or regulation adopted by it at least ten (10) days before the Lessee shall be required to comply herewith.

Section 9. Various Obligations of the Lessee

(a) **Conduct of Operations.** The Lessee shall conduct its operations in an orderly and proper manner so as not to unreasonably annoy, disturb or be offensive to others at the Terminal. The Lessee shall take all reasonable measures to eliminate vibrations originating on the Premises tending to damage the Premises, or any equipment or structure or portion of the Terminal of which the Premises is a part, and to keep the sound level of its operations as low as possible. The Lessee shall use its best efforts to conduct all its operations at the Premises in a safe and careful manner, following in all respects the best practices of the Lessee's industry in the United States.

(b) **Lessee's Employees.** The Port Authority shall have the right to object to the Lessee regarding the conduct and demeanor of the employees of the Lessee whereupon the Lessee will immediately take all steps reasonably necessary to remove the cause of the objection.

(c) **Waste Disposal.** The Lessee shall remove from the Premises or otherwise dispose of in a manner approved by the General Manager of the Airport all garbage, debris or other waste materials (whether solid or liquid) arising out of its occupancy of the Premises or its operations

thereat. Any such which may be temporarily stored in the open shall be kept in suitable garbage and waste receptacles, the same to be made of metal or other suitable material, and equipped with tight-fitting covers, and to be of a design safely and properly to contain whatever material may be placed therein. The Lessee shall use extreme care when effecting removal of all such waste materials, shall effect such removal at such times and by such means as first approved by the Port Authority. No such garbage, debris or other waste materials shall be thrown, discharged or deposited into or upon the waters at or bounding the Airport.

(d) Employee Identification. If requested by the Port Authority, the Lessee shall supply and shall require its employees to wear or carry badges or other suitable means of identification, which shall be subject to the prior and continuing approval of the General Manager of the Airport.

(e) Food and Beverage Operations. If the Lessee is permitted under this Agreement to sell food and/or beverages, it shall, in connection with any preparation, packaging, handling, storage, delivery and dispensing of such food and/or beverages, comply with the following:

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

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

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

(4) All packing materials, including but not limited to wrappers, stoppers, caps, enclosures and containers, shall be clean and sterile and shall be so stored as to be protected at all times from dust, dirt, flies and other insects, rodents, vermin, unsanitary handling and unclean materials.

It is intended that the standards and obligations imposed by this paragraph (e) shall be maintained or complied with by the Lessee in addition to its compliance with all applicable governmental laws, ordinances and regulations, and in the event that any of said laws, ordinances and regulations shall be more stringent than such standards and obligations, the Lessee agrees that it will comply with such laws, ordinances and regulations in its operations hereunder.

(f) Fire Extinguishing Equipment. From time to time and as often as reasonably required by the Port Authority, the Lessee shall conduct pressure, water-flow, and other appropriate tests of the fire extinguishing system and apparatus, fire-alarm and smoke detection systems and any other fire protection systems which constitute a part of the Premises. The Lessee shall keep in proper functioning order all fire-fighting equipment, fire-alarm and smoke detection equipment on the Premises and the Lessee shall at all times maintain on the Premises adequate stocks of fresh, usable chemicals for use in such systems, equipment and apparatus. The Lessee shall notify the Port

Authority prior to conducting such tests. If requested by the Port Authority, the Lessee shall furnish the Port Authority with a copy of written reports of such tests.

(g) **Minimization of Pollution.** In addition to compliance by the Lessee with all laws, ordinances, governmental rules, regulations and orders now or at any time in effect during the term which as a matter of law are applicable to the operation, use or maintenance by the Lessee of the Premises or the operations of the Lessee under this Agreement (the foregoing not to be construed as a submission by the Port Authority to the application to itself of such requirements or any of them), the Lessee agrees that it shall exercise the highest degree of safety and care and shall conduct all its operations under this Agreement and shall operate and maintain the Premises and shall use the Premises in accordance with the highest standards and in such manner that there will be at all times a minimum of air pollution, water pollution or any other type of pollution and a minimum of noise emanating from, arising out of or resulting from the operation, use or maintenance of the Premises by the Lessee and from the operations of the Lessee under this Agreement. The Port Authority hereby reserves the right from time to time and at any time during the term of this Agreement to require the Lessee, and the Lessee agrees, to design and construct at its sole cost and expense such reasonable equipment, devices and other facilities as may be necessary or appropriate to accomplish the objectives as set forth in the first sentence of this paragraph. The manner, type and method of construction and the size and location of any of the foregoing shall be determined by the Port Authority. The Lessee shall submit for Port Authority approval its plans and specifications covering the required work and upon receiving such approval shall proceed diligently to construct the same. The obligations assumed by the Lessee under this paragraph shall not be relieved or diminished by the fact that the Port Authority shall have approved any construction application and supporting plans, specifications and contracts covering construction work, or that the Port Authority's recommendations or requirements have been incorporated therein. The Lessee's agreement to assume the obligations under this paragraph is a special inducement and consideration to the Port Authority in entering into this Agreement with the Lessee.

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

(i) In addition to and without limiting the generality of the obligations of the Lessee set forth above and elsewhere in the Agreement, the Lessee shall at its sole cost and expense, upon notice from the Port Authority, promptly take all actions to completely remove and remediate all Hazardous Substances on the Premises or the Airport which result from the Lessee's use and occupancy of the Premises, or which have been disposed of, released, discharged or otherwise placed on, under or about the Premises by or on behalf of the Lessee or as a result of its acts or omissions, during the term of the letting hereunder, and to cleanup and remediate all other Hazardous Substances on, about or under the Premises or which have migrated from the Premises to any adjoining property, which any federal, state or local governmental agency or political subdivision or any Environmental Requirement or any violation thereof require to be remediated, and to cleanup and remediate all Hazardous Substances necessary to mitigate Environmental Damages.

(j) **Airport Concession Disadvantaged Business Enterprises ("ACDBE").** If

Lessee is required to apply as an ACDBE with the Port Authority, please check here (X). Lessee shall immediately take all steps necessary to obtain such certification from the Port Authority on or before the Rental Payment Start Date. If the ACDBE participant is an individual or the individual is the sole owner of Lessee, the participating ACDBE percentage, as so certified, shall not be less than one hundred percent (100%) at all times during the Term hereof. If the ACDBE participant is a member/partner of a partnership with Lessee or joint venturer of a joint venture with Lessee, the participating ACDBE percentage, as so certified, shall not be less than thirty percent (30%) at all times during the Term hereof. Any change in the ownership structure involving the certified ACDBE participant must be reported in writing to the Port Authority immediately and in no event later than 30 days following any such change in ACDBE ownership status.

Section 10. Prohibited Acts

The Lessee shall not (a) commit any nuisance on the Premises, or do or permit to be done anything which may result in the creation or commission of a nuisance on the Premises; (b) cause or produce or allow to be caused or produced upon the Premises, or to emanate therefrom, any obnoxious odors or smokes, or noxious gases or vapors; (c) use the Premises for lodgings or sleeping purposes or for any immoral purposes; (d) install window shades or venetian blinds on the windows of the Premises unless and until the type, size and color of same shall have been previously approved in writing by the Port Authority; (e) do or allow to be done anything which may interfere with the effectiveness or accessibility of existing and future utilities systems or portions thereof on the Premises or elsewhere at the Terminal, including therein without limitation thereto systems for the supply of heat, water hot and cold, gas, electricity and fuel and for the furnishing of fire-alarm, fire-protection, sprinkler, sewage, drainage, air-conditioning, telephone, telegraph, tele-register, pneumatic-tube dispatch and inter-communications services, including lines, pipes, mains, wires, conduits and equipment connected with or appurtenant to all such systems, nor do or permit to be done anything which may interfere with free access and passage in the Premises, elsewhere in the Terminal or in the streets and sidewalk adjacent to the Terminal; (f) do or allow to be done anything which may interfere with the effectiveness or accessibility of elevators at the Terminal, including lines, pipes, wires, conduits and equipment connected with or appurtenant thereto; (g) overload any floor in the Premises; (h) place any furniture, machine or equipment over any expansion or contraction joint unless one end of such furniture, machine or equipment is free to allow expansion or contraction; (i) place any additional lock of any kind upon any window or interior or exterior door in the Premises unless a key therefor is delivered to the Port Authority, nor make any change in any existing door or window lock or the mechanism thereof, except with the prior written approval of the Port Authority, and upon the expiration or sooner termination of the letting hereof, the Lessee shall surrender to the Port Authority any and all keys to interior and exterior doors on the Premises, whether said keys were furnished to or were otherwise procured by the Lessee, and in the event of the loss of any keys furnished by the Port Authority to the Lessee, the Lessee shall pay to the Port Authority on demand the cost of replacement thereof; (j) do or allow to be done any act or thing upon the Premises which (i) will invalidate or conflict with any fire insurance, extended coverage or rental insurance policies covering the Premises or any part thereof, or the Terminal, or any part thereof, or (ii) in the opinion of the Port Authority, may constitute an extra-hazardous condition, so as to increase the risks normally attendant upon the operations contemplated by the Section of this Agreement entitled "*Rights of Use by the Lessee*". The Lessee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of the National Board of Fire Underwriters, the Fire Insurance Rating Organization of New Jersey, or of any other board or organization exercising or which may exercise similar functions, which may pertain or apply to the operations of the Lessee on the Premises, and the Lessee shall, subject to and in accordance with the provisions of the Section of this Agreement entitled "*Construction by the Lessee*", make any and all non-structural improvements, alterations or repairs of the Premises that may be required at any time hereafter by any such present or future rule, regulation, requirement, order or direction. If, by reason of any failure on the part of the Lessee to comply with the provisions of this subdivision, any fire insurance rate, extended coverage or rental insurance rate on the Premises or any part thereof, or on the Terminal or any part thereof, shall at any time be higher

than it otherwise would be, then the Lessee shall pay to the Port Authority as an item of additional rental, on demand, that part of all insurance premiums paid by the Port Authority which shall have been charged because of such violation or failure by the Lessee; (k) unless the Port Authority provides its prior written consent, install, maintain or operate, or permit the installation, maintenance or operation on the Premises of any vending machine or device designed to dispense or sell food, beverages, tobacco products or merchandise of any kind, whether or not included in the above categories, or of any restaurant, cafeteria, kitchen, stand or other establishment of any type for the preparation, dispensing or sale of food, beverage, tobacco or tobacco products, or of any telephone pay-stations.

Section 11. Care, Maintenance, Rebuilding and Repair by the Lessee

(a) **Damage or Destruction of Premises by Lessee.** The Lessee shall repair, replace, rebuild and paint all or any part of the Terminal and the Premises, including therein, without limitation thereto, walls, partitions, floors, ceilings, columns, windows, doors, glass of every kind, fixtures, systems for the supply of heat, water hot and cold, gas, electricity and fuel and for the furnishing of fire-alarm fire-protection, sprinkler, sewerage, drainage, air-conditioning, telephone, tele-register, pneumatic-tube dispatch and intercommunication services, including lines, pipes, mains, wires, conduits and equipment connected with or appurtenant to all such systems, which may be damaged or destroyed by the acts or omissions of the Lessee, its officers or employees or of other persons on or at the Premises with the Lessee's consent, and shall pay to the Port Authority on demand the costs and expenses of the Port Authority to repair, replace, rebuild and paint all or any part of the Terminal and the Premises which may be damaged or destroyed by the acts or omissions of the Lessee or of its officers or employees or of other persons on or at the Premises with the Lessee's consent. All non-structural repair, replacement, rebuilding and painting shall be made or done by the Lessee and structural repair, replacement and rebuilding may be made or done by the Port Authority.

(b) **Lessee's Other Repair and Maintenance Obligations.** Except as expressly provided to the contrary herein with respect to structural repairs, the Lessee shall, throughout the term of this Agreement, assume the entire responsibility and shall relieve the Port Authority from all responsibility for repair, rebuilding and maintenance whatsoever in the Premises, whether such repair, rebuilding or maintenance be ordinary or extraordinary, partial or entire, inside or outside, foreseen or unforeseen, and without limiting the generality of the foregoing, the Lessee shall:

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

(2) Take good care of the Premises, including therein, without limitation thereto, walls, partitions, floors, ceilings, columns, windows, doors, glass of every kind, fixtures and shall make or do all non-structural repairs, replacements, rebuilding and painting (the exterior of the Premises, if applicable, and areas visible to the general public to be painted only in colors which have been approved by the Port Authority) necessary to keep the Premises in the condition existing as of the commencement date of the letting and to keep all improvements and fixtures made or installed subsequent to the commencement date of the letting in the condition existing as of the date such improvements are made and such fixtures installed. All such repairs and replacements and other work to be done by the Lessee shall be done in quality and class not inferior to the original in materials and workmanship.

(3) Not lay any linoleum, asphalt tile or other such affixed floor covering in direct contact with the floor of the Premises. If the Lessee lays any linoleum, asphalt tile or other such affixed covering on the floor of the Premises, an interlining of builder's deadening felt shall first be affixed to the floor with water-soluble paste or other water-soluble material, the use of

cement or other adhesive non-soluble paste or other water-soluble material, the use of cement or other adhesive non-soluble in water being expressly prohibited.

(4) Maintain and pay the premiums on a policy of plate and mirror glass insurance covering all plate and mirror glass which is a part of or located on or in the Premises.

The provisions of this paragraph (b) shall not be deemed to require the Lessee to make or do any repairs, replacements, rebuilding or painting to any portion of the Terminal other than the Premises where such portion of the Terminal is damaged or destroyed by the acts or omissions of persons other than the Lessee, its officers, directors, members (in their capacity of the limited liability entity), managers (in their capacity as managers of, and if, Lessee is a limited liability entity), partners (if Lessee is a partnership), employees, agents, representatives or contractors.

(c) Port Authority Right to Perform at Lessee's Cost. In the event the Lessee fails to commence so to make or do non-structural repair, replacements, rebuilding or painting within a period of ten (10) days after notice from the Port Authority so to do or fails diligently to continue to completion the repair, replacement, rebuilding or painting of all the Premises required to be repaired, replaced, rebuilt or painted by the Lessee under the terms of this Agreement, the Port Authority may, at its option, and in addition to any other remedies which may be available to it, repair, replace, rebuild or paint all or any part of the Premises included in the said notice, the cost thereof to be paid by the Lessee on demand.

(d) Damage to or Destruction of the Premises. If the Premises or any part thereof shall be destroyed or damaged as a result of any casualty, without the fault of the Lessee, its officers, members, employees, agents, representatives, contractors, or other persons at the Premises with the consent of the Lessee, so as to render it untenable in whole or part, then:

(1) If in the opinion of the Port Authority the necessary repairs or rebuilding can be completed within ninety (90) days after the occurrence of the damage, the Port Authority shall repair or rebuild with due diligence, and the rental hereunder shall, if so provided in Item 1 of **Exhibit B**, be abated only for the period from the occurrence of the damage to the completion of the repairs or rebuilding, whether or not the work or repair or rebuilding is actually completed within the said ninety (90) days; or

(2) If in the opinion of the Port Authority such repairs or rebuilding cannot be completed within ninety (90) days after the occurrence of the damage or if the entire Premises require rebuilding, then the Port Authority shall have options:

(i) to proceed with due diligence to repair or to rebuild as necessary; or

(ii) to terminate the letting as to the damaged portion of the Premises only, or

(iii) to cancel this Agreement and terminate the letting as to the entire Premises; and the rental hereunder shall, if so provided in Item 1 of **Exhibit B**, be abated, either, as the case may require, for the period from the occurrence of the damage to the completion of repairs and rebuilding or for the period from the occurrence of the damage to the effective date of termination.

(e) Removal of Property and/or Debris. In the event of a partial or total destruction of the Premises, the Lessee shall immediately remove any and all of its property and/or debris from the Premises or the portion thereof destroyed and if the Lessee does not promptly so remove, the Port Authority may remove such property to a public warehouse for deposit or retain the same in its own possession and sell the same at public auction, the proceeds of which shall be applied

first to the expenses of removal, storage and sale, second to any sums owed by the Lessee to the Port Authority, with any balance remaining to be paid to the Lessee; if the expenses of such removal, storage and sale shall exceed the proceeds of sale, the Lessee shall pay such excess to the Port Authority upon demand.

(f) The parties hereby stipulate that if the Premises are in the State of New Jersey neither the provisions of Titles 46:8-6 and 46:8-7 of the Revised Statutes of New Jersey nor those of any other similar statute shall extend or apply to this Agreement.

Section 12. Indemnity; Liability Insurance

(a) (1) The Lessee shall indemnify and hold harmless the (i) Port Authority and its Commissioners, officers, agents and employees (individually and collectively, "**PA Indemnitees**") and (ii) Westfield Concession Management, LLC (or any concession manager at the Terminal as designated by the Port Authority, if any) and its officers, directors, agents, affiliates, parent corporations, employees, members (in their capacity of the limited liability entity) (individually and collectively, "**Concession Manager Indemnitees**") (PA Indemnitees and Concession Manager Indemnitees being collectively referred to as "**Protected Indemnitees**") from and against (and shall reimburse the Protected Indemnitees for the Protected Indemnitees' costs and expenses including, without limitation, legal expenses incurred in connection with the defense of) all claims and demands of third persons including but not limited to claims and demands for death, for personal injuries, or for property damages, arising out of any default of the Lessee in performance or observance of any term or provision of this Agreement, or out of the use or occupancy of the Premises by the Lessee or by others with its consent, or out of any of the acts or omissions of the Lessee, its officers, directors, members (in their capacity of the limited liability entity), managers (in their capacity as managers of, and if, Lessee is a limited liability entity), partners (if Lessee is a partnership), employees, agents, representatives, contractors, subcontractors, customers, guests, invitees and other persons doing business with it where such acts or omissions are on the Premises or arising out of any acts or omissions of the Lessee, its officers, directors, members (in their capacity of the limited liability entity), managers (in their capacity as managers of, and if, Lessee is a limited liability entity), partners (if Lessee is a partnership), employees, agents, contractors, subcontractors and representatives where such acts or omissions are elsewhere at the Airport, including claims and demands of the City of Newark from which the Port Authority derives its rights in the Airport for indemnification arising by operation of law or through agreement of the Port Authority with said City.

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

(b) (1) In addition to the obligations set forth in paragraph (a) of this Section and all other insurance required under this Agreement, during the term of this Agreement, the Lessee, in its own name as insured and including the Protected Indemnitees as additional insureds, shall maintain 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 not less than the limits set forth in Item 2 of **Exhibit B** hereof. Further, the Lessee shall maintain Workers' Compensation and Employers Liability Insurance in accordance with applicable State law for those employees of the Lessee employed in operations conducted pursuant to this Agreement at or from the Airport.

(2) In the event the Lessee maintains the foregoing insurance in limits greater than set forth in Item 2 of Exhibit B hereof, the Protected Indemnitees shall be included therein as an additional insured to the full extent of all such insurance in accordance with all terms and provisions of this Agreement.

(3) 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 Lessee thereunder with respect to any claim or action against the Lessee by a third person shall pertain and apply with like effect with respect to any claim or action against the Lessee by the Port Authority Indemnitees or the Concession Manager Indemnitees and any claim or action against the Port Authority Indemnitees or Concession Manager Indemnitees, by the Lessee, as if the Port Authority Indemnitees or Concession Manager Indemnitees, as applicable, were the named insured thereunder, but such clause or endorsement shall not limit, vary, change or affect the protections afforded the Protected Indemnitees thereunder as additional insureds. Each policy of insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Lessee under the provisions of this Agreement, including without limitation this Section.

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

(5) Each policy shall contain a provision or endorsement that the policy may not be cancelled, terminated, changed or modified without giving thirty (30) days' written advance notice thereof to the Port Authority. Each policy shall contain a provision or endorsement that the insurer "shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port Authority." The foregoing provisions or endorsements shall be recited in each policy or certificate to be delivered pursuant to the following subparagraph (6).

(6) 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 Agreement by the Lessee to the Port Authority, with a photocopy to be delivered to Westfield Concession Management, LLC (or any concession manager at the Terminal as designated by the Port Authority, if any). In the event any binder is delivered it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate of insurance. Any renewal policy shall be evidenced by a renewal certificate of insurance delivered to the Port Authority at least seven (7) days prior to the expiration of each expiring policy, except for any policy expiring after the date of expiration of this Agreement, with a photocopy to be delivered to Westfield Concession Management, LLC (or any concession manager at the Terminal as designated by the Port Authority, if any). 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 Lessee 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.

(7) 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 Lessee

under this Agreement. The foregoing insurance requirements shall not constitute a representation or warranty as to the adequacy of the required coverage to protect the Lessee with respect to the obligations imposed on the Lessee by this Agreement or any other agreement or by law.

(8) The Lessee shall include in each of its insurance policies covering loss, damage or destruction by fire or other casualty a waiver of the insurer's right of subrogation against the Port Authority or, if such waiver should be obtainable or unenforceable, (i) an express agreement that such policy shall not be invalidated if the insured waives before the casualty right of recovery against any party responsible for a casualty covered by such policies, or (ii) any other form of permission for the release of the Port Authority.

(9) The Lessee hereby releases the Protected Indemnitees with respect to any claim which it might otherwise have against any of them for loss, damage or destruction with respect to its property (including business interruption) occurring during the term of the letting under this Agreement and with respect and to the extent to which it is insured under a policy or policies containing a waiver of subrogation or permission to release liability as provided in subparagraph (8), above.

Section 13. Sales and Services by the Lessee

(a) A principal purpose of the Port Authority in entering into this Agreement is to have available for travelers and other users of the Terminal, all other members of the public, and persons employed at the Terminal, the merchandise and/or services which the Lessee 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 obligations to operate facilities for the use and benefit of the public, and the Lessee agrees that it will conduct a first class operation and will furnish and install all necessary or proper equipment, fixtures, improvements (subject to the provisions of the Section of this Agreement entitled "*Construction by the Lessee*"), personnel, supplies, materials and other facilities and replacements therefor and all such fixtures and improvements (except trade fixtures removable without injury to the Premises) shall on installation become the property of the Port Authority and a part of the Premises, provided, however, that the Port Authority shall have the option, exercisable by notice delivered to the Lessee on or before a date sixty (60) days after expiration or termination hereof, to require the Lessee to remove any or all such fixtures, equipment and improvements and to restore the Premises to the condition thereof prior to any installation and in the event of a failure on the part of the Lessee so to remove and restore, the Port Authority may do so, and the Lessee shall pay the cost thereof to the Port Authority on demand. All equipment, fixtures and improvements to be used in the Premises and the installation thereof shall be subject to the prior written approval of the Port Authority as to type and quality. The Port Authority may by written authorization allow the Lessee to enter and occupy the Premises, prior to the commencement date of the letting stated or referred to in the Sections of this Agreement entitled "*Term*" and "*Letting Postponed*", respectively, solely for the purpose of installing fixtures and making improvements. In the event that the Lessee receives such written authorization the Lessee shall use and occupy the Premises in accordance with and shall be subject to all the provisions of this Agreement other than those relating to the conducting of a business and the payment of rental.

(b) The Lessee shall furnish good, prompt and efficient service hereunder, adequate to meet all demands therefor at the terminal; shall furnish said service on a fair, equal and non-discriminatory basis to all users thereof; and shall charge fair, reasonable and non-discriminatory prices for all items and/or services which it is permitted to sell and/or render hereunder.

(c) The Lessee shall comply with the Port Authority Aviation Department Street Pricing Policy. In connection therewith, the Lessee shall not charge prices to its customers in excess of "**Street Prices**", which for purposes of this Agreement is defined as follows:

(1) If the Lessee conducts a similar business to the business operation

permitted under this Agreement in off-Airport location(s) in the Greater New York City – Northern New Jersey Metropolitan Area (herein referred to as the “Metro Area”), “Street Prices” shall mean the average price regularly charged by the Lessee for the same or similar item in such Metro Area location;

(2) If the Lessee does not conduct a similar business to the business operation permitted under this Agreement in off-Airport location(s) in the Metro Area, “Street Prices” shall mean the average price regularly charged in the Metro Area by similar retailers for the same or similar item; and

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

(4) If the Lessee is engaged in the business of selling duty-free goods, “Street Prices” shall mean the price regularly charged by the Lessee or similar retailer for the same or similar duty-free item at other urban airports in the Northeast region of the United States, including but not limited to John F. Kennedy International Airport, New York, New York.

For purposes of clarification, for purposes of this *Section 13(c)*, Metro Area shall have the same meaning as “Port of New York District”.

The Lessee’s breach of the aforesaid Street Pricing policy shall be deemed a material breach of the Lessee’s obligations under this Agreement.

(d) The Lessee shall post in each sales area (including any temporary sales space) a notice in form and substance satisfactory to the Port Authority notifying the public that the Lessee subscribes to a “Street Pricing Policy”, such notice to be clearly visible and unobstructed. If the Lessee charges any price to a customer in excess of the price which would satisfy the “Street Pricing Policy” in violation of its obligations under this Agreement, the amount of such excess shall constitute an overcharge which shall, upon demand by the Port Authority or the Lessee’s customer, be promptly refunded to the customer.

(e) The Lessee shall submit to the Port Authority from time to time (and not less than annually), a current pricing survey and report demonstrating compliance by the Lessee with the aforementioned pricing requirements. For purposes of establishing the Street Price of an item, any difference in the size or quality of a product or service shall constitute a price differential.

(f) The Lessee shall be open for and shall conduct business and furnish services seven (7) days a week, or for such other hours and days as the General Manager of the Airport, from time to time by notice to the Lessee, may determine in his/her sole and absolute discretion shall properly serve the needs of the public. The determination of proper business hours and days made by the Port Authority shall be controlling. At the time of execution of this Agreement, required operating hours at the Terminal shall be as follows:

- (1) Food and beverage – 6:30 a.m. to thirty (30) minutes after the last flight departs from the Terminal; all coffee operations to be open 5:30 a.m. to 10:00 p.m.;
- (2) News – 6:00 a.m. to 10:00 p.m.;
- (3) Retail – 6:30 a.m. to 10:00 p.m.;
- (4) Duty free – 6:00 a.m. to thirty (30) minutes after the last international flight departs from the Terminal; and
- (5) Services – 6:30 a.m. to 10:00 p.m.

Section 14. Signs

(a) Except with the prior written consent of the Port Authority, the Lessee shall not erect, maintain or display any signs or any advertising at or on the exterior parts of the Premises or in the Premises so as to be visible through the windows or exterior doors thereof. Interior and exterior signs affecting public safety and security shall be in accordance with established Port Authority standards.

(b) Upon the expiration or termination of the letting, the Lessee shall remove, obliterate or paint out, as the Port Authority may direct, any and all signs and advertising on the Premises or elsewhere at the Terminal if pertaining to the Lessee, and in connection therewith shall restore the Premises and the Terminal to the same condition as existing prior to the installation of any such signs or advertising. In the event that there is a failure by the Lessee so to remove, obliterate or paint out each and every sign or advertising and so to restore the Premises and the Terminal, the Port Authority may, at its option, perform the necessary work at the expense of the Lessee, and the charge therefor shall be paid by the Lessee to the Port Authority on demand.

Section 15. Services and Utilities

(a) General

(1) Except as provided in this Section, the Port Authority shall not be obligated to perform or furnish any services or utilities whatsoever in connection with this Agreement or the use and occupancy of the Premises. Further, the Lessee acknowledges and agrees that reference in this Section to services and utilities shall not include telephone or any form of data or information transmission service, which shall be the responsibility of Lessee to obtain at its sole cost and expense.

(2) The Port Authority's obligation to provide or continue any service or utility hereunder shall be limited by the safe and efficient operating capacity of the existing equipment, systems, piping systems, tie-ins, wires and conduits serving the Terminal and no approval given by the Port Authority to the erection by the Lessee of any improvement or to the installation of any fixtures or equipment shall be deemed to impose upon the Port Authority any obligation to increase the said operating capacity of any existing or presently contemplated equipment, systems, piping systems, tie-ins, wires or conduits.

(3) The Lessee understands that the Port Authority and the airline lessees (as defined in the Section of this Agreement entitled "*Definitions*") by its and their respective officers, employees, agents, representatives or contractors or by the furnishers of utilities or other services to the Premises or to others at the Airport shall have the right to temporarily discontinue the supply of any of the services described herein in order to allow repair, alterations, changes or improvements in the Premises or elsewhere at the Airport including all systems for the supply of services for the benefit of the Lessee or for the benefit of others than the Lessee at the Airport.

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

expired and the Port Authority may cease performance. If by operation of this Section any service for which the Lessee has agreed to pay a flat sum is discontinued for any period of the letting, the Lessee shall be relieved of its obligation to pay for such service for any such period or if any such service is supplied during fewer hours or in lesser amounts than agreed during any period of the letting, the Lessee shall be relieved proportionately of its obligation to pay for any such service for any such period.

(5) No failure, delay, interruption or curtailment in supplying agreed services (whether or not a separate charge is made therefor) shall be or be construed to be an eviction (actual or constructive) of the Lessee or grounds for any diminution or abatement of rental, or shall be grounds for any claims by the Lessee for damages, consequential or otherwise, against the Port Authority, or its officers, employees or agents. The Lessee shall not be entitled to receive any of the above services during any period during which the Lessee wastes any of the said services or is in default under any of the provisions of this Agreement.

(b) Electricity and Gas. The Lessee shall receive electricity and gas to the extent of the capability of existing or upgraded facilities, and the Lessee agrees to take electricity and gas, as follows.

(1) For use on and in the Premises, electricity and gas shall be provided to the Lessee either from the Port Authority, or the relevant airline lessee pursuant to the relevant Airline Leases, as the case may be. However, the Port Authority anticipates a modernization program to the facilities for electricity and gas. In connection with the modernization of the facilities, the Port Authority reserves the right to either check meter such utilities or arrange for the appropriate utility company to directly invoice the Lessee for such electricity and gas consumed by Lessee in the Premises, if that option becomes available with such modernization.

(2) The Lessee shall take electricity of the same voltage, phase and cycle as supplied by the public utility through existing wires, conduits and outlets at the Premises. The Lessee shall be solely responsible for transforming the electricity supplied to such voltage, phase and frequency as it desires, for the distribution and handling of such electricity within its Premises and for making all connections and tie-ins to the point or points in the Premises designated by the Port Authority or relevant airline lessee.

(c) Extermination Service. In the event the Port Authority shall provide extermination service for the enclosed areas of the Premises, the Lessee agrees to utilize the same and to pay its pro rata share of the cost thereof upon demand. This paragraph does not impose any obligation on the Port Authority to furnish such service. If the Port Authority does not provide such service, Lessee, at its sole cost and expense, shall, at such intervals as the Port Authority may require, contract directly with such service designated by the Port Authority that performs the service for the Port Authority in the Terminal in order to provide continuity and consistency in such service.

(d) High Temperature Water.

(1) For use on and in the Premises (as applicable), the Lessee shall be provided high temperature water at no additional charge from either the Port Authority, or the relevant airline lessee pursuant to the relevant Airlines Leases, as the case may be, and the Lessee shall take, as needed for Lessee's operations, the following: (i) high temperature water for heating purposes in reasonable quantities at a temperature of approximately 130 degrees F.; and (ii) high temperature water for domestic hot water purposes.

(2) The Lessee's obligation to distribute and handle the high temperature water provided hereunder within its Premises, and for making all connections and tie-ins to the point or points in the Premises designated by the Port Authority or the relevant airline lessee shall fully apply in the same way as it applies for electricity and gas, as hereinabove described.

(e) Chilled Water.

(1) For use on and in the Premises (as applicable), the Lessee shall be provided chilled water at no additional charge from either the Port Authority, or the relevant airline lessee pursuant to the relevant Airlines Leases, as the case may be, and the Lessee shall take, as needed for Lessee's operations, through existing pipes, mains and fittings, for the following purposes: (i) for air cooling purposes, at a temperature and with other characteristics as determined by the Port Authority; and (ii) for domestic cold water purposes only.

(2) The Lessee's obligation to distribute and handle the chilled water provided hereunder within its Premises, and for making a connections and tie-ins to the point or points in the Premises designated by the Port Authority or the relevant airline lessee shall fully apply in the same way as it applies for electricity and gas, as hereinabove described.

(3) Without limiting the generality of rights of entry upon the Premises elsewhere in this Agreement reserved to the Port Authority (or the relevant airline lessee, as the case may be, in accordance with the relevant Airline Lease), the Port Authority (and the relevant airline lessee, as the case may be, in accordance with the relevant Airline Lease) shall have, for itself, its officers, employees, agents, representatives, contractors and subcontractors, the right to enter upon the Premises at all times to construct, install, maintain, replace, repair or improve the air-cooling system or any part thereof. Such air-cooling shall be furnished subject to all the provisions of this Agreement (including the remaining provisions of this Section) and in accordance with the following:

(4) If the air-cooling on the Premises can be controlled by mechanisms within the Premises or portions thereof, the Lessee shall shut off the air-cooling before closing and leaving any particular portion of the Premises at any time for any period. The Port Authority shall have the right to enter the Premises for the purpose of observing the Lessee's compliance with the provisions hereof and the Port Authority may lock, seal or install any timing device on or in connection with any air-cooling control mechanism so as to provide that each portion of the Premises shall only be air-cooled during the hours and days stipulated hereunder.

(5) If the Lessee in accordance with this Agreement erects any partitions or makes any improvements, which partitions or improvements stop, hinder, obstruct or interfere with the cooling of the air or the heating of the Premises, then no such action by the Lessee shall impose any obligation on the Port Authority to install facilities, fixtures or equipment for air-cooling or for heating additional to those presently existing or presently contemplated or to increase the capacity or output of existing or presently contemplated facilities, equipment or fixtures and the Lessee shall not in any such event be relieved of any of its obligations hereunder because a comfortable temperature is not maintained. No approval given by the Port Authority to the erection of partitions or the making of any improvements shall be or be deemed to be a representation that the work approved of will not stop, hinder, obstruct or interfere with either the cooling of the air or the heating of the Premises or any portion thereof.

(6) The Lessee shall not waste or dissipate the air-cooling or heating service by any act or omission including but not limited to the permitting of outside doors or windows to remain open. Without otherwise affecting the Port Authority's rights or remedies in the event of any breach by the Lessee of its obligations under this subdivision, the Port Authority shall have the right to discontinue the said heating or air-cooling service during any period of such waste or dissipation and any failure of the Port Authority to supply any such service under such conditions shall not affect any of the Lessee's obligations under this Agreement. It is hereby understood further that the installation by the Lessee of any equipment which itself requires air-cooling or which requires additional quantities of air-cooling at the portion of the Premises where such equipment is installed, or the concentration in any portion of the Premises of such a number of people so as to require additional quantities of air-cooling, shall not impose any obligation on the Port Authority to increase the capacity or output of initially existing facilities, equipment or fixtures for the supply of chilled water and the Lessee shall not in any such event be relieved of any of its obligations hereunder.

(f) **Obligation to Maintain Systems.** Without limiting or affecting any other term or provision of this Agreement, the Lessee shall be solely responsible for the operation of all equipment, systems, piping systems, tie-ins, utilities, lines and connections, mechanical, electrical, communications and other systems operating or located in the Premises and shall do all preventative maintenance and make all repairs, replacements, rebuilding and painting necessary to keep such systems (whether same involves structural or non-structural work) in the condition they were in when made or installed except for reasonable wear which does not adversely affect the watertight condition or structural integrity of the Terminals or adversely affect the efficient or proper utilization or appearance of any part of the Premises. In the event the Lessee retains a maintenance contractor for such work it shall secure the Port Authority's prior approval for said proposed contractor. Notwithstanding the foregoing and without otherwise limiting the generality thereof, the Lessee's obligations hereunder shall extend to and include cleaning of the supply and exhaust louvers on the Premises. To the extent necessary for the Lessee to have the benefit of any warranties and guarantees under existing contracts covering items and systems identified in this paragraph in fulfilling its obligations hereunder and on condition that such contracts permit it and the Port Authority's interests are not adversely affected in any way and to any extent, the Port Authority shall enable the Lessee to have recourse to such warranties and guarantees.

(g) **Drainage and Exhaust.** Without in any way limiting the Lessee's other obligations under this Agreement, the Lessee shall supply, replace, install, repair, maintain and keep clean all grease traps in all drainage pipes exclusively used in operations at the Premises whether such pipes are located on the Premises or elsewhere at the Terminal. The Lessee shall also keep clean, repair and maintain (other than structurally) all kitchen exhaust ducts including the replacement of all filters where such ducts are exclusively used by it in such operations and whether such ducts are located on the Premises or elsewhere at the Terminal. As part of the Lessee's maintenance responsibilities, the hood and ventilation system servicing the Premises shall be cleaned and maintained, from inside the unit through the ductwork to the roof top fan, on a monthly basis and at the Lessee's sole cost and expense. Written documentation of this work shall be supplied to the Port Authority on or before the seventh (7th) day of each calendar month, relating to servicing during the preceding calendar month. In addition, should any corrective work be necessary for any portion of the hood and ventilation system, the Lessee shall be responsible for the immediate repair and costs therefor, whether such repair is required inside the unit or outside the unit.

(h) **Other Governmental Actions.** If any federal, state, municipal or other governmental body, authority or agency or any public utility assesses, levies, imposes, makes or increases any charge, fee or rent on the Port Authority for any service, system or utility now or in the future supplied to or available to the Premises or to any occupants or users thereof or to the structure or building of which the Premises form a part (including but not limited to any rent or charge for the use of the sewer systems), the Lessee shall, at the option of the Port Authority exercised at any time and from time to time by notice to the Lessee, pay in accordance with the said notice, such charge, fee or rent or increase thereof (or the portion thereof allocated by the Port Authority to the Premises or the operations therein) either directly to the governmental body, authority or agency or to the public utility or directly to the Port Authority or the airline lessee, as required.

(i) **Washrooms.** The Lessee shall be furnished, without additional charge, non-exclusive toilet and washroom facilities for the employees of the Lessee if toilet and washroom facilities are not a part of the Premises.

Section 16. Construction by the Lessee

(a) Except as hereinafter expressly provided, the Lessee shall not erect any structures, make any improvements or do any other construction work on the Premises or elsewhere at the Terminal, or alter, modify or make additions, improvements or repairs to or replacements of any structure now existing or built at any time during the letting, or install any fixtures (other than trade fixtures, removable without material injury to the freehold, any such damage to be immediately

repaired by the Lessee) without the prior written consent of the Port Authority. In the event any construction, improvement, alteration, modification, addition, repair or replacement is made without such written approval of the Port Authority, then, upon notice given at any time during the letting or within sixty (60) days after expiration or termination of the term of the letting, the Lessee will remove the same, or, at the option of the Port Authority, cause the same to be changed to the satisfaction of the Port Authority. In case of any failure on the part of the Lessee to comply with such notice, the Port Authority may effect the removal or change, and the Lessee shall pay the cost thereof to the Port Authority on demand.

(b) In the event that Item 4 of **Exhibit B** provides that the Lessee is required (or is permitted to) build a structure or make repairs, alterations, improvements or additions to the Premises, the structure, repairs, alterations improvements or additions described in the said Item 4 shall be built or made strictly in accordance with the following terms and conditions:

(1) The Lessee shall, to the extent allowed under the law, be the insurer of the Port Authority, its Commissioners, officers, agents and employees, against the following distinct and several risks, whether they arise from the acts or omissions of the Lessee, of the Port Authority, its Commissioners, officers, agents and employees or of third persons, or from acts of God or of the public enemy, or otherwise, excepting only risks which result solely from affirmative, willful acts done by the Port Authority subsequent to the commencement of the work of construction, repair, alteration, improvement or addition.

(i) The risk or loss or damage to all such required repairs, alterations, additions, improvements, or structures prior to the completion thereof. In the event of such loss or damage, the Lessee shall forthwith repair, replace and make good the work without cost to the Port Authority.

(ii) The risk of death, injury or damage, direct or consequential, to the Port Authority, its Commissioners, officers, agents and employees, and to its or their property, arising out of or in connection with the performance of the work. The Lessee shall indemnify the Port Authority, its Commissioners, officers, agents and employees, for all such deaths, injuries and damages, and for all loss suffered by reason thereof.

(iii) The risk of claims and demands, just or unjust, by third persons against the Port Authority, its Commissioners, officers, agents and employees, arising or alleged to arise out of the performance of the work. The Lessee shall indemnify the Port Authority, its Commissioners, officers, agents and employees against and from, and shall reimburse the Port Authority for, costs or expenses incurred by it in connection with the defense, settlement or satisfaction of all such claims and demands.

(2) All work done pursuant to this Section shall be done in accordance with drawings and specifications to be submitted to and approved by the Chief Engineer of the Port Authority prior to the commencement of the work, shall be done to his satisfaction and shall be subject to his inspection during the progress of such work and after completion thereof; and the Lessee shall re-do or replace at its own expense any work not approved by the said Chief Engineer. Unless otherwise expressly provided herein, all workmanship and materials are required to be first class.

(3) The Lessee shall pay all claims lawfully made against it by its contractors, subcontractors, materialmen and workmen and all claims lawfully made against it by other third persons arising out of or in connection with or because of the performance of the work and shall cause its contractors and subcontractors to pay all such claims lawfully made against them.

(4) The Lessee shall procure and maintain comprehensive public liability insurance, or, if the work is to be done by an independent contractor, the Lessee shall require

such contractor to procure and maintain such insurance in the name of the contractor, in either case, in limits not lower than those set forth for such categories of insurance in Item 5 of **Exhibit B**.

(5) As soon as such structure, repair, alteration, improvement or addition shall have been completed to the satisfaction of the Chief Engineer of Port Authority, then (subject to the provisions of the following subdivision (c)) title thereto shall immediately and without execution of any further instrument vest in the Port Authority, and every said structure and all such repairs, alterations, improvements or additions, shall thereupon become and thereafter be part of the Premises (said vesting of title does not apply to Lessee's movable trade fixtures and other items of Lessee's personal property).

(c) The Port Authority shall have the option, exercisable by notice delivered on or before a date sixty (60) days after expiration, cancellation or termination hereof, to require the Lessee to remove any or all such structures, alterations, improvements or additions, and to restore the Premises to the condition thereof prior to the construction or installation thereof. In the event of a failure on the part of the Lessee so to remove and restore, the Port Authority may do so, and the Lessee shall pay the cost thereof to the Port Authority on demand.

Section 17. Injury and Damage to Person or Property

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

Section 18. Additional Rent and Charges

(a) If the Port Authority has paid any sum or sums or has incurred any obligation or expense (including, without limitation, payments to third persons and internal Port Authority costs and expenses) which the Lessee has agreed to pay or reimburse the Port Authority for, or if the Port Authority is required or elects to pay any sum or sums or incurs any obligation or expense (including, without limitation, payments to third persons and internal Port Authority costs and expenses) by reason of the failure, neglect or refusal of the Lessee to perform or fulfill any one or more of the conditions, covenants or agreements contained in this Agreement or as a result of an act or omission of the Lessee contrary to the said conditions, covenants and agreements, the Lessee agrees to pay the sum or sums so paid or the expense so incurred, including all interest, costs, damages and penalties, and the same may be added to any installment of rent thereafter due hereunder, and each and every part of the same shall and become additional rent, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the Basic Rental, or if there is no Basic Rental as a part of the Percentage Rental, all as set forth in the Section of this Agreement entitled "*Rental*".

(b) For all purposes under this Section and in any suit, action or proceeding of any kind between the parties hereto, any receipt showing any payment of sum or sums by the Port Authority for any work done or material furnished shall be prima facie evidence against the Lessee that the amount of such payment was necessary and reasonable. Should the Port Authority elect to use its own operating and maintenance staff in making any repairs, replacements and/or alterations and to charge the Lessee with the cost of same, any time report of any employee of the Port Authority showing hours of labor or work allocated to any such repair, replacement and/or alteration, or any stock requisition of the Port Authority showing the issuance of materials for use in the performance thereof, shall likewise be prima facie evidence against the Lessee that the amount of such charge was necessary and reasonable.

Section 19. Application of Payments; Accord and Satisfaction

All payments received by the Port Authority shall be credited and be deemed to be on account of the rentals and other charges then first due. No statements or endorsements on any check or any letter accompanying any check or payment of rentals or other charges shall be deemed an accord and satisfaction of any debt or obligation of the Lessee hereunder. The Port Authority reserves the right to accept any check or payment without prejudicing in any way the Port Authority's right to recover the balance of any and all rentals and other charges due from the Lessee after receipt of any such check or payment or to pursue any other remedy provided herein or by law.

Section 20. Rights of Entry Reserved

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

(b) Without limiting the generality of the foregoing, the Port Authority, by its officers, employees, representatives, and contractors, shall have the right, for the benefit of the Lessee or for the benefit of others at the Terminal, to maintain existing and future utilities systems or portions thereof on the Premises, including therein without limitation thereto systems for the supply of heat, water hot and cold, gas, electricity and fuel and for the furnishing of fire-protection, sprinkler, sewerage, drainage, air-conditioning, telephone, telegraph, tele-register, pneumatic-tube dispatch and intercommunication services, and to maintain elevator and escalator systems, including lines, pipes, mains, wires, conduits and equipment connected with or appurtenant to all such systems, and to enter upon the Premises at all reasonable times to make such repairs, alterations and replacements as may, in the opinion of the Port Authority, be deemed necessary or advisable and, from time to time, to construct or install over, in, under or through the Premises new lines, pipes, mains, wires, conduits and equipment; provided, however, that such repair, alteration, replacement or construction shall not unreasonably interfere with the use of the Premises by the Lessee.

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

(d) At any time and from time to time during ordinary business hours within the six (6) months next preceding the expiration of the letting, the Port Authority, by its agents and employees, whether or not accompanied by prospective lessees, occupiers or users of the Premises, shall have the right to enter thereon for the purpose of exhibiting and viewing all parts of the same and during such six-month period for Port Authority may place and maintain on the Premises, the usual "To Let" signs, which signs the Lessee shall permit to remain without molestation.

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

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

Section 21. Condemnation

(a) In any action or proceeding instituted by any governmental agency or

agencies for the taking for a public use of any interest in all or any part of the Premises, the Lessee shall not be entitled to assert any claim to any award or part thereof made or to be made therein, or to institute any action or proceeding or to assert any claim against such agency or agencies or against the Port Authority, for or on account of any such taking, except the possible claim to an award for loss of fixtures furnished and installed by the Lessee (and for the purpose of such possible claim alone, title to such fixtures shall revert to the Lessee), it being understood and agreed between the Port Authority and the Lessee that, except for the possible claim to an award for loss of fixtures, the Port Authority shall be entitled to all the compensation or awards made or to be made or paid for any such taking, free of any claim or right of the Lessee.

(b) In the event of a taking of the entire Premises by any governmental agency or agencies, then this Agreement shall be cancelled and the letting shall, as of the date possession is taken from the Port Authority by such agency or agencies, cease and determine in the same manner and with the same effect as if the term of the letting had on that date expired.

(c) In the event of a taking by any governmental agency or agencies of a part of the Premises, then the letting as to such part only shall, as of the date possession thereof is taken from the Port Authority by such agency or agencies, cease and determine, and the rentals thereafter to be paid by the Lessee to the Port Authority shall, if so provided in Item 1 of **Exhibit B**, be abated from and after the date of such taking.

(d) Notwithstanding the provisions of this Section 21, the Lessee shall not be prevented thereby from making a possible claim against the condemning party for an award for moving expenses or for trade fixtures owned or installed by Lessee, if (i) such claim is then allowed by law, (ii) such claim is then allowed by the Port Authority's lease with the City of Newark, described in the Section of this Agreement entitled "*Basic Lease*", if applicable, and (iii) such award is made separately from the award to the Port Authority and will not reduce the amount thereof; this provision shall not be deemed a representation by the Port Authority of the validity or legality of any such claim.

Section 22. Assignment and Subleasing

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

(1) "**Assignment**" shall mean any sale, conveyance, transfer, exchange, mortgage, assignment or other disposition of all or any portion of the Lessee's interest in this Agreement or the leasehold estate created hereby, whether directly or indirectly or by operation of law or otherwise.

(2) "**Sublease**" shall mean any sublease (including a sub-sublease or any further level of subletting) and any occupancy, license, franchise or concession agreement applicable to the Premises or any portion thereof.

(3) "**Transfer**" shall mean the transfer, sale, assignment, pledge, hypothecation or other disposition of any interest in the Lessee or in any direct or indirect constituent entity of the Lessee, where such disposition (whether by itself or cumulatively with other transactions) directly or indirectly produces any change in the direct or indirect Control (as defined in the definition of Affiliate) of the Lessee, and shall include but not be limited to (1) the sale, assignment, redemption or transfer of outstanding stock of or membership interest in, respectively, any corporation or any limited liability company that is the Lessee or that is the general partner of any partnership that is the Lessee, (2) the issuance of additional stock or membership interest in, respectively, any corporation or limited liability company that is the Lessee or that is the general partner of any partnership that is the Lessee, and (3) the sale;

assignment, redemption or transfer of any general or limited partner's interest in, or the admission of a new partner to, a partnership that is the Lessee or that is a general or limited partner of any partnership that is the Lessee.

(b) No Assignment, Transfer or Sublease without Consent. The Lessee shall not effect or permit any Assignment, Transfer or Sublease without the prior written consent of the Port Authority.

(c) Unauthorized Transactions Null and Void. Any Sublease, Assignment or Transfer, including without limitation any sale, assignment, transfer, mortgage, pledge, hypothecation, encumbrance or disposition of the Premises or of the rents, revenues or any other income from the Premises, or this Agreement or any part hereof, or any license or other interest of the Lessee herein not made in accordance with the provisions of this Agreement shall be null and void *ab initio* and of no force or effect.

(d) Port Authority's Right to Collect Rent. If without the prior written consent of the Port Authority, the Lessee effects any Assignment, Transfer or Sublease, or if the Premises are occupied by anybody other than the Lessee, the Port Authority may collect rent from any assignee, sublessee or anyone who claims a right under this Agreement or letting or who occupies the Premises, and the Port Authority shall apply the net amount collected to the rental herein reserved; but no such collection shall be deemed a waiver by the Port Authority of the covenants contained in paragraphs (a) and (b) of this Section or an acceptance by the Port Authority of any such assignee, sublessee, claimant or occupant as Lessee, nor a release of the Lessee by the Port Authority from the further performance by the Lessee of the covenants contained herein.

(e) Continuing Application of Consent Requirement. Any consent granted by the Port Authority to any Assignment, Transfer or Sublease pursuant to the provisions hereof shall not be construed or deemed to release, relieve or discharge the Lessee or any other person claiming any right, title or interest in this Agreement from the requirement of obtaining the prior written consent of the Port Authority with respect to any other Assignment, Transfer or Sublease.

(f) Use of Premises. The Lessee shall not use or permit any person to use the Premises or any portion thereof for any purpose other than the purposes stated in the Section hereof entitled "*Rights of Use by the Lessee*". Except as provided in this Agreement or otherwise permitted in writing by the Port Authority, the Lessee shall not permit the Premises to be used or occupied by any person other than its own officers, employees, contractors and representatives.

Section 23. Termination

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

(1) The Lessee shall fail duly and punctually to pay the rentals or to make any other payment required hereunder when due to the Port Authority.

(2) The Lessee shall become insolvent, or shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy or a petition or answer seeking an arrangement or its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any other law or statute of the United States or of any State thereof, or consent to the appointment of a receiver, trustee, or liquidator of all or substantially all its property; or

(3) By order or decree of a court the Lessee shall be adjudged bankrupt or an order shall be made approving a petition filed by any of the creditors or, if the Lessee is a

corporation, by any of the stockholders of the Lessee, seeking its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any law or statute of the United States or of any State thereof; or

(4) A petition under any part of the federal bankruptcy laws or an action under any present or future insolvency law or statute shall be filed against the Lessee and shall not be dismissed within thirty (30) days after the filing thereof; or

(5) The letting hereunder or the interest or estate of the Lessee under this Agreement shall be transferred to, pass to or devolve upon, by operation of law or otherwise, any other person, firm or corporation; or

(6) The Lessee, if a corporation, shall, without the prior written approval of the Port Authority, become a possessor or merged corporation in a merger, a constituent corporation in a consolidation, or a corporation in dissolution; or

(7) The Lessee is, or the Lessees collectively are doing business as, or constitute a co-partnership, and the said co-partnership shall be dissolved as the result of any act or omission of its co-partners or any of them, or by operation of law or the order or decree of any court having jurisdiction, or for any other reason whatsoever; or

(8) By or pursuant to, or under authority of any legislative act, resolution or rule, or any order or decree of any court or governmental board, agency or officer having jurisdiction, a receiver, trustee, or liquidator shall take possession or control of all or substantially all of the property of the Lessee, and such possession or control shall continue in effect for a period of fifteen (15) days; or

(9) Any type of strike or other labor activity is directed against the Lessee at the Terminal 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 Terminal or the operations of other Lessees or licensees thereat, whether or not the same is due to the fault of the Lessee, and whether caused by the employees of the Lessee or by others; or

(10) Any lien is filed against the Premises because of any act or omission of the Lessee and is not removed within ten (10) days; or

(11) The Lessee shall voluntarily abandon, desert, vacate or discontinue its operations in the Premises; or

(12) The Lessee shall fail to keep, perform and observe each and every other promise, covenant and agreement set forth in this Agreement on its part to be kept, performed or observed, within ten (10) days after receipt of notice of default thereunder from the Port Authority (except where fulfillment of its obligation requires activity over a period of time, and the Lessee shall have commenced to perform whatever may be required for fulfillment within ten (10) days after receipt of notice and continues such performance without interruption except for causes beyond its control);

then upon the occurrence of any such event or at any time thereafter the continuance thereof, the Port Authority may by five (5) days' notice terminate the letting and the rights of the Lessee hereunder, such termination to be effective upon the date specified in such notice. Such right of termination and the exercise thereof may be and operate as a conditional limitation.

(b) If any of the events enumerated in subdivision (a) of this Section shall occur prior to the letting, the Lessee shall not be entitled to enter into possession of the Premises and the

Port Authority upon the occurrence of any such event or at any time thereafter during the continuance thereof by twenty-four hours' notice may cancel the interest of the Lessee under this Agreement, such cancellation to be effective upon the date specified in such notice.

(c) No acceptance by the Port Authority of rentals, fees, charges or other payments in whole or in part for any period or periods after or during the continuance of a breach or default of any of the terms, covenants and conditions to be performed, kept or observed by the Lessee shall be deemed a waiver of any right on the part of the Port Authority to terminate the letting, nor shall the same constitute a waiver of any such breach or default.

(d) No waiver by the Port Authority of any breach or default on the part of the Lessee in performance of any of the terms, covenants or conditions hereof to be performed, kept or observed by the Lessee shall be or be construed to be a waiver by the Port Authority of any other or subsequent default in performance of any of the said terms, covenants and conditions. No failure by the Port Authority to insist upon the strict performance of terms, covenants or conditions of this Agreement or to exercise any right or remedy consequent upon a breach or default thereof, and no extension, supplement or amendment of this Agreement during or after a breach thereof, unless expressly stated to be a waiver, shall constitute a waiver of any such breach or default of the said terms, covenants or conditions. No terms, covenant or condition of this Agreement to be performed or complied with by the Lessee, and no breach or default thereof, shall be waived, altered or modified except by a written instrument executed by the Port Authority.

(e) The rights of termination described above shall be in addition to any other rights of termination provided in this Agreement and in addition to any rights and remedies that the Port Authority would have at law or in equity consequent upon any breach of this Agreement by the Lessee, and the exercise by the Port Authority of any right of termination shall be without prejudice to any other such rights and remedies. The Lessee particularly acknowledges that as part of said equitable rights and remedies the Port Authority shall be entitled to restrain by injunction any violation or attempted or threatened violation of any covenants, conditions or other provisions of this Agreement.

Section 24. Right of Re-entry

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

Section 25. Waiver of Redemption

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

Section 26. Survival of the Obligations of the Lessee

(a) In the event that the letting shall have been terminated in accordance with a notice of termination as provided in the Section of this Agreement entitled "*Termination*", or the interest of the Lessee cancelled pursuant thereto, or in the event that the Port Authority has re-entered, regained or resumed possession of the Premises in accordance with the provisions of the Section of

this Agreement entitled "*Right of Re-entry*", all the obligations of the Lessee under this Agreement shall survive such termination or cancellation, re-entry, regaining or resumption of possession and shall remain in full force and effect for the full term of this Agreement, and the amount or amounts of damages or deficiency shall become due and payable to the Port Authority to the same extent, at the same time or times and in the same manner as if no termination, cancellation, re-entry, regaining or resumption of possession had taken place. The Port Authority may maintain separate actions each month to recover the damage or deficiency then due or at its option and at any time may sue to recover the full deficiency less the proper discount, for the entire unexpired term.

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

(1) on account of the Lessee's basic rental obligation, the amount of the total of all annual basic rentals, less the installments thereof payable prior to the effective date of termination except that the credit to be allowed for the installment payable on the first day of the month in which the termination is effective shall be prorated for the part of the month the letting remains in effect, on the basis of a 30-day month;

(2) on account of the Lessee's percentage rental obligation in the event that a basic rental is also reserved under this Agreement, an amount equal to the percentage stated in Item 1 of **Exhibit B** applied to the amount of Gross Receipts in excess of the annual exemption amount or amounts, which Gross Receipts would have been received by the Lessee during the balance of the term if there had been no termination or cancellation (or re-entry, regaining or resumption of possession), and for the purpose of calculation hereunder (i) the said amount of Gross Receipts shall be derived by multiplying the number of days in the balance of the term originally fixed, by the Lessee's average daily Gross Receipts; (ii) the average daily Gross Receipts shall be the total actual Gross Receipts of the Lessee during that part of the effective period of the letting (including all annual periods falling within the effective period) in which the abatement was in effect, divided by the number of days included in such part of the effective period; (iii) the annual exemption amount for any period of less than a year shall be the product of the original annual exemption amount multiplied by a fraction, the numerator of which shall be the number of days from the effective date of termination to the end of the annual period and the denominator shall be 365;

(3) on account of the Lessee's percentage rental obligation in the event that no basic rental is reserved under this Agreement, an amount equal to the percentage stated in Item 1 of **Exhibit B** applied to the amount of Gross Receipts which would have been received by the Lessee during the balance of the term if there had been no termination or cancellation (or re-entry, regaining or resumption of possession), and for the purpose of calculation hereunder (i) the said amount of Gross Receipts shall be derived by multiplying the number of days in the balance of the term originally fixed, by the Lessee's average daily Gross Receipts; and (ii) the average daily Gross Receipts shall be the total actual Gross Receipts of the Lessee during that part of the effective period of the letting (including all annual periods falling within the effective period) divided by the number of days included in such part of the effective period;

(4) the amount of all other unfulfilled monetary obligations of the Lessee under this Agreement, including without limitation thereto, all sums constituting additional rental hereunder and the cost to and expenses of the Port Authority for fulfilling all other obligations of the Lessee which would have accrued or matured during the balance of the term on the expiration date originally fixed or within a stated time after expiration or termination; and

(5) an amount equal to the cost to and the expenses of the Port Authority in connection with the termination, cancellation, regaining possession and restoring (on failure of the Lessee to restore) and reletting the Premises, the Port Authority's legal expenses (including but not limited to the cost to the Port Authority of in-house legal services) and costs, and the Port Authority's

costs and expenses for the care and maintenance of the Premises during any period of vacancy, and any brokerage fees and commissions in connection with any reletting.

(c) It is understood and agreed that the statement of damages under the preceding subdivision (b) shall not affect or be construed to affect the Port Authority's right to damages in the event of termination or cancellation (or re-entry, regaining or resumption of possession) where the Lessee has not received any actual Gross Receipts under this Agreement.

Section 27. Reletting by the Port Authority

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

Section 28. Thirty Day Termination

(a) The Port Authority shall have the right to terminate this Agreement and the letting hereunder, without cause, at any time, on thirty (30) days' notice to the Lessee. In the event of termination pursuant to this Section, this Agreement and the letting hereunder shall cease and expire as if the effective date of termination stated in the notice were the date originally stated herein for the expiration of this Agreement.

(b) The Lessee is obligated by this Agreement to furnish and install all fixtures and equipment and make all improvements in the Premises, necessary or proper for its operations hereunder. In the event of termination by the Port Authority under this Section, the Port Authority shall pay the Lessee a pro rata share of the Lessee's cost in supplying and installing such fixtures and equipment and making all such improvements excluding any replacements thereof. The cost and the pro rata share thereof shall be ascertained as stated in Item 6 of **Exhibit B**; provided, however, that tender of payment of said prorated cost by the Port Authority to the Lessee shall not be prerequisite to the exercise of the right of termination under this Section. On the payment by the Port Authority of said prorated cost and any interest due thereon, all fixtures, equipment and improvements including replacements furnished by the Lessee in the Premises and all interest of the Lessee therein which have not already become the property of the Port Authority shall be and become the property of the Port Authority and the Lessee shall execute any and all instruments necessary to transfer title to any such

interest; provided, however, that the Port Authority may by notice relinquish its right to any such fixtures, equipment or improvements and the provisions of the Sections of this Agreement "*Sales and Services by the Lessee*" and "*Surrender*", respectively.

Section 29. Remedies to Be Non-exclusive

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

Section 30. Surrender

(a) The Lessee covenants and agrees to yield and deliver peaceably to the Port Authority possession of the Premises on the date of the cessation of the letting, whether such cessation be by termination, expiration or otherwise, promptly and in good condition, and all of the Premises shall be free and clear of all liens, encumbrances, and security interests and of any rights of any sublessees or other occupants of the Premises.

(b) Subject to the provisions of the Sections of this Agreement entitled "*Sales and Services by the Lessee*" and "*Thirty Day Termination*", respectively, the Lessee shall have the right at any time during the letting to remove its equipment, inventories, removable fixtures and other personal property from the Premises. If the Lessee shall fail to remove its property on or before the termination or expiration of the letting, the Port Authority may remove such property to a public warehouse for deposit or retain the same in its own possession, and sell the same at public auction, the proceeds of which shall be applied first to the expenses of removal, storage and sale, second to any sums owed by the Lessee to the Port Authority, with any balance remaining to be paid to the Lessee; if the expenses of such removal, storage and sale shall exceed the proceeds of sale, the Lessee shall pay such excess to the Port Authority upon demand.

Section 31. Acceptance of Surrender of Lease

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

Section 32. Requirement of Security Deposit

(a) Upon the execution of this Agreement by the Lessee and delivery thereof to the Port Authority, the Lessee shall deliver to the Port Authority, as security for the full, faithful and prompt performance of and compliance with, on the part of the Lessee, all of the terms, provisions, covenants and conditions of this Agreement on its part to be fulfilled, kept, performed or observed, a clean irrevocable letter of credit issued by a banking institution satisfactory to the Port Authority and having its main office within the Port of New York District and acceptable to the Port Authority, in favor of the Port Authority, and payable in the Port of New York District in the amount of Five Hundred Fifty Thousand Dollars and No Cents (\$550,000.00). The form and terms of such letter of credit, as well as the institution issuing it, shall be subject to the prior and continuing approval of the Port Authority. Such letter of credit shall provide that it shall continue throughout the effective period of the permission under this Agreement and for a period of not less than six (6) months thereafter; such continuance may be by provision for automatic renewal or by substitution of a subsequent clean and irrevocable satisfactory letter of credit. If requested by the Port Authority, said letter of credit shall be accompanied by a letter explaining the opinion of counsel for the banking

institution that the issuance of said clean, irrevocable letter of credit is an appropriate and valid exercise by the banking institution of the corporate power conferred upon it by law. Upon notice of cancellation of a letter of credit, the Lessee agrees that unless, by a date twenty (20) days prior to the effective date of cancellation, the letter of credit is replaced by another letter of credit satisfactory to the Port Authority, the Port Authority may draw down the full amount thereof and thereafter the Port Authority will hold the same as security. Failure to provide such a letter of credit at any time during the effective period of the permission, under this Agreement, valid and available to the Port Authority, including any failure of any banking institution issuing any such letter of credit previously accepted by the Port Authority to make one or more payments as may be provided in such letter of credit shall be deemed to be a breach of this Agreement on the part of the Lessee. Upon acceptance of such letter of credit by the Port Authority, and upon request by the Lessee made thereafter, the Port Authority will return the security deposit, if any, theretofore made. The Lessee 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 Agreement and fulfillment of the obligations of the Lessee hereunder. If the Port Authority shall make any drawing under a letter of credit held by the Port Authority hereunder, the Lessee on demand of the Port Authority and within two (2) days thereafter, shall bring the letter of credit back up to its full amount. No action by the Port Authority pursuant to the terms of any letter of credit, or any receipt by the Port Authority of funds from any bank issuing such letter of credit, shall be or be deemed to be a waiver of any default by the Lessee under the terms of this Agreement and all remedies of the Lessee and of the Port Authority consequent upon such default shall not be affected by the existence of a recourse to any such letter of credit.

(b) For purposes of the provisions set forth in this Section, the Lessee hereby certifies that the I.R.S. Employer Identification No. for: (i) AMS-BW Newark JV is (Ex. 1) (ii) Airport Management Services, LLC is (Ex. 1) , and (iii) Branded Works, Inc is (Ex. 1)

(c) Unless Item 7 of **Exhibit B** indicates that no performance bond is required, the Lessee shall furnish and pay the premium for a bond in the sum stated in the said Item 7, conditioned upon the full, faithful and prompt performance of and compliance with, on the part of the Lessee, all the covenants, terms and conditions of this Agreement on its part to be fulfilled, kept, performed and observed. The bond so furnished shall be in the form attached hereto, hereby made a part hereof and marked **Exhibit U**, and shall be effective throughout the performance of Lessee's Work for the Premises and through the later of either (i) a period of six (6) months following the completion of all punch list items issued by the Port Authority or (ii) the opening of the Premises for business to the public. Further, such bond shall be made either by a surety company or companies qualified to carry on a surety business in the State of New Jersey if the Premises are in New Jersey or in the State of New York if the Premises are in New York, and satisfactory to the Port Authority or by an individual or individuals satisfactory to the Port Authority.

Section 33. Brokerage

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

Section 34. Limitation of Rights and Privileges Granted

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

Section 35. Letting Postponed

The Lessee recognizes that, at the time of execution of this Agreement, the Premises may be occupied by another or may be under construction, alteration or improvement by the Port Authority or that the Port Authority may intend to do or make such construction, alteration or improvement and that as a result the Premises may not be ready for occupancy on the commencement date stated in the Section of this Agreement entitled "Term". In the event that the Premises are not ready for occupancy on said commencement date, the term of the letting under this Agreement shall commence on a date designated by the Port Authority on ten (10) days' notice to the Lessee, but not later than the date stated in Item 8 of **Exhibit B**; and, in the event that the commencement date shall be postponed hereunder, then the expiration date as stated in said Section shall also be postponed by a period of time equivalent to the period intervening between the commencement date stated in said Section and the actual commencement date as designated pursuant to this Section. In the event that the Premises are not ready for occupancy on or before the date stated in Item 8 of **Exhibit B**, then this Agreement shall be cancelled and each party shall release and does hereby release the other party of and from any and all claims or demands based on this Agreement or any breach or alleged breach thereof. Nothing contained in this Section shall impose or shall be construed to impose on the Port Authority any obligation to perform construction or make alterations or improvements.

Section 36. Changes in the Terminal

The Port Authority shall have the right at any time and from time to time prior to and during the letting, in the interest of the efficient operation of the Terminal, to close, move or alter any common way in the Terminal, including but not limited to entrances, exits, passages, halls, corridors, aisles, stairways, elevators or escalators, or to restrict or change the traffic on or through any such common way; and no such action by the Port Authority shall release the Lessee from any of its obligations under this Agreement.

Section 37. Notices

(a) Except where expressly required or permitted herein to be oral, all notices, directions, requests, consents and approvals required to be given to or by either party shall be in writing, and all such notices and requests shall be (i) personally delivered to the duly designated officer or representative of such party or delivered to the office of such officer or representative during regular business hours, or (ii) forwarded to him or to the party at such address by certified or registered United States mail, postage prepaid, return receipt requested, or (iii) forwarded to him or to the party at such address by expedited prepaid delivery service, either commercial or United States Postal Service, with proof of delivery or attempted delivery required in the case of (i), (ii) or (iii) above. Said designated officer or representative of the Port Authority and the Lessee and their respective officers shall be as set forth in this Agreement.

(b) The Lessee shall from time to time designate in writing an office within the Port of New York District and an officer or representative whose regular place of business is at such office upon whom notices and requests may be served. Until further notice, the Lessee designates its representative named on the first page of this Agreement as its representative upon whom notices and requests may be served and its address given on the first page of this Agreement as its office where notices and request may be served. The Port Authority hereby designates its Executive Director, as its representative upon whom notices and requests may be served, and its office at 225 Park Avenue South, New York, New York 10003.

(c) A notice shall be deemed to have been given: in the case of hand delivery, at the time of delivery or refusal to accept delivery; in the case of registered or certified mail or expedited prepaid delivery, upon delivery or refusal to accept delivery; or in the event of failure to

delivery by reason of changed address of which no notice was given or refusal to accept delivery, as of the date of such failure or refusal. A party receiving a notice which does not comply with the technical requirements for notice under this Section may elect to waive any deficiencies and treat the notice as having been properly given.

(d) Wherever a notice or request is required to be given by the Lessee to the Port Authority pursuant to this Agreement, a copy of such notice or request shall also be given simultaneously by the Lessee to Westfield Concession Management, LLC (or any successor concession manager thereto designated by the Port Authority, if any), in accordance with the requirements of this Section, to the following address:

Westfield Concession Management, LLC
11601 Wilshire Blvd., 11th Floor
Los Angeles, California 90025
Attention: Office of Legal Counsel

Westfield Concession Management, LLC
Newark Liberty International Airport
35 Terminal B, Bldg. #74
Newark, New Jersey 07114
Attention: General Manager

Section 38. Place of Payments

All payments required of the Lessee by this Agreement shall be made by mail to the Port Authority of New York and New Jersey, c/o P.O. Box 51065, Los Angeles, CA 90074-1065 or via the following wire transfer instructions:

| | |
|------------------|---|
| Bank: | Bank of America, 555 S. Flower Street, 6 th Floor, Los Angeles, CA 90071 |
| Bank ABA Number: | 026 009 593 |
| Swift Code: | BOFAUS3N |
| Account Name: | Westfield Concession Mgmt., LLC As Agent for Newark Airport Terminal A&B/Blocked Acct. |
| Account Number: | (EX. 1) |
| Ref.: | Notify Merna Eskandani at 310-445-6816 |

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

Section 39. Quiet Enjoyment

The Port Authority covenants and agrees that as long as the Port Authority remains the lessee (if the Premises are located in the City of Newark) or the owner (if the Premises are located in the City of Elizabeth) of the Terminal, the Lessee, upon paying all rentals hereunder and performing all the covenants, conditions and provisions of this Agreement on its part to be performed, shall and may peaceably and quietly have, hold and enjoy the Premises free of any act or acts of the Port Authority except as expressly permitted in this Agreement.

Section 40. Headings

The section headings and the paragraph headings, if any, 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.

Section 41. Construction and Application of Terms

(a) Wherever in this Agreement a third person singular neuter pronoun or adjective is used, referring to the Lessee, the same shall be taken and understood to refer to the Lessee, regardless of the actual gender or number thereof.

(b) Whenever in this Agreement the Lessee is placed under an obligation or covenants to do or to refrain from or is prohibited from doing, or is entitled or privileged to do, any act or thing, the following shall apply:

(1) If the Lessee is a corporation, its obligations shall be performed or its rights or privileges shall be exercised only by its officers and employees; or

(2) If the Lessee is an unincorporated association or a business or "Massachusetts" trust, the obligation shall be that of its members or trustees, as well as of itself, and shall be performed only by its members or trustees, and officers and employees, and the rights or privileges shall be exercised only by its members or trustees, and its officers and employees; or

(3) If the Lessee is a co-partnership, the obligation shall be that of its partners and shall be performed only by its partners and employees and the rights or privileges shall be exercised only by its partners and employees; or

(4) If the Lessee is an individual, the obligations shall be that of himself (or herself) and shall be performed only by himself (or herself) and his (or her) employees and the rights or privileges shall be exercised only by himself (or herself) and his (or her) employees; or

(5) if the Lessee is a limited liability company, by the Lessee acting only through the medium of its members, managers, and employees.

(c) None of the privileges of paragraph (b) above shall be taken to alter, amend or diminish any obligation of the Lessee assumed in relation to its invitees, customers, agents, representatives, contractors or other persons, firms or corporations doing business with it.

(d) In the event that more than one individual or other legal entity are the Lessee under this Agreement, then and in that event each and every obligation under this Agreement shall be the joint and several obligation of each such individual or other legal entity.

(e) The Lessee's representative, hereinbefore specified (or such substitute as the Lessee may hereafter designate in writing) shall have full authority to act for the Lessee in connection with this Agreement and any things done or to be done hereunder, and to execute on the Lessee's behalf any amendments or supplements to this Agreement or any extension thereof.

(f) The Lessee agrees that any rule of construction to the effect that any ambiguities in this Agreement are to be resolved against the drafting party shall not be applicable to the interpretation or construction of this Agreement or any amendments, addendums, supplements, Exhibits or Schedules hereto.

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

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

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

(j) The fact that certain of the terms and provisions hereunder are expressly stated to survive the expiration or termination of the letting hereunder shall not mean that those provisions hereunder which are not expressly stated to survive shall terminate or expire on the expiration or termination of the letting hereunder and do not survive such termination or expiration.

(k) Time is of the essence in the Lessee's performance of this Agreement. Notwithstanding the fact that certain references elsewhere in this Agreement to acts required to be performed by the Lessee hereunder, or to breaches or defaults of this Agreement by the Lessee, omit to state that such acts shall be performed at the Lessee's sole cost and expense, or omit to state that such breaches or defaults by the Lessee are material, unless the context clearly implies to the contrary, each and every act to be performed or obligation to be fulfilled by the Lessee pursuant hereto shall be performed or fulfilled at the Lessee's sole cost and expense, and all breaches or defaults by the Lessee hereunder shall be deemed material. The Lessee shall be fully responsible and liable for the observance and compliance by concessionaires, franchisees and licensees of the Lessee and with all the terms and conditions of this Agreement, which terms and conditions shall be applicable to concessionaires, franchisees and licensees as fully as if they were the Lessee hereunder; and failure by a concessionaire, franchisee or licensee fully to observe and comply with the terms and conditions of this Agreement shall constitute a default by the Lessee. Nothing contained in the preceding sentence shall constitute consent by the Port Authority to any concession, subletting or other arrangement.

Section 42. Non-Discrimination

(a) Without limiting the generality of any of the provisions of this Agreement, the Lessee in its operations at the Airport, the use of any space or Premises and the exercise of any privileges under this Agreement, shall not on the grounds of race, creed, color or national origin discriminate or permit discrimination against any person or group of persons in any manner whatsoever and shall comply with Part 21 to the Regulations of the Office of the Secretary of Transportation, as it may be amended and any other present or future laws, rules, regulations, orders or directions of the United States of America with respect thereto which from time to time may be applicable to the Lessee's operations at the Airport, whether by reason of agreement between the Port Authority and the United States Government or otherwise.

(b) The Lessee shall include the provisions of paragraph (1) of this Section in every agreement or concession pursuant to which any person or persons, other than the Lessee, operates any facility at the Airport providing services to the public and shall also include therein a provision granting the Port Authority a right to take such action as the United States may direct to enforce any such covenant. Nothing herein shall be or be deemed to grant to the Lessee the right to make any such agreement or concession.

(c) The Lessee's noncompliance with the provisions of this Section shall constitute a material breach of this Agreement. In the event of such noncompliance, the Port Authority may take any appropriate action to enforce compliance; or by giving twenty-four (24) hours' notice, may terminate this Agreement and the letting hereunder with the same force and effect as a termination under the Section of this Agreement providing for termination for default by the Lessee in the performance or observance of any other term or provision of this Agreement; or may pursue such other remedies as may be provided by law; and as to any or all of the foregoing, the Port Authority may take such action as the United States may direct.

(d) This Agreement is subject to the requirements of the United States Department of Transportation's regulations, 49 CFR Part 23. The Lessee agrees that it will not

discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement or any management contract, or subcontract, purchase or lease agreement or other agreement covered by 49 CFR Part 23. The Lessee agrees to include the above statements in any subsequent concession agreement or contract covered by 49 CFR Part 23 that it enters and cause those businesses to similarly include the statements in further agreement.

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

Section 43. Basic Lease

If the Premises are located in the City of Newark, the following shall apply:

(a) Notwithstanding any other provision of this Agreement, this Agreement shall in any event expire with the expiration or termination of the lease of the Facility from the City of Newark to the Port Authority under the agreement of lease 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 the Book E-110 of Deeds at pages 242, et seq, no greater rights or privileges are hereby granted to the Lessee than the Port Authority has the power to grant under said agreement as supplemented or amended as aforesaid.

(b) The Port Authority has agreed by a provision in its said agreement with the City covering the Facility 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 Lessee 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 said agreement of lease provision thereto. Unless otherwise directed in writing by the Port Authority, the Lessee shall conform to such enactments, ordinances, resolutions and regulations insofar as they relate to the operations of the Lessee at the Facility. In the event of compliance with any such enactment, ordinance, resolution or regulation on the part of the Lessee, acting in good faith, commenced after such delivery to the Port Authority but prior to the receipt by the Lessee of a written direction from the Port Authority, such compliance shall not constitute a breach of this Agreement, although the Port Authority thereafter notifies the Lessee to refrain from such compliance. Nothing herein contained shall release or discharge the Lessee from compliance with any other provision hereof respecting governmental requirements.

Section 44. Governmental Compliance

In the event that all or any portion of the Premises is required by the Port Authority to comply with any present or future governmental law, rule, regulation, requirement, order or direction, the Port Authority shall give the Lessee notice that all or any such portion of the Premises is so required and the Lessee shall deliver all or any such portion of the Premises so required on the date specified in such notice, and if the Lessee does not so deliver, the Port Authority may take the same. No such taking or delivery shall be or be construed to be an eviction of the Lessee or a breach of this Agreement. In the event that the Lessee has received a notice hereunder it shall deliver all or any such portion of the Premises so required in the same condition as that required hereunder for the delivery of the Premises on the cessation of the letting. In the event of the taking or delivery of all the

Premises, this Agreement and the letting hereunder shall on the day of such taking or delivery cease and expire as if that day were the date originally stated herein for the expiration of this Agreement; and, in the event of the taking or delivery of any portion of the Premises, then, from and after such taking or delivery, such portion of the Premises shall cease to be a part of the Premises hereunder. There shall be an abatement of the rental in the event of any such taking or delivery of a portion of the Premises if so provided in Item 1 of **Exhibit B**.

The Lessee understands the Port Authority by its officers, employees, agents, representatives or contractors or by the Airlines or their contractors or by the furnishers of utilities or other services to the Premises or to others at the Facility shall have the right to temporarily discontinue the supply of any of the above services in order to allow repairs, alterations, changes or improvements in the Premises or elsewhere at the Facility including all systems for the supply of services for the benefit of the Lessee or for the benefit of others than the Lessee at the Facility. Nothing contained herein shall be or be deemed construed to impose upon the Port Authority any obligations to supply any utility or service or to repair, alter or make changes or improvements or shall create any liability upon the Port Authority for any failure to do so.

Section 45. Force Majeure

(a) Neither the Port Authority nor the Lessee shall be deemed to be in violation of this Agreement if it is prevented from performing any of its obligations hereunder by reason of strikes, boycotts, labor disputes, embargoes, shortages of material, acts of God, acts of the public enemy, acts of superior governmental authority, acts of terrorism, weather conditions, tides, riots, rebellion, sabotage or any other circumstances for which it is not responsible and which are not within its control; provided, however, that this provision shall not apply to failures by the Lessee to pay the rentals specified in the Section of this Agreement entitled "*Rental*" and Item 1 of **Exhibit B** annexed to this Agreement and shall not apply to any other charges or money payments specified in this Agreement; and provided further, that except by virtue of the circumstances specifically set forth hereinabove in this Section, this provision shall not prevent either party from exercising any of its rights to terminate this Agreement.

(b) No abatement, diminution or reduction of the rental or other charges payable by the Lessee, shall be claimed by or allowed to the Lessee for any inconvenience, interruption, cessation or loss of business or other loss caused, directly or indirectly, by any present or future law, rule, requirement, order, direction, ordinance or regulation of the United States of America, or of the state, county or city government, or of any other municipal, governmental or lawful authority whatsoever, or by priorities, rationing or curtailment of labor or materials, or by war or any matter or thing resulting therefrom, or by any other cause or causes beyond the control of the Port Authority, nor shall this Agreement be affected by any such causes or conditions.

Section 46. Rules and Regulations Amendment

If a copy of the Rule and Regulations referred to in the Section of this Agreement entitled "*Rules and Regulations*" is not attached to this Agreement, then the Port Authority will notify the Lessee thereof either by delivery of a copy, or by publication in a newspaper published in the Port of New York District or by making a copy available at the office of the Secretary of the Port Authority. No statement or provision in the said Rules and Regulations shall be deemed a representation or promise by the Port Authority that the services or privileges described shall be or remain available, or that the charges, prices, rates or fees stated therein shall be or remain in effect throughout the letting, all of the same being subject to change by the Port Authority from time to time whenever it deems a change advisable.

Section 47. Non-Liability of Individuals

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

Section 48. Other Agreements

The Lessee shall not, by virtue of the execution of this Agreement, be released or discharged from any obligations or liabilities whatsoever under any other agreement it has with the Port Authority.

Section 49. Operating Names

(a) Any name, designation or any service mark proposed to be used or displayed at the Premises or at the Terminal or for the Lessee's operations therein shall be approved in advance in writing by the Port Authority and the Lessee shall have the right to use and display the name, designation or mark only so long as this Agreement is in force and effect. If for any reason the Lessee ceases its operations in the Premises, the Lessee's right to use such name, designation or service mark shall immediately cease and come to an end and the Port Authority or its designee shall have the sole right to use such name, designation or service mark and the Lessee hereby consents to such use thereof. Any registration or filing by the Lessee with respect to such name, designation or service mark shall indicate the Port Authority's interest therein and the form thereof shall be approved in advance by the Port Authority in writing. The Lessee agrees to assign and transfer to the Port Authority any such registration or filing and any other rights in or to the use of such name, designation or service mark promptly upon written request therefor from the Port Authority. Nothing herein contained is intended to apply to the continuing use by the Lessee of its customary name, designation or service mark, if any, used elsewhere in its operations prior to the making of this Agreement.

(b) The Lessee shall not use or make any reference, by advertising or otherwise, to the names "The Port Authority of New York and New Jersey", "Port Authority" or any simulation or abbreviation of any such names, or any emblem, picture or reproduction of the Facility, for any purpose whatsoever. Furthermore, the Lessee shall not make use of or originate any material intended for publication or visual or oral presentation which uses the name "Newark Liberty International Airport" without the consent of the Port Authority.

Section 50. Labor Disturbances and Labor Harmony

(a) General. In connection with its operations at the Airport under this Agreement, the Lessee shall serve the public interest by promoting labor harmony, it being acknowledged that strikes, picketing, or boycotts may disrupt the efficient operation of the Terminal. The Lessee recognizes the essential benefit to have continued and full operation of the Airport as a whole and the Terminal as a transportation center. The Lessee shall immediately give oral notice to the Port Authority (to be followed reasonably promptly by written notices and reports) of any and all impending or existing labor-related disruptions and the progress thereof.

If any type of strike, picketing, boycott or other labor-related disruption is directed against the Lessee at the Terminal, or against its operations thereat pursuant to this Agreement, which in the opinion of the Port Authority (i) physically interferes with the operation of the Airport, the Terminal or the Premises, or (ii) physically interferes with public access between the Premises and any portion of the Terminal or the Airport, or (iii) physically interferes with the operations of other

operators at the Airport or the Terminal, or (iv) presents a danger to the health and safety of users of the Airport or the Terminal, including persons employed thereat or members of the public, the Port Authority shall have the right at any time during the continuance thereof to take such actions as the Port Authority may deem appropriate including, without limitation, terminating this Agreement and the letting on five (5) days' written notice to the Lessee. In the event of termination by the Port Authority hereunder this Agreement and the letting hereunder shall cease and expire on the effective date of termination stated in the notice with the same force and effect as if such date were the original expiration date of the letting hereunder.

(b) Labor Peace Agreement. The Lessee represents that, prior to or upon entering into this Agreement, it has delivered to the Port Authority evidence of a signed labor peace agreement, in the form attached hereto as **Exhibit X**, or in the event **Exhibit X** is inapplicable, then a signed officer's certification to such effect in the form required by the Port Authority.

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

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

(e) Suspension of Lessee Operations. In the event of suspension of Lessee's operations pursuant to paragraph (a), above, the Lessee shall cease its activities and operations in the Premises and shall take such steps to secure and protect the Premises as shall be necessary or desirable. The exercise by the Port Authority of the right of suspension hereunder shall not affect or in any way limit the Port Authority's rights of termination as set forth elsewhere in this Agreement.

Section 51. Finishes and Decorating by the Lessee

(a) The Port Authority shall deliver each area of the Premises to the Lessee in their presently existing "**AS IS**" condition. The Lessee acknowledges that prior to the execution of this Agreement, it has thoroughly examined and inspected the existing Premises and has found the same to be in good order and repair and has determined the Premises to be suitable for the Lessee's operations hereunder. The Lessee agrees to and shall take the Premises in their "**AS IS**" condition and the Port Authority shall have no obligation hereunder for finishing work or preparation of any portion of the Premises for the Lessee's use. Nothing contained herein shall be construed to relieve the Lessee of its obligations under the provisions of the Section of this Agreement entitled "*Sales and Services by the Lessee*" to install in the Premises all necessary or proper equipment or fixtures required for its operations in the Premises. Subject to the provisions of this Section and those of the Section of this Agreement entitled "*Construction by the Lessee*", the Lessee agrees to and shall perform at its sole cost and expense all construction and installation work necessary or proper for its initial occupancy in, and operations at, the Premises, which work is hereinafter sometimes called the "**Lessee's Work**".

(b) The Lessee agrees that in performing the Lessee's Work it will incur costs subject to the limitations and restrictions contained in Item 6 of **Exhibit B**. Lessee shall submit on a timely basis to the Port Authority for its approval an Alteration Application in the form supplied by the Port Authority, and containing such terms and conditions as the Port Authority may include, setting forth in detail and by appropriate plans and specifications the construction and installation work proposed by the Lessee to modernize, refurbish and prepare the Premises for operations hereunder and the manner of and time periods for performing the same. The data to be supplied by the Lessee shall describe in detail the fixtures and equipment to be installed by the Lessee. The Lessee shall be responsible at its sole expense for retaining all architectural, engineering and other technical consultants and services as may be directed by the Port Authority and for developing, completing and submitting detailed plans and specifications for the Lessee's Work. The plans and specifications to be submitted by the Lessee to the Port Authority shall bear the seal of a qualified architect or professional engineer and shall be in sufficient detail for a contractor to perform the Lessee's Work. The Lessee shall not engage in any such contractor or permit the use of any subcontractor unless and until each such contractor or subcontractor has been approved by the Port Authority. The Lessee shall include in any such contract or subcontract such provisions as the Port Authority may approve or require, including, without limitation thereto, provisions regarding labor harmony. The Lessee shall cause each such contractor and subcontractor to obtain and maintain in force such insurance coverage and performance bonds as the Port Authority shall specify. All the Lessee's Work shall be done in accordance with the said Alteration Application and final plans and specifications approved by the Port Authority shall be subject to inspection by the Port Authority during the progress of the Lessee's Work and after the completion thereof and the Lessee shall redo or replace at its own expense any of the Lessee's Work not done in accordance therewith. Upon completion of the Lessee's Work, the Lessee shall supply the Port Authority with a certificate signed by the architect or engineer who sealed the Lessee's plans and specifications pursuant to the provisions of this paragraph certifying that all of the Lessee's Work has been performed in accordance with the approved plans and specifications covering such work and in accordance with the provisions of this Agreement, and the Lessee shall supply the Port Authority with as-built drawings in form and number requested by the Port Authority.

(c) The Lessee shall not commence any portion of the Lessee's Work until the Alteration Application and plans and specifications covering such work have been finally approved by the Port Authority. In the event of any inconsistency between the provisions of this Agreement and those of the Alteration Application, the provisions of this Agreement shall control. The Lessee recognizes that its obligation to pay the rentals for the Premises stated in Item 1 of **Exhibit B** shall commence as established pursuant to Item 1 of **Exhibit B** whether or not the Lessee's Work is then completed or whether the Lessee is then conducting public operations in the Premises. The Lessee shall conduct no public operations in the Premises until the Port Authority shall have notified the Lessee in writing that the Lessee's Work has been completed to its satisfaction.

(d) The Lessee shall be solely responsible for the plans and specifications used by it, and for the adequacy or sufficiency of such plans, specifications and all the improvements depicted thereon or covered thereby, regardless of the consent thereto or approval thereof by the Port Authority or the incorporation therein of any Port Authority requirements or recommendations. The Port Authority shall have no obligations or liabilities in connection with the performance of the Lessee's Work or the contracts for the performance thereof entered into by the Lessee. Any warranties extended or available to the Lessee in connection with the Lessee's Work shall be for the benefit of the Port Authority as well as the Lessee.

(e) Without limiting or affecting any other term or provision of this Agreement, the Lessee shall be solely responsible for the design, adequacy and operation of all utility, mechanical, electrical, communications and other systems installed in the Premises either by the Port Authority or by the Lessee and shall do all preventive maintenance and make all repairs, replacements, rebuilding (ordinary or extraordinary, structural or non-structural) and painting necessary to keep such systems and all other improvements, additions and fixtures, finishes and

decorations made or installed by the Lessee (whether the same involves structural or non-structural work) in the condition they were in when made or installed except for reasonable wear which does not adversely affect the watertight condition or structural integrity of the building or adversely affect the efficient or proper utilization or appearance of any part of the Premises.

(f) Intentionally omitted.

(g) (1) Without limiting any of the terms and conditions of this Agreement, the Lessee understands and agrees that it shall put into effect prior to the commencement of any of the Lessee's Work an affirmative action program and minority business enterprise ("MBE") program and Women-owned Business enterprises ("WBE") program in accordance with the provisions of the schedule annexed hereto, hereby made a part hereof and marked **Schedule E**. The provisions of **Schedule E** of this Agreement shall be applicable to the Lessee's contractor or contractors and subcontractors at any tier of construction as well as to the Lessee and the Lessee agrees to include the provisions of **Schedule E** within all of its construction contracts so as to make such provisions and undertakings the direct obligation of the construction contractor or contractors and subcontractors at any tier of construction. The Lessee agrees to furnish and agrees to require its contractor, contractors and subcontractors to furnish the Port Authority such data, including but not limited to compliance reports relating to the operation and implementation of the affirmative action, MBE and WBE programs called for hereunder as the Port Authority may request at any time and from time to time regarding the affirmative action, minority business enterprises, and women-owned business enterprises programs of the Lessee and its contractor, contractors and subcontractors at any tier of construction, and the Lessee agrees to make and put in effect and agrees to require that its contractor, contractors and subcontractors at any tier of construction make and put into effect such modifications and additions thereto as may be agreed to by and between the Port Authority and the Lessee pursuant to the provisions hereof and those of **Schedule E** to effectuate the goals of affirmative action and minority business enterprise and women-owned business enterprise programs. The obligations imposed on the Lessee under this paragraph and **Schedule E** shall not be construed to impose any greater requirements on the Lessee than those which may be imposed on the Lessee under applicable law.

(2) In addition to and without limiting any of the terms and conditions of this Agreement, the Lessee agrees to provide in its contracts and all subcontracts covering the Lessee's Work, or any portion thereof, that:

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

(ii) At the request of either the Port Authority or the Lessee, the contractor shall request such employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding and which is involved in the performance of the contract with the Lessee to furnish a written statement that such employment agency, labor union or representative shall not discriminate because of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will cooperate in the implementation of the contractor's obligations hereunder;

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

(iv) The contractor will include the provisions of (f)(2)(i) through (f)(2)(iii) of this Section in every subcontract or purchase order in such a manner that such provisions will be binding upon each subcontractor or vendor as to its work in connection with the contract.

(3) The term "contractor", as used herein, shall include each contractor and subcontractor at any tier of construction.

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

(i) (1) In addition to and without limiting any of the foregoing provisions of this Section, and without limiting any other provision of this Agreement, or the provisions of **Schedule E** hereof, the Lessee agrees, in connection with its continuing operation, maintenance and repair of the Premises, or any portion thereof, and in connection with every award or agreement for concessions or consumer services at the Facility to commit itself to and use good faith efforts throughout the term of the letting hereunder to implement an extensive program of Affirmative Action, including specific affirmative action steps to be taken by the Lessee, to ensure maximum opportunities for employment and contracting by minorities and women. In meeting such commitment the Lessee agrees to submit its said extensive Affirmative Action program, including the specific affirmative action steps to be taken by the Lessee to meet its aforesaid commitment, within sixty (60) days after the commencement of the term of the letting hereof to the Port Authority for its review and approval. The Lessee shall incorporate in such program such revisions and changes as the Port Authority and the Lessee may agree upon from time to time. The Lessee agrees throughout the term of the letting hereunder to document its efforts in implementing such program, and agrees to keep the Port Authority fully advised of the Lessee's progress in implementing the program and to supply to the Port Authority such information, data and documentation with respect thereto as the Port Authority may from time to time and at any time request, including but not limited to annual reports.

(2) "Minority" as used herein shall mean those persons described in paragraph I (c) of Part 1 of **Schedule E**.

(3) In the implementation of the provisions of this Section, the Port Authority may consider compliance by the Lessee with the provisions of any federal, state or local law concerning affirmative action, and equal employment opportunity, which are at least equal to the requirements of this Section, as effectuating the provisions of this Section. If the Port Authority determines that by virtue of such compliance with the provisions of any such federal, state or local law that the provisions hereof duplicate or conflict with such law the Port Authority may waive the applicability of the provisions of this Section to the extent that such duplication or conflict exists.

(j) Nothing herein provided shall be construed as a limitation upon the application of any laws which establish different standards of compliance or upon the application of requirements for the hiring of local or other area residents.

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

Section 52. Affirmative Action

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

Section 53. Late Charges

If the Lessee should fail to pay any amount required under this Agreement when due to the Port Authority, including payment of rental, utility fees or charges, or other charges or fees then, in such event, the Port Authority may impose (by statement, bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period herein below described) during the entirety of which such amount remains unpaid, each such late charge not to exceed an amount equal to eight-tenths of one percent (.8%) of such unpaid amount for each late charge period. There shall be twenty-four (24) late charge periods during each calendar year; each late charge period shall be for a period of at least fifteen (15) calendar days except one late charge period each calendar year may be for a period of less than fifteen (15) (but not less than thirteen (13)) calendar days. Without limiting the generality of the foregoing, late charge periods in the case of amounts found to have been owing to the Port Authority as the result of Port Authority audit findings shall consist of each late charge period following the date the unpaid amount should have been paid under this Agreement. Each late charge shall be payable immediately upon demand made at any time therefor by the Port Authority. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid late charge amount shall be deemed a waiver of the right of the Port Authority to payment of any late charge or late charges payable under the provisions of this Section, with respect to such unpaid amount. Each late charge shall be and become additional rent, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the rentals as set forth in Item 1 of Exhibit B hereof. Nothing in this Section is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Agreement, including without limitation the Port Authority's rights set forth in the Section of this Agreement entitled "*Thirty Day Termination*", or (ii) any obligations of the Lessee under this Agreement. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Agreement shall be payable instead at such legal maximum.

Section 54. Ethical Standards

The Lessee for itself and on behalf of any Affiliate of the Lessee and as to each member of the Board of Directors and each officer of the Lessee and/or of such Affiliate hereby certifies under the penalties applicable to perjury, represents warrants and covenants with full knowledge that the Port Authority will rely hereon in entering into this Agreement that at no time hereafter including the term of this Agreement shall the Lessee or any Affiliate thereof (a) take any action with respect to any employee or former employee of the Port Authority or immediate family member of either (i.e., spouse, child, parent or brother or sister) which would constitute a breach of ethical standards under the Code of Ethics and Financial Disclosure dated as of July 18, 1994 promulgated by the Port Authority, a copy of which is available upon request to the Secretary of the Port Authority, (b) offer, give or agree to give anything of value either to a Port Authority employee, agent, job shopper, consultant, construction manager or other person or firm representing the Port

Authority, or to a member of the immediate family (i.e., a spouse, child, parent, brother or sister) of any of the foregoing, in connection with the performance by such employee, agent, job shopper, consultant, construction manager or other person or firm representing the Port Authority of duties involving transactions with the Lessee on behalf of the Port Authority, whether or not such duties are related to this Agreement or any other Port Authority contract or matter, or (c) make an offer of employment or use confidential information in a manner prescribed by the said Code of Ethics and Financial Disclosure. Any such conduct shall be deemed a material breach of this Agreement. As used herein "anything of value" shall include but not be limited to any (1) favors, such as meals, entertainment, transportation (other than that contemplated by this Agreement or any other Port Authority contract), etc., which might tend to obligate the Port Authority employee to the Lessee or any parent or Affiliate thereof and (2) gift, gratuity, money, goods, equipment, services, lodging, discounts not available to the general public, offers or promises of employment, loans or the cancellation thereof, preferential treatment or business opportunity. Such term shall not include compensation contemplated by this Agreement or any other Port Authority contract; and (iv) that neither the Lessee nor any Affiliate thereof knows of any action the part of any employee or former employee of the Port Authority which constitutes a breach of said Code of Ethics and Financial Disclosure and that if it or any parent or other Affiliate of the Lessee comes into such knowledge at any time hereafter, including during the term of this Agreement, it shall immediately report the same to the Port Authority in writing, any failure to do so being deemed a material breach of this Agreement.

Section 55. Additional Rent Items and Lessee Obligations

(a) Promotion Fee. The Lessee agrees to participate fully with the marketing and promotional programs for the concession (retail and food and beverage included) area sponsored by the Port Authority in the Terminal. Commencing as of the second full calendar month in which the Lessee conducts its operations hereunder, the Lessee shall pay, as additional rental, a "Promotion Fee" as the Lessee's contribution for marketing, advertising and promotion programs conducted by or on behalf of the Port Authority relating to the retail program in the Terminal. The Promotion Fee shall be an amount (i) during the first year of the term which equals one-half of one percent (.5%) of the Lessee's Gross Receipts during the preceding calendar month and (ii) during each subsequent year of the term which equals one-half of one percent (.5%) of the Lessee's annual Gross Receipts for the annual period in which such promotion fee relates. Such amount shall be payable no later than the 15th day following the end of each month. The Promotion Fee shall be prorated, if necessary, in the same manner as Basic Rental is prorated under this Agreement.

The failure of any other lessee or occupant of space within the concession area to participate in advertising for such concession area or make promotional contributions to the Port Authority shall not relieve the Lessee of any of its obligations under this Section. The Port Authority shall not be obligated to expend more for marketing and promotional programs than is actually collected from the Lessee and other concession facility operators in the Terminal. The Port Authority shall have the sole authority to employ and discharge personnel, retain third party independent contractors and to establish all budgets with respect to such marketing and promotional programs. The Port Authority reserves the right at any time to terminate its activities in this regard and cease collecting Promotion Fee contributions from the Lessee and other concession operators for these activities. In such event the Port Authority shall so notify the Lessee in writing and, thereafter, the Lessee shall no longer be obligated to make any further Promotion Fee contributions, and any remaining funds previously contributed as Promotion Fees may be used by the Port Authority to promote the overall concession program and facilities.

(b) Distribution Services and Fee.

(1) The Lessee shall, at the Lessee's sole cost and expense, make deliveries in a timely manner to a designated area, controlled by the Port Authority or its designee, in accordance with the Port Authority's rules and regulations. The Port Authority may, at its option,

provide receiving and delivery services to operators in the concession area. In such event, the Lessee shall use such service for all of its deliveries to the Terminal and the Premises (including, but not limited to, delivery of goods from the Lessee's off-Airport suppliers to the on-Airport warehouse of the contractor selected by the Port Authority to provide delivery services) and no deliveries of any items shall be made by any persons or entities directly to the Premises without the prior written authorization of the Port Authority and, if so given, the Port Authority shall have the right to revoke any such authorization at any time in its sole discretion.

(2) The Lessee, in transferring any merchandise, equipment, stock or consumable items within or about the Terminals, shall only do so in full compliance with Port Authority rules, regulations and guidelines. The same may restrict the time and day of delivery or the manner of delivery, method of delivery, areas of delivery or the person or persons by whom delivery may be effected. The Port Authority may deny access or require any vehicle to be removed for failure to follow applicable rules, regulations and guidelines that may be established by the Port Authority from time to time.

(3) The Lessee shall pay as an annual "**Distribution Fee**" the sum of Thirteen Dollars and No Cents (\$13.00), per square foot of the Premises, to the Port Authority for the cost of distribution services, payable in advance as additional rent hereunder in equal, monthly installments commencing as of the Rental Payment Start Date and continuing during the balance of the term of the letting hereunder. Effective each January 1 this amount shall be adjusted to reflect the annual adjustment by the Index as described in *subsection (h)* of this *Section 55*.

(c) **Trash Removal.** The Lessee shall be solely responsible, at the Lessee's expense, for removal of trash, garbage, debris and other waste material from the Premises, on a daily basis, in a manner approved by the Port Authority, unless the Port Authority elects to provide such services. The Lessee shall contract with the Port Authority's disposal contractor at the Terminal for the disposal of its trash, garbage, debris and other waste material. In the event the Port Authority elects to provide such services, the Port Authority's costs of providing such services shall be chargeable to, and payable by, the Lessee as additional rent hereunder, on a per square foot basis represented by the square footage of the Premises and such additional rent would be due in equal, monthly installments payable together with the Basic Rental payments to be made hereunder upon prior written notice from the Port Authority.

(d) **Food Court Maintenance Fee.** Not applicable.

(e) **No Inspection or Audit Rights.** The Lessee shall not have any inspection or audit rights of any of the Port Authority's books and records pertaining to the costs and expenses which support the fees which may be charged pursuant to this Section and the Lessee hereby expressly waives any rights, whether by statute or otherwise, to conduct any such inspection or audit.

(f) **Concession Meetings.** The Lessee acknowledges the benefit of regular meetings with the Port Authority or its designee to discuss matters relating to the retail plan at the Terminal, including, but not limited to, the business of the Lessee, marketing plans for the Terminals and the Lessee, traffic projections, customer service techniques and other concession-related matters. The Lessee agrees that it shall attend any meetings convened by the Port Authority or its designee to discuss such matters, whether the same be between the Lessee and the Port Authority or among multiple concessionaires and the Port Authority, and that it shall cause a member of its senior management staff to attend any and all such meetings. Similarly, the Lessee agrees to fully participate in and cooperate with the Port Authority or its designee in connection with any customer service surveys which are conducted on-site at the Terminal and not interfere with, obstruct, delay or otherwise hinder the process of taking such surveys, and further, fully participate in and cooperate in connection with training in customer service techniques and other concession-related matters that may be scheduled or arranged by the Port Authority or its designee from time to time. No

compensation shall be due or paid to the Lessee for its participation or cooperation in connection with the matters described in this paragraph.

(g) **Training.** The Lessee covenants that it shall conduct and complete, at least on an annual basis, for itself and its employees, training with respect to customer service techniques and other concession related matters. Similarly, the Lessee agrees that its frontline sales and transaction staff shall be required to attend customer service training at least once annually if such training is offered by the Port Authority or its designee; such training to be in addition to, and not in lieu of, the Lessee's own training programs, requirements and obligations.

(h) In the event escalations are needed to items of Additional Rental during the term of the letting, the following will be the methodology used for such escalation:

(i) (1) **"Index"** shall mean the Consumer Price Index for All Urban Consumers - New York-Northern New Jersey-Long Island, NY-NJ-CT (All Items, unadjusted 1982-84=100) published by the Bureau of Labor Statistics of the United States Department of Labor.

(2) **"Base Period"** shall mean the calendar month of November 2008.

(3) **"Adjustment Period"** shall mean, as the context requires, the calendar month of November 2009 and the calendar month of November in each calendar year which thereafter occurs during the term of this Agreement.

(4) **"Anniversary Date"** shall mean, as the context requires, each January 1 following the Rental Payment Start Date (the "First Anniversary Date") and each anniversary of such date which thereafter occurs during the term of this Agreement.

(5) **"Annual Index Increase"** shall mean the percentage of increase in the Index on each Anniversary Date, equal to: (x) with respect to the First Anniversary Date, a fraction of which the numerator shall be the Index for the Adjustment Period immediately preceding such Anniversary Date less the Index for the Base Period, and the denominator shall be the Index for the Base Period, and (y) with respect to each Anniversary Date thereafter, a fraction of which the numerator shall be the Index for the Adjustment Period immediately preceding such Anniversary Date less the Index for the next preceding Adjustment Period, and the denominator shall be the Index for such next preceding Adjustment Period (for example, the Annual Index Increase for the Anniversary Date that is January 1, 2011 would be fraction of which the numerator is the Index for November, 2010 less the Index for November, 2009 and the denominator is the Index for November, 2009).

(6) **"Percentage Increase"** shall mean, with respect to each Anniversary Date, a percentage equal to the Annual Index Increase for that Anniversary Date.

(ii) Commencing on each Anniversary Date and for the period commencing with such Anniversary Date and continuing through to the day preceding the next Anniversary Date, or the expiration date of the term of the letting under this Agreement as herein amended, as the case may be, both dates inclusive, in lieu of the Additional Rental set forth herein, the Lessee shall pay escalated Additional Rental as follows:

(x) the sum obtained by adding to the item of Additional Rental set forth herein the product obtained by multiplying such Additional Rental by the Percentage Increase for such Anniversary Date, or

(y) the item of Additional Rental payable immediately

prior to such Anniversary Date including all amounts included therein as a result of prior adjustments thereof pursuant to the provisions of this paragraph.

(iii) In the event the Index to be used in computing any adjustment referred to in this paragraph is not available on the effective date of such adjustment, the Lessee shall continue to pay the Additional Rental at the amount then in effect subject to retroactive adjustment at such time as the specified Index becomes available, provided, however, that the Port Authority may at its option substitute for such Index the Index for the latest preceding month then published to constitute the specified Index. In the event the United States Consumer Price Index for All Urban Consumers - New York-Northern New Jersey-Long Island, NY-NJ-CT (All Items, unadjusted 1982-84=100) shall hereafter be converted to a different standard reference base or otherwise revised or the United States Department of Labor shall cease to publish the United States Consumer Price Index for All Urban Consumers - New York-Northern New Jersey-Long Island, NY-NJ-CT (All Items, unadjusted 1982-84=100), then for the purposes hereof there shall be substituted for the Index such other appropriate index or indices properly reflecting changes in the value of current United States money in a manner similar to that established in the Index used in the latest adjustment as the Port Authority in its discretion determine.

If after an adjustment in Additional Rental shall have been fixed for any period, the Index used for computing such adjustment shall be changed or adjusted, then the rental adjustment for that period shall be recomputed and from and after notification of the change or adjustment, the Lessee shall make payments based upon the recomputed rental and upon demand shall pay any excess in the basic rental due for such period as recomputed over amounts theretofore actually paid on account of the Additional Rental for such period. If such change or adjustment results in a reduction in the Additional Rental due for any period prior to notification, the Port Authority will credit the Lessee with the difference between the Additional Rental as recomputed for that period and amounts of Additional Rental actually paid.

If any adjustment of Additional Rental referred to in this paragraph is effective on a day other than the first day of a calendar month, there shall be payable in advance on the effective date of rental adjustment an installment of Additional Rental equal to one-twelfth (1/12th) of the increment of annual Additional Rental as adjusted multiplied by a fraction, the numerator of which shall be the number of days from the effective date of the rental adjustment to the end of the calendar month in which the rental adjustment was effective and the denominator of which shall be the number of days in that calendar month.

Section 56. Lessee's OFAC Certification

(a) The Lessee hereby represents and warrants to the Port Authority (which representations and warranties shall be deemed to be continuing and re-made at all times during the Term) that Lessee is not, and shall not become, a person or entity with whom the Port Authority is restricted from doing business under the regulations of the Office of Foreign Asset Control ("OFAC") of the United States Department of the Treasury (including, but not limited to, those named on OFAC's Specially Designated and Blocked Persons list) or under any statute, executive order (including, but not limited to, the September 24, 2001 Executive Order on Terrorist Financing Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit or Support Terrorism), or other governmental action and is not engaging, and shall not engage, in any dealings or transactions or be otherwise associated with such persons or entities. The Lessee acknowledges that the Port Authority is entering into this Agreement in reliance on the foregoing representations and warranties and that such representations and warranties are a material element of the consideration inducing the Port Authority to enter into and execute this Agreement. In the event of any breach of any of the foregoing representations and warranties by the Lessee, the Port Authority shall have the right, in addition to any and all other remedies provided under this Agreement or at law or in equity, to immediately terminate this Agreement upon written notice to the Lessee. The Lessee further acknowledges that there shall be no cure for such a breach. In the event of any such

termination by the Port Authority, the Lessee shall, immediately on receipt of the Port Authority's termination notice, cease all use of and operations permitted under this Agreement and surrender possession of the Premises to the Port Authority without the Port Authority being required to resort to any other legal process. Termination on the aforescribed basis shall be deemed a termination for cause.

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

(c) The provisions of this Section shall survive the expiration or earlier termination of this Agreement.

Section 57. Holdover

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

Section 58. Waiver of Trial by Jury

The Lessee waives its right to trial by jury in any summary proceeding or action that may hereafter be instituted by the Port Authority against the Lessee in respect of the Premises and/or in any action that may be brought by the Port Authority to recover rentals, fees, damages, or other sums due and owing under this Agreement. The Lessee specifically agrees that it shall not interpose

any claims as counterclaims in any summary proceeding or in any action for non-payment of rents, fees or other amounts which may be brought by the Port Authority unless such claims would be deemed waived if not so interposed.

Section 59. Liquidated Damages

The Port Authority may assess, in its sole discretion, and Lessee shall pay within ten (10) days of written demand therefor as liquidated damages, and not as a penalty, the amounts described below for each of the events described below:

(a) If Lessee shall fail to open the Premises for business after and including the Rental Payment Start Date, then Lessee shall pay the amount of Two Hundred Fifty Dollars (\$250.00) per day for each day Lessee is not open for business. If such failure shall continue for in excess of sixty (60) days, the amount of such liquidated damages may be increased up to a maximum of Five Hundred Dollars (\$500.00) per day.

(b) If Lessee shall fail to furnish to the Port Authority any Monthly Statement or Annual Statement within the time required by this Lease, then Lessee shall pay the amount of One Hundred Dollars (\$100.00) per statement per day until such statement is properly delivered to the Port Authority for the first (1st) such failure to furnish a statement in any rolling twelve (12) month period, Two Hundred Fifty Dollars (\$250.00) per statement per day until such statement is delivered to the Port Authority for the second (2nd) such failure to furnish a statement in any rolling twelve (12) month period, and Five Hundred Dollars (\$500.00) per statement per day until such statement is delivered to the Port Authority for the third (3rd) and all subsequent failures to furnish any such statement in any rolling twelve (12) month period.

(c) If Lessee shall fail to provide the required certificate signed by the architect or engineer who sealed the Lessee's plans certifying that all of Lessee's Work, if any, has been performed in accordance with the approved plans and specifications and/or if Lessee shall fail to provide the as-built drawings in form and number requested by the Port Authority, as required by *Section 51(b)*, within ninety (90) days of the completion of Lessee's Work, then Lessee shall pay the amount of Three Hundred Dollars (\$300.00) per day for each day that it is not delivered to the Port Authority. If such failure shall continue for a period exceeding one hundred eighty (180) days after the completion of Lessee's Work, such shall be a material default by Lessee hereunder entitling the Port Authority to all remedies available to it hereunder or at law.

(d) If Lessee shall fail to operate its business as provided in the Section of this Agreement entitled "*Various Obligations of the Lessee*", and in accordance with any other operating standards implemented by the Port Authority, then Lessee shall pay the amount of One Hundred Dollars (\$100.00) per instance per day that Lessee fails to operate its business in accordance with the terms hereof for the first (1st) violation in any rolling twelve (12) month period, and the amount of Two Hundred Dollars (\$200.00) per instance that Lessee fails to operate its business in accordance with the terms hereof for the second (2nd) and any subsequent violations in any rolling twelve (12) month period.

(e) If Lessee shall fail to adjust its prices to comply with any criteria or policies for "Street Prices" in accordance with *Sections 13(c), (d) and (e)* of the Section of this Agreement entitled "*Sales and Services by the Lessee*", then Lessee shall pay the amount of One Hundred Dollars (\$100.00) per day for each day that Lessee is not in compliance with such criteria and policies for the first (1st) violation in any rolling twelve (12) month period, and the amount of Two Hundred Dollars (\$200.00) per day for each day that Lessee is not in compliance with such criteria and policies for the second (2nd) and any subsequent violations in any rolling twelve (12) month period.

(f) If Lessee shall fail to operate its business as provided in *Section 13(f)*

of the Section of this Agreement entitled "*Sales and Services by the Lessee*", then Lessee shall pay the amount of One Hundred Dollars (\$100.00) per hour for each hour Lessee fails to operate its business during any required operating hours for the first (1st) violation in any rolling twelve (12) month period, and the amount of Two Hundred Dollars (\$200.00) per hour for each hour Lessee fails to operate its business during any required operating hours for the second (2nd) and any subsequent violations in any rolling twelve (12) month period.

(g) If Lessee shall be in default of the Section of this Agreement entitled "*Signs*" relating to Lessee's use and placement of signs, then Lessee shall pay the amount of One Hundred Fifty Dollars (\$150.00) for each day of default in order to reimburse the Port Authority for the additional administrative expenses resulting therefrom.

Section 60. Amendments/Modifications

(a) Notwithstanding the provisions of paragraph (a) of the Section of this Agreement entitled "*Prohibited Acts*", paragraph (c) of the Section of this Agreement entitled "*Construction by the Lessee*" or the Section of this Agreement entitled "*Surrender*", and without limiting the generality thereof, the Lessee on the expiration or earlier termination of this Agreement shall not be required (nor permitted to remove the walls, floors or ceilings (including any heating, ventilating, air conditioning, electrical, plumbing or sprinkling equipment or systems, or kitchen exhaust flue, if any) in the Premises constructed or installed prior to the commencement of the letting, or as part of any finishing work in the Premises performed by the Lessee pursuant to the provisions of the Sections of this Agreement entitled "*Construction by the Lessee*" and "*Finishes and Decorating by the Lessee*", respectively, but the Lessee shall be required to cap all electrical and plumbing lines flush with the walls, floors and ceilings. Nothing herein shall be deemed to affect or impair the Lessee's maintenance and repair obligations during the term of the letting with respect to any of the foregoing. The Lessee on the expiration or earlier termination of the letting, including a termination pursuant to the Section of this Agreement entitled "*Thirty Day Termination*", shall be required to remove from the Premises leasehold trade fixtures and leasehold equipment, including without limitation, shelving, display cases, floor counters, items displaying the Lessee's trademark, trade name, trademark, trade dress, copyright or service mark, and similar installations installed by the Lessee in the Premises and to restore the Premises to the condition thereof prior to the construction or installation of such leasehold trade fixtures and equipment. In the event of a failure on the part of the Lessee to so remove and restore all or a portion of such leasehold trade fixtures and leasehold equipment, the Port Authority may do so, and the Lessee shall pay the cost thereof to the Port Authority on demand.

(b) Notwithstanding the provisions of paragraph (t)(3) of the Section of this Agreement entitled "*Definitions*" with respect to the definition of "*Gross Receipts*", the exclusions from Gross Receipts shall not only include volume discounts received from Lessee's vendors, suppliers and manufacturers but shall also include rebates that reduce Lessee's cost of goods; provided, however, all RDAs shall be included in Lessee's Gross Receipts.

(c) Notwithstanding the provisions of paragraph (oo) of the Section of this Agreement entitled "*Definitions*" with respect to the definition of "*Rental Payment Start Date*", the Rental Payment Start Date shall mean the earliest to occur of the following: (a) the date Gross Receipts are first generated in or from all of the spaces comprising the Premises by the Lessee; or (b) ninety (90) days from the date the Port Authority makes available the last of the spaces comprising the Premises identified on Exhibit A-2 to the Lessee for its occupancy, such date being referred to herein as the "*Date of Beneficial Occupancy*"; provided, that the Rental Payment Start Date may be extended on a day for day basis equal to the actual number of days that Lessee is delayed in the performance of Lessee's Work as specified in Item 8 of Exhibit B.

(d) Notwithstanding the definition of "*Rental Payment Start Date*" and notwithstanding the provisions of paragraphs (a) and (b)(3) of the Section of this Agreement entitled

"Additional Rent Items and Lessee Obligations", paragraphs Item 1(a)(1) and (b) of "Exhibit B", from the date when Gross Receipts are first generated from the spaces comprising the Premises identified on Exhibit A-2 until the date when Gross Receipts are first generated from the last of the spaces comprising the Premises identified on Exhibit A-2, Lessee shall not be obligated to remit any installments of the MAG during such period (but in no event shall the payment of MAG begin later than 90 days from the date the last space for the Premises identified in Exhibit A-2 to this Lease is delivered to Lessee) and in lieu thereof, Lessee shall pay to the Port Authority an interim Percentage Rental equal to twenty-three percent (23%) of all Gross Receipts during each month, inclusive of amounts payable, if any, with respect to RDAs arising during each month, together with monthly installments of the Promotion Fee and Distribution Fee. The Distribution Fee shall be adjusted on the opening of each of the spaces comprising the Premises as identified on Exhibit A-2 for the generation of Gross Receipts during this Period. On the Rental Payment Start Date, Lessee shall pay to the Port Authority the MAG and Percentage Rental as set forth in Exhibit B together with monthly installments of all Additional Rent Items, including, but not limited to, the Promotion Fee and the Distribution Fee.

(e) Notwithstanding the provisions of paragraph (j) of the Section of this Agreement entitled "*Various Obligations of the Lessee*", the first three sentences of such paragraph (j) deleted and are replaced with the following: "Airport Concession Disadvantaged Business Enterprises ("ACDBE"). If any member of AMS-BW Newark is required to apply as an ACDBE with the Port Authority, please check here (X). Such member shall immediately take all steps necessary to obtain such certification from the Port Authority on or before the Rental Payment Start Date."

(f) Notwithstanding the provisions of paragraph (i) of the Section of this Agreement entitled "*Various Obligations of the Lessee*" and further notwithstanding the provisions of paragraph (a) of the Section of this Agreement entitled "*Finishes and Decorations by the Lessee*", Lessee shall not be required to remediate any Hazardous Substances that were present in or adjacent to any portion of the Premises on or before the date such portion of the Premises was initially delivered by the Authority to Lessee.

Section 61. Miscellaneous

(a) Relationship of the Parties. Notwithstanding any other term or provision hereof, this Agreement does not constitute the Lessee as the agent or representative of the Port Authority for any purpose whatsoever. Neither a partnership nor any joint venture is hereby created.

(b) Lessee's Rights Non-Exclusive. Except as expressly provided herein with respect to the Premises, neither the execution of this Agreement by the Port Authority nor anything contained herein shall grant or be deemed to grant to the Lessee any exclusive rights or privileges.

(c) Updating of Federal Requirements. The Lessee specifically acknowledges and agrees that the Federal requirements set forth in **Schedule E** may be revised or updated from time to time and that, accordingly, the Port Authority may from time to time, by notice to the Lessee, provide to the Lessee revised or updated forms of **Schedule E** to replace the **Schedule E** currently attached to and forming a part of this Agreement. Such replacement **Schedule E** shall, from the effective date of such notice, be deemed to constitute an integral part of this Agreement. The Lessee further specifically acknowledges that the same revision or updating of Federal requirements may occur from time to time with respect to the regulations set forth in 49 CFR Part 23 of the Department of Transportation Office of the Secretary and that the provisions of this paragraph relating to **Schedule E** shall apply equally to those set forth in **Schedule G**.

Section 62. Entire Agreement

This Agreement consists of the following: Sections 1 through 62 inclusive, plus Exhibits A-1, A-2, B, C, R, U, X, Schedule A, Schedule E and Schedule G.

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

[signatures on the following page]

Section 62. Entire Agreement

This Agreement consists of the following: Sections 1 through 62 inclusive, plus Exhibits A-1, A-2, B, C, R, U, X, Schedule A, Schedule E and Schedule G.

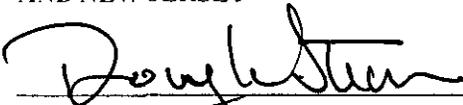
It constitutes the entire agreement of the parties on the subject matter hereof and may not be changed, modified, discharged or extended except by written instrument duly executed by the Port Authority and the Lessee. The Lessee agrees that no representations or warranties shall be binding upon the Port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

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

ATTEST:

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

By: 
Secretary

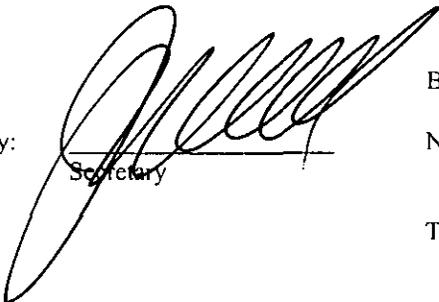
By: 
Name: Doug Stearns
(Please Print Clearly)

Title: Asst. Director, CCAAS
(Seal)

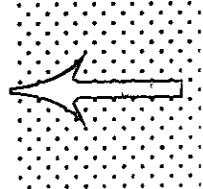
LESSEE:

ATTEST:

AMS-BW NEWARK JV
By: Airport Management Services, LLC, a joint venturer

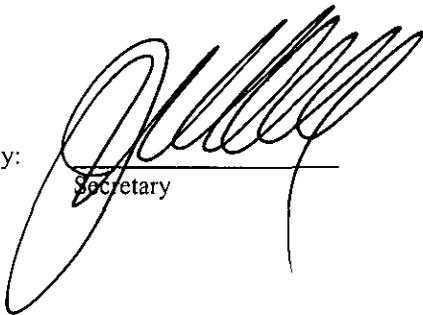
By: 
Secretary

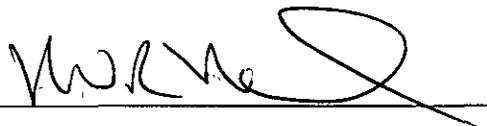
By: 
Name: Michael R. Mullaney
(Please Print Clearly)
Executive Vice President
Title: Corporate Strategy & Development
(Seal)

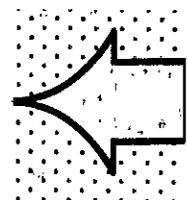


ATTEST:

AIRPORT MANAGEMENT SERVICES, LLC,
a Delaware limited liability company

By: 
Secretary

By: 
Name: Michael R. Mullaney
(Please Print Clearly)
Executive Vice President
Title: Corporate Strategy & Development
(Seal)



| | |
|-----------|-----------|
| APPROVED | |
| FORM | TERMS |
| <u>18</u> | <u>18</u> |

cc

ATTEST:

BRANDED WORKS, INC.,
a Louisiana corporation

Brendan V. Shelton
Secretary

By: *Ruth Ann Menutis*

Name: *RUTH ANN MENUTIS*
(Please Print Clearly)

Title: *President*
(Seal)

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

OK

EXHIBIT B

Rental, Abatement, Insurance Limits and Other Terms

Item 1: Rental Provisions:

(a) Basic Rental and Additional Rental:

(1) The Lessee shall pay to the Port Authority a basic rental (sometimes referred to herein as "**Basic Rental**" or "**MAG**") at the annual rate of Three Million Three Hundred Thirty-Eight Thousand Five Hundred Four Dollars and No Cents (\$3,338,504.00), payable in equal monthly installments in advance on the Rental Payment Start Date and on the first day of each and every calendar month thereafter occurring during the first Annual Period of the term of the letting hereunder, provided, however, that if the Rental Payment Start Date shall occur on a day other than the first day of a calendar month, the monthly installment of the applicable Basic Rental, i.e., MAG, payable for the portion of the calendar month in which such respective event occurs following such date shall be an amount equal to the monthly installment set forth in this subparagraph multiplied by a fraction, the numerator of which shall be the number of days from such respective event to the end of the calendar month in which such respective event occurs, and the denominator of which shall be the full number of days in that calendar month. If the date of expiration or termination of the letting hereunder occurs on other than the last day of the month, the applicable Basic Rental payable for the portion of the month in which the date of such expiration or termination shall occur during which the letting thereof remains effective shall be the amount of the monthly installment of such applicable Basic Rental set forth in this subparagraph prorated on a daily basis.

(2) The Basic Rental shall be adjusted for each subsequent Annual Period as follows: Eighty-five percent (85%) of the prior Annual Period's total Effective Rental, but in no event less than Three Million Three Hundred Thirty-Eight Thousand Five Hundred Four Dollars and No Cents (\$3,338,504.00). "**Effective Rental**" means the annual aggregate of Basic Rental plus Percentage Rental (based on actual Gross Receipts for the prior Annual Period) required to be paid hereunder.

(b) Percentage Rental

In addition to the Basic Rental payable under paragraph (a) above, the Lessee shall pay to the Port Authority an annual "**Percentage Rental**" equivalent to the excess, over the applicable annual Basic Rental established for such Annual Period under paragraph (a) above, of the sum of the following for the same Annual Period.

Twenty-Three percent (23%) on all Gross Receipts during each Annual Period, inclusive of amounts payable, if any, with respect to RDAs arising during each Annual Period.

The computation of Percentage Rental for each Annual Period, or a portion of an Annual Period as hereinafter provided, shall be individual to such Annual Period or such portion of an Annual Period and without relation to any other Annual Period or any other portion of any Annual Period. The time for making payment and the method of calculation of Percentage Rental shall be as set forth in paragraph (d) of this Item 1.

(c) For any Annual Period which contains more or less than 365 days, the Basic Rental shall be the amount obtained by multiplying the item by a fraction, the numerator of which shall be the number of days from the commencement of such Annual Period through the last day thereof, both dates inclusive, and the denominator of which shall be 365.

(d) Time of Payment of Percentage Rental Computations of Amounts and Accounting

(1) The Gross Receipts shall be reported and the Percentage Rental shall be paid as follows: on the 15th day of the first calendar month following the commencement of each Annual Period and on the 15th day of each and every calendar month thereafter without notice or demand, including the month following the end of each Annual Period and the calendar month following the expiration of the letting hereunder, the Lessee shall render to the Port Authority a sworn statement showing separately (by type of Gross Receipts and by sales location, if there be more than one sales location, or, if applicable, the amounts of the Percentage Rental rates applicable to the categories stated above of Gross Receipts referred to paragraph (b) of this Item 1 arising from its operations at the sales area(s) (including any interim space) of the Premises in the preceding month, or, if applicable, the Lessee shall specify separately the percentages and the results of applying each of the percentages, as provided in said provisions) and also showing such information on a cumulative basis from the date of the commencement of the same Annual Period as that for the month for which the report is made through the last day of the preceding month. Whenever any monthly statement shall show that the results of applying the provisions of paragraph (b) of this Item 1 indicate Percentage Rental on such cumulative basis to be in excess of the Basic Rental for the Annual Period for which the report is made, the Lessee shall pay to the Port Authority at the time of rendering the statement an amount equal to such excess. Further, the Lessee shall thereafter on the 15th day of each subsequent month during that Annual Period, and the month following the end of that Annual Period, including the month following the expiration of the letting hereunder, pay to the Port Authority for each such month during that Annual Period a sum equal to the amounts yielded by applying the percentages set forth in paragraph (b) of Item 1 of Exhibit B and without reference to the monthly installment of the Basic Rental.

(2) Upon any termination of the letting hereunder (even if stated to have the same effect as expiration), Gross Receipts shall be reported and Percentage Rental shall be paid on the 15th day of the first month following the month in which the effective date of such termination occurs, as follows. The Lessee shall render to the Port Authority a sworn statement of all Gross Receipts for the Annual Period in which the effective date of termination falls showing separately (by type of Gross Receipts and by sales location, if there be more than one sales location) the cumulative amount of the different types of Gross Receipts set forth in paragraph (b) of this Item 1 and separately showing the percentages and the results of applying the percentages as stated in said provisions applicable to each of such different types and amounts of Gross Receipts. The payment then due on account of Percentage Rental for the Annual Period in which the effective date of termination falls shall be the excess of the Percentage Rental computed as set forth in the following sentence, over the total of all Percentage Rental payments previously made for such Annual Period. The Percentage Rental due for any such Annual Period in which the effective date of termination falls shall be equal to the excess, over the prorated Basic Rental established for such Annual Period pursuant to the proration provisions set forth in paragraph (c) of this Item 1, of the amount resulting from applying the provisions of paragraph (b) of this Item 1 to the cumulative amount of the different types of Gross Receipts arising during such Annual Period in accordance with the formula set forth in paragraph (b) of this Item 1, adjusted pursuant to the proration provisions set forth in paragraph (c) of this Item 1.

(e) Abatement

(1) For every calendar day or major fraction thereof that the Lessee shall be entitled to abatement during the period commencing on the commencement date of the term of the letting hereunder and continuing through the expiration of said term of the letting hereunder, the Basic Rental established for such period shall be reduced (abated) by the product of the MAG multiplied by a fraction the numerator of which shall be the number of square feet of floor space as to

which the abatement applies and the denominator of which shall be the total number of square feet in the Premises.

(2) For the purpose of abatement, the ascertainment of the number of square feet contained in the Premises to be measured shall be in accordance with the following: Areas of the Premises and parts thereof will be computed by measuring from the inside plaster surface of outer building walls to the plaster surface of the corridor side of corridor partitions and to the center of partitions that separate the Premises from adjoining rentable area: no deduction will be made for columns, pilasters, or projections necessary to the building or for toilets, porter's closets, and slop sinks used exclusively by the Lessee and contained within the Premises. Permanent partitions enclosing elevator shafts, stairs, fire towers, vents, pipe shafts, meter closets, flues, stacks, and any vertical shafts have the same relation to rentable area, as do outer building walls.

(3) Nothing contained in this Item 1 shall affect the survival of the obligations of the Lessee as set forth in the Section of this Agreement entitled "*Survival of the Obligations of the Lessee*".

Item 2: Liability Insurance Limits:

The Lessee in its own name as insured with the Protected Indemnitees as additional insureds shall maintain liability insurance coverage referred to in paragraph (b) of the Section of this Agreement entitled "*Indemnity; Liability Insurance*" in not less than the following minimum limits:

| | <u>Minimum Limits</u> |
|--|-----------------------|
| Commercial General Liability: Combined single limit per occurrence for death, bodily injury and property damage liability (including premises operations, completed operations, and products liability) | \$2,000,000 |
| Commercial Automobile Liability: Combined single limit per occurrence for death, bodily injury and property damage liability | Not Applicable |
| Liquor Liability | Not Applicable |

Item 3: Not Applicable

Item 4: Construction:

Per Section of this Agreement entitled "*Finishing and Decorating by the Lessee*"

Item 5: Construction Liability Limits:

The limits of liability insurance shall not be lower than those set forth in the Alteration Application referred to in the Section of this Agreement entitled "*Finishing and Decorating by the Lessee*".

Item 6: Cost and Proration Thereof:

(a) The sum of the following items of cost incurred by the Lessee in connection with the performance of the Lessee's Work shall constitute the "cost" under the Section of this Agreement entitled "*Finishes and Decorating by the Lessee*" and under subdivisions (b), (c), (d), (e),

(f), and (g) hereof, to the extent that such characterization is consistent with sound accounting practice and to the extent that such sum does not exceed Two Million Two Hundred Twenty-Three Thousand Dollars Five Hundred Sixty-Two and No Cents (\$2,223,562.00) for the initial capital investment.

(1) Direct labor and material costs;

(2) Contract costs for purchase and installation of improvements, fixtures and equipment, excluding those of the types mentioned in the following subdivision (3);

(3) Engineering, architectural, planning, designing, financing, interest, insurance, and other overhead or carrying charges which are due for a period ending not later than the date of completion of installation of any such initial equipment, fixtures, or improvements for which they are incurred, and not to exceed twenty percent (20%) of the total of the amounts covered by subdivisions (1) and (2) above.

(b) A statement of the cost detailing all of the foregoing, including copies of invoices and contracts and certified by a responsible officer of the Lessee shall be delivered by the Lessee to the Port Authority not later than ninety (90) days after the complete supplying and installing of all such initial fixtures or equipment and the making of all such initial improvements, and the Lessee shall permit the Port Authority, by its agents, employees, and representatives, at all reasonable times prior to a final settlement or determination of cost, to examine and audit the records and books of the Lessee and any Affiliate thereof which pertain to the cost; the Lessee agrees to keep and to cause its Affiliates to keep such records and books of account within the Port of New York District during such time.

(c) If the Lessee includes in cost any item as having been incurred, but which, in the opinion of the Port Authority, was not so incurred or which, in the opinion of the Port Authority, if so incurred is not an item properly chargeable to cost under sound accounting practice, then the Port Authority, within ninety (90) days after receipt of the said statement of cost as mentioned in subdivision (b) above, shall give written notice to the Lessee stating its objection to any such item and the grounds therefor. If such notice is given and if the dispute is not settled within thirty (30) days by agreement between the parties, then such dispute shall be disposed of by arbitration in accordance with the then existing rules of the American Arbitration Association or any successor organization. Costs of said arbitration shall be borne equally by the Port Authority and the Lessee.

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

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

(e) Any such arbitration as to whether any item included by the Lessee in its computation of cost is properly chargeable thereunder under sound accounting practice, the question to be submitted to the arbitrators for decision shall be as follows:

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

The arbitrators to whom such question(s) shall be submitted (under the preceding paragraphs (d) and

(e)) shall be accountants or auditors.

(f) The proration of cost as referred to in the Section entitled "*Finishes and Decorating by the Lessee*" shall be ascertained by multiplying the cost by a fraction, the numerator of which shall be the number of whole calendar months (in the term of the letting as originally set forth) subsequent to the effective date of termination, and the denominator of which shall be the total number of months in the term of the letting as originally set forth.

(g) Notwithstanding any other provision of the Section of this Agreement entitled "*Finishes and Decorating by the Lessee*", in ascertaining the amount that the Port Authority shall be obligated to pay to the Lessee under said Section, the cost computed as heretofore stated in this Item shall be diminished by the amount that any part of the components of cost as stated in subdivisions (1), (2), and (3) of paragraph (a) above are secured by liens, mortgages, other encumbrances, or conditional bills of sale on such equipment, fixtures, and improvements and less any other amounts whatsoever due under this Agreement from the Lessee to the Port Authority. In no event whatsoever shall cost, as defined and computed in accordance with this Item and as used in the above-cited Section and in this Item, include any expenses, outlays, or charges whatsoever by or for the account of the Lessee for or in connection with any equipment or fixtures or the making of any improvements mentioned in said Section or in this Item unless said equipment, fixtures, and/or improvements are actually and completely installed in and/or made to the Premises and, in accordance with law unaffected by any act or statement of the Lessee, are considered part of the Premises.

Item 7: Performance Bond: Not applicable.

Item 8: Letting Postponed: Notwithstanding anything to the contrary set forth in this Agreement, in the event the Lessee is delayed in the performance of Lessee's Work following the initial delivery of any portion of the Premises due to: (a) the remediation by the Port Authority of any pre-existing Hazardous Substances which were present in or about the Premises, then Lessee shall have a day for day extension to complete Lessee's Work equal to the number of days that Lessee was so delayed; or (b) the failure of the Port Authority to timely issue all permits for the performance of Lessee's Work in accordance with the TAA process or the failure of the Port Authority to timely inspect the Premises following the completion of Lessee's Work in accordance with the TAA process and neither of which was due to any fault on the part of Lessee, then Lessee shall have a day for day extension to complete Lessee's Work equal to the number of days that Lessee was so delayed. The period of delay with respect to Item 8(a) shall be calculated from the day in which Lessee is instructed to cease Lessee's Work by the Port Authority to the day in which Lessee is given the clearance to resume Lessee's Work by the Port Authority following the Port Authority's receipt of the proper certification from the certified abatement contractor in accordance with standard policies and procedures in effect for the Terminal. The period of delay with respect to Item 8(b) shall be calculated to include any days which Lessee is prevented from starting Lessee's Work due to delays by the Port Authority in timely issuing permits in accordance with the TAA process as well as any days in which Lessee is prevented from opening any portion of the Premises for business to the public due to delays by the Port Authority in completing any inspections of the Premises in accordance with the TAA process. In the event of any such delays, the Port Authority shall send Tenant a confirmation letter setting the actual Rental Payment Start Date making due allowance for such delays and expiration of the Term of this Agreement.

Initialed:

For the Port Authority: OPC

For AMS-BW Newark JV: AK

For Airport Management Services, LLC: MRL

For Branded Works, Inc.: RAM

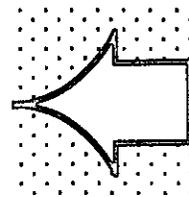


EXHIBIT X

EVIDENCE OF SIGNED LABOR PEACE AGREEMENT

[Insert Name of Company] (the "Company") has complied with board Resolution "All airports – Labor Harmony Policy" passed October 18, 2007, which stipulates that the Company must sign a Labor Peace Agreement with a labor organization that seeks to represent the Company's employees and that contains provisions under which the labor organization and its members agree to refrain from engaging in any picketing, work stoppages, boycotts or any other economic interference with the Company's operations.

FOR THE COMPANY:

FOR THE UNION:

[Insert Name of Company]

[Insert Name of Labor Organization]

BY: _____

BY: _____

DATE: _____

DATE: _____

Hudson News CNN Newsstand

SCHEDULE A Merchandise Categories

Newspapers/Magazines/Periodicals/ Books (a minimum of 40% of the sales area)

Wide range of local, regional and national papers and a wide assortment of magazines and periodical in the following categories:

General Interest-Boating-Food-Regional
Humor -Soap Opera
Weeklies/bi-weeklies/tabloids
Bridal-Antique/Art-Health/Beauty
Business-Comics -Guides-Teens
Travel -Sports-Aviation
Hunting-Women's Fashion-Wrestling
Home/Garden -Video-Children
Photo-Crossword Puzzle-Music-Golf
Fishing-Audio-Computer/PC-Games
Science-Men's General-Outdoors
Automobile -International-Biking
Motorcycle

Books: Hardcover, Trade-Paper,
Paperback, audio books,
Hudson "best seller" and popular author
lists, regional titles.

HBA:

Allergy Care

Air Filtration, oral medications, topical
medications

Baby Products

Baby/Child health, bath/skin/health care,
diapering, feeding and accessories.,
nursing, pregnancy

Bath Products/Accessories

Bath products, bath accessories,
shampoo, soaps, Q-Tips

Cosmetics/Perfumes/Toiletries

Eyes, Face, Lips, Nails and accessories

Health and Wellness

Alertness

Allergy, Sinus and Asthma

Analgesics

Antacids

Cough and Cold

Diabetes

Diet/Sport Nutrition

Ear and Eye care

First Aid Supplies
Headache and Pain
Indigestion
Low Carb Diet
Lip Balm
Non-Prescription Drugs
Non- Prescription Sedatives
Nasal Sprays/Medications
Pain Relievers
Travel Sickness
Sinus
Smoking Cessation
Stomach

Home Health Care

Bathroom safety
Diabetes care
Cosmetic Accessories
Exercise and fitness
Home testing
Hosiery
Mobility

Men's Products

Pain relief

Personal Care

Bath and Soaps
Breath Mints and Strips
Deodorants
Facial Moisturizers
Family planning
Feminine hygiene
Foot care
Hand and Body
Hair care
Hair Accessories
Incontinence
Oral care/hygiene
Facial tissues
Facial Cleansers
Paper products
Personal appliances
Disposable Razors
Reading Glasses
Sexual Health
Condoms
Female contraceptives
Lubricants

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Skin Care

Acne treatments
Eye treatments
Hair removal
Scar therapy
Spa appliances
Suncare (burn and lotion) and Outdoor
Lotions

Vitamins/Supplements and Natural Products

Aromatherapy
Diet and nutrition
Herbs
Minerals
Remedies and therapies
Supplements
Vitamins

SUNDRIES

Computer Software/Accessories/Supplies
– excluding games or music
Travel Aids / Accessories / Luggage
DVD's
Bags
Converters
Guides
Luggage
Locks
Luggage Carts
Maps
Neck Rest
Travel Blankets
Travel Socks
Shoe Care, Polishes and Accessories
Tour Books
Umbrellas

Travel Electronics

Accessories
Headphones
Music Players
Personal Electronic Devices
Recordable Media

Exercise and Sports

Games and Toys

Activity Books
Board/Dice/Electronic Games
Cards
Playsets
Pens, Crayons, Markers

Plush

Models

Action Figures

Optical Supplies

Sunglasses less than \$50/pair
Non-prescription reading glasses
Non-prescription fashion glasses
Cases

Cleaning Products for glasses

Accessories

Office/Work/School Supplies

Greeting Cards

Paper Products

Prepaid Phone Cards

Rulers

Calculators

School Supplies

Stationery/Office Supplies

Tape, glue, rubber bands, fasteners,
etc...

Writing Instruments

Photo Center

Batteries

Camera's (disposable, digital and film)

Camera supplies and accessories

Digital Camera memory

Digital Photo Solutions

Film

Tobacco Products and accessories

Ashtrays

Cigarettes

Cigars

Chewing Tobacco

Matches

Rolling Papers

Pipe Tobacco

FOOD AND BEVERAGES

Beverages

Refrigerated beverages in a wide range of categories including: Energy, nutritional, sports and diet drinks; Soft drinks; Juices and teas; Bottled water and Dairy drinks.

Food to Go

Candy (Bars, Peg Pack, Bulk)

Gum

Mints

Nutrition Bars

Pre-packaged food (cookies, crackers, peanuts, Ice Cream, nuts, trail mix)

Snacks

Gift Food

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Boxed Chocolate
Gourmet Food
Regional Food

REGIONAL APPAREL

Men's/Women's/Children's/Teen

Apparel

Outerwear

Belts

Swimwear

T-Shirts

Sweatshirts

Knit Shirts

Fleece Products

Shorts

Pants

Hats/Caps

Professional and College sports apparel

Rain Coats/Hats

Undershorts, Undershirts

Men's Ties

Hosiery

Socks

REGIONAL GIFTS / SOUVENIRS

Gifts for him

Gifts for her

Gifts for children

Souvenir Hard Goods (cups, mugs, shot glasses, key chains, plates, bells, spoons, etc.)

Candles

Stickers

Magnets

Water Balls

Postcards

Pet care

Regional Gifts

Cosmetic Jewelry

Watches/Clocks

Leather Goods

Seasonal Items

Giftwrap, giftbags, bows and ribbon

Posters, pictures, prints, paintings, art objects and other "collectables"

Jewelry

SCHEDULE E

AFFIRMATIVE ACTION – EQUAL OPPORTUNITY – MINORITY BUSINESS ENTERPRISES – WOMEN-OWNED BUSINESS ENTERPRISES REQUIREMENTS

Part I. Affirmative Action Guidelines – Equal Employment Opportunity

I. As a matter of policy, the Port Authority hereby requires the Lessee and the Lessee shall require the Contractor, as hereinafter defined, to comply with the provisions set forth hereinafter in this Schedule E with the Lessee (as defined in the Agreement to which this Schedule E is attached). The provisions set forth in this Part I are similar to the conditions for bidding on federal government contract adopted by the Office of Federal Contract Compliance and effective May 8, 1978.

The Lessee, as well as each bidder, contractor, and subcontractor of the Lessee and each subcontractor of a contractor at any tier of construction (herein collectively referred to as the "Contractor") must fully comply with the following conditions set forth herein as to each construction trade to be used on the construction work or any portion thereof (said conditions being herein called "Bid Conditions"). The Lessee hereby commits itself to the goals for minority and female utilization set forth below and all other requirements, terms, and conditions of the Bid Conditions. The Lessee shall likewise require the Contractor to commit itself to the said goals for minority and female utilization set forth below and all other requirements, terms, and conditions of the Bid Conditions by submitting a properly signed bid.

II. The Lessee and the Contractor shall each appoint an executive of its company to assume the responsibility for the implementation of the requirements, terms, and conditions of the following Bid Conditions:

(a) The goals for minority and female participation expressed in percentage terms for the Contractor's aggregate workforce in each trade on all construction work are as follows:

(1) Minority participation

| | |
|---------------------------|-----|
| Minority, except laborers | 30% |
| Minority, laborers | 40% |

(2) Female participation

| | |
|-------------------------|------|
| Female, except laborers | 6.9% |
| Female, laborers | 6.9% |

These goals are applicable to all the Contractor's construction work performed in and for the Premises.

The Contractor's specific affirmative action obligations required herein of minority and female employment and training must be substantially uniform throughout the length of the contract, and in each trade, and the Contractor shall make good faith efforts to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from contractor to contractor or from project to project for the sole purpose of meeting the Contractor's goals shall be a violation of the contract. Compliance with the goals will be measured against the total work hours performed.

(b) The Contractor shall provide written notification to the Lessee and the Lessee shall provide written notification to the Manager of the Office of Business and Job Opportunity of the Port Authority within ten (10) working days of award of any construction subcontract in excess of \$10,000 at any tier for construction work. The notification shall list the name, address, and telephone number of the subcontractor; employer identification number; estimated starting and completion dates of the subcontract; and the geographical area in which the subcontract is to be performed.

(c) As used in these specifications:

(1) "Employer identification number" means the Federal Social Security number used on the Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941;

(2) "Minority" includes:

(i) Black (all persons having origins in any of the Black African racial groups, not of Hispanic origin);

(ii) Hispanic (all persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American culture or origin, regardless of race);

(iii) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands); and

(iv) American Indian or Alaskan Native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).

(d) Whenever the Contractor, or any subcontractor at any tier, subcontracts a portion of the construction work involving any construction trade, it shall physically include in each subcontract in excess of \$10,000 those provisions which include the applicable goals for minority and female participation.

(e) The Contractor shall implement the specific affirmative action standards provided in subparagraphs (1) through (16) of Paragraph (h) hereof. The goals set forth above are expressed as percentages of the total hours of employment and training of minority and female utilization the Contractor should reasonably be able to achieve in each construction trade in which it has employees in the Premises. The Contractor is expected to make substantially uniform progress toward its goals in each craft during the period specified.

(f) Neither the provisions of any collective bargaining agreement, nor the failure by a union with whom the Contractor has a collective bargaining agreement, to refer either minorities or women shall excuse the Contractor's obligations hereunder.

(g) In order for the non-working training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees must be employed by the Contractor during the training period, and the Contractor must have made a commitment to employ the apprentices and trainees at the completion of their training subject to the availability of employment opportunities. Trainees must be trained pursuant to training programs approved by the U.S. Department of Labor.

(h) The Contractor shall take specific affirmative actions to ensure equal employment opportunity ("EEO").

The evaluation of the Contractor's compliance with these provisions shall be based upon its good faith efforts to achieve maximum results from its actions. The Contractor shall document these efforts fully, and shall implement affirmative action steps at least as extensive as the following:

(1) Ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which the Contractor's employees are assigned to work. The Contractor, where possible, will assign two or more women to each Phase of the construction project. The Contractor shall specifically ensure that all foremen, superintendents,

and other supervisory personnel at the Premises are aware of and carry out the Contractor's obligation to maintain such a working environment, with specific attention to minority or female individuals working at the Premises.

(2) Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the Contractor or its unions have employment opportunities available, and maintain a record of the organizations' responses.

(3) Maintain a current file of the names, addresses, and telephone numbers of each minority and female off-the-street applicant and minority or female referral from a union, a recruitment source, or community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the Contractor by union or, if referred, not employed by the Contractor, this shall be documented in the file with the reason therefor, along with whatever additional actions the Contractor may have taken.

(4) Provide immediate written notification to the Lessee when the union or unions with which the Contractor has a collective bargaining agreement has not referred to the Contractor a minority person or woman sent by the Contractor, or when the Contractor has other information that the union referral process has impeded the Contractor's efforts to meet its obligations.

(5) Develop on-the-job training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and training programs relevant to the Contractor's employment needs, especially those programs funded or approved by the Department of Labor. The Contractor shall provide notice of these programs to the sources compiled under subparagraph (2) above.

(6) Disseminate the Contractor's EEO policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the Contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the Contractor's newspaper, annual report, etc.; by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and by posting the Contractor's EEO policy on bulletin boards accessible to all employees at each location where construction work is performed.

(7) Review, at least every six months, the Contractor's EEO policy and affirmative action obligations hereunder with all employees having any responsibility for hiring, assignment, layoff, termination, or other employment decision, including specific review of these items with on-Premises supervisory personnel such as Superintendents, General Foremen, etc., prior to the initiation of construction work at the Premises. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.

(8) Disseminate the Contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the Contractor's EEO policy with other Contractors and Subcontractors with whom the Contractor does or anticipates doing business.

(9) Direct its recruitment efforts, both oral and written, to minority, female, and community organizations, to schools with minority and female students and to minority and female recruitment and training organizations and to State-certified minority referral agencies serving the Contractor's recruitment area and employment needs. Not later than one month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the Contractor shall send written notification to organizations such as the above, describing the openings, screening procedures, and tests to be used in the selection process.

(10) Encourage present minority and female employees to recruit other minority persons and women and, where reasonable, provide after school, summer, and vacation employment to minority and female youth both on the Premises and in areas of a Contractor's workforce.

(11) Tests and other selecting requirements shall comply with 41 CFR Part 60-3.

(12) Conduct, at least every six months, an inventory and evaluation at least of all minority and female personnel for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.

(13) Ensure that seniority practices, job classifications, work assignments, and other personnel practices do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the Contractor's obligations hereunder are being carried out.

(14) Ensure that all facilities and company activities are non-segregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.

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

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

(i) Contractors are encouraged to participate in voluntary associations which assist in fulfilling one or more of their affirmative action obligations (subparagraphs (1)-(16) of Paragraph (h) above). The efforts of a contractor association, joint contractor-union, contractor-community, or other similar group of which the Contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under Paragraph (h) hereof provided that: the Contractor actively participates in the group, makes good faith efforts to assure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the Contractor's minority and female workforce participation, makes good faith efforts to meet its individual goals and timetables, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the Contractor. The obligation to comply, however, is the Contractor's and failure of such a group to fulfill an obligation shall not be a defense for the Contractor's non-compliance.

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

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

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

(m) The Contractor shall carry out such sanctions and penalties for violation of this clause including suspension, termination and cancellation of existing subcontracts as

may be imposed or ordered by the Lessee. Any Contractor who fails to carry out such sanctions and penalties shall be in violation hereof.

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

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

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

(q) Without limiting any other obligation, term or provision under the Agreement, the Contractor shall cooperate with all federal, state or local agencies established for the purpose of implementing affirmative action compliance programs and shall comply with all procedures and guidelines established or which may be established by the Port Authority.

PART II.

MINORITY BUSINESS ENTERPRISES/WOMEN-OWNED BUSINESS ENTERPRISES

As a matter of policy the Port Authority requires that Lessee and the Lessee shall itself and shall require the general contractor or other construction supervisor and each of the Lessee's contractors to use every good faith effort to provide for meaningful participation by Minority Business Enterprises (MBEs) and Women-owned Business Enterprises (WBEs) in the construction work pursuant to the provisions of this Schedule E. For purposes hereof, "Minority Business Enterprise" "(MBE)" shall mean any business enterprise which is at least fifty-one percentum owned by, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by citizens or permanent resident aliens who are minorities and such ownership is real, substantial and continuing. For the purpose hereof, "Women-owned Business Enterprise" "(WBE)" shall mean any business enterprise which is at least fifty-one percentum owned by, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by women and such ownership is real, substantial and continuing. A minority shall be as defined in paragraph II(c) of Part I of this Schedule E. "Meaningful participation" shall mean that at least seventeen percent (17%) of the total dollar value of the construction contracts (including subcontracts) covering the construction work are for the participation of Minority Business Enterprises and Women-owned Business Enterprises, of which at least twelve percent (12%) are for the participation of Minority Business Enterprises. Good faith efforts to include meaningful participation by MBEs and WBEs shall include at least the following:

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

(b) Actively and affirmatively soliciting bids for subcontracts from MBEs and WBEs, including circulation of solicitations to minority and female contractor associations. The Contractor shall maintain records detailing the efforts made to provide for meaningful MBE and WBE participation in the work, including the names and addresses of all MBEs and WBEs contacted and, if any such MBE or WBE is not selected as a joint venturer or subcontractor, the reason for such decision.

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

(d) Utilizing the list of eligible MBEs and WBEs maintained by the Port Authority or seeking minorities and women from other sources for the purpose of soliciting bids for subcontractors.

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

(f) Insuring that provision is made to provide progress payments to MBEs and WBEs on a timely basis.

(g) Not requiring bonds from and/or providing bonds and insurance for MBEs and WBEs, where appropriate.

Certification of MBEs and WBEs hereunder shall be made by the Office of Business and Job Opportunity of the Port Authority. If the Contractor wishes to utilize a firm not already certified by the Port Authority, it shall submit to the Port Authority a written request for a determination that the proposed firm is eligible for certification. This shall be done by completing and forwarding such form as may be then required by the Port Authority. All such requests shall be in writing addressed to the Office of Business and Job Opportunity, the Port Authority of New York and New Jersey, One World Trade Center, 63 East, New York, New York 10048 or such other address as the Port Authority may specify by notice to the Lessee. Certification shall be effective only if made in writing the Director in charge of the Office of Business and Job Opportunity of the Port Authority. The determination of the Port Authority shall be final and binding.

The Port Authority has compiled a list of the firms that the Port Authority has determined satisfy the criteria for MBE and WBE certification. This list may be supplemented and revised from time to time by the Port Authority. Such list shall be made available to the Contractor upon request. The Port Authority makes no representation as the financial responsibility or such, firms, their technical competence to perform, or any other performance-related qualifications.

Only MBE's and WBE's certified by the Port Authority will count toward the MBE and WBE goals.

Please note that only sixty percent (60%) of expenditures to MBE or WBE suppliers will count towards meeting the MBE and WBE goals. However, expenditures to MBE or WBE manufacturer's (i.e., suppliers that produce goods from raw materials or substantially alter them before resale) are counted dollar for dollar.

SCHEDULE G

Airport Concession Disadvantaged Business Enterprise ("ACDBE") Participation

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

The overall ACDBE goal is a key element of the Port Authority's concession program and Lessee shall take all necessary and reasonable steps to comply with the requirements of the Port Authority's ACDBE program. The Concessionaire commits to making good faith efforts to achieve the ACDBE goal. Pursuant to 49 CFR 23.25(f), ACDBE participation must be, to the greatest extent practicable, in the form of direct ownership, management and operation of the concession or the ownership, management and operation of specific concession locations through subleases. The Port Authority will also consider participation through (1) joint venture in which ACDBEs control a distinct portion of the joint venture business and/or purchase of goods and services from ACDBEs. In connection with the aforesaid good faith efforts, as to those matters contracted out by the Concessionaire in its performance of this agreement, the Concessionaire shall use, to the maximum extent feasible and consistent with the Concessionaire's exercise of good business judgment including without limit the consideration of cost competitiveness, a good faith effort to meet the Port Authority's goals. Information regarding specific good faith steps can be found in the Port Authority's ACDBE Program located on its above-referenced website. In addition, the Concessionaire shall keep such records as shall enable the Port Authority to comply with its obligations under 49 CFR Part 23 regarding efforts to offer opportunities to ACDBEs.

Qualification as an ACDBE

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

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

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

- a. Women;
- b. Black Americans which includes persons having origins in any of the Black racial groups of Africa;

c. Hispanic Americans which includes persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;

d. Native Americans which includes persons who are American Indians, Eskimos, Aleuts or Native Hawaiians;

e. Asian-Pacific Americans which includes persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea), Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands (Republic of Palau), the Commonwealth Northern Marianas Islands, Macao, Fiji, Tonga, Kiribati, Juvalu, Nauru, Federated States of Micronesia or Hong Kong;

f. Asian-Indian Americans which includes persons whose origins are from India, Pakistan, Bangladesh, Bhutan, Maldives Islands, Nepal and Sri Lanka; and

g. Members of other groups, or other individuals, found to be economically and socially disadvantaged by the Small Business Administration under Section 8(a) of the Small Business Act, as amended (15 U.S.C. Section 637(a)).

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

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

General

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

For the Port Authority

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

On the 28th day of APRIL in the year 2009, before me, the undersigned, a Notary Public in and for said state, personally appeared DOUG STEARNS personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Gail E. Mitchell
(notary seal and stamp)

For the Lessee
(AMS-BW Newark JV)

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

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

On the 24th day of February in the year 2009, before me, the undersigned, a Notary Public in and for said state, personally appeared Michael R. Mullaney personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

J Blount
(notary seal and stamp)

For the Lessee
(Airport Management Services, LLC)

JENNY BLOUNT
Notary Public, State of New Jersey
My Commission Expires
July 18, 2011

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

On the 24th day of February in the year 2009, before me, the undersigned, a Notary Public in and for said state, personally appeared Michael R. Mullaney personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

J Blount
(notary seal and stamp)

JENNY BLOUNT
Notary Public, State of New Jersey
My Commission Expires
July 18, 2011

For the Lessee
(Branded Works, Inc.)

STATE OF LOUISIANA)
)ss.:
PARISH OF LAFAYETTE)

On the 24 day of FEBRUARY in the year 2009, before me,
the undersigned, a Notary Public in and for said state, personally appeared RUTH ANN MENVETIS

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

(notary seal and stamp)



AUBREY REED
NOTARY PUBLIC,
LAFAYETTE PARISH COUNTY, LA
My Commission is for Life
#80119

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

AGREEMENT OF LEASE

Between

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

And

**AMS-BW NEWARK JV
AIRPORT MANAGEMENT SERVICES, LLC
BRANDED WORKS, INC.**

Dated as of February 26, 2009

2009 SEP 15 P 1:15

LAW DEPARTMENT
LEASES DIVISION

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AGREEMENT OF LEASE

THIS AGREEMENT OF LEASE ("**Agreement**"), dated as of February 26, 2009, by and between the **PORT AUTHORITY OF NEW YORK AND NEW JERSEY** (hereinafter called the "**Port Authority**") a body corporate and politic, created by Compact between the States of New York and New Jersey with the consent of the Congress of the United States of America, and having an office at 225 Park Avenue South, in the Borough of Manhattan, City, County and State of New York, and **AMS-BW NEWARK JV**, a joint venture between Airport Management Services, LLC, a limited liability company organized and existing under and by virtue of the laws of the State of Delaware and Branded Works, Inc., a corporation organized and existing under and by virtue of the laws of the State of Louisiana and having an office for the transaction of business at c/o The Hudson Group, One Meadowlands Plaza, Suite 902, East Rutherford, New Jersey 07073 whose representative is Michael R. Mullaney; **AIRPORT MANAGEMENT SERVICES, LLC**, a limited liability company organized and existing under and by virtue of the laws of the State of Delaware and having an office for the transaction of business at c/o The Hudson Group, One Meadowlands Plaza, Suite 902, East Rutherford, New Jersey 07073 whose representative is Michael R. Mullaney; and **BRANDED WORKS, INC.**, a corporation organized and existing under and by virtue of the laws of the State of Louisiana and having an office for the transaction of business at 110 Travis Street, Lafayette, Louisiana 70503 whose representative is Ruth Ann Menutis (AMS-BW Newark JV, Airport Management Services, LLC and Branded Works, Inc. being jointly and severally liable hereunder and such joint venture, limited liability company and corporation being hereinafter collectively called the "**Lessee**").

WITNESSETH, THAT, the Port Authority and the Lessee, for and in consideration of the rents, covenants and agreements hereinafter contained, mutually covenant and agree as follows:

Section 1. Definitions

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

(a) "**Adjustment Period**" shall have the meaning set forth in the Section of this Agreement entitled "*Additional Rent Items and Lessee Obligations*".

(b) "**Affiliate**" shall mean any person that directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the Lessee and any entity in which the Lessee or a shareholder of the Lessee has an ownership, licensor/licensee or franchiser/franchisee interest or relationship, but if the Lessee shall be a corporation whose voting securities shall be registered with the Securities and Exchange Commission and publicly traded on a regular basis then only such shareholder of the Lessee having an ownership interest greater than five percent (5%). The term "**control**" (including the terms controlling, controlled by and under common control with) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise.

(c) "**Airline Leases**" shall mean those leases in effect at the Terminal(s) between the Port Authority, as lessor, and various airlines, as lessees, from time to time during the term of this Agreement, as the same have been or shall be supplemented or amended including, without limitation, all letter agreements entered into between the Port Authority and the relevant airline lessee(s). For purposes of this Agreement, the aforementioned airlines shall be referred to as "airline lessees".

(d) "**Airport**" shall mean Newark Liberty International Airport.

(e) "**Airport Concession Disadvantaged Business Enterprise ("ACDBE")**" shall have the meaning set forth in Schedule G.

(f) "**Anniversary Date**" shall have the meaning set forth in the Section of this

Agreement entitled "*Additional Rent Items and Lessee Obligations*".

(g) "**Annual Index Increase**" shall have the meaning set forth in the Section of this Agreement entitled "*Additional Rent Items and Lessee Obligations*".

(h) "**Annual Period**" shall mean the following: The first annual period shall be the period commencing with the Rental Payment Start Date and ending on December 31 next following, and thereafter Annual Period shall mean each twelve (12) month consecutive, calendar month period thereafter occurring during the term of the letting under this Agreement commencing on each anniversary of January 1, provided, however, that the last Annual Period shall expire in any event on the expiration date of the term of the letting under this Agreement.

(i) "**Anything of value**" shall have the meaning set forth in the Section of this Agreement entitled "*Ethical Standards*".

(j) "**Assignment**" shall have the meaning set forth in the Section of this Agreement entitled "*Assignment and Subletting*".

(k) "**Base Period**" shall have the meaning set forth in the Section of this Agreement entitled "*Additional Rent Items and Lessee Obligations*".

(l) The terms "**Basic Rental**" and "**MAG**" shall have the meaning set forth in Item 1 of **Exhibit B** hereof.

(m) "**Bid conditions**" shall have the meaning set forth in Part I of **Schedule E** hereof.

(n) "**Causes or conditions beyond the control of the Port Authority**" shall mean and include acts of God, the elements, weather conditions, tides, earthquakes, settlements, fire, acts of any governmental authority, war, terrorism, shortage of labor or materials, acts of third parties for which the Port Authority is not responsible, injunctions, labor troubles or disputes of every kind (including all those affecting the Port Authority, its contractors, suppliers or subcontractors) or any other conditions or circumstances, whether similar to or different from the foregoing (it being agreed that the foregoing enumeration shall not limit or be characteristic of such condition or circumstance which is beyond the control of the Port Authority) or which could not be prevented or remedied by reasonable effort and at reasonable expense.

(o) "**Cost**" shall have the meaning set forth in Item 6 of **Exhibit B** hereof.

(p) "**Date of Beneficial Occupancy**" shall have the meaning set forth in this Section under the definition of "**Rental Payment Start Date**".

(q) "**Distribution Fee**" shall have the meaning set forth in the Section of this Agreement entitled "*Additional Rent Items and Lessee Obligations*".

(r) "**Employer identification number**" shall have the meaning set forth in Part I of **Schedule E** hereof.

(s) "**Environmental Damages**" shall mean any one or more of the following: (i) the presence in, on, or under the Premises of any Hazardous Substance whether such presence occurred prior to or during the term of the letting under this Agreement or resulted from any act or omission of the Lessee or others, and/or (ii) the disposal, discharge, release or threatened release of any Hazardous Substance from the Premises or of any Hazardous Substance from under the Premises and/or (iii) the presence of any Hazardous Substance in, on or under other property at the Airport as a result of (x) the Lessee's use and occupancy of the Premises or the performance of the construction

work or any other work or activities at the Premises or (y) a migration of a Hazardous Substance from the Premises or from under the Premises or (z) the Lessee's operations at the Airport, and/or (iv) any personal injury, including wrongful death, or property damage, arising out of or related to any Hazardous Substance described in (i), (ii) or (iii) above, and/or (v) the violation of any Environmental Requirement pertaining to any Hazardous Substance described in (i), (ii) or (iii) above, the Premises and/or the activities thereon.

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

(1) 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;

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

(3) The Atomic Energy Act of 1954, 42 U.S.C. Section 2011 *et seq.*; the Clean Water Act also known as the Federal Water Pollution Control Act, 33 U.S.C. Section 1251 *et seq.*; the Clean Air Act, 42 U.S.C. Section 7401 *et seq.*; the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. Section 136 *et seq.*; the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 *et seq.*; the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), Section 2701 *et seq.*; the Emergency Planning and Community Right to Know Act, 42 U.S.C. Section 11001 *et seq.*; the Occupational Safety and Health Act, 29 U.S.C. Section 651 *et seq.*; the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101 *et seq.*; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 *et seq.*; the Toxic Substances Control Act, 15 U.S.C. Section 2601 *et seq.*; the Safe Drinking Water Act of 1974, 42 U.S.C. Sections 300f-300h-11 *et seq.*; the New Jersey Spill Compensation and Control Act (N.J.S.A. 58:10-23.11 *et seq.*) ("Spill Act"); the Industrial Site Recovery Act ("ISRA")(N.J.S.A. 13:1K and N.J.A.C. 7:26B); Solid Waste Management Act (N.J.S.A. 13:1E-1 to 48); and Water Pollution Control Act (N.J.S.A. 58:10A-1 to 60) together, in each case, with any amendment thereto, and the regulations adopted, guidances, memoranda and publications promulgated thereunder and all substitutions thereof.

(u) **"Food Court Maintenance Fee"** shall have the meaning set forth in the Section of this Agreement entitled *"Additional Rent Items and Lessee Obligations"*.

(v) **"Gross Receipts"** shall include all monies paid or payable to the Lessee for sales made or services rendered at or from the Premises, regardless of when or where the order therefor is received, and outside the Premises, if the order therefor is received at the Premises, and any other revenues of any type arising out of or in connection with the Lessee's operations at the Premises; provided, however, there shall be excluded from Gross Receipts the following: (1) any sums collected for any federal, state, county and municipal sales taxes, so-called luxury taxes, use taxes, consumer excise taxes, gross receipts taxes and other similar taxes now or hereafter imposed by law upon the sale of merchandise, food & beverage products or services which are separately stated to and paid by a customer and directly payable to the taxing authority by the Lessee, (2) any receipts of the Lessee which arise from its operations under any other agreement with the Port Authority at the Premises and which are subject to a percentage fee or percentage rental under that agreement, (3) receipts in the form of refunds from, or the value of merchandise (including food & beverage products), services, supplies or equipment returned to, vendors, shippers, suppliers or manufacturers, including volume discounts received from Lessee's vendors, suppliers or manufacturers, (4) gratuities for services performed by employees of Lessee which are paid or given by Lessee's customers to such employees at or serving at the Premises, (5) the sale or transfer in bulk of the inventory of the Lessee to a purchaser of all or substantially all of the assets of the Lessee in a transaction not in the ordinary course of Lessee's business, (6) except with respect to proceeds received for business interruptions paid on a gross earnings business interruption insurance policy, proceeds from all other insurance received by Lessee as a result of a loss or casualty, (7) rebates, exchanges or allowance made to customers of the Lessee at the Premises, (8) the exchange of merchandise between the stores or warehouses owned by or affiliated with Lessee, if any, where such exchanges of goods or merchandise are made solely for the convenient operation of the business of Lessee and not for the purpose of consummating a sale which has theretofore been made at, in, from or upon the Premises or for the purpose of depriving the Port Authority of the benefit of the sale which otherwise would be made at, in, from or upon the Premises, (9) income actually received by Lessee from manufacturers of goods (e.g., cosmetics, perfume) displayed for sale at the Premises if the conditions set forth in the succeeding sentence are fully and strictly satisfied with respect to such income; the conditions with respect to this clause (9) are as follows: (i) the manufacturer specifically identifies the time period to which the income relates, (ii) reimbursement from the manufacturer to Lessee occurs in connection with employees (1) who are on Lessee's payroll for the operations permitted under this Agreement and (2) who are on such payroll during the time period to which the reimbursement relates, (iii) the manufacturer and Lessee have previously entered into a written agreement that sets forth the material terms of their arrangement with regard to the reimbursement that is the subject of this clause (9), and (iv) Lessee provides to the Port Authority written documents and records substantiating the matters listed in sub-clauses (i) through (iii), (10) proceeds from the sale of gift certificates or like vouchers until such time as the gift certificates or like vouchers have been treated as a sale in or from the Premises pursuant to Lessee's record keeping system and (11) sale of trade fixtures, equipment or property which are not stock in trade and not in the ordinary course of business.

For the purpose of determining the Percentage Rental payable by the Lessee hereunder, Gross Receipts shall include all orders including, but not limited to, all orders by means of mail, catalogue, closed circuit television, electronic, telephonic, video, computer or other technology-based system, whether now existing or developed in the future, all deposits not refunded to or otherwise forfeited by customers, all orders taken in and from the Premises, whether or not such orders are filled elsewhere, the entire amount of the actual sales price and all other receipts for sales and services rendered, all insurance proceeds received due to loss of gross earnings paid under Lessee's business interruption insurance policy because of business interruptions, and the spread earned on any exchange or foreign currency transaction whether for an exchange service or for merchandise, products and/or services. A "sale" shall be deemed to have been consummated for purposes hereof, and the entire amount of the sales price shall be included in Gross Receipts and deemed received at the time of determination of the amount due for each transaction, whether for cash, credit or otherwise, and not at the time of billing or payment. Each sale made upon installment or credit shall be treated as a sale for the full price in the month during which such sale shall be made,

irrespective of the time when any payment is received. No deduction from Gross Receipts shall be allowed for uncollected or uncollectible credit amounts or "bad" checks. Gross Receipts shall include retail display allowances, slotting fees, on-Premises advertising and other promotional incentives (collectively referred to as "RDAs"). Gross Receipts shall include all such sales, revenues or receipts generated by Lessee's concessionaires, if any, or anyone else conducting business pursuant to an arrangement with Lessee and shall also include the full amount of all insurance proceeds paid on a gross earnings business interruption insurance policy to Lessee.

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

(x) "Index" shall have the meaning set forth in the Section of this Agreement entitled "*Additional Rent Items and Lessee Obligations*".

(y) "Lessee" shall have the meaning set forth in the first paragraph on the first page of this Agreement.

(z) "Lessee's Work" shall have the meaning set forth in the Section of this Agreement entitled "*Finishes and Decorating by the Lessee*".

(aa) "Letting" shall mean the letting under this Agreement for the original term stated herein, and shall include any extensions thereof which may be made pursuant to the provisions of this Agreement or otherwise.

(bb) "Meaningful participation" shall have the meaning set forth in Part II of **Schedule E** hereof.

(cc) "Metro Area" shall have the meaning set forth in the Section of this Agreement entitled "*Sales and Services by the Lessee*".

(dd) "Minority" shall mean those persons described in paragraph II (c) of Part I of **Schedule E** annexed hereto.

(ee) The terms "Minority Business Enterprise" and "MBE" shall have the meaning set forth in Part II of **Schedule E** hereof.

(ff) The terms "Office of Foreign Asset Control" and "OFAC" shall have the meaning set forth in the Section of this Agreement entitled "*Lessee's OFAC Certification*".

(gg) "Percentage Increase" shall have the meaning set forth in the Section of this Agreement entitled "*Additional Rent Items and Lessee Obligations*".

(hh) "Port Authority" shall have the meaning set forth in the first paragraph on the first page of this Agreement.

(ii) "Port of New York District" shall have the meaning set forth in the Port

Compact of 1921 authorized by C. 154 Laws of N.Y. 1921 and C. 151 Laws of N.J. 1921, approved by Public Resolution No. 17 of the 67th Congress, First Session.

(jj) **"Predecessor Concession"** shall have the meaning set forth in the Section of this Agreement entitled *"Labor Disturbances and Labor Harmony"*.

(kk) **"Premises"** shall have the meaning set forth in the Section of this Agreement entitled *"Letting"*.

(ll) **"Promotion Fee"** shall have the meaning set forth in the Section of this Agreement entitled *"Additional Rent Items and Lessee Obligations"*.

(mm) The terms **"Records"**, **"Lessee's Records"** and **"Other Relevant Records"** shall have the meanings set forth in the Section of this Agreement entitled *"Obligations in Connection with any Percentage Rental"*.

(nn) The term **"Reserved Uses"** shall mean the following uses, operations or installations which the Port Authority reserves to itself and its designees exclusively in the Terminal: VIP lounges; airline clubs; airtrain/monorail facilities; advertising (including, without limitation, static display, broadcast and other); pay telephones, pre-paid phone cards, facsimile transmission machines and other public communications services including, without limitation, all Port Authority-owned or operated information and communications technology infrastructure for common Airport use; rental of cellular phones; concierge services (i.e., a center or location which offers a variety of services for passengers (including, but not limited to, hotel reservations, sale of entertainment events tickets and lottery tickets, luggage storage and delivery, sightseeing tours, business services and provision of touring information)); ground transportation (including vehicle rentals); hotel and other lodging reservations; vending machines dispensing anything (including, but not limited to, catalog and electronic sales) other than products specifically permitted to be sold on the Premises pursuant to a sublease with a specific concessionaire and if approved in advance by the Port Authority; on-airport baggage carts (other than shopping carts made available free of charge to shoppers within the concession areas of the Terminal) or other on-airport baggage-moving devices; and electronic amusements.

(oo) **"Rental Payment Start Date"** shall mean the earliest to occur of the following: (a) the date Gross Receipts are first generated in or from the Premises by the Lessee; or (b) ninety (90) days from the date the Port Authority makes available the Premises to the Lessee for its occupancy, such date being referred to herein as the *"Date of Beneficial Occupancy"*.

(pp) The terms **"Terminal Building"** and **"Terminal"** shall have the meaning set forth in the Section of this Agreement entitled *"Letting"*.

(qq) The term **"Transfer"** shall have the meaning set forth in the Section of this Agreement entitled *"Assignment and Subletting"*.

(rr) The terms **"Street Prices"** and **"Street Pricing Policy"** shall have the meanings set forth in the Section of this Agreement entitled *"Sales and Services by the Lessee"*.

(ss) The terms **"Women-owned Business Enterprise"** and **"WBE"** shall have the meanings set forth in Part II of Schedule E hereof.

Section 2. Letting

The Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority, at Newark Liberty International Airport in Passenger Terminal Building A (hereinafter sometimes called the **"Terminal Building"** or **"Terminal"**) the area(s) as shown on the

sketch annexed hereto, hereby made a part hereof, and marked **Exhibit A-2** containing approximately 317 square feet, together with the fixtures, improvements and other property of the Port Authority located or to be located therein or thereon, all said space(s), fixtures, improvements and other property of the Port Authority hereinafter collectively referred to as the "**Premises**". **Exhibit A-1** is a general site plan of the Airport including the location of the Terminal. The Premises may include storage space on the operations level of the Terminal, if available, to be designated from time to time by the Port Authority in its sole discretion, which storage space may be shared with other tenants of the Port Authority and with respect to which there shall be no separate rental or fee imposed, nor shall any abatement to which the Lessee may be entitled under this Agreement apply to such storage space.

Section 3. Term

The term of the letting under this Agreement shall commence as of Date of Beneficial Occupancy and shall continue to and include sixty (60) months after the Rental Payment Start Date unless sooner terminated as provided herein. In the event that the Premises constitute more than one space to be operated under this Agreement, the term of this Agreement shall be determined based on sixty (60) months from the Rental Payment Start Date for the last of the spaces to be delivered, unless sooner terminated as provided herein (but in no event shall the term begin later than 90 days from the date the last space is delivered to Lessee for a retail concession space). The Term of this Lease will not extend beyond sixty months (60) from the Rental Payment Start Date for the Premises identified in Exhibit A-2 to this Lease, and the Term shall be unaffected by any other, additional or substituted space which may be described in an amendment to or modification of this Lease (unless such amendment or modification agreement expressly provides otherwise) or described in any other written communication which does not meet the requirements set forth in the first sentence of the second paragraph of the Section of this Agreement entitled "*Entire Agreement*".

Section 4. Rights of Use by the Lessee

The Lessee shall use the Premises for the following purpose only and for no other purpose whatsoever: for the operation of a specialty retail concession limited to the retail sale of medium to better quality silver jewelry, silver fashion accessories and as incidental thereto, medium to better quality silver pieces and silver home furnishings, and for no other use or purpose. The Lessee's initial list of products, as approved by the Port Authority, is set forth in **Schedule A** attached hereto and hereby made a part hereof, and such **Schedule A** may be amended from time to time with the written consent of the Port Authority, determined in its sole and absolute discretion.

The rights of the Lessee under this Section shall not be exclusive.

Section 5. Rental

(a) The Lessee agrees to pay the Port Authority a Basic Rental for the Premises at the rates and otherwise as provided in Item 1 of **Exhibit B** to this Agreement.

(b) The Lessee agrees to pay the Port Authority the Percentage Rental, if any, stated in Item 1 of **Exhibit B** to this Agreement.

(c) The time for making payments of rental and the method of computation and abatement thereof are set forth in Item 1 of **Exhibit B** to this Agreement.

(d) The Port Authority shall have the right to all revenues derived for or from all Reserved Uses.

Section 6. Obligations in Connection with any Percentage Rental

(a) If any rental hereunder is measured by a percentage of the Lessee's Gross Receipts, the Lessee shall:

(1) Take all reasonable measures in every proper manner to maintain, develop and increase the business conducted by it hereunder;

(2) Not divert or cause or allow to be diverted any business from the Terminal;

(3) Maintain, in accordance with accepted accounting practice, during the term of this Agreement, for one (1) year after the expiration or earlier termination thereof, and for a further period extending until the Lessee shall receive written permission from the Port Authority to do otherwise, records and books of account recording all transactions of the Lessee, at, through, or in any way connected with the Airport (which records and books of account are hereinafter to be called the "Lessee's Records"). The Lessee's Records shall be kept at all times within the Port of New York District;

(4) Allow in ordinary business hours during the term of this Agreement, for one (1) year thereafter, and during such further period as is mentioned in the preceding subparagraph (3), above, the examination and audit by the officers, employees and representatives of the Port Authority of (i) the Lessee's Records and (ii) also any records and books of account of any Affiliate of the Lessee if said entity performs services, similar to those performed by the Lessee, anywhere in the Port of New York District. The Lessee shall make available to the Port Authority within the Port of New York District for examination and audit by the Port Authority pursuant to this paragraph those records and books of account described in (i) which are not required by subparagraph (3) above to be kept at all times in the Port of New York District and those records and books of account described in (ii) above (all of the foregoing being hereinafter called the "Other Relevant Records" and the Lessee's Records and the Other Relevant Records being hereinafter collectively referred to as the "Records");

(5) Allow the inspection by the officers, employees and representatives of the Port Authority of any equipment used by the Lessee, including but not limited to cash registers and other point of sale systems;

(6) Furnish on or before the fifteenth (15th) day of each month following the commencement date of the letting, and on or before the fifteenth (15th) day of April of each calendar year, the statements described in Item 1 of **Exhibit B** hereto;

(7) Install and use such cash registers and other point of sale systems, sales slips, invoicing machines and any other equipment or devices for recording orders taken, or services rendered, as may be appropriate to the Lessee's business and necessary or desirable to keep accurate records of Gross Receipts;

(b) Without implying any limitation on the right of the Port Authority to terminate this Agreement for the breach of any term or condition thereof, the Lessee understands that compliance by the Lessee with the provisions of subparagraphs (3) and (4) of paragraph (a) above are of the utmost importance to the Port Authority in having entered into the Percentage Rental arrangement under this Agreement and in the event of the failure of the Lessee to maintain, keep within the Port of New York District or make available for examination and audit the Lessee's Records in the manner and at the times or location as provided in this Section then, in addition to all and without limiting any other rights and remedies of the Port Authority, the Port Authority may:

(1) Estimate the Gross Receipts of the Lessee on any basis that the Port Authority, in its sole discretion, shall deem appropriate, such estimation to be final and binding on the Lessee and the Lessee's Percentage Rental based thereon to be payable to the Port Authority when billed; or

(2) If any such Records have been maintained outside of the Port of New York District, but within the Continental United States then the Port Authority in its sole discretion may (i) require such Records to be produced within the Port of New York District or (ii) examine such Records at the location at which they have been maintained and in such event the Lessee 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, or

(3) If any such Records have been maintained outside the continental United States then, in addition to the costs specified in subdivision (2)(ii) above, the Lessee shall pay to the Port Authority when billed all other costs of the examination and audit of such Records including without limitation salaries, benefits, travel costs and related expenses, overhead costs and fees and charges of third party auditors retained by the Port Authority for the purpose of conducting such audit and examination.

(c) The foregoing auditing costs, expenses and amounts set forth in subparagraphs (2) and (3) of paragraph (b) above shall be deemed fees and charges under this Agreement payable to the Port Authority with the same force and effect as all other fees and charges thereunder.

(d) 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 Lessee, the Lessee, shall be obligated, and hereby agrees, to pay to the Port Authority a service charge in the amount of five percent (5%) of each amount determined by the Port Authority audit findings to be unpaid. Each such service charge shall be payable immediately upon demand (by notice, bill or otherwise) made at any time therefore by the Port Authority. Such service charge(s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority by the Lessee under this Agreement or otherwise. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid service charge shall be deemed a waiver of the right of the Port Authority of payment of any late charge or late charges or other service charges payable under the provisions of this Section with respect to such unpaid amount. Each such service charge shall be and become additional rent, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the rental. Nothing in this paragraph is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Agreement, including, without limitation, the Port Authority's rights to terminate set forth in the Section of this Agreement entitled "*Termination*" or (ii) any obligations of the Lessee under this Agreement.

Section 7. Government Requirements

(a) The Lessee shall procure at its own cost and expense from all governmental authorities having jurisdiction over the operations of the Lessee at the Premises all licenses, certificates, permits or other authorization which may be necessary for the conduct of its operations, and shall maintain in full force and effect throughout the term hereof all the foregoing licenses, certificates, permits and authorizations.

(b) The Lessee 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.

(c) The Lessee shall promptly observe, comply with and execute the provisions of any and all present and future governmental laws, rules, regulations, requirements, orders and directions, including without limitation all Environmental Requirements, which now or at any time during the term hereof may pertain or apply to the operations of the Lessee or the Premises or its occupancy thereof, and the Lessee shall, in accordance with and subject to the provisions of the Section of this Agreement entitled "*Construction by the Lessee*", make any and all structural and nonstructural improvements, alterations or repairs of the Premises that may be required at any time hereafter by any such present or future law, rule, regulation, requirement, order or direction. This paragraph (c) shall not require Lessee to make structural improvements, alterations, or repairs to the Premises which are also required to be made generally throughout the Terminal, unless the requirement to make such structural improvements, alterations, and repairs generally throughout the Terminal results from the particular operations of the Lessee in the Premises which are not common to other tenants at the Terminal.

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

Section 8. Rules and Regulations

The Lessee covenants and agrees to observe and obey (and to compel its officers, members, employees, agents, representatives, contractors, customers, guests, invitees and those doing business with it to observe and obey) the existing rules and regulations of the Port Authority for the government of the conduct and operations of the Lessee and others on the Premises (see **Exhibit R**), and such further reasonable rules and regulations as may from time to time during the letting be promulgated by the Port Authority for reasons of safety, health, preservation of property, noise, sanitation, good order, and the economic and efficient operation of the Airport. If a copy of **Exhibit R** is not attached, then the Port Authority will either deliver a copy thereof to Lessee upon receipt of its request therefor or will make a copy available at the office of the Secretary of the Port Authority. The obligation of the Lessee to require such observance and obedience on the part of its guests, invitees and business visitors shall obtain only while such persons are on the Premises.

The Port Authority agrees that, except in cases of emergency, it will give notice to the Lessee of every such further rule or regulation adopted by it at least ten (10) days before the Lessee shall be required to comply herewith.

Section 9. Various Obligations of the Lessee

(a) **Conduct of Operations.** The Lessee shall conduct its operations in an orderly and proper manner so as not to unreasonably annoy, disturb or be offensive to others at the Terminal. The Lessee shall take all reasonable measures to eliminate vibrations originating on the Premises tending to damage the Premises, or any equipment or structure or portion of the Terminal of which the Premises is a part, and to keep the sound level of its operations as low as possible. The Lessee shall use its best efforts to conduct all its operations at the Premises in a safe and careful manner, following in all respects the best practices of the Lessee's industry in the United States.

(b) **Lessee's Employees.** The Port Authority shall have the right to object to the Lessee regarding the conduct and demeanor of the employees of the Lessee whereupon the Lessee will immediately take all steps reasonably necessary to remove the cause of the objection.

(c) **Waste Disposal.** The Lessee shall remove from the Premises or otherwise dispose of in a manner approved by the General Manager of the Airport all garbage, debris or other waste materials (whether solid or liquid) arising out of its occupancy of the Premises or its operations

thereat. Any such which may be temporarily stored in the open shall be kept in suitable garbage and waste receptacles, the same to be made of metal or other suitable material, and equipped with tight-fitting covers, and to be of a design safely and properly to contain whatever material may be placed therein. The Lessee shall use extreme care when effecting removal of all such waste materials, shall effect such removal at such times and by such means as first approved by the Port Authority. No such garbage, debris or other waste materials shall be thrown, discharged or deposited into or upon the waters at or bounding the Airport.

(d) Employee Identification. If requested by the Port Authority, the Lessee shall supply and shall require its employees to wear or carry badges or other suitable means of identification, which shall be subject to the prior and continuing approval of the General Manager of the Airport.

(e) Food and Beverage Operations. If the Lessee is permitted under this Agreement to sell food and/or beverages, it shall, in connection with any preparation, packaging, handling, storage, delivery and dispensing of such food and/or beverages, comply with the following:

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

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

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

(4) All packing materials, including but not limited to wrappers, stoppers, caps, enclosures and containers, shall be clean and sterile and shall be so stored as to be protected at all times from dust, dirt, flies and other insects, rodents, vermin, unsanitary handling and unclean materials.

It is intended that the standards and obligations imposed by this paragraph (e) shall be maintained or complied with by the Lessee in addition to its compliance with all applicable governmental laws, ordinances and regulations, and in the event that any of said laws, ordinances and regulations shall be more stringent than such standards and obligations, the Lessee agrees that it will comply with such laws, ordinances and regulations in its operations hereunder.

(f) Fire Extinguishing Equipment. From time to time and as often as reasonably required by the Port Authority, the Lessee shall conduct pressure, water-flow, and other appropriate tests of the fire extinguishing system and apparatus, fire-alarm and smoke detection systems and any other fire protection systems which constitute a part of the Premises. The Lessee shall keep in proper functioning order all fire-fighting equipment, fire-alarm and smoke detection equipment on the Premises and the Lessee shall at all times maintain on the Premises adequate stocks of fresh, usable chemicals for use in such systems, equipment and apparatus. The Lessee shall notify the Port

Authority prior to conducting such tests. If requested by the Port Authority, the Lessee shall furnish the Port Authority with a copy of written reports of such tests.

(g) **Minimization of Pollution.** In addition to compliance by the Lessee with all laws, ordinances, governmental rules, regulations and orders now or at any time in effect during the term which as a matter of law are applicable to the operation, use or maintenance by the Lessee of the Premises or the operations of the Lessee under this Agreement (the foregoing not to be construed as a submission by the Port Authority to the application to itself of such requirements or any of them), the Lessee agrees that it shall exercise the highest degree of safety and care and shall conduct all its operations under this Agreement and shall operate and maintain the Premises and shall use the Premises in accordance with the highest standards and in such manner that there will be at all times a minimum of air pollution, water pollution or any other type of pollution and a minimum of noise emanating from, arising out of or resulting from the operation, use or maintenance of the Premises by the Lessee and from the operations of the Lessee under this Agreement. The Port Authority hereby reserves the right from time to time and at any time during the term of this Agreement to require the Lessee, and the Lessee agrees, to design and construct at its sole cost and expense such reasonable equipment, devices and other facilities as may be necessary or appropriate to accomplish the objectives as set forth in the first sentence of this paragraph. The manner, type and method of construction and the size and location of any of the foregoing shall be determined by the Port Authority. The Lessee shall submit for Port Authority approval its plans and specifications covering the required work and upon receiving such approval shall proceed diligently to construct the same. The obligations assumed by the Lessee under this paragraph shall not be relieved or diminished by the fact that the Port Authority shall have approved any construction application and supporting plans, specifications and contracts covering construction work, or that the Port Authority's recommendations or requirements have been incorporated therein. The Lessee's agreement to assume the obligations under this paragraph is a special inducement and consideration to the Port Authority in entering into this Agreement with the Lessee.

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

(i) In addition to and without limiting the generality of the obligations of the Lessee set forth above and elsewhere in the Agreement, the Lessee shall at its sole cost and expense, upon notice from the Port Authority, promptly take all actions to completely remove and remediate all Hazardous Substances on the Premises or the Airport which result from the Lessee's use and occupancy of the Premises, or which have been disposed of, released, discharged or otherwise placed on, under or about the Premises by or on behalf of the Lessee or as a result of its acts or omissions, during the term of the letting hereunder, and to cleanup and remediate all other Hazardous Substances on, about or under the Premises or which have migrated from the Premises to any adjoining property, which any federal, state or local governmental agency or political subdivision or any Environmental Requirement or any violation thereof require to be remediated, and to cleanup and remediate all Hazardous Substances necessary to mitigate Environmental Damages.

(j) **Airport Concession Disadvantaged Business Enterprises ("ACDBE").** If

Lessee is required to apply as an ACDBE with the Port Authority, please check here (X). Lessee shall immediately take all steps necessary to obtain such certification from the Port Authority on or before the Rental Payment Start Date. If the ACDBE participant is an individual or the individual is the sole owner of Lessee, the participating ACDBE percentage, as so certified, shall not be less than one hundred percent (100%) at all times during the Term hereof. If the ACDBE participant is a member/partner of a partnership with Lessee or joint venturer of a joint venture with Lessee, the participating ACDBE percentage, as so certified, shall not be less than thirty percent (30%) at all times during the Term hereof. Any change in the ownership structure involving the certified ACDBE participant must be reported in writing to the Port Authority immediately and in no event later than 30 days following any such change in ACDBE ownership status.

Section 10. Prohibited Acts

The Lessee shall not (a) commit any nuisance on the Premises, or do or permit to be done anything which may result in the creation or commission of a nuisance on the Premises; (b) cause or produce or allow to be caused or produced upon the Premises, or to emanate therefrom, any obnoxious odors or smokes, or noxious gases or vapors; (c) use the Premises for lodgings or sleeping purposes or for any immoral purposes; (d) install window shades or venetian blinds on the windows of the Premises unless and until the type, size and color of same shall have been previously approved in writing by the Port Authority; (e) do or allow to be done anything which may interfere with the effectiveness or accessibility of existing and future utilities systems or portions thereof on the Premises or elsewhere at the Terminal, including therein without limitation thereto systems for the supply of heat, water hot and cold, gas, electricity and fuel and for the furnishing of fire-alarm, fire-protection, sprinkler, sewage, drainage, air-conditioning, telephone, telegraph, tele-register, pneumatic-tube dispatch and inter-communications services, including lines, pipes, mains, wires, conduits and equipment connected with or appurtenant to all such systems, nor do or permit to be done anything which may interfere with free access and passage in the Premises, elsewhere in the Terminal or in the streets and sidewalk adjacent to the Terminal; (f) do or allow to be done anything which may interfere with the effectiveness or accessibility of elevators at the Terminal, including lines, pipes, wires, conduits and equipment connected with or appurtenant thereto; (g) overload any floor in the Premises; (h) place any furniture, machine or equipment over any expansion or contraction joint unless one end of such furniture, machine or equipment is free to allow expansion or contraction; (i) place any additional lock of any kind upon any window or interior or exterior door in the Premises unless a key therefor is delivered to the Port Authority, nor make any change in any existing door or window lock or the mechanism thereof, except with the prior written approval of the Port Authority, and upon the expiration or sooner termination of the letting hereof, the Lessee shall surrender to the Port Authority any and all keys to interior and exterior doors on the Premises, whether said keys were furnished to or were otherwise procured by the Lessee, and in the event of the loss of any keys furnished by the Port Authority to the Lessee, the Lessee shall pay to the Port Authority on demand the cost of replacement thereof; (j) do or allow to be done any act or thing upon the Premises which (i) will invalidate or conflict with any fire insurance, extended coverage or rental insurance policies covering the Premises or any part thereof, or the Terminal, or any part thereof, or (ii) in the opinion of the Port Authority, may constitute an extra-hazardous condition, so as to increase the risks normally attendant upon the operations contemplated by the Section of this Agreement entitled "*Rights of Use by the Lessee*". The Lessee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of the National Board of Fire Underwriters, the Fire Insurance Rating Organization of New Jersey, or of any other board or organization exercising or which may exercise similar functions, which may pertain or apply to the operations of the Lessee on the Premises, and the Lessee shall, subject to and in accordance with the provisions of the Section of this Agreement entitled "*Construction by the Lessee*", make any and all non-structural improvements, alterations or repairs of the Premises that may be required at any time hereafter by any such present or future rule, regulation, requirement, order or direction. If, by reason of any failure on the part of the Lessee to comply with the provisions of this subdivision, any fire insurance rate, extended coverage or rental insurance rate on the Premises or any part thereof, or on the Terminal or any part thereof, shall at any time be higher

than it otherwise would be, then the Lessee shall pay to the Port Authority as an item of additional rental, on demand, that part of all insurance premiums paid by the Port Authority which shall have been charged because of such violation or failure by the Lessee; (k) unless the Port Authority provides its prior written consent, install, maintain or operate, or permit the installation, maintenance or operation on the Premises of any vending machine or device designed to dispense or sell food, beverages, tobacco products or merchandise of any kind, whether or not included in the above categories, or of any restaurant, cafeteria, kitchen, stand or other establishment of any type for the preparation, dispensing or sale of food, beverage, tobacco or tobacco products, or of any telephone pay-stations.

Section 11. Care, Maintenance, Rebuilding and Repair by the Lessee

(a) **Damage or Destruction of Premises by Lessee.** The Lessee shall repair, replace, rebuild and paint all or any part of the Terminal and the Premises, including therein, without limitation thereto, walls, partitions, floors, ceilings, columns, windows, doors, glass of every kind, fixtures, systems for the supply of heat, water hot and cold, gas, electricity and fuel and for the furnishing of fire-alarm fire-protection, sprinkler, sewerage, drainage, air-conditioning, telephone, tele-register, pneumatic-tube dispatch and intercommunication services, including lines, pipes, mains, wires, conduits and equipment connected with or appurtenant to all such systems, which may be damaged or destroyed by the acts or omissions of the Lessee, its officers or employees or of other persons on or at the Premises with the Lessee's consent, and shall pay to the Port Authority on demand the costs and expenses of the Port Authority to repair, replace, rebuild and paint all or any part of the Terminal and the Premises which may be damaged or destroyed by the acts or omissions of the Lessee or of its officers or employees or of other persons on or at the Premises with the Lessee's consent. All non-structural repair, replacement, rebuilding and painting shall be made or done by the Lessee and structural repair, replacement and rebuilding may be made or done by the Port Authority.

(b) **Lessee's Other Repair and Maintenance Obligations.** Except as expressly provided to the contrary herein with respect to structural repairs, the Lessee shall, throughout the term of this Agreement, assume the entire responsibility and shall relieve the Port Authority from all responsibility for repair, rebuilding and maintenance whatsoever in the Premises, whether such repair, rebuilding or maintenance be ordinary or extraordinary, partial or entire, inside or outside, foreseen or unforeseen, and without limiting the generality of the foregoing, the Lessee shall:

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

(2) Take good care of the Premises, including therein, without limitation thereto, walls, partitions, floors, ceilings, columns, windows, doors, glass of every kind, fixtures and shall make or do all non-structural repairs, replacements, rebuilding and painting (the exterior of the Premises, if applicable, and areas visible to the general public to be painted only in colors which have been approved by the Port Authority) necessary to keep the Premises in the condition existing as of the commencement date of the letting and to keep all improvements and fixtures made or installed subsequent to the commencement date of the letting in the condition existing as of the date such improvements are made and such fixtures installed. All such repairs and replacements and other work to be done by the Lessee shall be done in quality and class not inferior to the original in materials and workmanship.

(3) Not lay any linoleum, asphalt tile or other such affixed floor covering in direct contact with the floor of the Premises. If the Lessee lays any linoleum, asphalt tile or other such affixed covering on the floor of the Premises, an interlining of builder's deadening felt shall first be affixed to the floor with water-soluble paste or other water-soluble material, the use of

cement or other adhesive non-soluble paste or other water-soluble material, the use of cement or other adhesive non-soluble in water being expressly prohibited.

(4) Maintain and pay the premiums on a policy of plate and mirror glass insurance covering all plate and mirror glass which is a part of or located on or in the Premises.

The provisions of this paragraph (b) shall not be deemed to require the Lessee to make or do any repairs, replacements, rebuilding or painting to any portion of the Terminal other than the Premises where such portion of the Terminal is damaged or destroyed by the acts or omissions of persons other than the Lessee, its officers, directors, members (in their capacity of the limited liability entity), managers (in their capacity as managers of, and if, Lessee is a limited liability entity), partners (if Lessee is a partnership), employees, agents, representatives or contractors.

(c) Port Authority Right to Perform at Lessee's Cost. In the event the Lessee fails to commence so to make or do non-structural repair, replacements, rebuilding or painting within a period of ten (10) days after notice from the Port Authority so to do or fails diligently to continue to completion the repair, replacement, rebuilding or painting of all the Premises required to be repaired, replaced, rebuilt or painted by the Lessee under the terms of this Agreement, the Port Authority may, at its option, and in addition to any other remedies which may be available to it, repair, replace, rebuild or paint all or any part of the Premises included in the said notice, the cost thereof to be paid by the Lessee on demand.

(d) Damage to or Destruction of the Premises. If the Premises or any part thereof shall be destroyed or damaged as a result of any casualty, without the fault of the Lessee, its officers, members, employees, agents, representatives, contractors, or other persons at the Premises with the consent of the Lessee, so as to render it untenable in whole or part, then:

(1) If in the opinion of the Port Authority the necessary repairs or rebuilding can be completed within ninety (90) days after the occurrence of the damage, the Port Authority shall repair or rebuild with due diligence, and the rental hereunder shall, if so provided in Item 1 of **Exhibit B**, be abated only for the period from the occurrence of the damage to the completion of the repairs or rebuilding, whether or not the work or repair or rebuilding is actually completed within the said ninety (90) days; or

(2) If in the opinion of the Port Authority such repairs or rebuilding cannot be completed within ninety (90) days after the occurrence of the damage or if the entire Premises require rebuilding, then the Port Authority shall have options:

(i) to proceed with due diligence to repair or to rebuild as necessary; or

(ii) to terminate the letting as to the damaged portion of the Premises only, or

(iii) to cancel this Agreement and terminate the letting as to the entire Premises; and the rental hereunder shall, if so provided in Item 1 of **Exhibit B**, be abated, either, as the case may require, for the period from the occurrence of the damage to the completion of repairs and rebuilding or for the period from the occurrence of the damage to the effective date of termination.

(e) Removal of Property and/or Debris. In the event of a partial or total destruction of the Premises, the Lessee shall immediately remove any and all of its property and/or debris from the Premises or the portion thereof destroyed and if the Lessee does not promptly so remove, the Port Authority may remove such property to a public warehouse for deposit or retain the same in its own possession and sell the same at public auction, the proceeds of which shall be applied

first to the expenses of removal, storage and sale, second to any sums owed by the Lessee to the Port Authority, with any balance remaining to be paid to the Lessee; if the expenses of such removal, storage and sale shall exceed the proceeds of sale, the Lessee shall pay such excess to the Port Authority upon demand.

(f) The parties hereby stipulate that if the Premises are in the State of New Jersey neither the provisions of Titles 46:8-6 and 46:8-7 of the Revised Statutes of New Jersey nor those of any other similar statute shall extend or apply to this Agreement.

Section 12. Indemnity; Liability Insurance

(a) (1) The Lessee shall indemnify and hold harmless the (i) Port Authority and its Commissioners, officers, agents and employees (individually and collectively, "PA Indemnitees") and (ii) Westfield Concession Management, LLC (or any concession manager at the Terminal as designated by the Port Authority, if any) and its officers, directors, agents, affiliates, parent corporations, employees, members (in their capacity of the limited liability entity) (individually and collectively, "Concession Manager Indemnitees") (PA Indemnitees and Concession Manager Indemnitees being collectively referred to as "Protected Indemnitees") from and against (and shall reimburse the Protected Indemnitees for the Protected Indemnitees' costs and expenses including, without limitation, legal expenses incurred in connection with the defense of) all claims and demands of third persons including but not limited to claims and demands for death, for personal injuries, or for property damages, arising out of any default of the Lessee in performance or observance of any term or provision of this Agreement, or out of the use or occupancy of the Premises by the Lessee or by others with its consent, or out of any of the acts or omissions of the Lessee, its officers, directors, members (in their capacity of the limited liability entity), managers (in their capacity as managers of, and if, Lessee is a limited liability entity), partners (if Lessee is a partnership), employees, agents, representatives, contractors, subcontractors, customers, guests, invitees and other persons doing business with it where such acts or omissions are on the Premises or arising out of any acts or omissions of the Lessee, its officers, directors, members (in their capacity of the limited liability entity), managers (in their capacity as managers of, and if, Lessee is a limited liability entity), partners (if Lessee is a partnership), employees, agents, contractors, subcontractors and representatives where such acts or omissions are elsewhere at the Airport, including claims and demands of the City of Newark from which the Port Authority derives its rights in the Airport for indemnification arising by operation of law or through agreement of the Port Authority with said City.

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

(b) (1) In addition to the obligations set forth in paragraph (a) of this Section and all other insurance required under this Agreement, during the term of this Agreement, the Lessee, in its own name as insured and including the Protected Indemnitees as additional insureds, shall maintain 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 not less than the limits set forth in Item 2 of Exhibit B hereof. Further, the Lessee shall maintain Workers' Compensation and Employers Liability Insurance in accordance with applicable State law for those employees of the Lessee employed in operations conducted pursuant to this Agreement at or from the Airport.

(2) In the event the Lessee maintains the foregoing insurance in limits greater than set forth in Item 2 of **Exhibit B** hereof, the Protected Indemnitees shall be included therein as an additional insured to the full extent of all such insurance in accordance with all terms and provisions of this Agreement.

(3) 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 Lessee thereunder with respect to any claim or action against the Lessee by a third person shall pertain and apply with like effect with respect to any claim or action against the Lessee by the Port Authority Indemnitees or the Concession Manager Indemnitees and any claim or action against the Port Authority Indemnitees or Concession Manager Indemnitees, by the Lessee, as if the Port Authority Indemnitees or Concession Manager Indemnitees, as applicable, were the named insured thereunder, but such clause or endorsement shall not limit, vary, change or affect the protections afforded the Protected Indemnitees thereunder as additional insureds. Each policy of insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Lessee under the provisions of this Agreement, including without limitation this Section.

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

(5) Each policy shall contain a provision or endorsement that the policy may not be cancelled, terminated, changed or modified without giving thirty (30) days' written advance notice thereof to the Port Authority. Each policy shall contain a provision or endorsement that the insurer "shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port Authority." The foregoing provisions or endorsements shall be recited in each policy or certificate to be delivered pursuant to the following subparagraph (6).

(6) 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 Agreement by the Lessee to the Port Authority, with a photocopy to be delivered to Westfield Concession Management, LLC (or any concession manager at the Terminal as designated by the Port Authority, if any). In the event any binder is delivered it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate of insurance. Any renewal policy shall be evidenced by a renewal certificate of insurance delivered to the Port Authority at least seven (7) days prior to the expiration of each expiring policy, except for any policy expiring after the date of expiration of this Agreement, with a photocopy to be delivered to Westfield Concession Management, LLC (or any concession manager at the Terminal as designated by the Port Authority, if any). 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 Lessee 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.

(7) 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 Lessee

under this Agreement. The foregoing insurance requirements shall not constitute a representation or warranty as to the adequacy of the required coverage to protect the Lessee with respect to the obligations imposed on the Lessee by this Agreement or any other agreement or by law.

(8) The Lessee shall include in each of its insurance policies covering loss, damage or destruction by fire or other casualty a waiver of the insurer's right of subrogation against the Port Authority or, if such waiver should be obtainable or unenforceable, (i) an express agreement that such policy shall not be invalidated if the insured waives before the casualty right of recovery against any party responsible for a casualty covered by such policies, or (ii) any other form of permission for the release of the Port Authority.

(9) The Lessee hereby releases the Protected Indemnitees with respect to any claim which it might otherwise have against any of them for loss, damage or destruction with respect to its property (including business interruption) occurring during the term of the letting under this Agreement and with respect and to the extent to which it is insured under a policy or policies containing a waiver of subrogation or permission to release liability as provided in subparagraph (8), above.

Section 13. Sales and Services by the Lessee

(a) A principal purpose of the Port Authority in entering into this Agreement is to have available for travelers and other users of the Terminal, all other members of the public, and persons employed at the Terminal, the merchandise and/or services which the Lessee 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 obligations to operate facilities for the use and benefit of the public, and the Lessee agrees that it will conduct a first class operation and will furnish and install all necessary or proper equipment, fixtures, improvements (subject to the provisions of the Section of this Agreement entitled "*Construction by the Lessee*"), personnel, supplies, materials and other facilities and replacements therefor and all such fixtures and improvements (except trade fixtures removable without injury to the Premises) shall on installation become the property of the Port Authority and a part of the Premises, provided, however, that the Port Authority shall have the option, exercisable by notice delivered to the Lessee on or before a date sixty (60) days after expiration or termination hereof, to require the Lessee to remove any or all such fixtures, equipment and improvements and to restore the Premises to the condition thereof prior to any installation and in the event of a failure on the part of the Lessee so to remove and restore, the Port Authority may do so, and the Lessee shall pay the cost thereof to the Port Authority on demand. All equipment, fixtures and improvements to be used in the Premises and the installation thereof shall be subject to the prior written approval of the Port Authority as to type and quality. The Port Authority may by written authorization allow the Lessee to enter and occupy the Premises, prior to the commencement date of the letting stated or referred to in the Sections of this Agreement entitled "*Term*" and "*Letting Postponed*", respectively, solely for the purpose of installing fixtures and making improvements. In the event that the Lessee receives such written authorization the Lessee shall use and occupy the Premises in accordance with and shall be subject to all the provisions of this Agreement other than those relating to the conducting of a business and the payment of rental.

(b) The Lessee shall furnish good, prompt and efficient service hereunder, adequate to meet all demands therefor at the terminal; shall furnish said service on a fair, equal and non-discriminatory basis to all users thereof; and shall charge fair, reasonable and non-discriminatory prices for all items and/or services which it is permitted to sell and/or render hereunder.

(c) The Lessee shall comply with the Port Authority Aviation Department Street Pricing Policy. In connection therewith, the Lessee shall not charge prices to its customers in excess of "**Street Prices**", which for purposes of this Agreement is defined as follows:

(1) If the Lessee conducts a similar business to the business operation

permitted under this Agreement in off-Airport location(s) in the Greater New York City – Northern New Jersey Metropolitan Area (herein referred to as the “Metro Area”), “Street Prices” shall mean the average price regularly charged by the Lessee for the same or similar item in such Metro Area location;

(2) If the Lessee does not conduct a similar business to the business operation permitted under this Agreement in off-Airport location(s) in the Metro Area, “Street Prices” shall mean the average price regularly charged in the Metro Area by similar retailers for the same or similar item; and

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

(4) If the Lessee is engaged in the business of selling duty-free goods, “Street Prices” shall mean the price regularly charged by the Lessee or similar retailer for the same or similar duty-free item at other urban airports in the Northeast region of the United States, including but not limited to John F. Kennedy International Airport, New York, New York.

For purposes of clarification, for purposes of this *Section 13(c)*, Metro Area shall have the same meaning as “Port of New York District”.

The Lessee’s breach of the aforesaid Street Pricing policy shall be deemed a material breach of the Lessee’s obligations under this Agreement.

(d) The Lessee shall post in each sales area (including any temporary sales space) a notice in form and substance satisfactory to the Port Authority notifying the public that the Lessee subscribes to a “Street Pricing Policy”, such notice to be clearly visible and unobstructed. If the Lessee charges any price to a customer in excess of the price which would satisfy the “Street Pricing Policy” in violation of its obligations under this Agreement, the amount of such excess shall constitute an overcharge which shall, upon demand by the Port Authority or the Lessee’s customer, be promptly refunded to the customer.

(e) The Lessee shall submit to the Port Authority from time to time (and not less than annually), a current pricing survey and report demonstrating compliance by the Lessee with the aforementioned pricing requirements. For purposes of establishing the Street Price of an item, any difference in the size or quality of a product or service shall constitute a price differential.

(f) The Lessee shall be open for and shall conduct business and furnish services seven (7) days a week, or for such other hours and days as the General Manager of the Airport, from time to time by notice to the Lessee, may determine in his/her sole and absolute discretion shall properly serve the needs of the public. The determination of proper business hours and days made by the Port Authority shall be controlling. At the time of execution of this Agreement, required operating hours at the Terminal shall be as follows:

- (1) Food and beverage – 6:30 a.m. to thirty (30) minutes after the last flight departs from the Terminal; all coffee operations to be open 5:30 a.m. to 10:00 p.m.;
- (2) News – 6:00 a.m. to 10:00 p.m.;
- (3) Retail – 6:30 a.m. to 10:00 p.m.;
- (4) Duty free – 6:00 a.m. to thirty (30) minutes after the last international flight departs from the Terminal; and
- (5) Services – 6:30 a.m. to 10:00 p.m.

Section 14. Signs

(a) Except with the prior written consent of the Port Authority, the Lessee shall not erect, maintain or display any signs or any advertising at or on the exterior parts of the Premises or in the Premises so as to be visible through the windows or exterior doors thereof. Interior and exterior signs affecting public safety and security shall be in accordance with established Port Authority standards.

(b) Upon the expiration or termination of the letting, the Lessee shall remove, obliterate or paint out, as the Port Authority may direct, any and all signs and advertising on the Premises or elsewhere at the Terminal if pertaining to the Lessee, and in connection therewith shall restore the Premises and the Terminal to the same condition as existing prior to the installation of any such signs or advertising. In the event that there is a failure by the Lessee so to remove, obliterate or paint out each and every sign or advertising and so to restore the Premises and the Terminal, the Port Authority may, at its option, perform the necessary work at the expense of the Lessee, and the charge therefor shall be paid by the Lessee to the Port Authority on demand.

Section 15. Services and Utilities

(a) General

(1) Except as provided in this Section, the Port Authority shall not be obligated to perform or furnish any services or utilities whatsoever in connection with this Agreement or the use and occupancy of the Premises. Further, the Lessee acknowledges and agrees that reference in this Section to services and utilities shall not include telephone or any form of data or information transmission service, which shall be the responsibility of Lessee to obtain at its sole cost and expense.

(2) The Port Authority's obligation to provide or continue any service or utility hereunder shall be limited by the safe and efficient operating capacity of the existing equipment, systems, piping systems, tie-ins, wires and conduits serving the Terminal and no approval given by the Port Authority to the erection by the Lessee of any improvement or to the installation of any fixtures or equipment shall be deemed to impose upon the Port Authority any obligation to increase the said operating capacity of any existing or presently contemplated equipment, systems, piping systems, tie-ins, wires or conduits.

(3) The Lessee understands that the Port Authority and the airline lessees (as defined in the Section of this Agreement entitled "*Definitions*") by its and their respective officers, employees, agents, representatives or contractors or by the furnishers of utilities or other services to the Premises or to others at the Airport shall have the right to temporarily discontinue the supply of any of the services described herein in order to allow repair, alterations, changes or improvements in the Premises or elsewhere at the Airport including all systems for the supply of services for the benefit of the Lessee or for the benefit of others than the Lessee at the Airport.

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

expired and the Port Authority may cease performance. If by operation of this Section any service for which the Lessee has agreed to pay a flat sum is discontinued for any period of the letting, the Lessee shall be relieved of its obligation to pay for such service for any such period or if any such service is supplied during fewer hours or in lesser amounts than agreed during any period of the letting, the Lessee shall be relieved proportionately of its obligation to pay for any such service for any such period.

(5) No failure, delay, interruption or curtailment in supplying agreed services (whether or not a separate charge is made therefor) shall be or be construed to be an eviction (actual or constructive) of the Lessee or grounds for any diminution or abatement of rental, or shall be grounds for any claims by the Lessee for damages, consequential or otherwise, against the Port Authority, or its officers, employees or agents. The Lessee shall not be entitled to receive any of the above services during any period during which the Lessee wastes any of the said services or is in default under any of the provisions of this Agreement.

(b) Electricity and Gas. The Lessee shall receive electricity and gas to the extent of the capability of existing or upgraded facilities, and the Lessee agrees to take electricity and gas, as follows.

(1) For use on and in the Premises, electricity and gas shall be provided to the Lessee either from the Port Authority, or the relevant airline lessee pursuant to the relevant Airline Leases, as the case may be. However, the Port Authority anticipates a modernization program to the facilities for electricity and gas. In connection with the modernization of the facilities, the Port Authority reserves the right to either check meter such utilities or arrange for the appropriate utility company to directly invoice the Lessee for such electricity and gas consumed by Lessee in the Premises, if that option becomes available with such modernization.

(2) The Lessee shall take electricity of the same voltage, phase and cycle as supplied by the public utility through existing wires, conduits and outlets at the Premises. The Lessee shall be solely responsible for transforming the electricity supplied to such voltage, phase and frequency as it desires, for the distribution and handling of such electricity within its Premises and for making all connections and tie-ins to the point or points in the Premises designated by the Port Authority or relevant airline lessee.

(c) Extermination Service. In the event the Port Authority shall provide extermination service for the enclosed areas of the Premises, the Lessee agrees to utilize the same and to pay its pro rata share of the cost thereof upon demand. This paragraph does not impose any obligation on the Port Authority to furnish such service. If the Port Authority does not provide such service, Lessee, at its sole cost and expense, shall, at such intervals as the Port Authority may require, contract directly with such service designated by the Port Authority that performs the service for the Port Authority in the Terminal in order to provide continuity and consistency in such service.

(d) High Temperature Water.

(1) For use on and in the Premises (as applicable), the Lessee shall be provided high temperature water at no additional charge from either the Port Authority, or the relevant airline lessee pursuant to the relevant Airlines Leases, as the case may be, and the Lessee shall take, as needed for Lessee's operations, the following: (i) high temperature water for heating purposes in reasonable quantities at a temperature of approximately 130 degrees F.; and (ii) high temperature water for domestic hot water purposes.

(2) The Lessee's obligation to distribute and handle the high temperature water provided hereunder within its Premises, and for making all connections and tie-ins to the point or points in the Premises designated by the Port Authority or the relevant airline lessee shall fully apply in the same way as it applies for electricity and gas, as hereinabove described.

(e) Chilled Water.

(1) For use on and in the Premises (as applicable), the Lessee shall be provided chilled water at no additional charge from either the Port Authority, or the relevant airline lessee pursuant to the relevant Airlines Leases, as the case may be, and the Lessee shall take, as needed for Lessee's operations, through existing pipes, mains and fittings, for the following purposes: (i) for air cooling purposes, at a temperature and with other characteristics as determined by the Port Authority; and (ii) for domestic cold water purposes only.

(2) The Lessee's obligation to distribute and handle the chilled water provided hereunder within its Premises, and for making a connections and tie-ins to the point or points in the Premises designated by the Port Authority or the relevant airline lessee shall fully apply in the same way as it applies for electricity and gas, as hereinabove described.

(3) Without limiting the generality of rights of entry upon the Premises elsewhere in this Agreement reserved to the Port Authority (or the relevant airline lessee, as the case may be, in accordance with the relevant Airline Lease), the Port Authority (and the relevant airline lessee, as the case may be, in accordance with the relevant Airline Lease) shall have, for itself, its officers, employees, agents, representatives, contractors and subcontractors, the right to enter upon the Premises at all times to construct, install, maintain, replace, repair or improve the air-cooling system or any part thereof. Such air-cooling shall be furnished subject to all the provisions of this Agreement (including the remaining provisions of this Section) and in accordance with the following:

(4) If the air-cooling on the Premises can be controlled by mechanisms within the Premises or portions thereof, the Lessee shall shut off the air-cooling before closing and leaving any particular portion of the Premises at any time for any period. The Port Authority shall have the right to enter the Premises for the purpose of observing the Lessee's compliance with the provisions hereof and the Port Authority may lock, seal or install any timing device on or in connection with any air-cooling control mechanism so as to provide that each portion of the Premises shall only be air-cooled during the hours and days stipulated hereunder.

(5) If the Lessee in accordance with this Agreement erects any partitions or makes any improvements, which partitions or improvements stop, hinder, obstruct or interfere with the cooling of the air or the heating of the Premises, then no such action by the Lessee shall impose any obligation on the Port Authority to install facilities, fixtures or equipment for air-cooling or for heating additional to those presently existing or presently contemplated or to increase the capacity or output of existing or presently contemplated facilities, equipment or fixtures and the Lessee shall not in any such event be relieved of any of its obligations hereunder because a comfortable temperature is not maintained. No approval given by the Port Authority to the erection of partitions or the making of any improvements shall be or be deemed to be a representation that the work approved of will not stop, hinder, obstruct or interfere with either the cooling of the air or the heating of the Premises or any portion thereof.

(6) The Lessee shall not waste or dissipate the air-cooling or heating service by any act or omission including but not limited to the permitting of outside doors or windows to remain open. Without otherwise affecting the Port Authority's rights or remedies in the event of any breach by the Lessee of its obligations under this subdivision, the Port Authority shall have the right to discontinue the said heating or air-cooling service during any period of such waste or dissipation and any failure of the Port Authority to supply any such service under such conditions shall not affect any of the Lessee's obligations under this Agreement. It is hereby understood further that the installation by the Lessee of any equipment which itself requires air-cooling or which requires additional quantities of air-cooling at the portion of the Premises where such equipment is installed, or the concentration in any portion of the Premises of such a number of people so as to require additional quantities of air-cooling, shall not impose any obligation on the Port Authority to increase

the capacity or output of initially existing facilities, equipment or fixtures for the supply of chilled water and the Lessee shall not in any such event be relieved of any of its obligations hereunder.

(f) **Obligation to Maintain Systems.** Without limiting or affecting any other term or provision of this Agreement, the Lessee shall be solely responsible for the operation of all equipment, systems, piping systems, tie-ins, utilities, lines and connections, mechanical, electrical, communications and other systems operating or located in the Premises and shall do all preventative maintenance and make all repairs, replacements, rebuilding and painting necessary to keep such systems (whether same involves structural or non-structural work) in the condition they were in when made or installed except for reasonable wear which does not adversely affect the watertight condition or structural integrity of the Terminals or adversely affect the efficient or proper utilization or appearance of any part of the Premises. In the event the Lessee retains a maintenance contractor for such work it shall secure the Port Authority's prior approval for said proposed contractor. Notwithstanding the foregoing and without otherwise limiting the generality thereof, the Lessee's obligations hereunder shall extend to and include cleaning of the supply and exhaust louvers on the Premises. To the extent necessary for the Lessee to have the benefit of any warranties and guarantees under existing contracts covering items and systems identified in this paragraph in fulfilling its obligations hereunder and on condition that such contracts permit it and the Port Authority's interests are not adversely affected in any way and to any extent, the Port Authority shall enable the Lessee to have recourse to such warranties and guarantees.

(g) **Drainage and Exhaust.** Without in any way limiting the Lessee's other obligations under this Agreement, the Lessee shall supply, replace, install, repair, maintain and keep clean all grease traps in all drainage pipes exclusively used in operations at the Premises whether such pipes are located on the Premises or elsewhere at the Terminal. The Lessee shall also keep clean, repair and maintain (other than structurally) all kitchen exhaust ducts including the replacement of all filters where such ducts are exclusively used by it in such operations and whether such ducts are located on the Premises or elsewhere at the Terminal. As part of the Lessee's maintenance responsibilities, the hood and ventilation system servicing the Premises shall be cleaned and maintained, from inside the unit through the ductwork to the roof top fan, on a monthly basis and at the Lessee's sole cost and expense. Written documentation of this work shall be supplied to the Port Authority on or before the seventh (7th) day of each calendar month, relating to servicing during the preceding calendar month. In addition, should any corrective work be necessary for any portion of the hood and ventilation system, the Lessee shall be responsible for the immediate repair and costs therefor, whether such repair is required inside the unit or outside the unit.

(h) **Other Governmental Actions.** If any federal, state, municipal or other governmental body, authority or agency or any public utility assesses, levies, imposes, makes or increases any charge, fee or rent on the Port Authority for any service, system or utility now or in the future supplied to or available to the Premises or to any occupants or users thereof or to the structure or building of which the Premises form a part (including but not limited to any rent or charge for the use of the sewer systems), the Lessee shall, at the option of the Port Authority exercised at any time and from time to time by notice to the Lessee, pay in accordance with the said notice, such charge, fee or rent or increase thereof (or the portion thereof allocated by the Port Authority to the Premises or the operations therein) either directly to the governmental body, authority or agency or to the public utility or directly to the Port Authority or the airline lessee, as required.

(i) **Washrooms.** The Lessee shall be furnished, without additional charge, non-exclusive toilet and washroom facilities for the employees of the Lessee if toilet and washroom facilities are not a part of the Premises.

Section 16. Construction by the Lessee

(a) Except as hereinafter expressly provided, the Lessee shall not erect any structures, make any improvements or do any other construction work on the Premises or elsewhere

at the Terminal, or alter, modify or make additions, improvements or repairs to or replacements of any structure now existing or built at any time during the letting, or install any fixtures (other than trade fixtures, removable without material injury to the freehold, any such damage to be immediately repaired by the Lessee) without the prior written consent of the Port Authority. In the event any construction, improvement, alteration, modification, addition, repair or replacement is made without such written approval of the Port Authority, then, upon notice given at any time during the letting or within sixty (60) days after expiration or termination of the term of the letting, the Lessee will remove the same, or, at the option of the Port Authority, cause the same to be changed to the satisfaction of the Port Authority. In case of any failure on the part of the Lessee to comply with such notice, the Port Authority may effect the removal or change, and the Lessee shall pay the cost thereof to the Port Authority on demand.

(b) In the event that Item 4 of **Exhibit B** provides that the Lessee is required (or is permitted to) build a structure or make repairs, alterations, improvements or additions to the Premises, the structure, repairs, alterations improvements or additions described in the said Item 4 shall be built or made strictly in accordance with the following terms and conditions:

(1) The Lessee shall, to the extent allowed under the law, be the insurer of the Port Authority, its Commissioners, officers, agents and employees, against the following distinct and several risks, whether they arise from the acts or omissions of the Lessee, of the Port Authority, its Commissioners, officers, agents and employees or of third persons, or from acts of God or of the public enemy, or otherwise, excepting only risks which result solely from affirmative, willful acts done by the Port Authority subsequent to the commencement of the work of construction, repair, alteration, improvement or addition.

(i) The risk or loss or damage to all such required repairs, alterations, additions, improvements, or structures prior to the completion thereof. In the event of such loss or damage, the Lessee shall forthwith repair, replace and make good the work without cost to the Port Authority.

(ii) The risk of death, injury or damage, direct or consequential, to the Port Authority, its Commissioners, officers, agents and employees, and to its or their property, arising out of or in connection with the performance of the work. The Lessee shall indemnify the Port Authority, its Commissioners, officers, agents and employees, for all such deaths, injuries and damages, and for all loss suffered by reason thereof.

(iii) The risk of claims and demands, just or unjust, by third persons against the Port Authority, its Commissioners, officers, agents and employees, arising or alleged to arise out of the performance of the work. The Lessee shall indemnify the Port Authority, its Commissioners, officers, agents and employees against and from, and shall reimburse the Port Authority for, costs or expenses incurred by it in connection with the defense, settlement or satisfaction of all such claims and demands.

(2) All work done pursuant to this Section shall be done in accordance with drawings and specifications to be submitted to and approved by the Chief Engineer of the Port Authority prior to the commencement of the work, shall be done to his satisfaction and shall be subject to his inspection during the progress of such work and after completion thereof; and the Lessee shall re-do or replace at its own expense any work not approved by the said Chief Engineer. Unless otherwise expressly provided herein, all workmanship and materials are required to be first class.

(3) The Lessee shall pay all claims lawfully made against it by its contractors, subcontractors, materialmen and workmen and all claims lawfully made against it by other third persons arising out of or in connection with or because of the performance of the work and shall cause its contractors and subcontractors to pay all such claims lawfully made against them.

(4) The Lessee shall procure and maintain comprehensive public liability insurance, or, if the work is to be done by an independent contractor, the Lessee shall require such contractor to procure and maintain such insurance in the name of the contractor, in either case, in limits not lower than those set forth for such categories of insurance in Item 5 of **Exhibit B**.

(5) As soon as such structure, repair, alteration, improvement or addition shall have been completed to the satisfaction of the Chief Engineer of Port Authority, then (subject to the provisions of the following subdivision (c)) title thereto shall immediately and without execution of any further instrument vest in the Port Authority, and every said structure and all such repairs, alterations, improvements or additions, shall thereupon become and thereafter be part of the Premises (said vesting of title does not apply to Lessee's movable trade fixtures and other items of Lessee's personal property).

(c) The Port Authority shall have the option, exercisable by notice delivered on or before a date sixty (60) days after expiration, cancellation or termination hereof, to require the Lessee to remove any or all such structures, alterations, improvements or additions, and to restore the Premises to the condition thereof prior to the construction or installation thereof. In the event of a failure on the part of the Lessee so to remove and restore, the Port Authority may do so, and the Lessee shall pay the cost thereof to the Port Authority on demand.

Section 17. Injury and Damage to Person or Property

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

Section 18. Additional Rent and Charges

(a) If the Port Authority has paid any sum or sums or has incurred any obligation or expense (including, without limitation, payments to third persons and internal Port Authority costs and expenses) which the Lessee has agreed to pay or reimburse the Port Authority for, or if the Port Authority is required or elects to pay any sum or sums or incurs any obligation or expense (including, without limitation, payments to third persons and internal Port Authority costs and expenses) by reason of the failure, neglect or refusal of the Lessee to perform or fulfill any one or more of the conditions, covenants or agreements contained in this Agreement or as a result of an act or omission of the Lessee contrary to the said conditions, covenants and agreements, the Lessee agrees to pay the sum or sums so paid or the expense so incurred, including all interest, costs, damages and penalties, and the same may be added to any installment of rent thereafter due hereunder, and each and every part of the same shall and become additional rent, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the Basic Rental, or if there is no Basic Rental as a part of the Percentage Rental, all as set forth in the Section of this Agreement entitled "*Rental*".

(b) For all purposes under this Section and in any suit, action or proceeding of any kind between the parties hereto, any receipt showing any payment of sum or sums by the Port Authority for any work done or material furnished shall be prima facie evidence against the Lessee that the amount of such payment was necessary and reasonable. Should the Port Authority elect to use its own operating and maintenance staff in making any repairs, replacements and/or alterations and to charge the Lessee with the cost of same, any time report of any employee of the Port Authority showing hours of labor or work allocated to any such repair, replacement and/or alteration, or any stock requisition of the Port Authority showing the issuance of materials for use in the performance

thereof, shall likewise be prima facie evidence against the Lessee that the amount of such charge was necessary and reasonable.

Section 19. Application of Payments; Accord and Satisfaction

All payments received by the Port Authority shall be credited and be deemed to be on account of the rentals and other charges then first due. No statements or endorsements on any check or any letter accompanying any check or payment of rentals or other charges shall be deemed an accord and satisfaction of any debt or obligation of the Lessee hereunder. The Port Authority reserves the right to accept any check or payment without prejudicing in any way the Port Authority's right to recover the balance of any and all rentals and other charges due from the Lessee after receipt of any such check or payment or to pursue any other remedy provided herein or by law.

Section 20. Rights of Entry Reserved

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

(b) Without limiting the generality of the foregoing, the Port Authority, by its officers, employees, representatives, and contractors, shall have the right, for the benefit of the Lessee or for the benefit of others at the Terminal, to maintain existing and future utilities systems or portions thereof on the Premises, including therein without limitation thereto systems for the supply of heat, water hot and cold, gas, electricity and fuel and for the furnishing of fire-protection, sprinkler, sewerage, drainage, air-conditioning, telephone, telegraph, tele-register, pneumatic-tube dispatch and intercommunication services, and to maintain elevator and escalator systems, including lines, pipes, mains, wires, conduits and equipment connected with or appurtenant to all such systems, and to enter upon the Premises at all reasonable times to make such repairs, alterations and replacements as may, in the opinion of the Port Authority, be deemed necessary or advisable and, from time to time, to construct or install over, in, under or through the Premises new lines, pipes, mains, wires, conduits and equipment; provided, however, that such repair, alteration, replacement or construction shall not unreasonably interfere with the use of the Premises by the Lessee.

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

(d) At any time and from time to time during ordinary business hours within the six (6) months next preceding the expiration of the letting, the Port Authority, by its agents and employees, whether or not accompanied by prospective lessees, occupiers or users of the Premises, shall have the right to enter thereon for the purpose of exhibiting and viewing all parts of the same and during such six-month period for Port Authority may place and maintain on the Premises, the usual "To Let" signs, which signs the Lessee shall permit to remain without molestation.

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

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

Section 21. Condemnation

(a) In any action or proceeding instituted by any governmental agency or agencies for the taking for a public use of any interest in all or any part of the Premises, the Lessee shall not be entitled to assert any claim to any award or part thereof made or to be made therein, or to institute any action or proceeding or to assert any claim against such agency or agencies or against the Port Authority, for or on account of any such taking, except the possible claim to an award for loss of fixtures furnished and installed by the Lessee (and for the purpose of such possible claim alone, title to such fixtures shall revert to the Lessee), it being understood and agreed between the Port Authority and the Lessee that, except for the possible claim to an award for loss of fixtures, the Port Authority shall be entitled to all the compensation or awards made or to be made or paid for any such taking, free of any claim or right of the Lessee.

(b) In the event of a taking of the entire Premises by any governmental agency or agencies, then this Agreement shall be cancelled and the letting shall, as of the date possession is taken from the Port Authority by such agency or agencies, cease and determine in the same manner and with the same effect as if the term of the letting had on that date expired.

(c) In the event of a taking by any governmental agency or agencies of a part of the Premises, then the letting as to such part only shall, as of the date possession thereof is taken from the Port Authority by such agency or agencies, cease and determine, and the rentals thereafter to be paid by the Lessee to the Port Authority shall, if so provided in Item 1 of **Exhibit B**, be abated from and after the date of such taking.

(d) Notwithstanding the provisions of this Section 21, the Lessee shall not be prevented thereby from making a possible claim against the condemning party for an award for moving expenses or for trade fixtures owned or installed by Lessee, if (i) such claim is then allowed by law, (ii) such claim is then allowed by the Port Authority's lease with the City of Newark, described in the Section of this Agreement entitled "*Basic Lease*", if applicable, and (iii) such award is made separately from the award to the Port Authority and will not reduce the amount thereof; this provision shall not be deemed a representation by the Port Authority of the validity or legality of any such claim.

Section 22. Assignment and Subleasing

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

(1) "**Assignment**" shall mean any sale, conveyance, transfer, exchange, mortgage, assignment or other disposition of all or any portion of the Lessee's interest in this Agreement or the leasehold estate created hereby, whether directly or indirectly or by operation of law or otherwise.

(2) "**Sublease**" shall mean any sublease (including a sub-sublease or any further level of subletting) and any occupancy, license, franchise or concession agreement applicable to the Premises or any portion thereof.

(3) "**Transfer**" shall mean the transfer, sale, assignment, pledge, hypothecation or other disposition of any interest in the Lessee or in any direct or indirect constituent entity of the Lessee, where such disposition (whether by itself or cumulatively with other transactions) directly or indirectly produces any change in the direct or indirect Control (as defined in the definition of Affiliate) of the Lessee, and shall include but not be limited to (1) the sale, assignment, redemption or transfer of outstanding stock of or membership interest in, respectively, any corporation or any limited liability company that is the Lessee or that is the general partner of any partnership that is the Lessee, (2) the issuance of additional stock

or membership interest in, respectively, any corporation or limited liability company that is the Lessee or that is the general partner of any partnership that is the Lessee, and (3) the sale, assignment, redemption or transfer of any general or limited partner's interest in, or the admission of a new partner to, a partnership that is the Lessee or that is a general or limited partner of any partnership that is the Lessee.

(b) No Assignment, Transfer or Sublease without Consent. The Lessee shall not effect or permit any Assignment, Transfer or Sublease without the prior written consent of the Port Authority.

(c) Unauthorized Transactions Null and Void. Any Sublease, Assignment or Transfer, including without limitation any sale, assignment, transfer, mortgage, pledge, hypothecation, encumbrance or disposition of the Premises or of the rents, revenues or any other income from the Premises, or this Agreement or any part hereof, or any license or other interest of the Lessee herein not made in accordance with the provisions of this Agreement shall be null and void *ab initio* and of no force or effect.

(d) Port Authority's Right to Collect Rent. If without the prior written consent of the Port Authority, the Lessee effects any Assignment, Transfer or Sublease, or if the Premises are occupied by anybody other than the Lessee, the Port Authority may collect rent from any assignee, sublessee or anyone who claims a right under this Agreement or letting or who occupies the Premises, and the Port Authority shall apply the net amount collected to the rental herein reserved; but no such collection shall be deemed a waiver by the Port Authority of the covenants contained in paragraphs (a) and (b) of this Section or an acceptance by the Port Authority of any such assignee, sublessee, claimant or occupant as Lessee, nor a release of the Lessee by the Port Authority from the further performance by the Lessee of the covenants contained herein.

(e) Continuing Application of Consent Requirement. Any consent granted by the Port Authority to any Assignment, Transfer or Sublease pursuant to the provisions hereof shall not be construed or deemed to release, relieve or discharge the Lessee or any other person claiming any right, title or interest in this Agreement from the requirement of obtaining the prior written consent of the Port Authority with respect to any other Assignment, Transfer or Sublease.

(f) Use of Premises. The Lessee shall not use or permit any person to use the Premises or any portion thereof for any purpose other than the purposes stated in the Section hereof entitled "*Rights of Use by the Lessee*". Except as provided in this Agreement or otherwise permitted in writing by the Port Authority, the Lessee shall not permit the Premises to be used or occupied by any person other than its own officers, employees, contractors and representatives.

Section 23. Termination

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

(1) The Lessee shall fail duly and punctually to pay the rentals or to make any other payment required hereunder when due to the Port Authority.

(2) The Lessee shall become insolvent, or shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy or a petition or answer seeking an arrangement or its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any other law or statute of the United States or of any State thereof, or consent to the appointment of a receiver, trustee, or liquidator of all or substantially all its property; or

(3) By order or decree of a court the Lessee shall be adjudged bankrupt or an order shall be made approving a petition filed by any of the creditors or, if the Lessee is a corporation, by any of the stockholders of the Lessee, seeking its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any law or statute of the United States or of any State thereof; or

(4) A petition under any part of the federal bankruptcy laws or an action under any present or future insolvency law or statute shall be filed against the Lessee and shall not be dismissed within thirty (30) days after the filing thereof; or

(5) The letting hereunder or the interest or estate of the Lessee under this Agreement shall be transferred to, pass to or devolve upon, by operation of law or otherwise, any other person, firm or corporation; or

(6) The Lessee, if a corporation, shall, without the prior written approval of the Port Authority, become a possessor or merged corporation in a merger, a constituent corporation in a consolidation, or a corporation in dissolution; or

(7) The Lessee is, or the Lessees collectively are doing business as, or constitute a co-partnership, and the said co-partnership shall be dissolved as the result of any act or omission of its co-partners or any of them, or by operation of law or the order or decree of any court having jurisdiction, or for any other reason whatsoever; or

(8) By or pursuant to, or under authority of any legislative act, resolution or rule, or any order or decree of any court or governmental board, agency or officer having jurisdiction, a receiver, trustee, or liquidator shall take possession or control of all or substantially all of the property of the Lessee, and such possession or control shall continue in effect for a period of fifteen (15) days; or

(9) Any type of strike or other labor activity is directed against the Lessee at the Terminal 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 Terminal or the operations of other Lessees or licensees thereat, whether or not the same is due to the fault of the Lessee, and whether caused by the employees of the Lessee or by others; or

(10) Any lien is filed against the Premises because of any act or omission of the Lessee and is not removed within ten (10) days; or

(11) The Lessee shall voluntarily abandon, desert, vacate or discontinue its operations in the Premises; or

(12) The Lessee shall fail to keep, perform and observe each and every other promise, covenant and agreement set forth in this Agreement on its part to be kept, performed or observed, within ten (10) days after receipt of notice of default thereunder from the Port Authority (except where fulfillment of its obligation requires activity over a period of time, and the Lessee shall have commenced to perform whatever may be required for fulfillment within ten (10) days after receipt of notice and continues such performance without interruption except for causes beyond its control);

then upon the occurrence of any such event or at any time thereafter the continuance thereof, the Port Authority may by five (5) days' notice terminate the letting and the rights of the Lessee hereunder, such termination to be effective upon the date specified in such notice. Such right of termination and the exercise thereof may be and operate as a conditional limitation.

(b) If any of the events enumerated in subdivision (a) of this Section shall occur prior to the letting, the Lessee shall not be entitled to enter into possession of the Premises and the Port Authority upon the occurrence of any such event or at any time thereafter during the continuance thereof by twenty-four hours' notice may cancel the interest of the Lessee under this Agreement, such cancellation to be effective upon the date specified in such notice.

(c) No acceptance by the Port Authority of rentals, fees, charges or other payments in whole or in part for any period or periods after or during the continuance of a breach or default of any of the terms, covenants and conditions to be performed, kept or observed by the Lessee shall be deemed a waiver of any right on the part of the Port Authority to terminate the letting, nor shall the same constitute a waiver of any such breach or default.

(d) No waiver by the Port Authority of any breach or default on the part of the Lessee in performance of any of the terms, covenants or conditions hereof to be performed, kept or observed by the Lessee shall be or be construed to be a waiver by the Port Authority of any other or subsequent default in performance of any of the said terms, covenants and conditions. No failure by the Port Authority to insist upon the strict performance of terms, covenants or conditions of this Agreement or to exercise any right or remedy consequent upon a breach or default thereof, and no extension, supplement or amendment of this Agreement during or after a breach thereof, unless expressly stated to be a waiver, shall constitute a waiver of any such breach or default of the said terms, covenants or conditions. No terms, covenant or condition of this Agreement to be performed or complied with by the Lessee, and no breach or default thereof, shall be waived, altered or modified except by a written instrument executed by the Port Authority.

(e) The rights of termination described above shall be in addition to any other rights of termination provided in this Agreement and in addition to any rights and remedies that the Port Authority would have at law or in equity consequent upon any breach of this Agreement by the Lessee, and the exercise by the Port Authority of any right of termination shall be without prejudice to any other such rights and remedies. The Lessee particularly acknowledges that as part of said equitable rights and remedies the Port Authority shall be entitled to restrain by injunction any violation or attempted or threatened violation of any covenants, conditions or other provisions of this Agreement.

Section 24. Right of Re-entry

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

Section 25. Waiver of Redemption

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

Section 26. Survival of the Obligations of the Lessee

(a) In the event that the letting shall have been terminated in accordance with a notice of termination as provided in the Section of this Agreement entitled "*Termination*", or the

interest of the Lessee cancelled pursuant thereto, or in the event that the Port Authority has re-entered, regained or resumed possession of the Premises in accordance with the provisions of the Section of this Agreement entitled "*Right of Re-entry*", all the obligations of the Lessee under this Agreement shall survive such termination or cancellation, re-entry, regaining or resumption of possession and shall remain in full force and effect for the full term of this Agreement, and the amount or amounts of damages or deficiency shall become due and payable to the Port Authority to the same extent, at the same time or times and in the same manner as if no termination, cancellation, re-entry, regaining or resumption of possession had taken place. The Port Authority may maintain separate actions each month to recover the damage or deficiency then due or at its option and at any time may sue to recover the full deficiency less the proper discount, for the entire unexpired term.

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

(1) on account of the Lessee's basic rental obligation, the amount of the total of all annual basic rentals, less the installments thereof payable prior to the effective date of termination except that the credit to be allowed for the installment payable on the first day of the month in which the termination is effective shall be prorated for the part of the month the letting remains in effect, on the basis of a 30-day month;

(2) on account of the Lessee's percentage rental obligation in the event that a basic rental is also reserved under this Agreement, an amount equal to the percentage stated in Item 1 of **Exhibit B** applied to the amount of Gross Receipts in excess of the annual exemption amount or amounts, which Gross Receipts would have been received by the Lessee during the balance of the term if there had been no termination or cancellation (or re-entry, regaining or resumption of possession), and for the purpose of calculation hereunder (i) the said amount of Gross Receipts shall be derived by multiplying the number of days in the balance of the term originally fixed, by the Lessee's average daily Gross Receipts; (ii) the average daily Gross Receipts shall be the total actual Gross Receipts of the Lessee during that part of the effective period of the letting (including all annual periods falling within the effective period) in which the abatement was in effect, divided by the number of days included in such part of the effective period; (iii) the annual exemption amount for any period of less than a year shall be the product of the original annual exemption amount multiplied by a fraction, the numerator of which shall be the number of days from the effective date of termination to the end of the annual period and the denominator shall be 365;

(3) on account of the Lessee's percentage rental obligation in the event that no basic rental is reserved under this Agreement, an amount equal to the percentage stated in Item 1 of **Exhibit B** applied to the amount of Gross Receipts which would have been received by the Lessee during the balance of the term if there had been no termination or cancellation (or re-entry, regaining or resumption of possession), and for the purpose of calculation hereunder (i) the said amount of Gross Receipts shall be derived by multiplying the number of days in the balance of the term originally fixed, by the Lessee's average daily Gross Receipts; and (ii) the average daily Gross Receipts shall be the total actual Gross Receipts of the Lessee during that part of the effective period of the letting (including all annual periods falling within the effective period) divided by the number of days included in such part of the effective period;

(4) the amount of all other unfulfilled monetary obligations of the Lessee under this Agreement, including without limitation thereto, all sums constituting additional rental hereunder and the cost to and expenses of the Port Authority for fulfilling all other obligations of the Lessee which would have accrued or matured during the balance of the term on the expiration date originally fixed or within a stated time after expiration or termination; and

(5) an amount equal to the cost to and the expenses of the Port Authority in connection with the termination, cancellation, regaining possession and restoring (on failure of the Lessee to restore) and reletting the Premises, the Port Authority's legal expenses (including but not

limited to the cost to the Port Authority of in-house legal services) and costs, and the Port Authority's costs and expenses for the care and maintenance of the Premises during any period of vacancy, and any brokerage fees and commissions in connection with any reletting.

(c) It is understood and agreed that the statement of damages under the preceding subdivision (b) shall not affect or be construed to affect the Port Authority's right to damages in the event of termination or cancellation (or re-entry, regaining or resumption of possession) where the Lessee has not received any actual Gross Receipts under this Agreement.

Section 27. Reletting by the Port Authority

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

Section 28. Thirty Day Termination

(a) The Port Authority shall have the right to terminate this Agreement and the letting hereunder, without cause, at any time, on thirty (30) days' notice to the Lessee. In the event of termination pursuant to this Section, this Agreement and the letting hereunder shall cease and expire as if the effective date of termination stated in the notice were the date originally stated herein for the expiration of this Agreement.

(b) The Lessee is obligated by this Agreement to furnish and install all fixtures and equipment and make all improvements in the Premises, necessary or proper for its operations hereunder. In the event of termination by the Port Authority under this Section, the Port Authority shall pay the Lessee a pro rata share of the Lessee's cost in supplying and installing such fixtures and equipment and making all such improvements excluding any replacements thereof. The cost and the pro rata share thereof shall be ascertained as stated in Item 6 of **Exhibit B**; provided, however, that tender of payment of said prorated cost by the Port Authority to the Lessee shall not be prerequisite to the exercise of the right of termination under this Section. On the payment by the Port Authority of said prorated cost and any interest due thereon, all fixtures, equipment and improvements including replacements furnished by the Lessee in the Premises and all interest of the Lessee therein which have not already become the property of the Port Authority shall be and become the property of the Port

Authority and the Lessee shall execute any and all instruments necessary to transfer title to any such interest; provided, however, that the Port Authority may by notice relinquish its right to any such fixtures, equipment or improvements and the provisions of the Sections of this Agreement "*Sales and Services by the Lessee*" and "*Surrender*", respectively.

Section 29. Remedies to Be Non-exclusive

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

Section 30. Surrender

(a) The Lessee covenants and agrees to yield and deliver peaceably to the Port Authority possession of the Premises on the date of the cessation of the letting, whether such cessation be by termination, expiration or otherwise, promptly and in good condition, and all of the Premises shall be free and clear of all liens, encumbrances, and security interests and of any rights of any sublessees or other occupants of the Premises.

(b) Subject to the provisions of the Sections of this Agreement entitled "*Sales and Services by the Lessee*" and "*Thirty Day Termination*", respectively, the Lessee shall have the right at any time during the letting to remove its equipment, inventories, removable fixtures and other personal property from the Premises. If the Lessee shall fail to remove its property on or before the termination or expiration of the letting, the Port Authority may remove such property to a public warehouse for deposit or retain the same in its own possession, and sell the same at public auction, the proceeds of which shall be applied first to the expenses of removal, storage and sale, second to any sums owed by the Lessee to the Port Authority, with any balance remaining to be paid to the Lessee; if the expenses of such removal, storage and sale shall exceed the proceeds of sale, the Lessee shall pay such excess to the Port Authority upon demand.

Section 31. Acceptance of Surrender of Lease

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

Section 32. Requirement of Security Deposit

(a) Upon the execution of this Agreement by the Lessee and delivery thereof to the Port Authority, the Lessee shall deliver to the Port Authority, as security for the full, faithful and prompt performance of and compliance with, on the part of the Lessee, all of the terms, provisions, covenants and conditions of this Agreement on its part to be fulfilled, kept, performed or observed, a clean irrevocable letter of credit issued by a banking institution satisfactory to the Port Authority and having its main office within the Port of New York District and acceptable to the Port Authority, in favor of the Port Authority, and payable in the Port of New York District in the amount of Fourteen Thousand Dollars and No Cents (\$14,000.00). The form and terms of such letter of credit, as well as the institution issuing it, shall be subject to the prior and continuing approval of the Port Authority. Such letter of credit shall provide that it shall continue throughout the effective period of the permission under this Agreement and for a period of not less than six (6) months thereafter; such continuance may be by provision for automatic renewal or by substitution of a subsequent clean and irrevocable satisfactory letter of credit. If requested by the Port Authority, said letter of credit shall be

accompanied by a letter explaining the opinion of counsel for the banking institution that the issuance of said clean, irrevocable letter of credit is an appropriate and valid exercise by the banking institution of the corporate power conferred upon it by law. Upon notice of cancellation of a letter of credit, the Lessee agrees that unless, by a date twenty (20) days prior to the effective date of cancellation, the letter of credit is replaced by another letter of credit satisfactory to the Port Authority, the Port Authority may draw down the full amount thereof and thereafter the Port Authority will hold the same as security. Failure to provide such a letter of credit at any time during the effective period of the permission, under this Agreement, valid and available to the Port Authority, including any failure of any banking institution issuing any such letter of credit previously accepted by the Port Authority to make one or more payments as may be provided in such letter of credit shall be deemed to be a breach of this Agreement on the part of the Lessee. Upon acceptance of such letter of credit by the Port Authority, and upon request by the Lessee made thereafter, the Port Authority will return the security deposit, if any, theretofore made. The Lessee 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 Agreement and fulfillment of the obligations of the Lessee hereunder. If the Port Authority shall make any drawing under a letter of credit held by the Port Authority hereunder, the Lessee on demand of the Port Authority and within two (2) days thereafter, shall bring the letter of credit back up to its full amount. No action by the Port Authority pursuant to the terms of any letter of credit, or any receipt by the Port Authority of funds from any bank issuing such letter of credit, shall be or be deemed to be a waiver of any default by the Lessee under the terms of this Agreement and all remedies of the Lessee and of the Port Authority consequent upon such default shall not be affected by the existence of a recourse to any such letter of credit.

(b) For purposes of the provisions set forth in this Section, the Lessee hereby certifies that the I.R.S. Employer Identification No. for: (i) AMS-BW Newark JV is (Ex. 1) (ii) Airport Management Services, LLC is (Ex. 1) , and (iii) Branded Works, Inc is (Ex. 1)

(c) Unless Item 7 of Exhibit B indicates that no performance bond is required, the Lessee shall furnish and pay the premium for a bond in the sum stated in the said Item 7, conditioned upon the full, faithful and prompt performance of and compliance with, on the part of the Lessee, all the covenants, terms and conditions of this Agreement on its part to be fulfilled, kept, performed and observed. The bond so furnished shall be in the form attached hereto, hereby made a part hereof and marked Exhibit U, and shall be effective throughout the performance of Lessee's Work for the Premises and through the later of either (i) a period of six (6) months following the completion of all punch list items issued by the Port Authority or (ii) the opening of the Premises for business to the public. Further, such bond shall be made either by a surety company or companies qualified to carry on a surety business in the State of New Jersey if the Premises are in New Jersey or in the State of New York if the Premises are in New York, and satisfactory to the Port Authority or by an individual or individuals satisfactory to the Port Authority.

Section 33. Brokerage

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

Section 34. Limitation of Rights and Privileges Granted

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

Section 35. Letting Postponed

The Lessee recognizes that, at the time of execution of this Agreement, the Premises may be occupied by another or may be under construction, alteration or improvement by the Port Authority or that the Port Authority may intend to do or make such construction, alteration or improvement and that as a result the Premises may not be ready for occupancy on the commencement date stated in the Section of this Agreement entitled "Term". In the event that the Premises are not ready for occupancy on said commencement date, the term of the letting under this Agreement shall commence on a date designated by the Port Authority on ten (10) days' notice to the Lessee, but not later than the date stated in Item 8 of **Exhibit B**; and, in the event that the commencement date shall be postponed hereunder, then the expiration date as stated in said Section shall also be postponed by a period of time equivalent to the period intervening between the commencement date stated in said Section and the actual commencement date as designated pursuant to this Section. In the event that the Premises are not ready for occupancy on or before the date stated in Item 8 of **Exhibit B**, then this Agreement shall be cancelled and each party shall release and does hereby release the other party of and from any and all claims or demands based on this Agreement or any breach or alleged breach thereof. Nothing contained in this Section shall impose or shall be construed to impose on the Port Authority any obligation to perform construction or make alterations or improvements.

Section 36. Changes in the Terminal

The Port Authority shall have the right at any time and from time to time prior to and during the letting, in the interest of the efficient operation of the Terminal, to close, move or alter any common way in the Terminal, including but not limited to entrances, exits, passages, halls, corridors, aisles, stairways, elevators or escalators, or to restrict or change the traffic on or through any such common way; and no such action by the Port Authority shall release the Lessee from any of its obligations under this Agreement.

Section 37. Notices

(a) Except where expressly required or permitted herein to be oral, all notices, directions, requests, consents and approvals required to be given to or by either party shall be in writing, and all such notices and requests shall be (i) personally delivered to the duly designated officer or representative of such party or delivered to the office of such officer or representative during regular business hours, or (ii) forwarded to him or to the party at such address by certified or registered United States mail, postage prepaid, return receipt requested, or (iii) forwarded to him or to the party at such address by expedited prepaid delivery service, either commercial or United States Postal Service, with proof of delivery or attempted delivery required in the case of (i), (ii) or (iii) above. Said designated officer or representative of the Port Authority and the Lessee and their respective officers shall be as set forth in this Agreement.

(b) The Lessee shall from time to time designate in writing an office within the Port of New York District and an officer or representative whose regular place of business is at such office upon whom notices and requests may be served. Until further notice, the Lessee designates its representative named on the first page of this Agreement as its representative upon whom notices and requests may be served and its address given on the first page of this Agreement as its office where notices and request may be served. The Port Authority hereby designates its Executive Director, as its representative upon whom notices and requests may be served, and its office at 225 Park Avenue South, New York, New York 10003.

(c) A notice shall be deemed to have been given: in the case of hand delivery, at the time of delivery or refusal to accept delivery; in the case of registered or certified mail or expedited prepaid delivery, upon delivery or refusal to accept delivery; or in the event of failure to delivery by reason of changed address of which no notice was given or refusal to accept delivery, as

of the date of such failure or refusal. A party receiving a notice which does not comply with the technical requirements for notice under this Section may elect to waive any deficiencies and treat the notice as having been properly given.

(d) Wherever a notice or request is required to be given by the Lessee to the Port Authority pursuant to this Agreement, a copy of such notice or request shall also be given simultaneously by the Lessee to Westfield Concession Management, LLC (or any successor concession manager thereto designated by the Port Authority, if any), in accordance with the requirements of this Section, to the following address:

Westfield Concession Management, LLC
11601 Wilshire Blvd., 11th Floor
Los Angeles, California 90025
Attention: Office of Legal Counsel

Westfield Concession Management, LLC
Newark Liberty International Airport
35 Terminal B, Bldg. #74
Newark, New Jersey 07114
Attention: General Manager

Section 38. Place of Payments

All payments required of the Lessee by this Agreement shall be made by mail to the Port Authority of New York and New Jersey, c/o P.O. Box 51065, Los Angeles, CA 90074-1065 or via the following wire transfer instructions:

Bank: Bank of America, 555 S. Flower Street, 6th Floor, Los Angeles, CA 90071
Bank ABA Number: 026 009 593
Swift Code: BOFAUS3N
Account Name: Westfield Concession Mgmt., LLC
As Agent for Newark Airport Terminal A&B/Blocked Acct.
Account Number: (Ex. 1)
Ref.: Notify Merna Eskandani at 310-445-6816

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

Section 39. Quiet Enjoyment

The Port Authority covenants and agrees that as long as the Port Authority remains the lessee (if the Premises are located in the City of Newark) or the owner (if the Premises are located in the City of Elizabeth) of the Terminal, the Lessee, upon paying all rentals hereunder and performing all the covenants, conditions and provisions of this Agreement on its part to be performed, shall and may peaceably and quietly have, hold and enjoy the Premises free of any act or acts of the Port Authority except as expressly permitted in this Agreement.

Section 40. Headings

The section headings and the paragraph headings, if any, 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.

Section 41. Construction and Application of Terms

(a) Wherever in this Agreement a third person singular neuter pronoun or adjective is used, referring to the Lessee, the same shall be taken and understood to refer to the Lessee, regardless of the actual gender or number thereof.

(b) Whenever in this Agreement the Lessee is placed under an obligation or covenants to do or to refrain from or is prohibited from doing, or is entitled or privileged to do, any act or thing, the following shall apply:

(1) If the Lessee is a corporation, its obligations shall be performed or its rights or privileges shall be exercised only by its officers and employees; or

(2) If the Lessee is an unincorporated association or a business or "Massachusetts" trust, the obligation shall be that of its members or trustees, as well as of itself, and shall be performed only by its members or trustees, and officers and employees, and the rights or privileges shall be exercised only by its members or trustees, and its officers and employees; or

(3) If the Lessee is a co-partnership, the obligation shall be that of its partners and shall be performed only by its partners and employees and the rights or privileges shall be exercised only by its partners and employees; or

(4) If the Lessee is an individual, the obligations shall be that of himself (or herself) and shall be performed only by himself (or herself) and his (or her) employees and the rights or privileges shall be exercised only by himself (or herself) and his (or her) employees; or

(5) if the Lessee is a limited liability company, by the Lessee acting only through the medium of its members, managers, and employees.

(c) None of the privileges of paragraph (b) above shall be taken to alter, amend or diminish any obligation of the Lessee assumed in relation to its invitees, customers, agents, representatives, contractors or other persons, firms or corporations doing business with it.

(d) In the event that more than one individual or other legal entity are the Lessee under this Agreement, then and in that event each and every obligation under this Agreement shall be the joint and several obligation of each such individual or other legal entity.

(e) The Lessee's representative, hereinbefore specified (or such substitute as the Lessee may hereafter designate in writing) shall have full authority to act for the Lessee in connection with this Agreement and any things done or to be done hereunder, and to execute on the Lessee's behalf any amendments or supplements to this Agreement or any extension thereof.

(f) The Lessee agrees that any rule of construction to the effect that any ambiguities in this Agreement are to be resolved against the drafting party shall not be applicable to the interpretation or construction of this Agreement or any amendments, addendums, supplements, Exhibits or Schedules hereto.

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

(h) Unless otherwise expressly specified, the terms, provisions and obligations contained in the Exhibits and Schedules attached hereto, whether there set out in full or as

amendments of, or supplements to provisions elsewhere in the Agreement stated, shall have the same force and effect as if herein set forth in full.

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

(j) The fact that certain of the terms and provisions hereunder are expressly stated to survive the expiration or termination of the letting hereunder shall not mean that those provisions hereunder which are not expressly stated to survive shall terminate or expire on the expiration or termination of the letting hereunder and do not survive such termination or expiration.

(k) Time is of the essence in the Lessee's performance of this Agreement. Notwithstanding the fact that certain references elsewhere in this Agreement to acts required to be performed by the Lessee hereunder, or to breaches or defaults of this Agreement by the Lessee, omit to state that such acts shall be performed at the Lessee's sole cost and expense, or omit to state that such breaches or defaults by the Lessee are material, unless the context clearly implies to the contrary, each and every act to be performed or obligation to be fulfilled by the Lessee pursuant hereto shall be performed or fulfilled at the Lessee's sole cost and expense, and all breaches or defaults by the Lessee hereunder shall be deemed material. The Lessee shall be fully responsible and liable for the observance and compliance by concessionaires, franchisees and licensees of the Lessee and with all the terms and conditions of this Agreement, which terms and conditions shall be applicable to concessionaires, franchisees and licensees as fully as if they were the Lessee hereunder; and failure by a concessionaire, franchisee or licensee fully to observe and comply with the terms and conditions of this Agreement shall constitute a default by the Lessee. Nothing contained in the preceding sentence shall constitute consent by the Port Authority to any concession, subletting or other arrangement.

Section 42. Non-Discrimination

(a) Without limiting the generality of any of the provisions of this Agreement, the Lessee in its operations at the Airport, the use of any space or Premises and the exercise of any privileges under this Agreement, shall not on the grounds of race, creed, color or national origin discriminate or permit discrimination against any person or group of persons in any manner whatsoever and shall comply with Part 21 to the Regulations of the Office of the Secretary of Transportation, as it may be amended and any other present or future laws, rules, regulations, orders or directions of the United States of America with respect thereto which from time to time may be applicable to the Lessee's operations at the Airport, whether by reason of agreement between the Port Authority and the United States Government or otherwise.

(b) The Lessee shall include the provisions of paragraph (1) of this Section in every agreement or concession pursuant to which any person or persons, other than the Lessee, operates any facility at the Airport providing services to the public and shall also include therein a provision granting the Port Authority a right to take such action as the United States may direct to enforce any such covenant. Nothing herein shall be or be deemed to grant to the Lessee the right to make any such agreement or concession.

(c) The Lessee's noncompliance with the provisions of this Section shall constitute a material breach of this Agreement. In the event of such noncompliance, the Port Authority may take any appropriate action to enforce compliance; or by giving twenty-four (24) hours' notice, may terminate this Agreement and the letting hereunder with the same force and effect as a termination under the Section of this Agreement providing for termination for default by the Lessee in the performance or observance of any other term or provision of this Agreement; or may pursue such other remedies as may be provided by law; and as to any or all of the foregoing, the Port Authority may take such action as the United States may direct.

(d) This Agreement is subject to the requirements of the United States Department of Transportation's regulations, 49 CFR Part 23. The Lessee agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement or any management contract, or subcontract, purchase or lease agreement or other agreement covered by 49 CFR Part 23. The Lessee agrees to include the above statements in any subsequent concession agreement or contract covered by 49 CFR Part 23 that it enters and cause those businesses to similarly include the statements in further agreement.

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

Section 43. Basic Lease

If the Premises are located in the City of Newark, the following shall apply:

(a) Notwithstanding any other provision of this Agreement, this Agreement shall in any event expire with the expiration or termination of the lease of the Facility from the City of Newark to the Port Authority under the agreement of lease 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 the Book E-110 of Deeds at pages 242, et seq, no greater rights or privileges are hereby granted to the Lessee than the Port Authority has the power to grant under said agreement as supplemented or amended as aforesaid.

(b) The Port Authority has agreed by a provision in its said agreement with the City covering the Facility 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 Lessee 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 said agreement of lease provision thereto. Unless otherwise directed in writing by the Port Authority, the Lessee shall conform to such enactments, ordinances, resolutions and regulations insofar as they relate to the operations of the Lessee at the Facility. In the event of compliance with any such enactment, ordinance, resolution or regulation on the part of the Lessee, acting in good faith, commenced after such delivery to the Port Authority but prior to the receipt by the Lessee of a written direction from the Port Authority, such compliance shall not constitute a breach of this Agreement, although the Port Authority thereafter notifies the Lessee to refrain from such compliance. Nothing herein contained shall release or discharge the Lessee from compliance with any other provision hereof respecting governmental requirements.

Section 44. Governmental Compliance

In the event that all or any portion of the Premises is required by the Port Authority to comply with any present or future governmental law, rule, regulation, requirement, order or direction, the Port Authority shall give the Lessee notice that all or any such portion of the Premises is so required and the Lessee shall deliver all or any such portion of the Premises so required on the date specified in such notice, and if the Lessee does not so deliver, the Port Authority may take the same. No such taking or delivery shall be or be construed to be an eviction of the Lessee or a breach of this Agreement. In the event that the Lessee has received a notice hereunder it shall deliver all or any

such portion of the Premises so required in the same condition as that required hereunder for the delivery of the Premises on the cessation of the letting. In the event of the taking or delivery of all the Premises, this Agreement and the letting hereunder shall on the day of such taking or delivery cease and expire as if that day were the date originally stated herein for the expiration of this Agreement; and, in the event of the taking or delivery of any portion of the Premises, then, from and after such taking or delivery, such portion of the Premises shall cease to be a part of the Premises hereunder. There shall be an abatement of the rental in the event of any such taking or delivery of a portion of the Premises if so provided in Item 1 of **Exhibit B**.

The Lessee understands the Port Authority by its officers, employees, agents, representatives or contractors or by the Airlines or their contractors or by the furnishers of utilities or other services to the Premises or to others at the Facility shall have the right to temporarily discontinue the supply of any of the above services in order to allow repairs, alterations, changes or improvements in the Premises or elsewhere at the Facility including all systems for the supply of services for the benefit of the Lessee or for the benefit of others than the Lessee at the Facility. Nothing contained herein shall be or be deemed construed to impose upon the Port Authority any obligations to supply any utility or service or to repair, alter or make changes or improvements or shall create any liability upon the Port Authority for any failure to do so.

Section 45. Force Majeure

(a) Neither the Port Authority nor the Lessee shall be deemed to be in violation of this Agreement if it is prevented from performing any of its obligations hereunder by reason of strikes, boycotts, labor disputes, embargoes, shortages of material, acts of God, acts of the public enemy, acts of superior governmental authority, acts of terrorism, weather conditions, tides, riots, rebellion, sabotage or any other circumstances for which it is not responsible and which are not within its control; provided, however, that this provision shall not apply to failures by the Lessee to pay the rentals specified in the Section of this Agreement entitled "*Rental*" and Item 1 of **Exhibit B** annexed to this Agreement and shall not apply to any other charges or money payments specified in this Agreement; and provided further, that except by virtue of the circumstances specifically set forth hereinabove in this Section, this provision shall not prevent either party from exercising any of its rights to terminate this Agreement.

(b) No abatement, diminution or reduction of the rental or other charges payable by the Lessee, shall be claimed by or allowed to the Lessee for any inconvenience, interruption, cessation or loss of business or other loss caused, directly or indirectly, by any present or future law, rule, requirement, order, direction, ordinance or regulation of the United States of America, or of the state, county or city government, or of any other municipal, governmental or lawful authority whatsoever, or by priorities, rationing or curtailment of labor or materials, or by war or any matter or thing resulting therefrom, or by any other cause or causes beyond the control of the Port Authority, nor shall this Agreement be affected by any such causes or conditions.

Section 46. Rules and Regulations Amendment

If a copy of the Rule and Regulations referred to in the Section of this Agreement entitled "*Rules and Regulations*" is not attached to this Agreement, then the Port Authority will notify the Lessee thereof either by delivery of a copy, or by publication in a newspaper published in the Port of New York District or by making a copy available at the office of the Secretary of the Port Authority. No statement or provision in the said Rules and Regulations shall be deemed a representation or promise by the Port Authority that the services or privileges described shall be or remain available, or that the charges, prices, rates or fees stated therein shall be or remain in effect throughout the letting, all of the same being subject to change by the Port Authority from time to time whenever it deems a change advisable.

Section 47. Non-Liability of Individuals

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

Section 48. Other Agreements

The Lessee shall not, by virtue of the execution of this Agreement, be released or discharged from any obligations or liabilities whatsoever under any other agreement it has with the Port Authority.

Section 49. Operating Names

(a) Any name, designation or any service mark proposed to be used or displayed at the Premises or at the Terminal or for the Lessee's operations therein shall be approved in advance in writing by the Port Authority and the Lessee shall have the right to use and display the name, designation or mark only so long as this Agreement is in force and effect. If for any reason the Lessee ceases its operations in the Premises, the Lessee's right to use such name, designation or service mark shall immediately cease and come to an end and the Port Authority or its designee shall have the sole right to use such name, designation or service mark and the Lessee hereby consents to such use thereof. Any registration or filing by the Lessee with respect to such name, designation or service mark shall indicate the Port Authority's interest therein and the form thereof shall be approved in advance by the Port Authority in writing. The Lessee agrees to assign and transfer to the Port Authority any such registration or filing and any other rights in or to the use of such name, designation or service mark promptly upon written request therefor from the Port Authority. Nothing herein contained is intended to apply to the continuing use by the Lessee of its customary name, designation or service mark, if any, used elsewhere in its operations prior to the making of this Agreement.

(b) The Lessee shall not use or make any reference, by advertising or otherwise, to the names "The Port Authority of New York and New Jersey", "Port Authority" or any simulation or abbreviation of any such names, or any emblem, picture or reproduction of the Facility, for any purpose whatsoever. Furthermore, the Lessee shall not make use of or originate any material intended for publication or visual or oral presentation which uses the name "Newark Liberty International Airport" without the consent of the Port Authority.

Section 50. Labor Disturbances and Labor Harmony

(a) General. In connection with its operations at the Airport under this Agreement, the Lessee shall serve the public interest by promoting labor harmony, it being acknowledged that strikes, picketing, or boycotts may disrupt the efficient operation of the Terminal. The Lessee recognizes the essential benefit to have continued and full operation of the Airport as a whole and the Terminal as a transportation center. The Lessee shall immediately give oral notice to the Port Authority (to be followed reasonably promptly by written notices and reports) of any and all impending or existing labor-related disruptions and the progress thereof.

If any type of strike, picketing, boycott or other labor-related disruption is directed against the Lessee at the Terminal, or against its operations thereat pursuant to this Agreement, which in the opinion of the Port Authority (i) physically interferes with the operation of the Airport, the Terminal or the Premises, or (ii) physically interferes with public access between the Premises and any portion of the Terminal or the Airport, or (iii) physically interferes with the operations of other operators at the Airport or the Terminal, or (iv) presents a danger to the health and safety of users of

the Airport or the Terminal, including persons employed thereat or members of the public, the Port Authority shall have the right at any time during the continuance thereof to take such actions as the Port Authority may deem appropriate including, without limitation, terminating this Agreement and the letting on five (5) days' written notice to the Lessee. In the event of termination by the Port Authority hereunder this Agreement and the letting hereunder shall cease and expire on the effective date of termination stated in the notice with the same force and effect as if such date were the original expiration date of the letting hereunder.

(b) Labor Peace Agreement. The Lessee represents that, prior to or upon entering into this Agreement, it has delivered to the Port Authority evidence of a signed labor peace agreement, in the form attached hereto as **Exhibit X**, or in the event **Exhibit X** is inapplicable, then a signed officer's certification to such effect in the form required by the Port Authority.

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

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

(e) Suspension of Lessee Operations. In the event of suspension of Lessee's operations pursuant to paragraph (a), above, the Lessee shall cease its activities and operations in the Premises and shall take such steps to secure and protect the Premises as shall be necessary or desirable. The exercise by the Port Authority of the right of suspension hereunder shall not affect or in any way limit the Port Authority's rights of termination as set forth elsewhere in this Agreement.

Section 51. Finishes and Decorating by the Lessee

(a) The Port Authority shall deliver each area of the Premises to the Lessee in their presently existing "AS IS" condition. The Lessee acknowledges that prior to the execution of this Agreement, it has thoroughly examined and inspected the existing Premises and has found the same to be in good order and repair and has determined the Premises to be suitable for the Lessee's operations hereunder. The Lessee agrees to and shall take the Premises in their "AS IS" condition and the Port Authority shall have no obligation hereunder for finishing work or preparation of any portion of the Premises for the Lessee's use. Nothing contained herein shall be construed to relieve the Lessee of its obligations under the provisions of the Section of this Agreement entitled "*Sales and Services by the Lessee*" to install in the Premises all necessary or proper equipment or fixtures required for its operations in the Premises. Subject to the provisions of this Section and those of the Section of this Agreement entitled "*Construction by the Lessee*", the Lessee agrees to and shall perform at its sole cost and expense all construction and installation work necessary or proper for its initial occupancy in, and operations at, the Premises, which work is hereinafter sometimes called the "**Lessee's Work**".

(b) The Lessee agrees that in performing the Lessee's Work it will incur costs subject to the limitations and restrictions contained in Item 6 of **Exhibit B**. Lessee shall submit on a timely basis to the Port Authority for its approval an Alteration Application in the form supplied by the Port Authority, and containing such terms and conditions as the Port Authority may include, setting forth in detail and by appropriate plans and specifications the construction and installation work proposed by the Lessee to modernize, refurbish and prepare the Premises for operations hereunder and the manner of and time periods for performing the same. The data to be supplied by the Lessee shall describe in detail the fixtures and equipment to be installed by the Lessee. The Lessee shall be responsible at its sole expense for retaining all architectural, engineering and other technical consultants and services as may be directed by the Port Authority and for developing, completing and submitting detailed plans and specifications for the Lessee's Work. The plans and specifications to be submitted by the Lessee to the Port Authority shall bear the seal of a qualified architect or professional engineer and shall be in sufficient detail for a contractor to perform the Lessee's Work. The Lessee shall not engage in any such contractor or permit the use of any subcontractor unless and until each such contractor or subcontractor has been approved by the Port Authority. The Lessee shall include in any such contract or subcontract such provisions as the Port Authority may approve or require, including, without limitation thereto, provisions regarding labor harmony. The Lessee shall cause each such contractor and subcontractor to obtain and maintain in force such insurance coverage and performance bonds as the Port Authority shall specify. All the Lessee's Work shall be done in accordance with the said Alteration Application and final plans and specifications approved by the Port Authority shall be subject to inspection by the Port Authority during the progress of the Lessee's Work and after the completion thereof and the Lessee shall redo or replace at its own expense any of the Lessee's Work not done in accordance therewith. Upon completion of the Lessee's Work, the Lessee shall supply the Port Authority with a certificate signed by the architect or engineer who sealed the Lessee's plans and specifications pursuant to the provisions of this paragraph certifying that all of the Lessee's Work has been performed in accordance with the approved plans and specifications covering such work and in accordance with the provisions of this Agreement, and the Lessee shall supply the Port Authority with as-built drawings in form and number requested by the Port Authority.

(c) The Lessee shall not commence any portion of the Lessee's Work until the Alteration Application and plans and specifications covering such work have been finally approved by the Port Authority. In the event of any inconsistency between the provisions of this Agreement and those of the Alteration Application, the provisions of this Agreement shall control. The Lessee recognizes that its obligation to pay the rentals for the Premises stated in Item 1 of **Exhibit B** shall commence as established pursuant to Item 1 of **Exhibit B** whether or not the Lessee's Work is then completed or whether the Lessee is then conducting public operations in the Premises. The Lessee shall conduct no public operations in the Premises until the Port Authority shall have notified the Lessee in writing that the Lessee's Work has been completed to its satisfaction.

(d) The Lessee shall be solely responsible for the plans and specifications used by it, and for the adequacy or sufficiency of such plans, specifications and all the improvements depicted thereon or covered thereby, regardless of the consent thereto or approval thereof by the Port Authority or the incorporation therein of any Port Authority requirements or recommendations. The Port Authority shall have no obligations or liabilities in connection with the performance of the Lessee's Work or the contracts for the performance thereof entered into by the Lessee. Any warranties extended or available to the Lessee in connection with the Lessee's Work shall be for the benefit of the Port Authority as well as the Lessee.

(e) Without limiting or affecting any other term or provision of this Agreement, the Lessee shall be solely responsible for the design, adequacy and operation of all utility, mechanical, electrical, communications and other systems installed in the Premises either by the Port Authority or by the Lessee and shall do all preventive maintenance and make all repairs, replacements, rebuilding (ordinary or extraordinary, structural or non-structural) and painting necessary to keep such systems and all other improvements, additions and fixtures, finishes and

decorations made or installed by the Lessee (whether the same involves structural or non-structural work) in the condition they were in when made or installed except for reasonable wear which does not adversely affect the watertight condition or structural integrity of the building or adversely affect the efficient or proper utilization or appearance of any part of the Premises.

(f) Intentionally omitted.

(g) (1) Without limiting any of the terms and conditions of this Agreement, the Lessee understands and agrees that it shall put into effect prior to the commencement of any of the Lessee's Work an affirmative action program and minority business enterprise ("MBE") program and Women-owned Business enterprises ("WBE") program in accordance with the provisions of the schedule annexed hereto, hereby made a part hereof and marked **Schedule E**. The provisions of **Schedule E** of this Agreement shall be applicable to the Lessee's contractor or contractors and subcontractors at any tier of construction as well as to the Lessee and the Lessee agrees to include the provisions of **Schedule E** within all of its construction contracts so as to make such provisions and undertakings the direct obligation of the construction contractor or contractors and subcontractors at any tier of construction. The Lessee agrees to furnish and agrees to require its contractor, contractors and subcontractors to furnish the Port Authority such data, including but not limited to compliance reports relating to the operation and implementation of the affirmative action, MBE and WBE programs called for hereunder as the Port Authority may request at any time and from time to time regarding the affirmative action, minority business enterprises, and women-owned business enterprises programs of the Lessee and its contractor, contractors and subcontractors at any tier of construction, and the Lessee agrees to make and put in effect and agrees to require that its contractor, contractors and subcontractors at any tier of construction make and put into effect such modifications and additions thereto as may be agreed to by and between the Port Authority and the Lessee pursuant to the provisions hereof and those of **Schedule E** to effectuate the goals of affirmative action and minority business enterprise and women-owned business enterprise programs. The obligations imposed on the Lessee under this paragraph and **Schedule E** shall not be construed to impose any greater requirements on the Lessee than those which may be imposed on the Lessee under applicable law.

(2) In addition to and without limiting any of the terms and conditions of this Agreement, the Lessee agrees to provide in its contracts and all subcontracts covering the Lessee's Work, or any portion thereof, that:

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

(ii) At the request of either the Port Authority or the Lessee, the contractor shall request such employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding and which is involved in the performance of the contract with the Lessee to furnish a written statement that such employment agency, labor union or representative shall not discriminate because of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will cooperate in the implementation of the contractor's obligations hereunder;

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

(iv) The contractor will include the provisions of (f)(2)(i) through (f)(2)(iii) of this Section in every subcontract or purchase order in such a manner that such provisions will be binding upon each subcontractor or vendor as to its work in connection with the contract.

(3) The term "contractor", as used herein, shall include each contractor and subcontractor at any tier of construction.

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

(i) (1) In addition to and without limiting any of the foregoing provisions of this Section, and without limiting any other provision of this Agreement, or the provisions of **Schedule E** hereof, the Lessee agrees, in connection with its continuing operation, maintenance and repair of the Premises, or any portion thereof, and in connection with every award or agreement for concessions or consumer services at the Facility to commit itself to and use good faith efforts throughout the term of the letting hereunder to implement an extensive program of Affirmative Action, including specific affirmative action steps to be taken by the Lessee, to ensure maximum opportunities for employment and contracting by minorities and women. In meeting such commitment the Lessee agrees to submit its said extensive Affirmative Action program, including the specific affirmative action steps to be taken by the Lessee to meet its aforesaid commitment, within sixty (60) days after the commencement of the term of the letting hereof to the Port Authority for its review and approval. The Lessee shall incorporate in such program such revisions and changes as the Port Authority and the Lessee may agree upon from time to time. The Lessee agrees throughout the term of the letting hereunder to document its efforts in implementing such program, and agrees to keep the Port Authority fully advised of the Lessee's progress in implementing the program and to supply to the Port Authority such information, data and documentation with respect thereto as the Port Authority may from time to time and at any time request, including but not limited to annual reports.

(2) "Minority" as used herein shall mean those persons described in paragraph I (c) of Part 1 of **Schedule E**.

(3) In the implementation of the provisions of this Section, the Port Authority may consider compliance by the Lessee with the provisions of any federal, state or local law concerning affirmative action, and equal employment opportunity, which are at least equal to the requirements of this Section, as effectuating the provisions of this Section. If the Port Authority determines that by virtue of such compliance with the provisions of any such federal, state or local law that the provisions hereof duplicate or conflict with such law the Port Authority may waive the applicability of the provisions of this Section to the extent that such duplication or conflict exists.

(j) Nothing herein provided shall be construed as a limitation upon the application of any laws which establish different standards of compliance or upon the application of requirements for the hiring of local or other area residents.

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

Section 52. Affirmative Action

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

Section 53. Late Charges

If the Lessee should fail to pay any amount required under this Agreement when due to the Port Authority, including payment of rental, utility fees or charges, or other charges or fees then, in such event, the Port Authority may impose (by statement, bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period herein below described) during the entirety of which such amount remains unpaid, each such late charge not to exceed an amount equal to eight-tenths of one percent (.8%) of such unpaid amount for each late charge period. There shall be twenty-four (24) late charge periods during each calendar year; each late charge period shall be for a period of at least fifteen (15) calendar days except one late charge period each calendar year may be for a period of less than fifteen (15) (but not less than thirteen (13)) calendar days. Without limiting the generality of the foregoing, late charge periods in the case of amounts found to have been owing to the Port Authority as the result of Port Authority audit findings shall consist of each late charge period following the date the unpaid amount should have been paid under this Agreement. Each late charge shall be payable immediately upon demand made at any time therefor by the Port Authority. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid late charge amount shall be deemed a waiver of the right of the Port Authority to payment of any late charge or late charges payable under the provisions of this Section, with respect to such unpaid amount. Each late charge shall be and become additional rent, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the rentals as set forth in Item 1 of Exhibit B hereof. Nothing in this Section is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Agreement, including without limitation the Port Authority's rights set forth in the Section of this Agreement entitled "*Thirty Day Termination*", or (ii) any obligations of the Lessee under this Agreement. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Agreement shall be payable instead at such legal maximum.

Section 54. Ethical Standards

The Lessee for itself and on behalf of any Affiliate of the Lessee and as to each member of the Board of Directors and each officer of the Lessee and/or of such Affiliate hereby certifies under the penalties applicable to perjury, represents warrants and covenants with full knowledge that the Port Authority will rely hereon in entering into this Agreement that at no time hereafter including the term of this Agreement shall the Lessee or any Affiliate thereof (a) take any action with respect to any employee or former employee of the Port Authority or immediate family member of either (i.e., spouse, child, parent or brother or sister) which would constitute a breach of ethical standards under the Code of Ethics and Financial Disclosure dated as of July 18, 1994 promulgated by the Port Authority, a copy of which is available upon request to the Secretary of the Port Authority, (b) offer, give or agree to give anything of value either to a Port Authority employee, agent, job shopper, consultant, construction manager or other person or firm representing the Port

Authority, or to a member of the immediate family (i.e., a spouse, child, parent, brother or sister) of any of the foregoing, in connection with the performance by such employee, agent, job shopper, consultant, construction manager or other person or firm representing the Port Authority of duties involving transactions with the Lessee on behalf of the Port Authority, whether or not such duties are related to this Agreement or any other Port Authority contract or matter, or (c) make an offer of employment or use confidential information in a manner prescribed by the said Code of Ethics and Financial Disclosure. Any such conduct shall be deemed a material breach of this Agreement. As used herein "anything of value" shall include but not be limited to any (1) favors, such as meals, entertainment, transportation (other than that contemplated by this Agreement or any other Port Authority contract), etc., which might tend to obligate the Port Authority employee to the Lessee or any parent or Affiliate thereof and (2) gift, gratuity, money, goods, equipment, services, lodging, discounts not available to the general public, offers or promises of employment, loans or the cancellation thereof, preferential treatment or business opportunity. Such term shall not include compensation contemplated by this Agreement or any other Port Authority contract; and (iv) that neither the Lessee nor any Affiliate thereof knows of any action the part of any employee or former employee of the Port Authority which constitutes a breach of said Code of Ethics and Financial Disclosure and that if it or any parent or other Affiliate of the Lessee comes into such knowledge at any time hereafter, including during the term of this Agreement, it shall immediately report the same to the Port Authority in writing, any failure to do so being deemed a material breach of this Agreement.

Section 55. Additional Rent Items and Lessee Obligations

(a) **Promotion Fee.** The Lessee agrees to participate fully with the marketing and promotional programs for the concession (retail and food and beverage included) area sponsored by the Port Authority in the Terminal. Commencing as of the second full calendar month in which the Lessee conducts its operations hereunder, the Lessee shall pay, as additional rental, a "Promotion Fee" as the Lessee's contribution for marketing, advertising and promotion programs conducted by or on behalf of the Port Authority relating to the retail program in the Terminal. The Promotion Fee shall be an amount (i) during the first year of the term which equals one-half of one percent (.5%) of the Lessee's Gross Receipts during the preceding calendar month and (ii) during each subsequent year of the term which equals one-half of one percent (.5%) of the Lessee's annual Gross Receipts for the annual period in which such promotion fee relates. Such amount shall be payable no later than the 15th day following the end of each month. The Promotion Fee shall be prorated, if necessary, in the same manner as Basic Rental is prorated under this Agreement.

The failure of any other lessee or occupant of space within the concession area to participate in advertising for such concession area or make promotional contributions to the Port Authority shall not relieve the Lessee of any of its obligations under this Section. The Port Authority shall not be obligated to expend more for marketing and promotional programs than is actually collected from the Lessee and other concession facility operators in the Terminal. The Port Authority shall have the sole authority to employ and discharge personnel, retain third party independent contractors and to establish all budgets with respect to such marketing and promotional programs. The Port Authority reserves the right at any time to terminate its activities in this regard and cease collecting Promotion Fee contributions from the Lessee and other concession operators for these activities. In such event the Port Authority shall so notify the Lessee in writing and, thereafter, the Lessee shall no longer be obligated to make any further Promotion Fee contributions, and any remaining funds previously contributed as Promotion Fees may be used by the Port Authority to promote the overall concession program and facilities.

(b) **Distribution Services and Fee.**

(1) The Lessee shall, at the Lessee's sole cost and expense, make deliveries in a timely manner to a designated area, controlled by the Port Authority or its designee, in accordance with the Port Authority's rules and regulations. The Port Authority may, at its option,

provide receiving and delivery services to operators in the concession area. In such event, the Lessee shall use such service for all of its deliveries to the Terminal and the Premises (including, but not limited to, delivery of goods from the Lessee's off-Airport suppliers to the on-Airport warehouse of the contractor selected by the Port Authority to provide delivery services) and no deliveries of any items shall be made by any persons or entities directly to the Premises without the prior written authorization of the Port Authority and, if so given, the Port Authority shall have the right to revoke any such authorization at any time in its sole discretion.

(2) The Lessee, in transferring any merchandise, equipment, stock or consumable items within or about the Terminals, shall only do so in full compliance with Port Authority rules, regulations and guidelines. The same may restrict the time and day of delivery or the manner of delivery, method of delivery, areas of delivery or the person or persons by whom delivery may be effected. The Port Authority may deny access or require any vehicle to be removed for failure to follow applicable rules, regulations and guidelines that may be established by the Port Authority from time to time.

(3) The Lessee shall pay as an annual "**Distribution Fee**" the sum of Thirteen Dollars and No Cents (\$13.00), per square foot of the Premises, to the Port Authority for the cost of distribution services, payable in advance as additional rent hereunder in equal, monthly installments commencing as of the Rental Payment Start Date and continuing during the balance of the term of the letting hereunder. Effective each January 1 this amount shall be adjusted to reflect the annual adjustment by the Index as described in *subsection (h)* of this *Section 55*.

(c) **Trash Removal.** The Lessee shall be solely responsible, at the Lessee's expense, for removal of trash, garbage, debris and other waste material from the Premises, on a daily basis, in a manner approved by the Port Authority, unless the Port Authority elects to provide such services. The Lessee shall contract with the Port Authority's disposal contractor at the Terminal for the disposal of its trash, garbage, debris and other waste material. In the event the Port Authority elects to provide such services, the Port Authority's costs of providing such services shall be chargeable to, and payable by, the Lessee as additional rent hereunder, on a per square foot basis represented by the square footage of the Premises and such additional rent would be due in equal, monthly installments payable together with the Basic Rental payments to be made hereunder upon prior written notice from the Port Authority.

(d) **Food Court Maintenance Fee.** Not applicable.

(e) **No Inspection or Audit Rights.** The Lessee shall not have any inspection or audit rights of any of the Port Authority's books and records pertaining to the costs and expenses which support the fees which may be charged pursuant to this Section and the Lessee hereby expressly waives any rights, whether by statute or otherwise, to conduct any such inspection or audit.

(f) **Concession Meetings.** The Lessee acknowledges the benefit of regular meetings with the Port Authority or its designee to discuss matters relating to the retail plan at the Terminal, including, but not limited to, the business of the Lessee, marketing plans for the Terminals and the Lessee, traffic projections, customer service techniques and other concession-related matters. The Lessee agrees that it shall attend any meetings convened by the Port Authority or its designee to discuss such matters, whether the same be between the Lessee and the Port Authority or among multiple concessionaires and the Port Authority, and that it shall cause a member of its senior management staff to attend any and all such meetings. Similarly, the Lessee agrees to fully participate in and cooperate with the Port Authority or its designee in connection with any customer service surveys which are conducted on-site at the Terminal and not interfere with, obstruct, delay or otherwise hinder the process of taking such surveys, and further, fully participate in and cooperate in connection with training in customer service techniques and other concession-related matters that may be scheduled or arranged by the Port Authority or its designee from time to time. No

compensation shall be due or paid to the Lessee for its participation or cooperation in connection with the matters described in this paragraph.

(g) **Training.** The Lessee covenants that it shall conduct and complete, at least on an annual basis, for itself and its employees, training with respect to customer service techniques and other concession related matters. Similarly, the Lessee agrees that its frontline sales and transaction staff shall be required to attend customer service training at least once annually if such training is offered by the Port Authority or its designee; such training to be in addition to, and not in lieu of, the Lessee's own training programs, requirements and obligations.

(h) In the event escalations are needed to items of Additional Rental during the term of the letting, the following will be the methodology used for such escalation:

(i) (1) **"Index"** shall mean the Consumer Price Index for All Urban Consumers - New York-Northern New Jersey-Long Island, NY-NJ-CT (All Items, unadjusted 1982-84=100) published by the Bureau of Labor Statistics of the United States Department of Labor.

(2) **"Base Period"** shall mean the calendar month of November 2008.

(3) **"Adjustment Period"** shall mean, as the context requires, the calendar month of November 2009 and the calendar month of November in each calendar year which thereafter occurs during the term of this Agreement.

(4) **"Anniversary Date"** shall mean, as the context requires, each January 1 following the Rental Payment Start Date (the "First Anniversary Date") and each anniversary of such date which thereafter occurs during the term of this Agreement.

(5) **"Annual Index Increase"** shall mean the percentage of increase in the Index on each Anniversary Date, equal to: (x) with respect to the First Anniversary Date, a fraction of which the numerator shall be the Index for the Adjustment Period immediately preceding such Anniversary Date less the Index for the Base Period, and the denominator shall be the Index for the Base Period, and (y) with respect to each Anniversary Date thereafter, a fraction of which the numerator shall be the Index for the Adjustment Period immediately preceding such Anniversary Date less the Index for the next preceding Adjustment Period, and the denominator shall be the Index for such next preceding Adjustment Period (for example, the Annual Index Increase for the Anniversary Date that is January 1, 2011 would be fraction of which the numerator is the Index for November, 2010 less the Index for November, 2009 and the denominator is the Index for November, 2009).

(6) **"Percentage Increase"** shall mean, with respect to each Anniversary Date, a percentage equal to the Annual Index Increase for that Anniversary Date.

(ii) Commencing on each Anniversary Date and for the period commencing with such Anniversary Date and continuing through to the day preceding the next Anniversary Date, or the expiration date of the term of the letting under this Agreement as herein amended, as the case may be, both dates inclusive, in lieu of the Additional Rental set forth herein, the Lessee shall pay escalated Additional Rental as follows:

(x) the sum obtained by adding to the item of Additional Rental set forth herein the product obtained by multiplying such Additional Rental by the Percentage Increase for such Anniversary Date, or

(y) the item of Additional Rental payable immediately

prior to such Anniversary Date including all amounts included therein as a result of prior adjustments thereof pursuant to the provisions of this paragraph.

(iii) In the event the Index to be used in computing any adjustment referred to in this paragraph is not available on the effective date of such adjustment, the Lessee shall continue to pay the Additional Rental at the amount then in effect subject to retroactive adjustment at such time as the specified Index becomes available, provided, however, that the Port Authority may at its option substitute for such Index the Index for the latest preceding month then published to constitute the specified Index. In the event the United States Consumer Price Index for All Urban Consumers - New York-Northern New Jersey-Long Island, NY-NJ-CT (All Items, unadjusted 1982-84=100) shall hereafter be converted to a different standard reference base or otherwise revised or the United States Department of Labor shall cease to publish the United States Consumer Price Index for All Urban Consumers - New York-Northern New Jersey-Long Island, NY-NJ-CT (All Items, unadjusted 1982-84=100), then for the purposes hereof there shall be substituted for the Index such other appropriate index or indices properly reflecting changes in the value of current United States money in a manner similar to that established in the Index used in the latest adjustment as the Port Authority in its discretion determine.

If after an adjustment in Additional Rental shall have been fixed for any period, the Index used for computing such adjustment shall be changed or adjusted, then the rental adjustment for that period shall be recomputed and from and after notification of the change or adjustment, the Lessee shall make payments based upon the recomputed rental and upon demand shall pay any excess in the basic rental due for such period as recomputed over amounts theretofore actually paid on account of the Additional Rental for such period. If such change or adjustment results in a reduction in the Additional Rental due for any period prior to notification, the Port Authority will credit the Lessee with the difference between the Additional Rental as recomputed for that period and amounts of Additional Rental actually paid.

If any adjustment of Additional Rental referred to in this paragraph is effective on a day other than the first day of a calendar month, there shall be payable in advance on the effective date of rental adjustment an installment of Additional Rental equal to one-twelfth (1/12th) of the increment of annual Additional Rental as adjusted multiplied by a fraction, the numerator of which shall be the number of days from the effective date of the rental adjustment to the end of the calendar month in which the rental adjustment was effective and the denominator of which shall be the number of days in that calendar month.

Section 56. Lessee's OFAC Certification

(a) The Lessee hereby represents and warrants to the Port Authority (which representations and warranties shall be deemed to be continuing and re-made at all times during the Term) that Lessee is not, and shall not become, a person or entity with whom the Port Authority is restricted from doing business under the regulations of the Office of Foreign Asset Control ("OFAC") of the United States Department of the Treasury (including, but not limited to, those named on OFAC's Specially Designated and Blocked Persons list) or under any statute, executive order (including, but not limited to, the September 24, 2001 Executive Order on Terrorist Financing Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit or Support Terrorism), or other governmental action and is not engaging, and shall not engage, in any dealings or transactions or be otherwise associated with such persons or entities. The Lessee acknowledges that the Port Authority is entering into this Agreement in reliance on the foregoing representations and warranties and that such representations and warranties are a material element of the consideration inducing the Port Authority to enter into and execute this Agreement. In the event of any breach of any of the foregoing representations and warranties by the Lessee, the Port Authority shall have the right, in addition to any and all other remedies provided under this Agreement or at law or in equity, to immediately terminate this Agreement upon written notice to the Lessee. The Lessee further acknowledges that there shall be no cure for such a breach. In the event of any such

termination by the Port Authority, the Lessee shall, immediately on receipt of the Port Authority's termination notice, cease all use of and operations permitted under this Agreement and surrender possession of the Premises to the Port Authority without the Port Authority being required to resort to any other legal process. Termination on the aforescribed basis shall be deemed a termination for cause.

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

(c) The provisions of this Section shall survive the expiration or earlier termination of this Agreement.

Section 57. Holdover

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

Section 58. Waiver of Trial by Jury

The Lessee waives its right to trial by jury in any summary proceeding or action that may hereafter be instituted by the Port Authority against the Lessee in respect of the Premises and/or in any action that may be brought by the Port Authority to recover rentals, fees, damages, or other sums due and owing under this Agreement. The Lessee specifically agrees that it shall not interpose

any claims as counterclaims in any summary proceeding or in any action for non-payment of rents, fees or other amounts which may be brought by the Port Authority unless such claims would be deemed waived if not so interposed.

Section 59. Liquidated Damages

The Port Authority may assess, in its sole discretion, and Lessee shall pay within ten (10) days of written demand therefor as liquidated damages, and not as a penalty, the amounts described below for each of the events described below:

(a) If Lessee shall fail to open the Premises for business after and including the Rental Payment Start Date, then Lessee shall pay the amount of Two Hundred Fifty Dollars (\$250.00) per day for each day Lessee is not open for business. If such failure shall continue for in excess of sixty (60) days, the amount of such liquidated damages may be increased up to a maximum of Five Hundred Dollars (\$500.00) per day.

(b) If Lessee shall fail to furnish to the Port Authority any Monthly Statement or Annual Statement within the time required by this Lease, then Lessee shall pay the amount of One Hundred Dollars (\$100.00) per statement per day until such statement is properly delivered to the Port Authority for the first (1st) such failure to furnish a statement in any rolling twelve (12) month period, Two Hundred Fifty Dollars (\$250.00) per statement per day until such statement is delivered to the Port Authority for the second (2nd) such failure to furnish a statement in any rolling twelve (12) month period, and Five Hundred Dollars (\$500.00) per statement per day until such statement is delivered to the Port Authority for the third (3rd) and all subsequent failures to furnish any such statement in any rolling twelve (12) month period.

(c) If Lessee shall fail to provide the required certificate signed by the architect or engineer who sealed the Lessee's plans certifying that all of Lessee's Work, if any, has been performed in accordance with the approved plans and specifications and/or if Lessee shall fail to provide the as-built drawings in form and number requested by the Port Authority, as required by *Section 51(b)*, within ninety (90) days of the completion of Lessee's Work, then Lessee shall pay the amount of Three Hundred Dollars (\$300.00) per day for each day that it is not delivered to the Port Authority. If such failure shall continue for a period exceeding one hundred eighty (180) days after the completion of Lessee's Work, such shall be a material default by Lessee hereunder entitling the Port Authority to all remedies available to it hereunder or at law.

(d) If Lessee shall fail to operate its business as provided in the Section of this Agreement entitled "*Various Obligations of the Lessee*", and in accordance with any other operating standards implemented by the Port Authority, then Lessee shall pay the amount of One Hundred Dollars (\$100.00) per instance per day that Lessee fails to operate its business in accordance with the terms hereof for the first (1st) violation in any rolling twelve (12) month period, and the amount of Two Hundred Dollars (\$200.00) per instance that Lessee fails to operate its business in accordance with the terms hereof for the second (2nd) and any subsequent violations in any rolling twelve (12) month period.

(e) If Lessee shall fail to adjust its prices to comply with any criteria or policies for "Street Prices" in accordance with *Sections 13(c), (d) and (e)* of the Section of this Agreement entitled "*Sales and Services by the Lessee*", then Lessee shall pay the amount of One Hundred Dollars (\$100.00) per day for each day that Lessee is not in compliance with such criteria and policies for the first (1st) violation in any rolling twelve (12) month period, and the amount of Two Hundred Dollars (\$200.00) per day for each day that Lessee is not in compliance with such criteria and policies for the second (2nd) and any subsequent violations in any rolling twelve (12) month period.

(f) If Lessee shall fail to operate its business as provided in *Section 13(f)*

of the Section of this Agreement entitled "*Sales and Services by the Lessee*", then Lessee shall pay the amount of One Hundred Dollars (\$100.00) per hour for each hour Lessee fails to operate its business during any required operating hours for the first (1st) violation in any rolling twelve (12) month period, and the amount of Two Hundred Dollars (\$200.00) per hour for each hour Lessee fails to operate its business during any required operating hours for the second (2nd) and any subsequent violations in any rolling twelve (12) month period.

(g) If Lessee shall be in default of the Section of this Agreement entitled "*Signs*" relating to Lessee's use and placement of signs, then Lessee shall pay the amount of One Hundred Fifty Dollars (\$150.00) for each day of default in order to reimburse the Port Authority for the additional administrative expenses resulting therefrom.

Section 60. Amendments/Modifications

(a) Notwithstanding the provisions of paragraph (a) of the Section of this Agreement entitled "*Prohibited Acts*", paragraph (c) of the Section of this Agreement entitled "*Construction by the Lessee*" or the Section of this Agreement entitled "*Surrender*", and without limiting the generality thereof, the Lessee on the expiration or earlier termination of this Agreement shall not be required (nor permitted to remove the walls, floors or ceilings (including any heating, ventilating, air conditioning, electrical, plumbing or sprinkling equipment or systems, or kitchen exhaust flue, if any) in the Premises constructed or installed prior to the commencement of the letting, or as part of any finishing work in the Premises performed by the Lessee pursuant to the provisions of the Sections of this Agreement entitled "*Construction by the Lessee*" and "*Finishes and Decorating by the Lessee*", respectively, but the Lessee shall be required to cap all electrical and plumbing lines flush with the walls, floors and ceilings. Nothing herein shall be deemed to affect or impair the Lessee's maintenance and repair obligations during the term of the letting with respect to any of the foregoing. The Lessee on the expiration or earlier termination of the letting, including a termination pursuant to the Section of this Agreement entitled "*Thirty Day Termination*", shall be required to remove from the Premises leasehold trade fixtures and leasehold equipment, including without limitation, shelving, display cases, floor counters, items displaying the Lessee's trademark, trade name, trademark, trade dress, copyright or service mark, and similar installations installed by the Lessee in the Premises and to restore the Premises to the condition thereof prior to the construction or installation of such leasehold trade fixtures and equipment. In the event of a failure on the part of the Lessee to so remove and restore all or a portion of such leasehold trade fixtures and leasehold equipment, the Port Authority may do so, and the Lessee shall pay the cost thereof to the Port Authority on demand.

(b) Notwithstanding the provisions of paragraph (t)(3) of the Section of this Agreement entitled "*Definitions*" with respect to the definition of "*Gross Receipts*", the exclusions from Gross Receipts shall not only include volume discounts received from Lessee's vendors, suppliers and manufacturers but shall also include rebates that reduce Lessee's cost of goods; provided, however, all RDAs shall be included in Lessee's Gross Receipts.

(c) Notwithstanding the provisions of paragraph (j) of the Section of this Agreement entitled "*Various Obligations of the Lessee*", the first three sentences of such paragraph (j) deleted and are replaced with the following: "Airport Concession Disadvantaged Business Enterprises ("**ACDBE**"). If any member of AMS-BW Newark is required to apply as an ACDBE with the Port Authority, please check here (X). Such member shall immediately take all steps necessary to obtain such certification from the Port Authority on or before the Rental Payment Start Date."

(d) Notwithstanding the provisions of paragraph (i) of the Section of this Agreement entitled "*Various Obligations of the Lessee*" and further notwithstanding the provisions of paragraph (a) of the Section of this Agreement entitled "*Finishes and Decorations by the Lessee*", Lessee shall not be required to remediate any Hazardous Substances that were present in or adjacent to any portion

of the Premises on or before the date such portion of the Premises was initially delivered by the Authority to Lessee.

(e) Notwithstanding the provisions of the Section of this Agreement entitled "Requirement of Security Deposit", since the amount of the required deposit is less than Twenty Thousand Dollars (\$20,000.00), Lessee shall have the option to provide such Security Deposit in the form of immediately available funds in lieu of a letter of credit.

Section 61. Miscellaneous

(a) Relationship of the Parties. Notwithstanding any other term or provision hereof, this Agreement does not constitute the Lessee as the agent or representative of the Port Authority for any purpose whatsoever. Neither a partnership nor any joint venture is hereby created.

(b) Lessee's Rights Non-Exclusive. Except as expressly provided herein with respect to the Premises, neither the execution of this Agreement by the Port Authority nor anything contained herein shall grant or be deemed to grant to the Lessee any exclusive rights or privileges.

(c) Updating of Federal Requirements. The Lessee specifically acknowledges and agrees that the Federal requirements set forth in **Schedule E** may be revised or updated from time to time and that, accordingly, the Port Authority may from time to time, by notice to the Lessee, provide to the Lessee revised or updated forms of **Schedule E** to replace the **Schedule E** currently attached to and forming a part of this Agreement. Such replacement **Schedule E** shall, from the effective date of such notice, be deemed to constitute an integral part of this Agreement. The Lessee further specifically acknowledges that the same revision or updating of Federal requirements may occur from time to time with respect to the regulations set forth in 49 CFR Part 23 of the Department of Transportation Office of the Secretary and that the provisions of this paragraph relating to **Schedule E** shall apply equally to those set forth in **Schedule G**.

Section 62. Entire Agreement

This Agreement consists of the following: Sections 1 through 62 inclusive, plus Exhibits A-1, A-2, B, C, R, U, X, Schedule A, Schedule E and Schedule G.

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

[signature blocks on following page]

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

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

ATTEST:

By: [Signature]
Secretary

By: [Signature]
Name: Doug Stearns
(Please Print Clearly)

Title: Asst. Director, CCCAS
(Seal)

LESSEE:

ATTEST:

AMS-BW NEWARK JV

By: Airport Management Services, LLC, a joint venturer
By: Hudson News Company, Its Managing Member

By: [Signature]
Secretary
Jay G. Marshall

By: [Signature]
Name: Michael R. Mullaney
(Please Print Clearly)

Title: Executive Vice President
(Seal)

ATTEST:

AIRPORT MANAGEMENT SERVICES, LLC,
a Delaware limited liability company

By: Hudson News Company, Its Managing Member

By: [Signature]
Secretary
Jay G. Marshall

By: [Signature]
Name: Michael R. Mullaney
(Please Print Clearly)

Title: Executive Vice President
(Seal)

ATTEST:

BRANDED WORKS, INC.,
a Louisiana corporation

By: *Brendan H. Gillen*
Secretary

By: *Ruth Ann Menutis*
Name: RUTH ANN MENUTIS
(Please Print Clearly)

Title: *President*
(Seal)

| Port Authority Use Only: | |
|---------------------------------|-------------------------|
| Approval as to Terms: | Approval as to Form: |
| <i>OK</i> <i>[Signature]</i> | <i>[Signature]</i> |

EXHIBIT B

Rental, Abatement, Insurance Limits and Other Terms

Item 1: Rental Provisions:

(a) Basic Rental and Additional Rental:

(1) The Lessee shall pay to the Port Authority a basic rental (sometimes referred to herein as "**Basic Rental**" or "**MAG**") at the annual rate of Eighty-Two Thousand Eight Hundred Seventy-Five Dollars and No Cents (\$82,875.00), payable in equal monthly installments in advance on the Rental Payment Start Date and on the first day of each and every calendar month thereafter occurring during the first Annual Period of the term of the letting hereunder, provided, however, that if the Rental Payment Start Date shall occur on a day other than the first day of a calendar month, the monthly installment of the applicable Basic Rental, *i.e.*, MAG, payable for the portion of the calendar month in which such respective event occurs following such date shall be an amount equal to the monthly installment set forth in this subparagraph multiplied by a fraction, the numerator of which shall be the number of days from such respective event to the end of the calendar month in which such respective event occurs, and the denominator of which shall be the full number of days in that calendar month. If the date of expiration or termination of the letting hereunder occurs on other than the last day of the month, the applicable Basic Rental payable for the portion of the month in which the date of such expiration or termination shall occur during which the letting thereof remains effective shall be the amount of the monthly installment of such applicable Basic Rental set forth in this subparagraph prorated on a daily basis.

(2) The Basic Rental shall be adjusted for each subsequent Annual Period as follows: Eighty-five percent (85%) of the prior Annual Period's total Effective Rental, but in no event less than Eighty-Two Thousand Eight Hundred Seventy-Five Dollars and No Cents (\$82,875.00). "**Effective Rental**" means the annual aggregate of Basic Rental plus Percentage Rental (based on actual Gross Receipts for the prior Annual Period) required to be paid hereunder.

(b) Percentage Rental

In addition to the Basic Rental payable under paragraph (a) above, the Lessee shall pay to the Port Authority an annual "**Percentage Rental**" equivalent to the excess, over the applicable annual Basic Rental established for such Annual Period under paragraph (a) above, of the sum of the following for the same Annual Period.

Fifteen percent (15%) on all Gross Receipts during each Annual Period, inclusive of amounts payable, if any, with respect to RDAs arising during each Annual Period.

The computation of Percentage Rental for each Annual Period, or a portion of an Annual Period as hereinafter provided, shall be individual to such Annual Period or such portion of an Annual Period and without relation to any other Annual Period or any other portion of any Annual Period. The time for making payment and the method of calculation of Percentage Rental shall be as set forth in paragraph (d) of this Item 1.

(c) For any Annual Period which contains more or less than 365 days, the Basic Rental shall be the amount obtained by multiplying the item by a fraction, the numerator of which shall be the number of days from the commencement of such Annual Period through the last day thereof, both dates inclusive, and the denominator of which shall be 365.

(d) Time of Payment of Percentage Rental Computations of Amounts and Accounting

(1) The Gross Receipts shall be reported and the Percentage Rental shall be paid as follows: on the 15th day of the first calendar month following the commencement of each Annual Period and on the 15th day of each and every calendar month thereafter without notice or demand, including the month following the end of each Annual Period and the calendar month following the expiration of the letting hereunder, the Lessee shall render to the Port Authority a sworn statement showing separately (by type of Gross Receipts and by sales location, if there be more than one sales location, or, if applicable, the amounts of the Percentage Rental rates applicable to the categories stated above of Gross Receipts referred to paragraph (b) of this Item 1 arising from its operations at the sales area(s) (including any interim space) of the Premises in the preceding month, or, if applicable, the Lessee shall specify separately the percentages and the results of applying each of the percentages, as provided in said provisions) and also showing such information on a cumulative basis from the date of the commencement of the same Annual Period as that for the month for which the report is made through the last day of the preceding month. Whenever any monthly statement shall show that the results of applying the provisions of paragraph (b) of this Item 1 indicate Percentage Rental on such cumulative basis to be in excess of the Basic Rental for the Annual Period for which the report is made, the Lessee shall pay to the Port Authority at the time of rendering the statement an amount equal to such excess. Further, the Lessee shall thereafter on the 15th day of each subsequent month during that Annual Period, and the month following the end of that Annual Period, including the month following the expiration of the letting hereunder, pay to the Port Authority for each such month during that Annual Period a sum equal to the amounts yielded by applying the percentages set forth in paragraph (b) of Item 1 of Exhibit B and without reference to the monthly installment of the Basic Rental.

(2) Upon any termination of the letting hereunder (even if stated to have the same effect as expiration), Gross Receipts shall be reported and Percentage Rental shall be paid on the 15th day of the first month following the month in which the effective date of such termination occurs, as follows. The Lessee shall render to the Port Authority a sworn statement of all Gross Receipts for the Annual Period in which the effective date of termination falls showing separately (by type of Gross Receipts and by sales location, if there be more than one sales location) the cumulative amount of the different types of Gross Receipts set forth in paragraph (b) of this Item 1 and separately showing the percentages and the results of applying the percentages as stated in said provisions applicable to each of such different types and amounts of Gross Receipts. The payment then due on account of Percentage Rental for the Annual Period in which the effective date of termination falls shall be the excess of the Percentage Rental computed as set forth in the following sentence, over the total of all Percentage Rental payments previously made for such Annual Period. The Percentage Rental due for any such Annual Period in which the effective date of termination falls shall be equal to the excess, over the prorated Basic Rental established for such Annual Period pursuant to the proration provisions set forth in paragraph (c) of this Item 1, of the amount resulting from applying the provisions of paragraph (b) of this Item 1 to the cumulative amount of the different types of Gross Receipts arising during such Annual Period in accordance with the formula set forth in paragraph (b) of this Item 1, adjusted pursuant to the proration provisions set forth in paragraph (c) of this Item 1.

(e) Abatement

(1) For every calendar day or major fraction thereof that the Lessee shall be entitled to abatement during the period commencing on the commencement date of the term of the letting hereunder and continuing through the expiration of said term of the letting hereunder, the Basic Rental established for such period shall be reduced (abated) by the product of the MAG multiplied by a fraction the numerator of which shall be the number of square feet of floor space as to which the abatement applies and the denominator of which shall be the total number of square feet in the Premises.

(2) For the purpose of abatement, the ascertainment of the number of square feet contained in the Premises to be measured shall be in accordance with the following: Areas of the Premises and parts thereof will be computed by measuring from the inside plaster surface of outer building walls to the plaster surface of the corridor side of corridor partitions and to the center of partitions that separate the Premises from adjoining rentable area: no deduction will be made for columns, pilasters, or projections necessary to the building or for toilets, porter's closets, and slop sinks used exclusively by the Lessee and contained within the Premises. Permanent partitions enclosing elevator shafts, stairs, fire towers, vents, pipe shafts, meter closets, flues, stacks, and any vertical shafts have the same relation to rentable area, as do outer building walls.

(3) Nothing contained in this Item 1 shall affect the survival of the obligations of the Lessee as set forth in the Section of this Agreement entitled "*Survival of the Obligations of the Lessee*".

Item 2: Liability Insurance Limits:

The Lessee in its own name as insured with the Protected Indemnitees as additional insureds shall maintain liability insurance coverage referred to in paragraph (b) of the Section of this Agreement entitled "*Indemnity; Liability Insurance*" in not less than the following minimum limits:

| | <u>Minimum Limits</u> |
|--|-----------------------|
| Commercial General Liability: Combined single limit per occurrence for death, bodily injury and property damage liability (including premises operations, completed operations, and products liability) | \$2,000,000 |
| Commercial Automobile Liability: Combined single limit per occurrence for death, bodily injury and property damage liability | Not Applicable |
| Liquor Liability | Not Applicable |

Item 3: Not Applicable

Item 4: Construction:

Per Section of this Agreement entitled "*Finishing and Decorating by the Lessee*"

Item 5: Construction Liability Limits:

The limits of liability insurance shall not be lower than those set forth in the Alteration Application referred to in the Section of this Agreement entitled "*Finishing and Decorating by the Lessee*".

Item 6: Cost and Proration Thereof:

(a) The sum of the following items of cost incurred by the Lessee in connection with the performance of the Lessee's Work shall constitute the "cost" under the Section of this Agreement entitled "*Finishes and Decorating by the Lessee*" and under subdivisions (b), (c), (d), (e), (f), and (g) hereof, to the extent that such characterization is consistent with sound accounting

practice and to the extent that such sum does not exceed One Hundred Forty-One Thousand Nine Hundred Dollars and No Cents (\$141,900.00) for the initial capital investment.

- (1) Direct labor and material costs;
- (2) Contract costs for purchase and installation of improvements, fixtures and equipment, excluding those of the types mentioned in the following subdivision (3);
- (3) Engineering, architectural, planning, designing, financing, interest, insurance, and other overhead or carrying charges which are due for a period ending not later than the date of completion of installation of any such initial equipment, fixtures, or improvements for which they are incurred, and not to exceed twenty percent (20%) of the total of the amounts covered by subdivisions (1) and (2) above.

(b) A statement of the cost detailing all of the foregoing, including copies of invoices and contracts and certified by a responsible officer of the Lessee shall be delivered by the Lessee to the Port Authority not later than ninety (90) days after the complete supplying and installing of all such initial fixtures or equipment and the making of all such initial improvements, and the Lessee shall permit the Port Authority, by its agents, employees, and representatives, at all reasonable times prior to a final settlement or determination of cost, to examine and audit the records and books of the Lessee and any Affiliate thereof which pertain to the cost; the Lessee agrees to keep and to cause its Affiliates to keep such records and books of account within the Port of New York District during such time.

(c) If the Lessee includes in cost any item as having been incurred, but which, in the opinion of the Port Authority, was not so incurred or which, in the opinion of the Port Authority, if so incurred is not an item properly chargeable to cost under sound accounting practice, then the Port Authority, within ninety (90) days after receipt of the said statement of cost as mentioned in subdivision (b) above, shall give written notice to the Lessee stating its objection to any such item and the grounds therefor. If such notice is given and if the dispute is not settled within thirty (30) days by agreement between the parties, then such dispute shall be disposed of by arbitration in accordance with the then existing rules of the American Arbitration Association or any successor organization. Costs of said arbitration shall be borne equally by the Port Authority and the Lessee.

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

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

(e) Any such arbitration as to whether any item included by the Lessee in its computation of cost is properly chargeable thereunder under sound accounting practice, the question to be submitted to the arbitrators for decision shall be as follows:

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

The arbitrators to whom such question(s) shall be submitted (under the preceding paragraphs (d) and

(e) shall be accountants or auditors.

(f) The proration of cost as referred to in the Section entitled "*Finishes and Decorating by the Lessee*" shall be ascertained by multiplying the cost by a fraction, the numerator of which shall be the number of whole calendar months (in the term of the letting as originally set forth) subsequent to the effective date of termination, and the denominator of which shall be the total number of months in the term of the letting as originally set forth.

(g) Notwithstanding any other provision of the Section of this Agreement entitled "*Finishes and Decorating by the Lessee*", in ascertaining the amount that the Port Authority shall be obligated to pay to the Lessee under said Section, the cost computed as heretofore stated in this Item shall be diminished by the amount that any part of the components of cost as stated in subdivisions (1), (2), and (3) of paragraph (a) above are secured by liens, mortgages, other encumbrances, or conditional bills of sale on such equipment, fixtures, and improvements and less any other amounts whatsoever due under this Agreement from the Lessee to the Port Authority. In no event whatsoever shall cost, as defined and computed in accordance with this Item and as used in the above-cited Section and in this Item, include any expenses, outlays, or charges whatsoever by or for the account of the Lessee for or in connection with any equipment or fixtures or the making of any improvements mentioned in said Section or in this Item unless said equipment, fixtures, and/or improvements are actually and completely installed in and/or made to the Premises and, in accordance with law unaffected by any act or statement of the Lessee, are considered part of the Premises.

Item 7: Performance Bond: Not applicable.

Item 8: Letting Postponed: Notwithstanding anything to the contrary set forth in this Agreement, in the event the Lessee is delayed in the performance of Lessee's Work following the initial delivery of any portion of the Premises due to: (a) the remediation by the Port Authority of any pre-existing Hazardous Substances which were present in or about the Premises, then Lessee shall have a day for day extension to complete Lessee's Work equal to the number of days that Lessee was so delayed; or (b) the failure of the Port Authority to timely issue all permits for the performance of Lessee's Work in accordance with the TAA process or the failure of the Port Authority to timely inspect the Premises following the completion of Lessee's Work in accordance with the TAA process and neither of which was due to any fault on the part of Lessee, then Lessee shall have a day for day extension to complete Lessee's Work equal to the number of days that Lessee was so delayed. The period of delay with respect to Item 8(a) shall be calculated from the day in which Lessee is instructed to cease Lessee's Work by the Port Authority to the day in which Lessee is given the clearance to resume Lessee's Work by the Port Authority following the Port Authority's receipt of the proper certification from the certified abatement contractor in accordance with standard policies and procedures in effect for the Terminal. The period of delay with respect to Item 8(b) shall be calculated to include any days which Lessee is prevented from starting Lessee's Work due to delays by the Port Authority in timely issuing permits in accordance with the TAA process as well as any days in which Lessee is prevented from opening any portion of the Premises for business to the public due to delays by the Port Authority in completing any inspections of the Premises in accordance with the TAA process. In the event of any such delays, the Port Authority shall send Tenant a confirmation letter setting the actual Rental Payment Start Date making due allowance for such delays and expiration of the Term of this Agreement.

Initialed:

For the Port Authority: ORC

For AMS-BW Newark JV: [Signature]

For Airport Management Services, LLC: [Signature]

For Branded Works, Inc.: [Signature]

EXHIBIT X

EVIDENCE OF SIGNED LABOR PEACE AGREEMENT

[Insert Name of Company] (the "Company") has complied with board Resolution "All airports – Labor Harmony Policy" passed October 18, 2007, which stipulates that the Company must sign a Labor Peace Agreement with a labor organization that seeks to represent the Company's employees and that contains provisions under which the labor organization and its members agree to refrain from engaging in any picketing, work stoppages, boycotts or any other economic interference with the Company's operations.

FOR THE COMPANY:

FOR THE UNION:

[Insert Name of Company]

[Insert Name of Labor Organization]

BY: _____

BY: _____

DATE: _____

DATE: _____

EVIDENCE OF SIGNED LABOR PEACE AGREEMENT

AMS BW Newark JV ("the Company") has signed a Labor Peace Agreement with UNITE HERE, the labor organization that represents and seeks to represent concessions employees at Newark International Airport ("Airport"), in which UNITE HERE and its members agree not to engage in picketing and any other economic interference with the Company's operations at the Airport.

FOR THE COMPANY:

FOR THE UNION:

AMS BW Newark JV
By: Airport Management Services, LLC,
a Joint Venture
BY: [Signature]
Michael K. Mullerney

UNITE HERE

BY: [Signature]

DATE: APRIL 14 09
As Executive Vice President
of Hudson News Company, its
Managing Member

DATE: April 13, 2009

Airport Management Services, LLC
A Delaware limited liability company
By: Hudson News Company, its Managing Member

By: [Signature]
Joseph DiDomizio, President

Attest:

[Signature]
Jay B. Marshall, Secretary (Seal)

Branded Works, Inc. a Louisiana Corporation

By: [Signature]
Title: President

Attest:

[Signature]
GERALD W BARGROOSE
Secretary (Seal)

TAXCO STERLING CO.

SCHEDULE A

Merchandise Categories

Sterling Silver Rings (with and without gemstones)
Sterling Silver Earrings (with and without gemstones)
Sterling Silver Bracelets (with and without gemstones)
Sterling Silver Necklaces (with and without gemstones)
Sterling Silver Pendants (with and without gemstones)
Sterling Silver Cuff Links (with and without gemstones)
Sterling Silver Money Clip (with and without gemstones)
Sterling Silver Men's Jewelry (with and without gemstones)

14kt and 18kt Gold Rings (with and without gemstones)
14kt and 18kt Gold Earrings (with and without gemstones)
14kt and 18kt Gold Bracelets (with and without gemstones)
14kt and 18kt Gold Necklaces (with and without gemstones)
14kt and 18kt Gold Pendants (with and without gemstones)
14kt and 18kt Gold Cuff Links (with and without gemstones)

Tungsten and Titanium Men's Rings
Tungsten and Titanium Men's Necklaces
Tungsten and Titanium Men's Cuff Links
Tungsten and Titanium Men's Bracelets
Tungsten and Titanium Men's Accessories

Silver and Stone Home Décor/Castillo Collection
Silver Sculpture/D'Argenta Collection
Silver and Stone Zanfeld Collection

SCHEDULE E

AFFIRMATIVE ACTION – EQUAL OPPORTUNITY – MINORITY BUSINESS ENTERPRISES – WOMEN-OWNED BUSINESS ENTERPRISES REQUIREMENTS

Part I. Affirmative Action Guidelines – Equal Employment Opportunity

I. As a matter of policy, the Port Authority hereby requires the Lessee and the Lessee shall require the Contractor, as hereinafter defined, to comply with the provisions set forth hereinafter in this Schedule E with the Lessee (as defined in the Agreement to which this Schedule E is attached). The provisions set forth in this Part I are similar to the conditions for bidding on federal government contract adopted by the Office of Federal Contract Compliance and effective May 8, 1978.

The Lessee, as well as each bidder, contractor, and subcontractor of the Lessee and each subcontractor of a contractor at any tier of construction (herein collectively referred to as the "Contractor") must fully comply with the following conditions set forth herein as to each construction trade to be used on the construction work or any portion thereof (said conditions being herein called "Bid Conditions"). The Lessee hereby commits itself to the goals for minority and female utilization set forth below and all other requirements, terms, and conditions of the Bid Conditions. The Lessee shall likewise require the Contractor to commit itself to the said goals for minority and female utilization set forth below and all other requirements, terms, and conditions of the Bid Conditions by submitting a properly signed bid.

II. The Lessee and the Contractor shall each appoint an executive of its company to assume the responsibility for the implementation of the requirements, terms, and conditions of the following Bid Conditions:

(a) The goals for minority and female participation expressed in percentage terms for the Contractor's aggregate workforce in each trade on all construction work are as follows:

(1) Minority participation

| | |
|---------------------------|-----|
| Minority, except laborers | 30% |
| Minority, laborers | 40% |

(2) Female participation

| | |
|-------------------------|------|
| Female, except laborers | 6.9% |
| Female, laborers | 6.9% |

These goals are applicable to all the Contractor's construction work performed in and for the Premises.

The Contractor's specific affirmative action obligations required herein of minority and female employment and training must be substantially uniform throughout the length of the contract, and in each trade, and the Contractor shall make good faith efforts to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from contractor to contractor or from project to project for the sole purpose of meeting the Contractor's goals shall be a violation of the contract. Compliance with the goals will be measured against the total work hours performed.

(b) The Contractor shall provide written notification to the Lessee and the Lessee shall provide written notification to the Manager of the Office of Business and Job Opportunity of the Port Authority within ten (10) working days of award of any construction subcontract in excess of \$10,000 at any tier for construction work. The notification shall list the name, address, and telephone number of the subcontractor; employer identification number; estimated starting and completion dates of the subcontract; and the geographical area in which the subcontract is to be performed.

(c) As used in these specifications:

(1) "Employer identification number" means the Federal Social Security number used on the Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941;

(2) "Minority" includes:

(i) Black (all persons having origins in any of the Black African racial groups, not of Hispanic origin);

(ii) Hispanic (all persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American culture or origin, regardless of race);

(iii) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands); and

(iv) American Indian or Alaskan Native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).

(d) Whenever the Contractor, or any subcontractor at any tier, subcontracts a portion of the construction work involving any construction trade, it shall physically include in each subcontract in excess of \$10,000 those provisions which include the applicable goals for minority and female participation.

(e) The Contractor shall implement the specific affirmative action standards provided in subparagraphs (1) through (16) of Paragraph (h) hereof. The goals set forth above are expressed as percentages of the total hours of employment and training of minority and female utilization the Contractor should reasonably be able to achieve in each construction trade in which it has employees in the Premises. The Contractor is expected to make substantially uniform progress toward its goals in each craft during the period specified.

(f) Neither the provisions of any collective bargaining agreement, nor the failure by a union with whom the Contractor has a collective bargaining agreement, to refer either minorities or women shall excuse the Contractor's obligations hereunder.

(g) In order for the non-working training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees must be employed by the Contractor during the training period, and the Contractor must have made a commitment to employ the apprentices and trainees at the completion of their training subject to the availability of employment opportunities. Trainees must be trained pursuant to training programs approved by the U.S. Department of Labor.

(h) The Contractor shall take specific affirmative actions to ensure equal employment opportunity ("EEO").

The evaluation of the Contractor's compliance with these provisions shall be based upon its good faith efforts to achieve maximum results from its actions. The Contractor shall document these efforts fully, and shall implement affirmative action steps at least as extensive as the following:

(1) Ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which the Contractor's employees are assigned to work. The Contractor, where possible, will assign two or more women to each Phase of the construction project. The Contractor shall specifically ensure that all foremen, superintendents,

and other supervisory personnel at the Premises are aware of and carry out the Contractor's obligation to maintain such a working environment, with specific attention to minority or female individuals working at the Premises.

(2) Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the Contractor or its unions have employment opportunities available, and maintain a record of the organizations' responses.

(3) Maintain a current file of the names, addresses, and telephone numbers of each minority and female off-the-street applicant and minority or female referral from a union, a recruitment source, or community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the Contractor by union or, if referred, not employed by the Contractor, this shall be documented in the file with the reason therefor, along with whatever additional actions the Contractor may have taken.

(4) Provide immediate written notification to the Lessee when the union or unions with which the Contractor has a collective bargaining agreement has not referred to the Contractor a minority person or woman sent by the Contractor, or when the Contractor has other information that the union referral process has impeded the Contractor's efforts to meet its obligations.

(5) Develop on-the-job training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and training programs relevant to the Contractor's employment needs, especially those programs funded or approved by the Department of Labor. The Contractor shall provide notice of these programs to the sources compiled under subparagraph (2) above.

(6) Disseminate the Contractor's EEO policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the Contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the Contractor's newspaper, annual report, etc.; by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and by posting the Contractor's EEO policy on bulletin boards accessible to all employees at each location where construction work is performed.

(7) Review, at least every six months, the Contractor's EEO policy and affirmative action obligations hereunder with all employees having any responsibility for hiring, assignment, layoff, termination, or other employment decision, including specific review of these items with on-Premises supervisory personnel such as Superintendents, General Foremen, etc., prior to the initiation of construction work at the Premises. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.

(8) Disseminate the Contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the Contractor's EEO policy with other Contractors and Subcontractors with whom the Contractor does or anticipates doing business.

(9) Direct its recruitment efforts, both oral and written, to minority, female, and community organizations, to schools with minority and female students and to minority and female recruitment and training organizations and to State-certified minority referral agencies serving the Contractor's recruitment area and employment needs. Not later than one month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the Contractor shall send written notification to organizations such as the above, describing the openings, screening procedures, and tests to be used in the selection process.

(10) Encourage present minority and female employees to recruit other minority persons and women and, where reasonable, provide after school, summer, and vacation employment to minority and female youth both on the Premises and in areas of a Contractor's workforce.

(11) Tests and other selecting requirements shall comply with 41 CFR Part 60-3.

(12) Conduct, at least every six months, an inventory and evaluation at least of all minority and female personnel for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.

(13) Ensure that seniority practices, job classifications, work assignments, and other personnel practices do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the Contractor's obligations hereunder are being carried out.

(14) Ensure that all facilities and company activities are non-segregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.

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

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

(i) Contractors are encouraged to participate in voluntary associations which assist in fulfilling one or more of their affirmative action obligations (subparagraphs (1)-(16) of Paragraph (h) above). The efforts of a contractor association, joint contractor-union, contractor-community, or other similar group of which the Contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under Paragraph (h) hereof provided that: the Contractor actively participates in the group, makes good faith efforts to assure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the Contractor's minority and female workforce participation, makes good faith efforts to meet its individual goals and timetables, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the Contractor. The obligation to comply, however, is the Contractor's and failure of such a group to fulfill an obligation shall not be a defense for the Contractor's non-compliance.

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

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

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

(m) The Contractor shall carry out such sanctions and penalties for violation of this clause including suspension, termination and cancellation of existing subcontracts as

may be imposed or ordered by the Lessee. Any Contractor who fails to carry out such sanctions and penalties shall be in violation hereof.

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

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

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

(q). Without limiting any other obligation, term or provision under the Agreement, the Contractor shall cooperate with all federal, state or local agencies established for the purpose of implementing affirmative action compliance programs and shall comply with all procedures and guidelines established or which may be established by the Port Authority.

PART II.

MINORITY BUSINESS ENTERPRISES/WOMEN-OWNED BUSINESS ENTERPRISES

As a matter of policy the Port Authority requires that Lessee and the Lessee shall itself and shall require the general contractor or other construction supervisor and each of the Lessee's contractors to use every good faith effort to provide for meaningful participation by Minority Business Enterprises (MBEs) and Women-owned Business Enterprises (WBEs) in the construction work pursuant to the provisions of this Schedule E. For purposes hereof, "Minority Business Enterprise" "(MBE)" shall mean any business enterprise which is at least fifty-one percentum owned by, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by citizens or permanent resident aliens who are minorities and such ownership is real, substantial and continuing. For the purpose hereof, "Women-owned Business Enterprise" "(WBE)" shall mean any business enterprise which is at least fifty-one percentum owned by, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by women and such ownership is real, substantial and continuing. A minority shall be as defined in paragraph II(c) of Part I of this Schedule E. "Meaningful participation" shall mean that at least seventeen percent (17%) of the total dollar value of the construction contracts (including subcontracts) covering the construction work are for the participation of Minority Business Enterprises and Women-owned Business Enterprises, of which at least twelve percent (12%) are for the participation of Minority Business Enterprises. Good faith efforts to include meaningful participation by MBEs and WBEs shall include at least the following:

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

(b) Actively and affirmatively soliciting bids for subcontracts from MBEs and WBEs, including circulation of solicitations to minority and female contractor associations. The Contractor shall maintain records detailing the efforts made to provide for meaningful MBE and WBE participation in the work, including the names and addresses of all MBEs and WBEs contacted and, if any such MBE or WBE is not selected as a joint venturer or subcontractor, the reason for such decision.

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

(d) Utilizing the list of eligible MBEs and WBEs maintained by the Port Authority or seeking minorities and women from other sources for the purpose of soliciting bids for subcontractors.

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

(f) Insuring that provision is made to provide progress payments to MBEs and WBEs on a timely basis.

(g) Not requiring bonds from and/or providing bonds and insurance for MBEs and WBEs, where appropriate.

Certification of MBEs and WBEs hereunder shall be made by the Office of Business and Job Opportunity of the Port Authority. If the Contractor wishes to utilize a firm not already certified by the Port Authority, it shall submit to the Port Authority a written request for a determination that the proposed firm is eligible for certification. This shall be done by completing and forwarding such form as may be then required by the Port Authority. All such requests shall be in writing addressed to the Office of Business and Job Opportunity, the Port Authority of New York and New Jersey, One World Trade Center, 63 East, New York, New York 10048 or such other address as the Port Authority may specify by notice to the Lessee. Certification shall be effective only if made in writing the Director in charge of the Office of Business and Job Opportunity of the Port Authority. The determination of the Port Authority shall be final and binding.

The Port Authority has compiled a list of the firms that the Port Authority has determined satisfy the criteria for MBE and WBE certification. This list may be supplemented and revised from time to time by the Port Authority. Such list shall be made available to the Contractor upon request. The Port Authority makes no representation as the financial responsibility or such, firms, their technical competence to perform, or any other performance-related qualifications.

Only MBE's and WBE's certified by the Port Authority will count toward the MBE and WBE goals.

Please note that only sixty percent (60%) of expenditures to MBE or WBE suppliers will count towards meeting the MBE and WBE goals. However, expenditures to MBE or WBE manufacturer's (i.e., suppliers that produce goods from raw materials or substantially alter them before resale) are counted dollar for dollar.

SCHEDULE G

Airport Concession Disadvantaged Business Enterprise ("ACDBE") Participation

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

The overall ACDBE goal is a key element of the Port Authority's concession program and Lessee shall take all necessary and reasonable steps to comply with the requirements of the Port Authority's ACDBE program. The Concessionaire commits to making good faith efforts to achieve the ACDBE goal. Pursuant to 49 CFR 23.25(f), ACDBE participation must be, to the greatest extent practicable, in the form of direct ownership, management and operation of the concession or the ownership, management and operation of specific concession locations through subleases. The Port Authority will also consider participation through (1) joint venture in which ACDBEs control a distinct portion of the joint venture business and/or purchase of goods and services from ACDBEs. In connection with the aforesaid good faith efforts, as to those matters contracted out by the Concessionaire in its performance of this agreement, the Concessionaire shall use, to the maximum extent feasible and consistent with the Concessionaire's exercise of good business judgment including without limit the consideration of cost competitiveness, a good faith effort to meet the Port Authority's goals. Information regarding specific good faith steps can be found in the Port Authority's ACDBE Program located on its above-referenced website. In addition, the Concessionaire shall keep such records as shall enable the Port Authority to comply with its obligations under 49 CFR Part 23 regarding efforts to offer opportunities to ACDBEs.

Qualification as an ACDBE

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

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

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

- a. Women;
- b. Black Americans which includes persons having origins in any of the Black racial groups of Africa;

c. Hispanic Americans which includes persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;

d. Native Americans which includes persons who are American Indians, Eskimos, Aleuts or Native Hawaiians;

e. Asian-Pacific Americans which includes persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea), Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands (Republic of Palau), the Commonwealth Northern Marianas Islands, Macao, Fiji, Tonga, Kiribati, Juvalu, Nauru, Federated States of Micronesia or Hong Kong;

f. Asian-Indian Americans which includes persons whose origins are from India, Pakistan, Bangladesh, Bhutan, Maldives Islands, Nepal and Sri Lanka; and

g. Members of other groups, or other individuals, found to be economically and socially disadvantaged by the Small Business Administration under Section 8(a) of the Small Business Act, as amended (15 U.S.C. Section 637(a)).

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

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

General

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

For the Port Authority

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

On the 6TH day of JULY in the year 2009, before me, the undersigned, a Notary Public in and for said state, personally appeared DOUG STEARNS personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Gail E. Mitchell
(notary seal and stamp)

For the Lessee
(AMS-BW Newark JV)

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

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

On the 16th day of March in the year 2009, before me, the undersigned, a Notary Public in and for said state, personally appeared Michael R. Mullaney personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

J Blount
(notary seal and stamp)

For the Lessee
(Airport Management Services, LLC)

JENNY BLOUNT
Notary Public, State of New Jersey
My Commission Expires
July 18, 2011

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

On the 16th day of March in the year 2009, before me, the undersigned, a Notary Public in and for said state, personally appeared Michael R. Mullaney personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

J Blount
(notary seal and stamp)

JENNY BLOUNT
Notary Public, State of New Jersey
My Commission Expires
July 18, 2011

For the Lessee
(Branded Works, Inc.)

STATE OF LOUISIANA)
PARISH OF LAFAYETTE)ss.:

On the 24 day of FEBRUARY in the year 2009, before me,
the undersigned, a Notary Public in and for said state, personally appeared RUTH ANN McNOTIS

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

(notary seal and stamp)



AUBREY REED
NOTARY PUBLIC,
LAFAYETTE PARISH COUNTY, LA
My Commission is for Life
#80119

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

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 the Port Authority Facility hereinafter named, in accordance with the Terms and Conditions 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. **FACILITY:** Newark Liberty International Airport
2. **PERMITTEE:** AMS-CV Newark, JV, a Delaware joint venture between Airport Management Services, LLC and Concourse Ventures, Inc.; and Airport Management Services, LLC, a Delaware limited liability company; and Concourse Ventures, Inc., a Louisiana corporation;

the aforesaid joint venturer and its joint venturers being jointly and severally liable hereunder and being collectively referred to herein as the Permittee
3. **PERMITTEE'S ADDRESS:**
(a) AMS-CV Newark, JV: One Meadowlands Plaza, East Rutherford, New Jersey 07073
(b) Airport Management Services, LLC, One Meadowlands Plaza, East Rutherford, New Jersey 07073
(c) Concourse Ventures, Inc., 2373 North Hobart Ave., Los Angeles, CA 90027
4. **PERMITTEE'S REPRESENTATIVE:**
(a) AMS-CV Newark, JV: Michael R. Mullaney
(b) Airport Management Services, LLC: Michael R. Mullaney
(c) Concourse Ventures, Inc.: Dale Mason Cochran
5. **PRIVILEGE:** As set forth in Special Endorsement No. 1 of the Permit
6. **FEES:** As set forth in Special Endorsement No. 2 of the Permit
7. **EFFECTIVE DATE:** February 23, 2001
8. **EXPIRATION DATE:** March 31, 2012, unless sooner revoked as provided in Section 1 of the following Terms and Conditions.

9. ENDORSEMENTS: 2.8, 3.1, 4.1, 4.5, 6.1, 8.0, 9.1, 9.5, 9.6, 10.2, 14.1, 16.1, 17.1, 19.3, 21.1, 28 and SPECIAL, Schedule G

Dated: As of February 23, 2001

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By Ronald DeRose
Ronald DeRose
Title Asst. Director, CCAS

AMS-CV NEWARK, JV

By: Airport Management Services, LLC,
a joint venturer

Michael R. Mullaney
Executive Vice President
Corporate Strategy & Development
By [Signature]
Print Name _____
Title Member/Manager

By: Concourse Ventures, Inc.

By Dale Mason Cochran
Print Name Dale Mason Cochran
(Title) President

Airport Management Services, LLC

Michael R. Mullaney
Executive Vice President
Corporate Strategy & Development
By [Signature]
Print Name _____
Title Member/Manager

CONSENTED AND AGREED TO
as of February 23, 2001:

CONTINENTAL AIRLINES, INC.

By Kati Gebo
(Title) VICE President

Concourse Ventures, Inc.

By Dale Mason Cochran
Print Name Dale Mason Cochran
(Title) President

CORPORATE REAL ESTATE

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

MLG

OTC

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 days' written notice, by the Port Authority or terminated without cause, upon thirty days' written notice by the Permittee, provided, however, that it may be revoked on twenty-four 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. Further, in the event the Port Authority exercises its right to revoke or terminate 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 or termination, including without limitation any re-entry, regaining or resumption of possession, collecting all amounts due to the Port Authority, the restoration of any space which may be used and occupied under this Permit (on failure of the Permittee to have it restored), preparing such space for use by a succeeding permittee, the care and maintenance of such space during any period of non-use of the space, the foregoing to include, without limitation, personnel costs and legal expenses (including but not limited to the cost to the Port Authority of in-house legal services), repairing and altering the space and putting the space in order (such as but not limited to cleaning and decorating the same). Unless sooner revoked or terminated, such permission shall expire in any event upon the expiration date hereinbefore set forth. 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,

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

(d) if the Permittee is an individual, by the Permittee acting only personally or through the medium of his employees; or

(e) 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, 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 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.

The Permittee, its employees, invitees and others doing business with it shall have no right hereunder to park vehicles within 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 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 of the operations, acts or omissions of the Permittee hereunder.

(b) 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 way connected with this Permit. Without in any way limiting its obligations under the preceding paragraph (a) 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 way connected with this Permit.

(c) If so directed, the Permittee shall at its own expense defend any suit based on any claim or demand referred to in the foregoing paragraphs (a) or (b) (even if such claim or demand is groundless, false or fraudulent), and in handling such it shall not, without obtaining the prior written consent of 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 governmental nature or the provisions of any statutes respecting the Port Authority.

(d) In the event of any injury or death to any person (other than employees of the Permittee) at the Facility when caused by the Permittee's operations, acts or omissions of the Permittee hereunder, or damage to any property (other than the Permittee's property) at the Facility when caused by the Permittee's operations, acts or omissions of the Permittee hereunder, 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.

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 or termination 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 and at the risk and expense of 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 days may sell the same at public auction; the proceeds of any such sale shall be applied first to the expenses of removal, sale and storage, 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.

9. 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 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.

10. 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.

11. 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.

12. As used herein:

(a) The term "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.

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

13. 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 registered mail or certified 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 therefor 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 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.

14. The Permittee agrees to be bound by and comply with the provisions of all endorsements annexed to this Permit at the time of issuance.

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

16. 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.

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

18. Without in any way limiting the provisions hereof, unless otherwise notified by the Port Authority in writing, in the event the Permittee shall continue to perform the privilege permitted hereunder, after the expiration, revocation or termination of the effective period of the permission granted under this Permit, as such effective period of permission may be extended from time to time, in addition to any damages to which the Port Authority may be entitled under this Permit or other remedies the Port Authority may have by law or otherwise, the Permittee shall pay to the Port Authority a fee for the period commencing on the day immediately following the date of such expiration or the effective date of such revocation or termination and ending on the date that the Permittee shall cease to perform the privilege at the Facility equal to twice the rate payable to the Port Authority by the Permittee under this Permit. Nothing herein contained shall give, or be deemed to give, the Permittee any right to continue to perform the privilege at the Facility after the expiration, revocation or termination of the effective period of the permission granted under this Permit. The Permittee acknowledges that the failure of the Permittee to cease to perform the privilege at the Facility from and after the effective date of such expiration, revocation or termination will or may cause the Port Authority injury, damage or loss. 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.

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

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

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

(c) Maintain, in accordance with accepted accounting practice, during the effective period of this Permit, for one (1) year after the expiration or earlier revocation or termination thereof, and for a further period extending until the Permittee shall receive written permission from the Port Authority to do otherwise, records and books of account recording all transactions of the Permittee at, through, or in anyway connected with the Airport (which records and books of account are hereinafter be called the "Permittee's Records"). The Permittee's Records shall be kept at all times within the Port of New York District.

(d) Permit in ordinary business hours during the effective period of the Permit, for one year thereafter, and during such further period as is mentioned in the preceding subdivision (c), the examination and audit by the officers, employees and representatives of the Port Authority of (i) the records and books of account of the Permittee and (ii) also any records and books of account 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. The Permittee shall make available to the Port Authority within the Port of New York District for examination and audit by the Port Authority pursuant to this paragraph (d) those records and books of account described in (i) which are not required by paragraph (c) above to be kept at all times in the Port of New York District and those records and books of account described in (ii) above (all of the foregoing being hereinafter called the "Other Relevant Records" and the Permittee's Records and the Other Relevant Records being hereinafter collectively referred to as the "Records").

(e) 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 cash registers;

(f) Furnish on or before the twentieth day of each month following the effective date of this Permit a sworn statement of gross receipts arising out of operations of the Permittee hereunder for the preceding month;

(g) Furnish on or before the twentieth day of April of each calendar year following the effective date of this Permit a statement of all gross receipts arising out of operations of the Permittee hereunder for the preceding calendar year certified, at the Permittee's expense, by a certified public accountant;

STANDARD ENDORSEMENT NO. 2.8

BUSINESS DEVELOPMENT AND RECORDS

AIRPORTS

4/9/79; rev. 10/2/90; rev. 7/1/97, rev 11/05 (page 1 of 3 pages)

(h) Install and use such cash registers, sales slips, invoicing machines and any other equipment or devices for recording orders taken, or services rendered, as may be appropriate to the Permittee's business and necessary or desirable to keep accurate records of gross receipts.

2. Without implying any limitation on the right of the Port Authority to revoke the Permit for cause for the breach of any term or condition thereof, including but not limited to paragraph 1 above, the Permittee understands that compliance by the Permittee with the provisions of paragraphs (c) and (d) above are of the utmost importance to the Port Authority in having entered into the percentage fee arrangement under the Permit and in the event of the failure of the Permittee to maintain, keep within the Port District or make available for examination and audit the Permittee's Records in the manner and at the times or location as provided in this Standard Endorsement then, in addition to all and without limiting any other rights and remedies of the Port Authority, the Port Authority may:

(1) Estimate the gross receipts of the Permittee 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 Permittee's fees based thereon to be payable to the Port Authority when billed; or

(2) If any such Records have been maintained outside of the Port District, but within the Continental United States then the Port Authority in its sole discretion may (i) require such Records to be produced within the Port District or (ii) examine such Records at the location at which they have been maintained and in such event 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, or

(3) If any such Records have been maintained outside the continental United States then, in addition to the costs specified in paragraph (2)(ii) above, the Permittee shall pay to the Port Authority when billed all other costs of the examination and audit of such Records including without limitation salaries, benefits, travel costs and related expenses, overhead costs and fees and charges of third party auditors retained by the Port Authority for the purpose of conducting such audit and examination.

3. The foregoing auditing costs, expenses and amounts set forth in subparagraphs (2) and (3) of paragraph 2 above shall be deemed fees and charges under the Permit payable to the Port Authority with the same force and effect as all other fees and charges thereunder.

4. Effective from and after October 13, 2005, and continuing during the effective period of permission granted under this Permit, in the event that upon conducting an examination

STANDARD ENDORSEMENT NO. 2.8
BUSINESS DEVELOPMENT AND RECORDS
AIRPORTS

4/9/79; rev. 10/2/90; rev. 7/1/97, rev 11/05 (page 2 of 3 pages)

and audit as described in this Standard Endorsement the Port Authority determines that unpaid amounts are due to the Port Authority by the Permittee, the Permittee shall be obligated, and hereby agrees, to pay to the Port Authority a service charge in the amount of five percent (5%) of each amount determined by the Port Authority audit findings to be unpaid. Each such service charge shall be payable immediately upon demand (by notice, bill or otherwise) made at any time therefor by the Port Authority. Such service charge (s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority by the Permittee under this Permit or otherwise. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid service charge shall be deemed a waiver of the right of the Port Authority of payment of any late charge(s) or other service charge(s) payable under the provisions of this Standard Endorsement 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 Standard 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 to revoke this Permit or (ii) any obligations of the Permittee under this Permit.

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 persons 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 therefor. The Permittee shall furnish all services hereunder on a fair, equal and non-discriminatory basis to all users thereof.

STANDARD ENDORSEMENT NO. 3.1
ACCOMMODATION OF THE PUBLIC
All Facilities
8/21/49

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

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

STANDARD ENDORSEMENT NO. 4.1
MERCHANDISE AND/OR SERVICES
All Airports
7/21/49

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

STANDARD ENDORSEMENT NO. 4.5

PRICES AND/OR CHARGES

All Installations

5/16/49

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

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

STANDARD ENDORSEMENT NO. 6.1
All Installations
3/28/49

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 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 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 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.

STANDARD ENDORSEMENT NO. 9.1

FEDERAL AIRPORT AID

Airports

1/19/81

(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, Département 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
AFFIRMATIVE ACTION
Airports

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

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

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

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

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

(d) The Permittee shall daily remove from the Airport by means of facilities provided by it all garbage, debris and other waste material (whether solid or liquid) arising out of or in connection with its operations hereunder, and any such not immediately removed shall be temporarily stored in a clean and sanitary condition, in suitable garbage and waste receptacles, the same to be made of metal and equipped with tight-fitting covers, and to be of a design safely and properly to contain whatever material may be placed therein; said receptacles being provided and maintained by the Permittee.

STANDARD ENDORSEMENT NO. 10.2

SANITARY REQUIREMENTS

Airports

7/20/49

The receptacles shall be kept covered except when filling or emptying the same. The Permittee shall exercise extreme care in removing such garbage, debris and other waste materials from the Airport. The manner of such storage and removal shall be subject in all respects to the continual approval of the Port Authority. No facilities of the Port Authority shall be used for such removal unless with its prior consent in writing. No such garbage, debris or other waste materials shall be or be permitted to be thrown, discharged or disposed into or upon the waters at or bounding the Airport.

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

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

STANDARD ENDORSEMENT NO. 10.2

SANITARY REQUIREMENTS

Airports

7/20/49

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

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

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 (5) 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
06/29/62

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 persons 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.*

STANDARD ENDORSEMENT NO. 17.1

LAW COMPLIANCE

All Facilities

8/29/49

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 Liberty 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 and privileges are hereby granted to Permittee than the Port Authority has power to grant under said agreement as supplemented or amended as aforesaid.

“Newark Liberty 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 Liberty International Airport

08/02

(1) The Permittee in its own name as assured shall secure and pay the premium or premiums for such of the following policies of insurance with respect to which minimum limits are fixed in the schedule below. Each such policy shall be maintained in at least the limit fixed with respect thereto, shall cover the operations of the Permittee under this Permit, and shall be effective throughout the effective period:

SCHEDULE

| <u>Policy</u> | <u>Minimum Limit</u> |
|--|-----------------------|
| (a) Commercial general liability insurance (to include contractual liability endorsement) | |
| (1) Bodily-injury liability: For injury or wrongful death to one person: | <u>\$2,000,000.00</u> |
| For injury or wrongful death to more than one person in any one occurrence: | <u>\$2,000,000.00</u> |
| (2) Property-damage liability: For all damages arising out of injury to or destruction of property in any one occurrence: | <u>\$2,000,000.00</u> |
| (3) Products liability: | <u>\$2,000,000.00</u> |
| (b) Automotive liability insurance: | |
| (1) Bodily-injury liability: For injury or wrongful death to one person: | \$ |
| For injury or wrongful death to more than one person in any one occurrence: | \$ |
| (2) Property-damage liability: For all damages arising out of injury to or destruction of property in any one occurrence: | \$ |
| (c) Plate and mirror glass insurance, covering all plate and mirror glass in the premises, and the lettering, signs, or decorations, if any, on such plate and mirror glass: | \$ |
| (d) Boiler and machinery insurance, covering all boilers, pressure vessels and machines operated by the Permittee in the Space: | \$ |
| (e) "Additional Interest" policy of boiler and machinery insurance, covering all boilers, pressure vessels and machines operated by the Permittee in the Space: | \$ |

(2) The Port Authority shall be named as an additional insured in any policy of liability insurance required by this Endorsement, unless the Port Authority shall, at any time during the effective period of this Permit, direct otherwise in writing, in which case the Permittee shall cause the Port Authority not to be so named.

STANDARD ENDORSEMENT NO. 21.1 (2 pages)

INSURANCE

All Facilities

3/25/82

(3) Every policy of insurance on property other than that of the Permittee required by this Endorsement shall name the Port Authority as the owner of property, unless the Space is located in an area as to which the Port Authority is itself a lessee, in which case the Port Authority shall be named as the lessee and the owner shall be named as the owner, and the policy shall be endorsed substantially as follows:

"Loss, if any, under this policy, as to the interest of the owner and as to the interest of the Port Authority of New York and New Jersey, shall be adjusted solely with the Port Authority, and all proceeds under this policy shall be paid solely to the Port Authority."

(4) The "Additional Interest" policy of boiler and machinery insurance required by this Endorsement shall provide protection under Sections 1 and 2 only of the Insuring Agreements of the form of policy approved for use as of the date hereof by the National Bureau of Casualty Underwriters, New York, New York.

(5) As to any insurance required by this Endorsement, 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 within ten (10) days after the execution of this Permit. In the event any binder is delivered, it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy or certificate shall contain a valid provision or endorsement that the policy may not be cancelled, terminated, changed or modified, without giving thirty (30) days' written notice thereof to the Port Authority. A renewal policy shall be delivered to the Port Authority at least fifteen (15) days prior to the expiration date of each expiring policy. If at any time any of the 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 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.

(6) Each policy of insurance required by this Endorsement shall contain a 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 or the provisions of any statutes respecting suits against the Port Authority.

STANDARD ENDORSEMENT NO. 21.1 (2 pages)

INSURANCE

All Facilities

3/25/82

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

I. (a) By agreement of lease, dated as of January 11, 1985 bearing Port Authority file No. ANA-170 (said agreement of lease as the same may have been supplemented and amended being hereinafter called the "Airline Lease") the Port Authority leased to People Express Airlines, Inc. certain premises in the passenger terminal building designated "Passenger Terminal Building C" at Newark Liberty International Airport for the construction therein by the airline of passenger terminal facilities (which facilities are hereinafter referred to as the "Terminal"), as set forth in Section 5 of the Airline Lease. The Airline Lease was assigned by People Express Airlines, Inc. to Continental Airlines, Inc. (hereinafter called the "Airline") pursuant to an Assignment of Lease with Assumption and Consent Agreement entered into among the Port Authority, the Airline and People Express Airlines, Inc., dated August 15, 1987. It was contemplated under the Airline Lease that certain food and beverage, newsstand, gift shop and other consumer service facilities would be operated in certain portions of the Terminal pursuant to agreements covering the operation of such consumer service facilities and it was stipulated in the Airline Lease that Port Authority consent to the arrangements covering the operation of such consumer service facilities would be required. The Airline and Westfield Concession Management, Inc. ("Manager") have entered into an agreement, made as of November 1, 1997 (which agreement, as the same may have been or may hereafter be supplemented, amended or extended is hereinafter called the "Management Agreement"), pursuant to which the Manager agreed to develop, sublease on behalf of and in the name of the Airline, manage and market certain concession facilities in the Terminal. The Manager and the Port Authority have entered into a permit agreement, consented and agreed to by the Airline and dated as of October 1, 1998 (which permit agreement, as the same may have been or may hereafter be supplemented, amended or extended is hereinafter called the "Manager Permit") pursuant to which, among other things, the Port Authority consented to the Management Agreement subject to the provisions of the Manager Permit.

(b) The Airline and the Permittee are parties to a sublease agreement, dated as of February 23, 2001, as extended by Extension Agreement, dated as of November 30, 2006, and as further amended and extended by Second Amendment and Extension Agreement, dated as of August 31, 2007 (pursuant to which Second Amendment and Extension Agreement the sublease was also assigned to the Permittee by World Concourse Ventures, LLC, a Delaware limited liability company) (the sublease, as extended, amended and assigned hereinafter called the "Sublease"). Pursuant to the Sublease, the Permittee has agreed to operate certain consumer services in locations the Airline shall designate, and the Port Authority hereby consents to such subletting. By its terms the Sublease is subject and subordinate to the Airline Lease and the Permittee is obligated under the Sublease to comply with all applicable terms of the Airline Lease. The Permittee hereby agrees for the benefit of the Port Authority to comply with all applicable provisions of the Airline Lease. Further, it was stipulated in the Management Agreement and in the Manager Permit that any retail operating agreement entered into between the Airline and a third party retail operator shall be void *ab initio* and of no force of effect unless and until the proposed retail operator and the Port Authority shall have executed a written agreement covering such operations. The Port Authority hereby grants to the Permittee the privilege to operate one first-class concession at the Terminal for the purpose of the sale at retail

of newspapers, magazines and periodicals and certain other items expressly identified for sale in the Sublease, as well as the incidental sale at retail of gifts, souvenir apparel, souvenirs, novelties and traveler-related gifts, and for no other purpose whatsoever.

(c) The Permittee shall exercise the privilege granted by this Permit only in such areas as the Airline shall designate from time to time. All of the areas designated for operations hereunder are herein referred to collectively as the "Space". The Permittee understands that as the Terminal is leased to the Airline, all arrangements as to the Space and facilities in which the privilege described in this paragraph will be conducted, including utilities and services therefor, shall be made with the Airline and the Permittee acknowledges that it has made such arrangements. The Port Authority makes no representations or warranties as to the location, size, adequacy or suitability of the Space and the facilities therein.

(d) The Permittee may not receive any revenues or profits with respect to any of the following uses, operations or installations which the Port Authority reserves to itself and its designees exclusively in the Terminal: VIP lounges, airline clubs, monorail facilities, advertising (including, without limitation, static display, broadcast and other), pay telephones, rental of cellular phones, facsimile transmission machines and other public communication services, concierge services (i.e., a center or location which offers a variety of services for passengers (including, but not limited to, hotel reservations, sale of entertainment events tickets and lottery tickets, luggage storage and delivery, sightseeing tours, business services and provision of touring information)), ground transportation (including vehicle rentals), hotel and other lodging reservations, vending machines dispensing anything (including, but not limited to, catalog and electronic sales) other than products specifically permitted to be sold on the Space pursuant to the Sublease and if approved by the Port Authority, on-airport baggage carts or other on-airport baggage-moving devices, electronic amusements, and public service or airport operation information, messages and announcements. The Port Authority shall have the right to all revenues derived for the above-stated reserved uses.

2. (a) As used herein:

(i) "Affiliate" shall mean a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Permittee. The term control (including the terms controlling, controlled by and under common control with) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

(ii) "Minimum annual rent amount" (sometimes referred to herein as "Guaranteed Rent") shall mean the sum set forth in paragraph (b) of this Special Endorsement, as the same may adjusted and/or prorated by operation of the provisions hereof.

(iii) "Annual Period" shall mean, as the context requires, the period commencing with the effective date of the permission granted under this Permit and expiring December 31 of the same calendar year, both dates inclusive, and each of the twelve month periods

thereafter occurring during the effective period of the permission granted hereunder commencing with the immediately succeeding January 1 and on each anniversary of that date. provided, however, that if the effective period of the permission granted under this Permit shall expire or shall terminate or be revoked effective on other than the last day of a calendar year then the annual period in which the date of expiration or earlier termination or revocation shall fall shall expire on the date of expiration or earlier termination or revocation of the effective period of the permission granted hereunder.

(iv) "Gross receipts" shall mean and include all monies paid or payable to the Permittee for sales made and services rendered at or from the Terminal or the Airport regardless of when or where the order therefor is received and outside the Terminal or Airport if the order is received at the Terminal or the Airport and any other revenues of any type arising out of or in connection with the Permittee's operations at the Terminal or the Airport, provided, however, that there shall be excluded from such gross receipts the following: (a) any taxes imposed by law which are separately stated to and paid by a customer and directly payable to the taxing authority by the Permittee; (b) receipts in the form of refunds from or the value of merchandise, services, supplies or equipment returned to vendors, shippers, suppliers or manufacturers including discounts received from Permittee's vendors, suppliers, or manufacturers (but specifically excluding retail display allowances or other promotional incentives received from vendors, suppliers and the like, all of which must be included in gross receipts); (c) shipping, delivery, alteration workroom and gift wrapping charges if there is no profit to Permittee and such charges are merely an accommodation to customers; (d) except with respect to proceeds paid on a gross earnings business interruption insurance policy, all other receipts from insurance proceeds received by Permittee as a result of a loss or casualty; (e) sale of trade fixtures, equipment or property which are not stock in trade and not in the ordinary course of business; (f) customary discounts, not to exceed ten percent (10%), which must be given by Permittee on sales of merchandise or services to employees of Airport airline lessees, other individuals employed at the Airport, and including Permittee's employees, if separately stated, and limited in amount to not more than one percent (1%) of Permittee's gross receipts per lease month for discounts given to Permittees' employees; provided, however, that effective as of August 31, 2007 it is understood and agreed that no discount shall be required or shall be given with respect to the sale of any newspapers, magazines and tobacco; (g) any gratuities paid or given by patrons or customers to employees of the Permittee or others employed, or serving, at any of the facilities being operated on the Space; (h) exchange of merchandise between stores or warehouses owned by or affiliated with Permittee (where such exchange is made solely for the convenient operation of the business of Permittee and not for purposes of consummating a sale which has theretofore been made in or from the Space and/or for the purpose of depriving the Airline of the benefit of a sale which otherwise would be made in or from the Space); (i) proceeds from the sale of gift certificates or like vouchers until such time as the gift certificates or like vouchers have been treated as a sale in or from the Space pursuant to Permittee's record-keeping system; and (j) the sale or transfer in bulk of the inventory of Permittee to a purchaser of all or substantially all of the assets of Permittee in a transaction not in the ordinary course of Permittee's business.

For the purpose of determining the percentage rent payable by Permittee to the Airline and the Port Authority, respectively, all monies, payments, or fees paid or payable to the Permittee by any of its subtenants, franchisees or licensees in connection with their operations (including all monies, payments, or fees described in the applicable franchise or license agreement between the Permittee and a sub-retail operator, franchisee or licensee) and all receipts arising out of the permitted operations of the sub-retail operator, franchisee or licensee shall be deemed to be the gross receipts of the Permittee, shall be included in the gross receipts of the Permittee and shall be subject to the percentage rent set forth in the Sublease. In the event of any difference between the definition of gross receipts (or gross revenues) in the Sublease and the definition of gross receipts in this Permit, the definition of gross receipts set forth in this Permit shall control.

(b) (i) The Permittee shall pay to the Port Authority the PA Share, as defined in paragraph (f) of this Special Endorsement, of a Guaranteed Rent at the following rate:

(1) for the period from the Rent Commencement Date to and including November 30, 2006, Two Hundred Thirty Thousand Dollars and No Cents (\$230,000.00) per annum, payable in advance in equal, consecutive monthly installments equal to the PA Share of Nineteen Thousand One Hundred Sixty-six Dollars and Sixty-seven Cents (\$19,166.67);

(2) for the period from December 1, 2006 to and including August 31, 2007, One Hundred Twelve Thousand Five Hundred Dollars for such nine-month period, payable in advance in equal, consecutive monthly installments equal to the PA Share of Twelve Thousand Five Hundred Dollars and No Cents (\$12,500.00); and

(3) for the period from September 1, 2007 to and including March 31, 2012, One Hundred Fifty Thousand Dollars and No Cents (\$150,000.00) per annum, payable in advance in equal, consecutive monthly installments equal to the PA Share of Twelve Thousand Five Hundred Dollars and No Cents (\$12,500.00),

on the Rent Commencement Date and on the first day of each calendar month thereafter occurring during the relevant period of permission under this Permit. If the Rent Commencement Date shall occur on a day other than the first day of a calendar month, the installment of the Guaranteed Rent payable on the Rent Commencement Date shall be the amount of the installment described in this paragraph prorated on a daily basis, using the actual number of days in the subject calendar month. The Guaranteed Rent is subject to annual adjustments (but in no event shall Guaranteed Rent decrease below the amount of the Guaranteed Rent in effect on the Rent Commencement Date) based upon the Guaranteed Rent in effect during the previous annual period multiplied by the Percentage Change In Enplanements, pursuant to the terms of the Sublease.

(ii) If the effective period of the permission granted hereunder is terminated, revoked or expires effective on other than the last day of a month, the applicable Guaranteed Rent payable for the portion of the month in which the effective date of termination, revocation or expiration shall occur during which the permission granted hereunder remains effective, shall

be the amount of the monthly installment of Guaranteed Rent set forth in subparagraph (b)(i) of this Special Endorsement, prorated on a daily basis, using the actual number of days in the subject calendar month.

(iii) For purposes of this Permit, and unless and until notified in writing otherwise by the Port Authority, the Port Authority hereby directs such payments of the PA Share (whether of Guaranteed Rent, percentage rent, or other concession operator payments (to the extent the same do not constitute actual pass-through charges for expenses actually incurred by the Airline and the Manager, as applicable)) be remitted on its behalf directly, and payable, to *Westfield Concession Management, Inc.*, which shall serve as the Port Authority's agent for this purpose.

(c) In addition to the Guaranteed Rent hereunder, the Permittee shall pay to the Port Authority an annual percentage rent equivalent to the PA Share of the following percentage of the Permittee's gross receipts arising during the effective period of permission hereunder:

- (i) fourteen percent (14%) of all gross receipts of the Permittee on Category A Products, retail display allowances and other promotional incentives; and
- (ii) twenty-eight percent (28%) of all gross receipts of the Permittee on Category B Products.

The terms Category A Products and Category B Products shall have the meanings ascribed to them in the Sublease.

The computation of percentage rent for each annual period, or a portion of an annual period as herein provided, shall be individual to such annual period, or such portion of an annual period, and without relation to any other annual period, or any other portion of any annual period. The time for making payment and the method of calculation of the percentage rent shall be as set forth in paragraph (e) of this Special Endorsement.

(d) For the purpose of calculating the Guaranteed Rent and percentage rent due for any annual period which contains more or less than 365 days, the applicable annual Guaranteed Rent amount shall be prorated on a daily basis, using a 365-day year.

(e) (i) Gross receipts shall be reported and the percentage rent thereon shall be paid as follows: on the 15th day of the first month following the Rent Commencement Date and on the 15th day of each and every month thereafter, including the month following the end of each annual period and the month following the expiration of the permission granted hereunder, the Permittee shall render to the Port Authority a statement, certified by a responsible officer of the Permittee, showing all gross receipts arising from the Permittee's operations hereunder in the preceding month, and specifying the percentage(s) stated in paragraph (c) of this Special Endorsement of gross receipts, and also showing its cumulative gross receipts from the date of the commencement of the annual period for which the report is made through the last day of the preceding month and the percentages applicable thereto. Whenever any monthly statement

shall show that (A) the applicable percentages set forth in paragraph (c) of this Special Endorsement applied to the gross receipts of the Permittee for the monthly period for which the report is made are in excess of the applicable Monthly Exemption Amount, established for the monthly period, or (B) the applicable percentages set forth in paragraph (c) of this Special Endorsement applied to the gross receipts of the Permittee for the annual period for which the report is made are in excess of the applicable Annual Exemption Amount, established for such annual period, the Permittee shall pay to the Port Authority at the time of rendering the statement an amount equal to the following: with respect to statements for monthly periods and not annual periods, an amount equal to the PA Share of the excess over the applicable Monthly Exemption Amounts, and with respect to statements for annual periods, an amount equal to the PA Share of the excess, over the applicable Annual Exemption Amount, less the total of all percentage rent payments previously made for such annual period. At any time that the Monthly Exemption Amount is decreased by proration hereunder so that there is an excess of gross receipts as to which the percentage rent has not been paid, the same shall be payable to the Port Authority on demand. In the event that, with respect to an annual period, the Permittee has previously made a total of percentage rent payments which is greater than the amount actually due hereunder in percentage rent for such annual period, then such overpayment shall be credited to accrued obligations of the Permittee or, if there be none, then to the next accruing obligations of the Permittee hereunder.

(ii) Upon any termination or revocation of the permission granted hereunder (even if stated to have the same effect as expiration), gross receipts shall be reported and rent shall be paid on the 15th day of the first month following the month in which the effective date of such termination or revocation occurs, as follows: first, if the monthly installment of Guaranteed Rent due on the first day of month in which the termination or revocation occurs has not been paid, the Permittee shall pay the prorated part of the amount of that installment; if the monthly installment has been paid, then the excess thereof shall be credited to the Permittee's other obligations; second, the Permittee shall within fifteen (15) days after the effective date of termination or revocation render to the Port Authority a statement, certified by a responsible officer of the Permittee, of all gross receipts for the monthly period and annual period in which the effective date of termination or revocation falls showing the monthly, and the cumulative for the annual period, amount of gross receipts and the percentages applicable thereto; and third, the payment then due on account of all percentage rent for the annual period in which the effective date of termination or revocation falls shall be the PA Share of the excess of the percentage rent computed as set forth in the following sentence, over the total of all percentage rent payments previously made for such annual period. The percentage rent due for any such annual period in which the effective date of termination or revocation falls shall be equal to the PA Share of the excess, over the prorated Annual Exemption Amount(s) established for such annual period pursuant to the proration provisions set forth in paragraph (d) of this Special Endorsement, of the percentages stated in paragraph (c) of this Special Endorsement, each such percentage being applied to the cumulative amount of gross receipts arising during such annual period in accordance with the terms of paragraph (c) of this Special Endorsement.

(f) The Permittee shall pay to the Port Authority fifty percent (50%) of all rent payable under this Permit (such share being herein called the "PA Share") and the remainder

shall be paid by the Permittee to the Airline, as directed by the Airline in accordance with the Sublease.

(g) Notwithstanding that the percentage rent hereunder are measured by a percentage of gross receipts, no partnership relationship or joint venture between the Port Authority and the Permittee or the Airline is created or intended to be created by this Permit.

3. The Permittee's obligation to pay rent under this Permit (herein called the "Rent Commencement Date") shall commence as of the earliest to occur of:

(a) the date on which Permittee commences operations in the Space, or

(b) December 1, 2001

subject to the Permittee's limited right to delay such Rent Commencement Date pursuant to Section 1.02 of the Lease. The Airline shall promptly confirm to the Port Authority and the Permittee in writing the date of delivery of the Space, date of commencement of operations and Rent Commencement Date hereunder.

4. The Permittee shall be required to make a minimum initial capital investment (excluding furniture, fixtures and equipment) to ready the Space for initial occupancy and operations in an amount equal to Two Hundred Dollars (\$200) per square foot. Nothing herein shall reduce the Permittee's obligations to comply with the Port Authority's Tenant Alteration and Application process and the Airline's design specifications and standards, nor reduce any obligation of the Permittee under the Sublease to maintain, improve or refurbish the Space during the term of the subletting.

5. Prior to the execution of this Permit by either party hereto the following deletions, additions and substitutions were made in the foregoing Terms and Conditions and Standard Endorsements:

(a) The last three sentences of Section I of the foregoing Terms and Conditions were deleted and the following shall be deemed to have been inserted in lieu thereof:

"Notwithstanding any other term or condition hereof, it may be revoked without cause, upon thirty (30) days' written notice to the Permittee which notice must be jointly subscribed by the Port Authority and the Airline; provided, however, that it may be revoked on twenty-four (24) hours' notice by the written notice by the Port Authority without consultation with or concurrence by the Airline if the Permittee shall fail to keep, perform and observe each and every promise, agreement, condition, term and provision contained in this Permit. 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."

It is acknowledged and agreed that, in the event the Permittee operates hereunder at more than one concession facility area in the Space, the Port Authority's right to revoke this Permit pursuant to the foregoing proviso may be exercised with respect to the entire Space or any portion thereof. Accordingly, any such revocation by the Port Authority may revoke the permission hereunder with regard to all concession facility areas, or only one or more of such areas, in which latter case the Permittee shall not be relieved of any liabilities or obligations hereunder which relate to the area(s) as to which the permission remains in effect.

(b) The words "without the prior written consent of the Port Authority" shall be deemed inserted after the word "contractor" at the end of the first full sentence following paragraph (d) of Section 2 of the foregoing Terms and Conditions.

(c) The word "written" in the fifth line of Section 4 of the foregoing Terms and Conditions was deleted and the following sentence was added to such Section:

"If the Manager of the Facility notifies the Permittee that any badge, identification or uniform is unacceptable in the sole judgment of the Manager of the Facility, then the Permittee shall upon receipt of such notice cease use of such objectionable badge, identification or uniform, as the case may be, and shall provide acceptable replacement(s) therefor within 30 days thereafter."

(d) Wherever the term "expiration" is used in the Permit, it shall be deemed to mean, unless otherwise provided, the effective date of expiration, revocation or termination.

(e) The words "and the Airline and its directors, officers, employees, agents and representatives" shall be deemed inserted following the word "representatives" in the second line of the first sentence of Section 6 of the foregoing Terms and Conditions.

(f) Wherever in this Permit the word "Facility" is used it shall be deemed to mean, as the context requires, Newark Liberty International Airport and/or the Terminal.

(g) Section 11 of the foregoing Terms and Conditions was deleted in its entirety and the following shall be deemed to have been inserted in lieu thereof:

"In the event that any sign, poster or similar device erected, displayed or maintained by the Permittee in view of the general public, is unacceptable to the Manager of the Facility, in the sole judgment of the Manager of the Facility, then the same shall be removed by the Permittee upon receipt of notice to do so by the Manager of the Facility and any not so removed by the Permittee may be removed by the Port Authority at the expense of the Permittee."

(h) It is hereby acknowledged that there may be differences between (i) the pricing requirements set forth in Standard Endorsements 4.1 and 4.5 of this Permit and the pricing requirements set forth in Section 7.02 of the Sublease and (ii) the operating hours requirements of Standard Endorsement 4.1 of this Permit and the operating hours requirements

set forth in Section 7.02 of the Sublease. The parties hereto agree that notwithstanding the provisions of paragraph (d) of Special Endorsement No. 7 of this Permit, the provisions of Section 7.02 of the Sublease shall not be deemed to be superseded or affected in any way by the provisions of Standard Endorsements 4.1 and/or 4.5 of this Permit and, as between the Permittee and the Airline, the provisions of Section 7.02 of the Sublease shall be and continue in full force and effect.

(i) Paragraphs 1(f) and 1(g) of Standard Endorsement 2.8 were deleted in their entirety.

(ii) The reference in the introductory paragraph of paragraph 2 of Standard Endorsement 2.8 to "percentage fee" shall be deemed to mean "percentage rent" and the reference in subparagraph (1) of such paragraph 2 to "fees" shall be deemed to mean "percentage rent".

(iii) References in paragraph 3 of Standard Endorsement 2.8 to "fees" shall be deemed to mean "rent". In addition, any rent or charges to be paid pursuant to this Standard Endorsement 2.8 shall be paid directly to the Port Authority and not to the Manager on behalf of the Port Authority.

(j) All references in Standard Endorsement 8.0 to "fee" shall be deemed to mean "rent".

(k) Notwithstanding the provisions of Standard Endorsement 21.1 annexed to this Permit, the Port Authority (as well as the Airline and the Manager) shall be named as an additional insured in any policy of liability insurance required by the provisions of this Permit and each such policy of insurance so required shall contain a 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 or the provisions of any statutes respecting suits against the Port Authority.

(l) The policies referred to in Standard Endorsement 21.1 shall provide or contain an endorsement providing that:

(i) 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

(ii) the protections afforded the Port Authority thereunder with respect to any claim or action against 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 a third person as if the Port Authority were the named insured thereunder,

but such endorsement shall not limit, vary, change or affect the protections afforded the Port Authority thereunder as an additional insured.

(m) Without limiting the generality of the provisions of Standard Endorsement 23.1, the Permittee agrees that notwithstanding the sum stated to be the security deposit to be delivered to the Port Authority upon execution of this Permit, the security amount required hereunder shall at all times during the period of permission be an amount equal to at least three (3) months' Guaranteed Rent in cash or bonds (as described in said Standard Endorsement) or at least twelve (12) months' Guaranteed Rent in the form of a clean irrevocable letter of credit satisfactory to the Port Authority and, accordingly, such amount may change from time to time by notice to the Permittee during such period.

It shall be unnecessary to physically indicate the foregoing additions, deletions and substitutions on the foregoing Terms and Conditions and Standard Endorsements.

6. Without limiting the Permittee's indemnity obligations under this Permit, the Permittee's indemnity obligations hereunder shall extend to and include any claims and demands made by the Port Authority against the Airline pursuant to the provisions of the Airline Lease and any claims and demands made by the City of Newark against the Port Authority pursuant to or under the provisions of the agreement of lease between the City of Newark and the Port Authority covering the leasing of the Airport by the City to the Port Authority, as the same from time to time may have been or may be supplemented or amended.

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

(b) Neither this Permit nor anything contained herein shall constitute or be deemed to constitute a consent to nor shall there be created an implication that there has been consent to any enlargement or change in the rights, powers and privileges granted to the Airline under the Airline Lease, nor consent to the granting or conferring of any rights, powers or privileges to the Permittee as may be provided under the Sublease if not granted to the Airline under the Airline Lease, unless specifically set forth in this Permit. The Sublease is an agreement between the Airline and the Permittee with respect to the various matters set forth therein. Neither this Permit nor anything contained herein shall constitute an agreement between the Port Authority and the Airline that the provisions of the Sublease shall apply and pertain as between the Airline and the Port Authority, it being understood that the terms, provisions, covenants, conditions and agreements of the Airline Lease shall, in all respects, be controlling, effective and determinative. The specific mention of or reference to the Port Authority in any part of the

Sublease including, without limitation thereto, any mention of any consent or approval of the Port Authority now or hereafter to be obtained, shall not be or be deemed to create an inference that the Port Authority has granted its consent or approval thereto under this Permit or shall thereafter grant its consent or approval thereto, or that the Port Authority's discretion as to any such consents or approval shall in any way be affected or impaired. The lack of any specific reference in any provisions of the Sublease to Port Authority approval or consent shall not be deemed to imply that no such approval or consent is required and the Airline Lease and this Permit shall, in all respects, be controlling, effective and determinative.

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

(d) It is hereby expressly understood that there are differences and inconsistencies between the Sublease, the Airline Lease and this Permit and that as to any such inconsistency or difference the terms of this Permit shall control. No changes or amendments to the Sublease nor any renewals or extensions thereof shall be binding or effective upon the Port Authority unless the same have been approved in advance by the Port Authority in writing. The Port Authority may at any time and from time to time by notice to the Permittee modify, withdraw or amend any approval, direction, or designation given hereunder or pursuant hereto to the Permittee.

(e) Notwithstanding any other provision of this Permit, this Permit and the privileges granted hereunder shall in any event expire, without notice to the Permittee, on the date of expiration or earlier termination of the Airline Lease or the Sublease, provided, however, that this shall not affect or impair the Port Authority's rights of revocation or termination as contained elsewhere in this Permit.

(f) Notwithstanding anything to the contrary stated in paragraph (f) of Special Endorsement No. 2 to this Permit or anything to the contrary stated in the Sublease, it is understood and agreed that with respect to any storage premises used, occupied or subleased by the Permittee arising out of, relating to, or in connection with the operations permitted hereunder (whether such storage premises use is described, referenced or acknowledged in the Sublease or in a separate written agreement), the Permittee shall pay to the Port Authority fifty percent (50%) of all rent payable under such storage arrangement and the remainder shall be paid by the Permittee to the Airline and, further, in accordance with Special Endorsement No. 2 (b) (iii).

(g) Notwithstanding anything to the contrary stated in the Sublease, the following shall apply and, as applicable, supercede the provisions of the Sublease:

(1) In the event the Sublease is assigned to and assumed by the Port Authority, references in the Sublease to the landlord being reasonable, not unreasonably withholding, delaying or conditioning its consent, and phrases or language of similar import shall not apply to the Port Authority which instead shall be held to the standard that the Port Authority shall not be arbitrary or capricious.

(2) In paragraph 27.29 of the Sublease, entitled "Airport Security", the words "elected officials" in the last sentence of the paragraph shall be deleted.

(3) The following shall not apply to or be of any force or effect as against the Port Authority in the event the Sublease is assigned to and assumed by the Port Authority: (i) the last sentence of Section 19.01(a) of the Sublease inasmuch as the Port Authority shall have no obligation to mitigate damages in the event of a default by the Permittee and (ii) in Section 19.01 (a)(i), the obligation to provide any written notice of a monetary default inasmuch as the Port Authority shall not be obligated to provide written notice of a monetary default under the Sublease or this Permit.

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

9. The privilege granted hereunder is non-exclusive and shall not be construed to prevent or limit the granting of similar privileges at the Terminal and/or Airport to another or others, whether by use of 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 or be construed to constitute a violation or breach of the permission herein granted.

10. No acceptance by the Port Authority of fees or other moneys for any period or periods after default by the Permittee under any of the terms or provisions of this Permit shall be deemed a waiver of any right on the part of the Port Authority to terminate or revoke this Permit nor shall any acceptance of an payment of fees, rents or other moneys in less than the required amount thereof be such a waiver. No waiver by the Port Authority of any default on the part of the Permittee in performing any of the terms or provisions of this Permit nor failure to take steps to rectify the same or terminate this Permit shall be or be construed a waiver by the Port

Authority of any such or subsequent defaults in performance of any of the said terms or provisions of this Permit by the Permittee.

11. The effective date of this Permit is that date the Permittee commenced the activities permitted by this Permit. The Permittee in executing this Permit represents that the date stated as the "Effective Date" in Item 7 appearing on page 1 of this Permit is the date the Permittee commenced the activities permitted by this Permit. If the Port Authority determines by audit or otherwise that the Permittee commenced such activities prior to said Effective Date, the effective date of this Permit shall be the date the Permittee commenced the activities permitted by this Permit and all obligations of the Permittee under this Permit shall commence on such date including, but not limited to, the Permittee's indemnity obligations and obligations to pay fees.

12. (a) Upon the execution of this Agreement 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 Thirty Seven Thousand Five Dollars and No Cents (\$37,500.00). The form and terms of such letter of credit, as well as the institution issuing it, shall be subject to the prior and continuing approval of the Port Authority. Such letter of credit shall provide that it shall continue throughout the effective period of the permission granted under the Permit, as extended hereby, 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 the Permit, as extended hereby, valid and available to the Port Authority, including any failure of any banking institution issuing any such letter of credit previously accepted by the Port Authority to make one or more payments as may be provided in such letter of credit, shall be deemed to be a breach of the 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 its full amount. No action by the Port Authority pursuant to the terms of any letter of credit, or any receipt by the Port Authority of funds from any bank issuing such letter of credit, shall be or be deemed to be a waiver of any default by the Permittee under the terms of the Permit, and all remedies under the 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.

(b) For the purposes of this paragraph, the Permittee hereby certifies that its federal tax identification number is (Ex. 1)

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

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

Initialed:

oac
For the Port Authority

[Signature]
For the Permittee (AMS-CV Newark, JV)

[Signature]
For the Permittee (Airport Management Services, LLC)

[Signature]
For the Permittee (Concourse Ventures, Inc.)

KG
For the Airline

SCHEDULE G

AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE (ACDBE) PARTICIPATION

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

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

Qualification as an ACDBE

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

An ACDBE must be a small business concern whose average annual receipts for the preceding three (3) fiscal years does not exceed \$47.78 million and it must be (a) at least fifty-one percent (51%) owned and controlled by one or more socially and economically disadvantaged individuals, or in the case of any publicly owned business, at least fifty-one percent (51%) of the stock is owned by one or more socially and economically disadvantaged individuals; and (b)

whose management and daily business operations are controlled by one or more of the socially or economically disadvantaged individuals who own it. The personal net worth standard used in determining eligibility for purposes of part 23 is \$750,000.

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

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

Other individuals may be found to be socially and economically disadvantaged on a case-by-case basis. For example, a disabled Vietnam veteran, an Appalachian white male, or another person may claim to be disadvantaged. If such individual requests that his or her firm be certified as ACDBE, the Port Authority, as a certifying partner in the New York State and New Jersey UCPs will determine whether the individual is socially or economically disadvantaged under the criteria Schedule G

established by the Federal Government. These owners must demonstrate that their disadvantaged status arose from individual circumstances, rather than by virtue of membership in a group.

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

General

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

Initialed:

OTC
For the Port Authority

N
For the Permittee (AMS-CV Newark, JV)

[Signature]
For the Permittee (Airport Management Services, LLC)

DMC
For the Permittee (Concourse Ventures, Inc.)

KG
For the Airline

COPY

S U B L E A S E

AVIATION DEPT.
FILE COPY

BETWEEN

ANE-937

CONTINENTAL AIRLINES, INC.

LANDLORD

AND

WORLD CONCOURSE VENTURES, LLC

TENANT

WH SMITH

TRADE NAME

82

SPACE NUMBER

-----**TERMINAL C**-----
NEWARK INTERNATIONAL AIRPORT
NEWARK, ESSEX COUNTY, NEW JERSEY

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**TERMINAL C
NEWARK INTERNATIONAL AIRPORT
SUBLEASE**

THIS SUBLEASE ("Sublease") is made as of this 23rd day of February, 2001, by and between **CONTINENTAL AIRLINES, INC.**, a Delaware corporation, whose address is 1600 Smith Street, Department HQSVP, Houston, Texas 77002 ("Landlord"), and **WORLD CONCOURSE VENTURES, LLC**, a Delaware limited liability company, whose address is 2373 North Hobart Boulevard, Los Angeles, California 90027 ("Tenant").

Landlord, in consideration of the rent to be paid and the covenants to be performed by Tenant, does hereby lease unto Tenant, and Tenant hereby leases from Landlord, the premises identified on Exhibit A-2 ("Premises") which is in and part of Terminal C ("Terminal") at Newark International Airport ("Airport"). Exhibit A-1 is a general site plan of the Airport including the location of the Terminal. The Premises is known as Space No. 82 containing approximately 386 square feet of Floor Area as shown on Exhibit A-2. Following construction, the actual number of square feet of Floor Area in the Premises may, at Landlord's option, be subject to adjustment based on field measurements as reasonably determined by Landlord and all charges hereunder based on a per square foot amount shall be adjusted accordingly.

In-Line Location Wall-Shop Location Kiosk Location

Landlord has the right to enter into this Sublease pursuant to the Agreement of Lease No. ANA-170 between the Port Authority of New York and New Jersey ("Authority") and Landlord's predecessor-in-interest dated January 11, 1985, as amended ("Terminal C Lease"). This Sublease is subject and subordinate to the Terminal C Lease, including all amendments and supplements thereto, whether entered into prior or after the date hereof, and to such other permits and documents as required by the Authority (collectively, the "Permits") including the Tenant's Agreement (as defined below) with the Authority, all of which are incorporated herein by reference. The rights and duties of Landlord with respect to the Terminal, including operation of concession facilities are governed by the Terminal C Lease and Tenant hereby agrees to comply therewith. The terms, conditions and effectiveness of this Sublease are expressly conditioned upon the prior written approval of the Authority determined in its discretion and the due execution and delivery by the Authority, Landlord and Tenant of an agreement in the exact form of Exhibit C hereto ("Agreement") or as such Agreement is otherwise required by the Authority and receipt by Tenant of any required Permits. Tenant covenants with Landlord to promptly execute and deliver such Agreement and to take any and all necessary and proper actions for the due authorization and performance thereof on a timely basis in order to be authorized by both Landlord and the Authority to open the Premises no later than the Rental Commencement Date. Tenant further covenants with Landlord not to do anything prohibited or fail to do anything required on the part of Tenant under the terms and conditions of this Sublease, the Terminal C Lease, the Permits and/or the Agreement.

DATA SHEET

The following references furnish data to be incorporated in the specified sections of this Sublease and shall be construed to incorporate all of the terms of the entire Section as set forth in this Sublease:

(1) Section 1.02: Commencement Date and Ending Date of Term:

Latest Rental Commencement Date: December 1, 2001; provided Tenant shall have at least 60 days to complete Tenant's Work and open the Premises for business to the public following delivery of the Premises by Landlord to Tenant.

Expiration Date of Term: November 30, 2006, or the fifth (5th) anniversary of the actual Latest Rental Commencement Date, whichever is the later to occur.

(2) Section 2.01 and Section 2.02: Minimum Annual Guaranteed Rent ("Guaranteed Rent") and Percentage Rent ("Percentage Rent"): Tenant shall pay the greater of Guaranteed Rent or

1 Percentage Rent as follows:
2

3 (a) **Guaranteed Rent:** Two Hundred Thirty Thousand Dollars (\$230,000.00), payable in equal
4 consecutive monthly installments of Nineteen Thousand One Hundred Sixty-Six and 67/100
5 Dollars (\$19,166.67), subject to annual adjustments based upon the previous Lease Year's
6 Guaranteed Rent times the "Percentage Change In Enplanements"; and
7

8 (b) **Percentage Rent:** Percentage Rent Rates of either: (i) **Category "A" Products, Retail Display**
9 **Allowances and other Promotional Incentives:** Fourteen percent (14%) of all monthly Gross
10 Receipts; plus (ii) **Category "B" Products:** Twenty-eight percent (28%) of all monthly Gross
11 Receipts. For purposes of calculating Percentage Rent, Gross Receipts for Category "A" Products
12 must include retail display allowances and any other promotional incentives received by Tenant.
13

14 (3) **Section 2.03: Storage Premises Rent:**

15 If Tenant leases Storage Premises from Landlord, Tenant shall pay to Landlord "Storage Premises
16 Rent" calculated on a per square foot of Floor Area basis in the Storage Premises per Lease Year. The
17 Storage Premises Rent shall be payable in equal consecutive monthly installments as more
18 particularly set forth in the separate Storage Premises Sublease.
19

20 (4) **Section 2.04: Taxes:** From and after the Rental Commencement Date, Tenant shall pay its
21 proportionate share of Taxes as provided in Section 2.04.
22

23 (5) **Address for Rental Payments to Landlord:** Newark International Airport, Bank of America, File
24 #55565, Los Angeles, California 90074-5565. All Rentals payable by Tenant to Landlord hereunder
25 shall be made payable to "Westfield Concession Management, Inc., Agent for Continental Airlines,
26 Inc." and remitted to the above-referenced address.
27

28 (6) **Section 7.01: Permitted Use:** The primary sale at retail of newspapers, magazines and periodicals,
29 candy bars, gum, mints, candies, cigarettes, cigars, pipe tobacco, smoking accessories, bottled water,
30 bottled soda, bottled juices, umbrellas, cameras, film and basic camera accessories, batteries,
31 sunburn/suntan lotion, utility writing tablets, pocket notebooks, post cards, sunglasses and related
32 accessories, minor nonprescription drugs, traveler necessity items, cosmetics, perfumes, men's
33 toiletries, greeting cards, gift wrap, bows, ribbons, travel guides, maps and tour books (collectively,
34 "Category "A" Products"); and the incidental sale at retail of gifts, souvenir apparel, souvenirs,
35 novelties and traveler-related gifts, children's gifts, hosiery, hats, clothing and other general apparel,
36 luggage, carrying cases, deluxe bags and containers, collectibles, posters, prints, pictures, art objects,
37 pottery, pre-packaged gourmet food and beverage items for off-Airport consumption, electronic items
38 and accessories, premium candy and nuts (collectively, "Category "B" Products"); all of which must
39 be in accordance with and as more particularly described for such Category "A" Products and
40 Category "B" Products as set forth on the list attached to this Sublease as Exhibit K, and for no other
41 use or purpose. At least eighty percent (80%) of the sales display area of the Floor Area of the
42 Premises shall be devoted to the display and sale of Category "A" Products.
43

44 (7) **Section 16.01: Trade Name:** "WH Smith".
45

46 (8) **Section 2.06: Additional Rent:**
47

48 **Section 8.03: Maintenance Support Reimbursement Charge:** From and after the Rental
49 Commencement Date, Tenant shall pay its proportionate share of the Maintenance Support
50 Reimbursement Charge as provided in Section 8.03.
51

52 **Section 16.03: Joint Marketing Fund:** Calculated on the basis of one-half percent (.50%) of Gross
53 Receipts per month, payable monthly, subject to adjustment.

1
2 (9) **Section 26.01: Security Deposit:**

3 As required by Landlord and the Authority, an amount equal to at least 3 months' Guaranteed Rent in
4 immediately available funds, due and payable to the Authority upon Tenant's execution of the
5 Agreement, or, in the alternative, an irrevocable clean letter of credit in an amount not less than 100%
6 of the initial annual Guaranteed Rent as specified in Item (2) of the Data Sheet. Such letter of credit
7 must be in form and content as set forth in Exhibit I and issued by a commercial banking institution
8 acceptable to the Authority and Landlord which is authorized to conduct business in the States of New
9 Jersey or New York, to be delivered to the Authority upon Tenant's execution of the Agreement. The
10 named beneficiary shall be the Authority, permitting the Authority to draw on such letter of credit in
11 accordance with the terms of the Agreement.
12

13 (10) **Section 27.05: Legal Notice Addresses:**

14 Landlord:

15
16 Continental Airlines, Inc.
17 1600 Smith Street, Dept. HQSVP
18 Houston, Texas 77002
19 Attention: VP-Corporate Real Estate
20 & Environmental Affairs
21
22

23 Continental Airlines, Inc.
24 1600 Smith Street, Dept. HQSLG
25 Houston, Texas 77002
26 Attention: Legal Department
27
28
29
30

31 With copies to:

32
33 Westfield Concession Management, Inc.
34 11601 Wilshire Blvd., 12th Floor
35 Los Angeles, California 90025
36 Attention: Office of Legal Counsel
37

38 Westfield Concession Management, Inc.
39 Newark International Airport - Terminal C
40 Newark, New Jersey 07114
41 Attention: General Manager
42

Tenant:

World Concourse Ventures, LLC
2373 North Hobart Boulevard
Los Angeles, California 90027
Attention: Dale Mason, President

With a copy to:

Joseph B. Alexander, Jr., Esq.
Hunton & Williams
Bank of America Plaza, Suite 4100
600 Peachtree Street, N.E.
Atlanta, Georgia 30308-2216

Tenant's Billing Address:

World Concourse Ventures, LLC
2373 North Hobart Boulevard
Los Angeles, California 90027
Attention: Dale Mason, President

- 43 (11) **Disadvantaged Business Enterprises ("DBE").** If Tenant is applying as a DBE, please check here
44 (X) and refer to Exhibit D. In such event, Landlord shall not allow Tenant to initially open for
45 business in the Premises until Tenant has been completely certified as a DBE by the Authority. Tenant
46 shall immediately take all steps necessary to obtain such certification from the Authority on or before
47 the Rental Commencement Date. If the DBE participant is an individual or the individual is the sole
48 owner of Tenant, the participating DBE percentage, as so certified, shall not be less than one hundred
49 percent (100%) at all times during the Term hereof. If the DBE participant is a member/partner of a
50 partnership with Tenant or joint venturer of a joint venture with Tenant, the participating DBE
51 percentage, as so certified, shall not be less than sixty percent (60%) at all times during the Term
52 hereof. Any change in the ownership structure involving the certified DBE participant must be
53 reported in writing to Landlord and the Authority immediately and in no event later than 30 days
54 following any such change in DBE ownership status.

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**ARTICLE I
GRANT AND TERM**

5 **Section 1.01 CONDITIONS OF GRANT.** Landlord, as the Terminal's operator, and the
6 Authority, as the Airport's operator, each have the right to make any replacements or modifications to the
7 Terminal and/or Airport, as the case may be. Landlord and/or the Authority may change the shape, size,
8 location, number and extent of the improvements generally shown on Exhibits A-1 and A-2 and eliminate or
9 add any improvements to any portion of the Terminal and the Airport at any time without Tenant's consent.
10 The sublease of the Premises is not of the exterior walls, the floor above or below, the roof area above, the
11 land under or adjacent, nor any adjacent space to the Premises. Landlord shall have the right to locate in any
12 manner, install, maintain, use, repair and replace pipes, utility lines, conduits, ducts, flues, refrigerant lines,
13 drains, sprinkler mains and valves, wires and wiring and structural elements leading through the Premises
14 serving the Premises or any other parts of the Terminal. Landlord, to the extent possible, shall use
15 reasonable efforts to locate any such items (other than existing items and/or necessary or desirable structural
16 elements) in locations that do not materially interfere with Tenant's use of the Premises. Tenant may, upon
17 approval by Landlord and subject to the Authority's Tenant's Construction or Alteration Application
18 ("TAA") process, have the right to install those utilities lines and facilities which exclusively serve the
19 Premises in the area between Tenant's finished ceiling and the floor above, such installation to be at Tenant's
20 sole cost and expense. Wherever the term Airport or Terminal are used, they shall be deemed to include the
21 areas shown as such on Exhibit A-1. If Landlord or the Authority, as the case may be, elect to enlarge or
22 alter either the Airport or the Terminal, Landlord may include any additional area in the definition of either
23 Airport or Terminal for purposes of this Sublease.

25 **Section 1.02 COMMENCEMENT AND ENDING DATE OF TERM.** The Term shall
26 commence on the date ("Commencement Date") of execution hereof by the parties. Tenant's obligation to
27 pay Guaranteed Rent, Percentage Rent, Taxes and Additional Rent shall commence upon the date ("Rental
28 Commencement Date") which is the earliest to occur of (a) the date on which Tenant opens in the Premises
29 for business to the public, or (b) the Latest Rental Commencement Date specified in the Data Sheet. Any
30 occupancy of the Premises by Tenant following the Commencement Date and prior to the Rental
31 Commencement Date shall be subject to all terms and conditions hereof other than payment of Rental. The
32 Term hereof shall end on the expiration date set forth in the Data Sheet, unless sooner terminated in
33 accordance with this Sublease or if the Agreement with the Authority is terminated or otherwise revoked as
34 provided therein. Unless otherwise approved in writing by Landlord, Tenant shall open its concession for
35 business to the public (with all required improvements completed and the Premises fully fixtured, stocked
36 with high quality merchandise and staffed, with Tenant prepared to engage in selling high quality
37 merchandise and/or services as provided pursuant to Article VII) by the Rental Commencement Date. The
38 first "Lease Year" shall be the period commencing on the Rental Commencement Date and ending on
39 December 31 next following and thereafter, "Lease Year" shall mean a fiscal year of twelve (12)
40 consecutive calendar months ending on December 31 of each calendar year.

41
42 **Section 1.03 LATE OPENING.** Except as otherwise provided in Section 27.04, if Tenant fails
43 to open for business in the Premises by the Latest Rental Commencement Date and such failure shall be due
44 to the fault of Tenant (including, but not limited to, obtaining approval from the Authority of Tenant's plans
45 to construct the Premises and obtaining the Agreement and Permits from the Authority) and not due to
46 delays caused directly by Landlord for failure to timely deliver the Premises, the parties agree that it is and
47 will be impracticable and extremely difficult to determine the actual damages suffered by Landlord. The
48 parties have agreed that in order to compensate Landlord for its loss, Tenant shall pay as Additional Rent,
49 upon demand, the sum of \$200.00 per day for each day Tenant delays its initial opening in accordance with
50 Section 1.02 above, after and including the Latest Rental Commencement Date. This remedy shall be in
51 addition to any and all other remedies available to Landlord in the event of such failure to open by Tenant.

1 Such Additional Rent shall be deemed to be in lieu of Percentage Rent only (as defined in Section 2.02) that
2 might have been earned during the period of Tenant's failure to open. The amount has been determined
3 based on numerous considerations including the fact that Landlord may have expended considerable sums
4 of money and time and effort in reliance upon and based upon Tenant opening for business as required
5 herein.
6

7 **Section 1.04 LANDLORD'S AND AUTHORITY'S CONSENT.** Tenant acknowledges that
8 under the Terminal C Lease and the Agreement, the Authority may have the right to consent to or approve
9 matters which are described as being subject to the consent or approval of Landlord. Tenant agrees that
10 Landlord, its agents and employees, shall be deemed to have acted reasonably if they act, fail to act,
11 withhold or delay any consent or approval hereunder and such consent or approval is being withheld or
12 delayed by or at the direction of the Authority, whether or not the Authority is acting reasonably in making
13 or refusing to make such determination. Although Landlord shall use reasonable efforts to obtain the
14 Authority's consent or approval, Landlord, its agents and employees, shall not have any liability to Tenant
15 for any reason whatsoever in failing to obtain any such consent or approval.
16

17
18 **ARTICLE II**
19 **RENTAL**
20

21
22 **Section 2.01 MINIMUM ANNUAL GUARANTEED RENT.** (a) From and after the Rental
23 Commencement Date, Tenant shall pay to Landlord as the Guaranteed Rent the sum set forth in the Data
24 Sheet for each Lease Year during the Term in equal consecutive monthly installments in advance on or
25 before the 1st day of each month, without prior demand or notice. Guaranteed Rent, Percentage Rent,
26 Additional Rent and all other sums payable hereunder shall be paid to Landlord in U.S. currency or other
27 customary commercial manner at the address set forth in the Data Sheet, or such other place as Landlord
28 may designate in writing, without any deductions or offsets whatsoever. Should the Rental Commencement
29 Date occur on a day other than the 1st day of a calendar month, then the Guaranteed Rent for such fractional
30 month shall be 1/365th of the Guaranteed Rent multiplied by the number of days remaining in the month.
31 Should any Lease Year contain less than 12 calendar months, said Guaranteed Rent shall be prorated.
32

33 (b) Effective each January 1 following the 1st anniversary of the Rental Commencement Date,
34 Guaranteed Rent shall adjust (but in no event shall Guaranteed Rent decrease below the amount of the initial
35 Guaranteed Rent as set forth in the Data Sheet) by an amount equal to the then current Lease Year's
36 Guaranteed Rent times the "Percentage Change In Enplanements". Landlord, in its sole and reasonable
37 discretion, shall calculate and determine the "Percentage Change In Enplanements" annually on a calendar
38 year basis in accordance with customary practices generally applicable in the U. S. airline industry.
39 Landlord shall be entitled to rely on its own information and, if applicable, information obtained from the
40 Authority and other airline carriers, if any, which operate commercial flight activity in the Terminal. For
41 purposes hereof, the Percentage Change In Enplanements shall generally mean an amount equal to the
42 percentage change, whether an increase or a decrease, between the Terminal's enplaned passenger volume
43 for 2 consecutive calendar year periods. For example, the initial calendar year period which shall be utilized
44 by Landlord shall be the Lease Year in which the Rental Commencement Date occurs and this shall be
45 compared to the calendar year period in which the 1st anniversary of the Rental Commencement Date
46 occurs. Thereafter, calendar year measuring periods utilized by Landlord shall both "roll forward" to the
47 next succeeding calendar year. Landlord, upon Tenant's written request but not more often than 1 time per
48 Lease Year, shall provide Tenant with Landlord's published data with respect to the Terminal's enplaned
49 passenger volume for the previous Lease Year.
50

1 **Section 2.02 PERCENTAGE RENT.** (a) In addition to Guaranteed Rent, Additional Rent and
2 other charges set forth herein, from and after the Rental Commencement Date, Tenant shall pay to Landlord,
3 for each month of the Term, Percentage Rent equal to the product of the Percentage Rent Rate times the
4 amount by which Tenant's Gross Receipts (as defined below) during such month exceeds the Monthly
5 Breakpoint as set forth in the Data Sheet. Each such monthly period may be referred to as a Lease Month.
6 Tenant shall pay Percentage Rent to Landlord monthly without prior notice or demand within 15 days after
7 the expiration of each Lease Month. All Percentage Rent payments shall be computed based on all Gross
8 Receipts made during the previous Lease Month which exceed the Monthly Breakpoint for such previous
9 Lease Month as all of such Gross Receipts are indicated on "Tenant's Monthly Statement" (as defined in
10 Section 3.02). Should the Rental Commencement Date occur on a day other than the 1st day of a Lease
11 Month or should the Term expire or this Sublease be otherwise terminated on a day other than the last day
12 of a full Lease Month, then Percentage Rent due for such partial Lease Month shall equal the product of the
13 Percentage Rent Rate times the amount by which Tenant's Gross Receipts exceed the product obtained by
14 multiplying the Monthly Breakpoint by a fraction, the numerator of which is the number of days in any
15 partial Lease Month and the denominator of which is 30. Further, the Monthly Breakpoint and Annual
16 Breakpoint shall be adjusted accordingly effective each January 1 following the 1st anniversary of the
17 Rental Commencement Date by an appropriate amount to maintain the "natural" Monthly Breakpoint and
18 "natural" Annual Breakpoint in comparison with the Guaranteed Rent, such adjustment to be made in
19 connection with the annual adjustments to Guaranteed Rent pursuant to Section 2.01 (b).
20

21 (b) If, at the end of any Lease Year, the total amount of monthly installments of Percentage Rent
22 paid for such Lease Year is less than the total amount of annual Percentage Rent required to be paid for such
23 Lease Year (e.g., the product of the Percentage Rent rate times the amount by which Tenant's total annual
24 Gross Receipts (as defined below) for such Lease Year exceeds the then current Annual Breakpoint), Tenant
25 shall pay the amount of such deficiency on or before the time Tenant provides its Annual Statement (as
26 defined in Section 3.02). If, at the end of any Lease Year, the total amount of monthly installments of
27 Percentage Rent paid based on Gross Receipts for such Lease Year exceeds the total amount of annual
28 Percentage Rent required to be paid for such Lease Year (e.g., the product of the Percentage Rent rate times
29 the amount by which Tenant's total annual Gross Receipts (as defined below) for such Lease Year exceeds
30 the then current Annual Breakpoint), as indicated in Tenant's Annual Statement, Tenant shall receive a
31 credit equivalent to such excess, which shall be credited by Landlord to the next monthly payment(s) of
32 Percentage Rent due from Tenant to Landlord hereunder. If at the end of the final Lease Year the total
33 amount of Percentage Rent paid by Tenant exceeds the total amount of "annualized" Percentage Rent
34 required to be paid by Tenant for such final Lease Year (calculated in the same manner provided
35 hereinabove for non-final Lease Years), such excess shall be refunded to Tenant within 60 days after Tenant
36 has vacated the Premises at the conclusion of this Sublease and the Premises are in the condition required by
37 this Sublease, and any other sums due Landlord from Tenant under this Sublease have been paid in full or
38 Landlord shall be entitled to deduct such remaining sums due from any such excess.
39

40 (c) Percentage Rent is agreed to be a portion of the consideration for Landlord to enter into this
41 Sublease and Landlord expects to supplement Guaranteed Rent and Additional Rent to provide a fair rental
42 return. If Tenant fails to continuously operate its business or keep the required store hours or vacates the
43 Premises prior to the expiration of the Term hereof, Landlord will suffer damages not readily ascertainable.
44 Landlord shall have the right to treat any of such events as a material default and breach by Tenant
45 hereunder and Landlord shall be entitled to all remedies provided hereunder or at law.
46

47 (d) The term "Gross Receipts" as used herein shall mean and include all monies paid or payable to
48 Tenant, whether for cash, credit or otherwise, for sales made and services rendered at or from the Terminal
49 or Airport regardless of when or where the order therefor is received and outside the Terminal or Airport if
50 the order is received at the Terminal or Airport and other revenues of any type arising out of or in
51 connection with Tenant's operations at the Terminal or Airport, including, without limitation: mail,

1 catalogue, closed circuit television, computer, other electronic or telephone orders; all deposits not refunded
2 to or otherwise forfeited by customers; orders taken, although said orders may be filled elsewhere; the entire
3 amount of the actual sales price and all other receipts for sales and services rendered; all insurance proceeds
4 received due to loss of gross earnings paid under Tenant's business interruption insurance policy because of
5 business interruptions; and the spread earned on any exchange or foreign currency transaction whether for
6 an exchange service or for merchandise, products and/or services. A "sale" shall be deemed to have been
7 consummated for purposes hereof, and the entire amount of the sales price shall be included in Gross
8 Receipts and deemed received at the time of determination of the amount due for each transaction, whether
9 for cash, credit or otherwise, and not at the time of billing or payment. Losses from "bad" checks or credit
10 card transactions are the responsibility of Tenant and shall not be excluded from Gross Receipts. Gross
11 Receipts shall include all such sales, revenues or receipts generated by Tenant's concessionaires, if any, or
12 anyone else conducting business pursuant to an arrangement with Tenant and shall also include the full
13 amount of all insurance proceeds paid on a gross earnings business interruption insurance policy to Tenant.
14

15 (e) Notwithstanding Section 2.02(d) above, Gross Receipts shall not include: (i) any sums collected
16 for any federal, state, county and municipal sales taxes, so-called luxury taxes, use taxes, consumer excise
17 taxes, gross receipts taxes and other similar taxes now or hereafter imposed by law upon the sale of
18 merchandise or services but only if separately stated from the sales price and only to the extent paid by
19 Tenant to any duly constituted governmental/taxing authority; (ii) the portion of the sales price for all
20 merchandise returned by customers and accepted for credit to the extent of the credit actually given to the
21 customer as well as rebates, exchanges or allowances made to customers; (iii) shipping, delivery, alteration
22 workroom and gift wrapping charges if there is no profit to Tenant and such charges are merely an
23 accommodation to customers; (iv) sale of trade fixtures, equipment or property which are not stock in trade
24 and not in the ordinary course of business; (v) receipts in the form of refunds from or the value of
25 merchandise; services, supplies or equipment returned to vendors, shippers, suppliers or manufacturers
26 including volume discounts received from Tenant's vendors, suppliers or manufacturers (but specifically
27 excluding retail display allowances or other promotional incentives received from vendors and suppliers,
28 etc. all of which must be included within Gross Receipts); (vi) customary discounts given by Tenant on
29 sales of merchandise or services to Tenant's employees, if separately stated, and limited in amount to not
30 more than one percent (1%) of Tenant's Gross Receipts per Lease Month; (vii) customary discounts of 10%
31 which must be given by Tenant on sales of merchandise or services to Landlord's employees, other Airport
32 airline lessees' employees and other individuals employed at the Airport, if separately stated; (viii) gratuities
33 for services performed by employees of Tenant which are paid by Tenant or its customers to such
34 employees; (ix) exchange of merchandise between stores or warehouses owned by or affiliated with Tenant
35 (where such exchange is made solely for the convenient operation of the business of Tenant and not for
36 purposes of consummating a sale which has theretofore been made in or from the Premises and/or for the
37 purpose of depriving Landlord of the benefit of a sale which otherwise would be made in or from the
38 Premises); (x) proceeds from the sale of gift certificates or like vouchers until such time as the gift
39 certificates or like vouchers have been treated as a sale in or from the Premises pursuant to Tenant's record
40 keeping system; (xi) the sale or transfer in bulk of the inventory of Tenant to a purchaser of all or
41 substantially all of the assets of Tenant in a transaction not in the ordinary course of Tenant's business; and
42 (xii) except with respect to proceeds received for business interruptions paid on a gross earnings business
43 interruption insurance policy as provided in Section 2.02(d) above, receipts from all other insurance
44 proceeds received by Tenant as a result of a loss or casualty.
45

46 **Section 2.03 STORAGE PREMISES AND RENT.** If applicable, commencing on the date of
47 actual delivery of the Storage Premises, Tenant shall pay as Additional Rent, the amount set forth in the
48 related Storage Premises Sublease and thereafter all of the terms, provisions and conditions of Tenant's use
49 and occupancy of the Premises set forth herein shall apply fully to Tenant's use and occupancy of the
50 Storage Premises and for all purposes of this Sublease, the Premises shall be deemed to include the Storage
51 Premises. Landlord has the right at any time, in its reasonable discretion, to designate alternative Storage

1 Premises. In the event of the relocation of the Storage Premises, Tenant shall be solely responsible for all
2 moving and other related costs thereto. Additional Rent for the Storage Premises shall be payable in equal
3 consecutive monthly installments in advance on or before the 1st day each month, without prior demand or
4 notice. If delivery occurs on a date other than the 1st day of a month, the Additional Rent for the Storage
5 Premises shall be prorated on a daily basis for any such partial month.
6

7 **Section 2.04 TENANT'S TAXES.** (a) From and after the Rental Commencement Date, Tenant
8 shall be solely responsible for the payment of that portion of Taxes levied or assessed during or with respect
9 to each fiscal tax year falling in whole or in part following the Rental Commencement Date, which the
10 number of square feet of Floor Area in the Premises bears to the total number of square feet of constructed
11 Floor Area in the Terminal. "Taxes" shall mean any and all taxes, surcharges, assessments, levies, fees and
12 other governmental charges and impositions of every kind or nature, regular or special, direct or indirect,
13 levied or assessed by municipal, county, state, federal or other governmental taxing or assessing authority (i)
14 upon, against or with respect to the real estate upon which the Terminal is located and to any improvements
15 located in the Terminal, and (ii) any other taxes which Landlord becomes obligated to pay with respect to
16 the Terminal, irrespective of whether the same are assessed as real or personal property. Tenant, in addition
17 to the foregoing, shall be solely responsible for the payment of any sales, income, excise and use, and gross
18 receipts taxes, levies, betterments or assessments, fees or charges (collectively, "Additional Taxes") whether
19 in existence on the date hereof or becoming applicable during the Term, which may be assessed against
20 Landlord or Tenant in relation to the Premises, the use, occupancy or operation of Tenant's business in the
21 Premises, the revenue generated therefrom, or any personal property, trade fixtures, furniture, Fixed
22 Improvements and Operating Equipment located thereon and Tenant shall pay all of such Additional Taxes
23 directly to the taxing authority before delinquency and before any fine, interest or penalty shall become due
24 or otherwise imposed by law for their nonpayment. Tenant shall not be responsible for paying any
25 inheritance, estate, succession, transfer, gift, franchise, corporation, income or net profit tax that is or may be
26 imposed upon Landlord. To the extent that any such Taxes or Additional Taxes are the obligation of Tenant
27 pursuant to Section 22.01, the same shall not be included in Tenant's proportionate share of Taxes pursuant
28 to this Section 2.04. Such payments of Taxes shall constitute Additional Rent hereunder. The Taxes
29 payable by Tenant pursuant to this Section 2.04(a), other than the Additional Taxes, which are levied or
30 assessed for the fiscal tax year in which the Rental Commencement Date occurs and for the fiscal tax year in
31 which the Term hereof ends shall be prorated on a daily basis. Should the State of New Jersey, County of
32 Essex or City of Newark or any political subdivision thereof or any governmental, taxing or assessing
33 authority, either impose a tax of any kind or nature, regular or special, direct or indirect, upon, against or
34 with respect to the Rental or other charges payable to Landlord by Tenant or other subtenants in the
35 Terminal, such tax shall be deemed to constitute a part of Taxes payable by Tenant hereunder and Tenant
36 shall pay to Landlord its proportionate share thereof as reasonably determined and billed by Landlord.
37

38 (b) If any Taxes are not separately assessed against Tenant or the Premises and are assessed against
39 Landlord, the amount of Tenant's proportionate share thereof shall be reasonably calculated by Landlord
40 based upon the type of Tax charged and how it is allocated to all or a portion of the Terminal and in
41 determining Tenant's proportionate share thereof the Floor Area of the Premises as compared to the total
42 Floor Area constructed in the Terminal shall be utilized. Tenant's proportionate share of Taxes, as
43 reasonably determined by Landlord, shall be paid to Landlord as Additional Rent, in monthly installments
44 on or before the 1st day of each month (or such longer period as Landlord may determine), in advance,
45 either (i) in an amount estimated by Landlord and billed to Tenant, but Landlord shall have the right to
46 initially determine monthly estimates and to revise estimates from time to time, or (ii) within 30 days of
47 Tenant's receipt of a bill from Landlord for the payment of such Taxes, if any of such Taxes are not so
48 estimated in advance. Tenant agrees to make payment within 30 days after receipt of a bill from Landlord
49 without deduction or set-off even if a tax bill is not provided by Landlord at the time of billing (Landlord
50 agrees to provide a copy thereof to Tenant within a reasonable time after it becomes available to Landlord).
51 Upon receipt of all tax bills pertaining to Taxes payable by Tenant, Landlord shall furnish Tenant with a

1 written statement of the actual amount of Tenant's proportionate share of Taxes for such tax fiscal year
2 together with a copy of such tax bills or assessments. If the total amount paid by Tenant for any such period
3 following the Rental Commencement Date shall be less than the actual amount due from Tenant for such
4 period, as shown on the statement, Tenant shall pay to Landlord the difference between the amount
5 previously paid by Tenant and the actual amount due within 30 days after receipt of an invoice from
6 Landlord. If the total amount paid by Tenant hereunder for any such period shall exceed the actual amount
7 due from Tenant for such period, such excess shall be credited against the next payment for Taxes due from
8 Tenant to Landlord hereunder. If at the end of the final Lease Year the total amount paid by Tenant for such
9 final Lease Year shall exceed the actual amount due from Tenant for such period, such excess shall be
10 refunded to Tenant within 45 days after Tenant has vacated the Premises in good condition at the conclusion
11 of this Sublease and all Rental and other sums due Landlord from Tenant under this Sublease have been
12 paid in full or Landlord may deduct such excess, if any, from any outstanding and unpaid Rental and other
13 sums remaining to be paid by Tenant to Landlord hereunder.

14
15 (c) Landlord reserves the right to contest any such Taxes and Tenant shall pay to Landlord that
16 portion of all reasonable external costs and expenses incurred by Landlord based on a formula, the
17 numerator of which is the square footage of Floor Area in the Premises, and the denominator of which is the
18 total square footage of Floor Area constructed in the Terminal. Notwithstanding any such contest, related
19 negotiation or appeal, Tenant shall timely pay its proportionate share of Taxes. If Taxes shall be increased,
20 Tenant's proportionate share of Taxes shall be computed on the amount of Taxes finally determined to be
21 payable by Landlord including any of the reasonable external costs incurred therein. If Taxes shall be
22 decreased, Landlord's statement following such decrease shall include an appropriate adjustment for any
23 prior fiscal tax years affected by such decrease reflecting the amount of such decrease and Tenant's
24 proportionate share of any such adjustment, less the reasonable external costs incurred (including attorneys'
25 fees, accountants, consultants and appraiser expenses, and reasonable administrative expenses), which
26 adjustment shall be treated as a credit against future Taxes payable by Tenant following the decrease or,
27 during the final Lease Year of the Term, refunded to Tenant as provided in Section 2.04 (b) above. If Taxes
28 are separately assessed against Tenant, Tenant may contest, in good faith for its own account and at
29 Tenant's sole cost and expense, the validity or amount of any such separately assessed Tax, provided Tenant
30 shall indemnify Landlord against any resulting loss, cost or expense, and shall provide security reasonably
31 satisfactory to Landlord with respect to Tenant's performance of such indemnification. Under no
32 circumstances shall Tenant permit any type of lien or encumbrance on the Premises or on the Terminal by
33 reason of the failure to pay any Taxes or Additional Taxes.

34
35 **Section 2.05 TRASH REMOVAL.** Tenant, at its sole expense, shall at all times keep the
36 Premises (including, without limitation, display windows and signs) orderly, neat, safe, clean and free from
37 rubbish and dirt, and shall store all trash, garbage and other waste within the Premises or in such areas as
38 may be designated by Landlord for such storage and shall properly dispose of the same in accordance with
39 Landlord's and the Authority's requirements for the Terminal. Tenant shall not burn any trash or garbage at
40 any time in or about the Terminal or the Airport.

41
42 **Section 2.06 ADDITIONAL RENT.** In addition to Guaranteed Rent and Percentage Rent
43 hereunder, Tenant shall pay, as Additional Rent (whether or not so designated herein), in a manner and at
44 the place provided herein, all sums of money required to be paid by Tenant hereunder, including but not
45 limited to: rent for the Storage Premises, if any (Section 2.03), Taxes (Section 2.04), Maintenance Support
46 Reimbursement Charge (Section 8.03), Utility charges (Section 12.01), if any, and contributions to the Joint
47 Marketing Fund (Section 16.03). If such amounts or charges are not paid at the time and in the manner as
48 provided herein, they shall nevertheless be collectible as Additional Rent with the next installment of
49 Guaranteed Rent thereafter falling due, but nothing herein shall be deemed to suspend or delay the payment
50 of any amount of money or charge at the time the same becomes due and payable hereunder or to limit any
51 other remedy of Landlord. All amounts of Guaranteed Rent, Percentage Rent and Additional Rent

1 (collectively "Rental") payable in a given month shall be deemed to comprise a single rental obligation of
2 Tenant to Landlord.

3
4 **Section 2.07 LATE PAYMENT CHARGE.** If any Rentals required to be paid to Landlord
5 hereunder is not made when such Rentals are due including as a result of any audit findings, Tenant shall
6 pay interest on any such overdue amounts at the prime rate of interest as published in the Wall Street Journal
7 or successor publication or the highest rate permitted by the laws of the State of New Jersey, whichever is
8 less, commencing on the date that is 10 days following the due date; provided, however, any such late
9 charges shall be waived in the event any such late payments are in fact received by Landlord within 5 days
10 following the due date. The parties hereto agree that such late payment charge represents a fair and
11 reasonable estimate of costs and expenses Landlord will incur by reason of any such late payment. Either (i)
12 the acceptance of such late payment charge by Landlord, or (ii) if Tenant pays the late payment charge but
13 fails to pay contemporaneously therewith all unpaid amounts of Rentals due hereunder; Landlord's
14 acceptance of this late payment charge shall not constitute a waiver of Tenant's default with respect to
15 Tenant's nonpayment nor prevent Landlord from exercising all other rights and remedies available to
16 Landlord under this Sublease, or at law. Tenant acknowledges that a portion of the Rental paid to Landlord
17 hereunder is for the benefit of the Authority and therefore if Tenant fails to timely make any payments to
18 Landlord, any late charges due and payable to the Authority shall be as set forth in the Agreement.

19
20 **Section 2.08 TENANT'S PAYMENT OBLIGATIONS.** Landlord may, at its sole discretion,
21 apply any payments received from Tenant to any Rental which are then due and payable. If Landlord shall
22 not make any specific application of a payment received from Tenant, then any such payment received shall
23 be applied first to the Rental which has been overdue for the longest period of time. No designation of any
24 payment by Tenant for application to a specific portion of Tenant's financial obligations hereunder shall be
25 binding unless otherwise required under the laws of the State of New Jersey. Tenant covenants to pay all
26 Rentals hereunder independent of any obligation of Landlord. No breach of this Sublease by Landlord shall
27 relieve Tenant of its obligation and duty to pay all such Rentals when due under the terms hereof. Except as
28 otherwise specifically set forth herein, all Rentals shall be paid by Tenant to Landlord without set-off,
29 deduction, demand or abatement.

30
31
32 **ARTICLE III**
33 **RECORDS AND BOOKS OF ACCOUNT**

34
35
36 **Section 3.01 TENANT'S RECORDS.** Tenant shall prepare and keep full, complete and
37 accurate books and source documents, in accordance with generally accepted accounting principles
38 consistently applied ("GAAP"), of the Gross Receipts, whether for cash, credit or otherwise, of Tenant's
39 business at any time operated within the Premises and of the operations of each subtenant, concessionaire,
40 licensee and/or assignee, if any, and shall require and cause all such parties (including Tenant's affiliates
41 performing similar services within the Port of New York District) to prepare and keep books, source
42 documents, records and accounts sufficient to substantiate those kept by Tenant ("Records"). The Records
43 to be kept by Tenant within the Port of New York District shall include, without limitation, true copies of all
44 federal, state and local sales and use tax returns and reports, daily bank deposits and daily receipts from all
45 sales (including those from mail or telephone orders), duplicate bank deposit slips, invoices, journals,
46 ledgers and other pertinent original sales records and records of any other transactions conducted in or from
47 the Premises by Tenant and any other persons conducting business from the Premises. Pertinent original
48 sales records shall include, without limitation, a point of sale system of record keeping and such other
49 reasonable documentation which would normally be examined by an independent accountant pursuant to
50 GAAP in performing an audit of Tenant's sales sufficient to provide determination and verification of Gross
51 Receipts and the exclusions and deductions therefrom. Tenant must also provide an electronic cash control

1 system which will provide all significant point-of-sale information reasonably satisfactory to Landlord
2 which must include: (i) sales by general product category, if applicable; (2) sales transactions by time of
3 day and day of week, if requested by Landlord; and (3) average sales transactions. Tenant's electronic cash
4 control system must ensure tight cash control, have complete audit capability and include: (1) the ability to
5 record transactions by sequential control number which can be printed on audit tape(s); (2) be capable of
6 printing transactions on tape or receipt for customers showing time of day and day, month and year; (3) print
7 out customer receipts showing the amount of the transaction, the amount of cash, check or credit tendered
8 and the amount of cash or credit returned to the customer; (4) the point-of-sale device shall have a provision
9 for non-resettable totals and access for resetting the control totals shall be reserved solely to the point-of-sale
10 device supplier; and (5) Tenant shall be required to use point-of-sale devices and/or cash registers that are
11 approved by Landlord, such approval not to be unreasonably withheld if they meet the foregoing
12 requirements. Tenant's Records shall be preserved by Tenant within the Port of New York District for the
13 period required under Tenant's Agreement with the Authority. All Records maintained pursuant hereto
14 shall at all reasonable times, during Tenant's normal business hours after 20 days prior written notice, be
15 open to the inspection of, and may be copied or extracted from, in whole or in part, by, Landlord, the
16 Authority or Landlord's or the Authority's authorized representative or agent for the period required under
17 Tenant's Agreement with the Authority. If Landlord or the Authority does not audit such Records within
18 such retention period as required in the Agreement, those Records shall be deemed adequate and closed;
19 provided, however, in the case of fraud and/or willful errors, such retention period limitation shall not apply;
20 and, provided, further, records relating to any litigation or settlement of claims arising under or relating to
21 this Sublease shall be made available for a period required in the Agreement after such litigation or claims
22 have been completed and all time limits for appeals have expired.

23
24 **Section 3.02 REPORTS BY TENANT.** Tenant shall furnish to Landlord, within 15 days after
25 the expiration of each Lease Month, a complete statement (substantially in the form of Exhibit E attached
26 hereto), certified by a responsible officer of Tenant, of the amount of Gross Receipts made from the
27 Premises during such period and the amount of Percentage Rent paid ("Monthly Statement"). Tenant shall
28 furnish to Landlord, within 60 days after the expiration of each Lease Year, a complete statement
29 (substantially in the form of Exhibit E attached hereto), prepared and certified by a responsible officer of
30 Tenant and certified by an independent certified public accountant ("Annual Statement") showing in
31 reasonable detail the amount of Gross Receipts made by Tenant from the Premises during the preceding
32 Lease Year, the payments of Guaranteed Rent, Percentage Rent and Additional Rent. Tenant shall certify in
33 its Annual Statement that (i) such statements have been prepared in accordance with the terms of this
34 Sublease, (ii) that all revenues derived from Tenant's activities hereunder which are required to be included
35 in Gross Receipts under the terms of this Sublease and in accordance with GAAP have been so included,
36 (iii) that all payments of Guaranteed Rent, Percentage Rent and Additional Rent have been made in
37 accordance with the terms of this Sublease, and (iv) all of the foregoing statements are true, accurate and
38 complete in all material aspects. The certification and opinion of the independent certified public accountant
39 (who shall be subject to Landlord's reasonable approval) shall state that total Gross Receipts, Guaranteed
40 Rent, Percentage Rent and Additional Rent were calculated and reflected by Tenant in its Annual Statement
41 in accordance with the terms of this Sublease and that the Annual Statement was prepared in accordance
42 with GAAP. Notwithstanding the foregoing requirement of the certification and opinion of Tenant's
43 independent certified public accountant ("CPA Requirement"), the CPA Requirement may be waived by
44 Landlord, as determined in Landlord's sole discretion, if Tenant is properly certified as a DBE and
45 continuously maintains such DBE certification or if Tenant is a public company (including subsidiaries and
46 affiliates thereof) whose stock is traded on a nationally recognized stock exchange (including NASDAQ)
47 and is an entity whose financial statements on a consolidated basis are audited at least annually by a
48 nationally recognized firm of certified public accountants. Any such waiver by Landlord of the CPA
49 requirement must be in writing and then the Annual Statement will be acceptable to Landlord, absent
50 manifest error, if the Annual Statement is certified by the chief executive officer, chief financial officer or
51 the principal accounting officer of the Tenant. Tenant shall require all subtenants, concessionaires, licensees

1 and/or assignees, if any, to furnish a similar statement. Landlord may make reasonable changes to the form
2 of the Monthly Statement or Annual Statement from time to time upon 30 days prior notice to Tenant. If
3 Tenant or any subtenant, concessionaire, licensee and/or assignee fails to furnish to Landlord any Monthly
4 or Annual Statement within the time required by this Section 3.02, then Tenant shall pay within 10 days of
5 written demand therefor by Landlord as Additional Rent, a special handling fee of \$50.00 per statement per
6 day until such statement is delivered to Landlord. This remedy shall be in addition to other remedies
7 provided herein or by law to Landlord. To the extent permitted by law, if the Monthly Statement and
8 Annual Statement and summaries thereof received by Landlord from Tenant, which Landlord shall submit
9 to the Authority, requires or may contain any trade secrets, commercial or financial information that Tenant
10 requests in writing to be kept confidential, such information shall be kept confidential by Landlord but may
11 be nevertheless subject to disclosure by the Authority in accordance with the Authority's application of its
12 freedom of information policies. Monthly Statements and Annual Statements prepared by Tenant pursuant
13 to this Article III shall contain separate sections called "Analysis of Retail Operation" and shall include the
14 following data: (1) total Gross Receipts and, if requested, Tenant shall calculate such Gross Receipts per
15 square foot of Floor Area in the Premises and per enplaned passenger in the Terminal; (2) sales by general
16 product category; (3) total number of transactions; (4) average dollar amount per transaction; and (5) sales
17 time distribution (e.g. morning, afternoon, evening) if requested by Landlord.
18
19

20 **ARTICLE IV** 21 **AUDIT** 22

23
24 **Section 4.01 RIGHT TO EXAMINE BOOKS.** Notwithstanding the acceptance by Landlord
25 of payments of Rentals or installments thereof, Landlord shall have the right to audit all Rentals and other
26 charges actually due hereunder. Tenant shall make available to Landlord within 20 days following
27 Landlord's written request for the same at a location within the Port of New York District for the purpose of
28 examination, extracting and/or copying all books, source documents, accounts, records and sales tax reports
29 filed with applicable government agencies of Tenant and any affiliates, subtenants, concessionaires,
30 licensees and/or assignees, if any, in order to verify the amount of Gross Receipts in and from the Premises
31 and the amount of all Rentals. Notwithstanding the foregoing, the Authority's inspection, examination
32 and/or audit rights shall be as set forth in Tenant's Agreement with the Authority.
33

34 **Section 4.02 AUDIT.** Landlord may at any time upon 20 days prior written notice to Tenant,
35 cause a complete audit to be made by an auditor or accountant (who may be a certified public accountant
36 "CPA") selected by Landlord of the entire records and operations of Tenant and/or any affiliates, subtenants,
37 concessionaires, licensees and/or assignees, if any, relating to the Premises for the period covered by any
38 statement issued or required to be issued by Tenant, its affiliates or a concessionaire as above set forth in
39 Article III. Tenant shall make available to Landlord's auditor at a location within the Port of New York
40 District within 20 days following Landlord's written notice requiring such audit, all of the books, source
41 documents, accounts, records and sales tax reports of Tenant and any of its affiliates and concessionaires
42 which such auditor deems necessary or desirable for the purpose of making such audit. Notwithstanding the
43 foregoing, the Authority's audit rights shall be as set forth in Tenant's Agreement with the Authority. If
44 such audit discloses that Tenant's Gross Receipts as previously reported for the period audited were
45 understated, Tenant shall immediately pay to Landlord the additional Percentage Rent due for the period
46 audited together with interest at the Interest Rate from the date(s) such amount was originally due. Further,
47 if such understatement was in excess of three percent (3%) of Tenant's actual Gross Receipts as disclosed by
48 such audit, Tenant shall immediately pay to Landlord the reasonable and actual cost of such audit, within 30
49 days of an invoice therefor, and if such understatement was in excess of ten percent (10%) of Tenant's Gross
50 Receipts as disclosed by such audit due to Tenant's intentional, willful or fraudulent act or omission,
51 Landlord may declare this Sublease terminated and the Term ended, in which event this Sublease shall cease

1 and terminate on the date specified in such notice with the same force and effect as though the date set forth
2 in such notice were the date set forth in this Sublease for expiration of the Term, and Tenant shall vacate and
3 surrender the Premises on or before such date in the condition required by this Sublease for surrender upon
4 the expiration of the Term. If upon examination or audit Landlord's CPA or representative reasonably
5 determines that sufficient documentation is not maintained, retained, recorded, or available in accordance
6 with GAAP to verify Tenant's actual Gross Receipts, Tenant shall pay for the reasonable and actual cost of
7 such audit and, in addition, should Landlord deem it necessary, Tenant shall reconstruct, at its sole cost and
8 expense, all records for the determination of Gross Receipts for any period being audited. If such audit shall
9 disclose that the Records, in Landlord's reasonable determination, are inadequate to disclose such Gross
10 Receipts in accordance with GAAP, Landlord shall be entitled to collect as Additional Rent an amount
11 equal to five percent (5%) of the Guaranteed Rent payable by Tenant during the period in question.
12 Notwithstanding the foregoing, the Authority's rights, remedies and penalties relating in any way to the
13 Authority's inspection, examination and/or audit rights shall be as set forth in Tenant's Agreement with the
14 Authority.
15
16

17 **ARTICLE V**
18 **CONSTRUCTION OF PREMISES**
19
20

21 **Section 5.01 CONSTRUCTION OF PREMISES.** (a) Landlord shall deliver and Tenant will
22 take possession of the Premises in an "AS IS", "WHERE LOCATED" condition in existence as of the
23 Commencement Date. All improvements to be made to the Premises shall be substantially as set forth in
24 Exhibit B, the Tenant Design Criteria and Handbook and pursuant to the Authority's Tenant's Design
25 Guidelines and TAA process and any other requirements required by Landlord and the Authority. Tenant
26 shall construct and install all of its improvements (including both Fixed Improvements and Operating
27 Equipment) to the Premises so that the Premises will provide attractive, well-designed concession facilities
28 that promote the marketing of merchandise, products and/or services and present a positive image to the
29 Terminal's users. Each of the parties hereto shall perform the obligations imposed upon such party in
30 Exhibit B, the Tenant Design Criteria and Handbook and the TAA process at the times and in the manner
31 therein provided. It is understood and agreed by Tenant that any non-material changes from any plans and
32 specifications covering Landlord's Work (if any), as described in Exhibit B, shall not affect, change or
33 invalidate this Sublease. In the event of an ambiguity or conflict between the construction-related
34 provisions contained in this Article V, Exhibit B, the Tenant Design Criteria and Handbook and the
35 Authority's TAA process, the Authority's TAA process shall control over any such construction-related
36 provisions.
37

38 (b) Within 20 days of the Commencement Date, Tenant, at its expense, shall submit its conceptual
39 drawings and plans ("Conceptual Plans") for approval by Landlord and the Authority, such approval to be
40 determined in their respective discretion. Once the Conceptual Plans are so approved, Tenant shall, at its
41 expense, prepare final drawings and specifications ("Final Drawings") no later than 30 days or such shorter
42 period of time in order for Tenant to complete Tenant's Work and open the Premises for business to the
43 public no later than the Rental Commencement Date. The Final Drawings shall be based upon the approved
44 Conceptual Plans meeting the requirements set forth in this Sublease and the documents referenced herein
45 and shall be submitted for the approval of Landlord and the Authority pursuant to the TAA process.
46 Landlord and the Authority shall have the right to approve or disapprove the Final Drawings as determined
47 in their absolute discretion. In the event of disapproval, Tenant shall immediately revise the Final Drawings
48 and shall promptly and continually re-submit them for approval of Landlord and the Authority until such
49 approval is obtained. Tenant's failure to furnish the Conceptual Plans and Final Drawings within the time
50 frames set forth herein and in the form required by this Sublease, Exhibit B and the documents referenced
51 therein, or failure to perform any other obligation under this Section, Exhibit B and the TAA process, shall

1 constitute a default by Tenant hereunder, which shall entitle Landlord to all remedies set forth in Article
2 XIX. If Landlord reasonably determines that the parties are unable to agree upon the Conceptual Plans
3 and/or the Final Drawings or if Tenant fails to timely provide the Conceptual Plans and Final Drawings,
4 including any revisions required thereto within 30 days from the dates required, Landlord may at its option,
5 terminate this Sublease upon 24 hours notice to Tenant, in which event this Sublease shall terminate on the
6 date specified in such notice and thereafter neither party shall have any further obligations to the other party
7 except for payment of any of Tenant's Rental obligations to Landlord accrued prior to the effective date of
8 any such termination. No deviation from the Final Drawings, once approved by Landlord and the Authority
9 (and once so approved they are incorporated into this Sublease by reference herein), except minor deviations
10 required due to existing field conditions, shall be made by Tenant without Landlord's and the Authority's
11 prior written consent. Approval of the Conceptual Plans and Final Drawings by Landlord or the Authority
12 shall not constitute any representation or warranty or the assumption of any responsibility or any liability by
13 Landlord or the Authority for their accuracy, efficacy or sufficiency and Tenant shall be solely responsible
14 for such items. Any occupancy of the Premises by Tenant prior to the Rental Commencement Date shall be
15 solely for the purpose of inspection, measurement and obtaining information necessary to prepare
16 Conceptual Plans and Final Drawings and to construct its leasehold and Fixed Improvements and install its
17 Operating Equipment, and shall be subject to all terms and conditions applicable to such entry prior to the
18 Rental Commencement Date pursuant to Section 1.02. Storefront barricades, reasonably acceptable to
19 Landlord, attractively screening the Premises from view during construction shall be erected and maintained
20 by Tenant in accordance with the Authority's TAA process at all times prior to Tenant's opening for
21 business and shall be removed and properly disposed of by Tenant prior to such opening, all at Tenant's sole
22 cost and expense. If Tenant fails to construct, erect, maintain, remove and dispose any such storefront
23 barricades, Tenant shall reimburse Landlord for all reasonable and actual costs incurred by Landlord in
24 performing any of the same.

25
26 (c) After receipt of all approvals of the Final Drawings, Tenant shall immediately apply for and
27 diligently pursue, at Tenant's expense, any and all Permits required under the TAA process necessary to
28 perform Tenant's Work. If Tenant has proceeded with due diligence and used its best efforts to obtain all
29 necessary Permits but has failed to obtain the same (and such failure cannot be cured by the making of any
30 reasonable changes to the Final Drawings which would permit Tenant to proceed with Tenant's Work,
31 Tenant shall notify Landlord and Landlord shall have the right, but not the obligation, and at Tenant's sole
32 cost and expense, to attempt to obtain any such permits for the benefit of Tenant. If Landlord has not
33 succeeded in obtaining such Permits within 90 days (or such shorter period for Tenant to open by the Rental
34 Commencement Date) or if Landlord elects not to pursue obtaining the Permits for the benefit of Tenant,
35 Landlord may, at its option, terminate this Sublease upon 24 hours notice to Tenant and this Sublease shall
36 terminate on the date specified in such notice and thereafter neither party shall have any further obligations
37 to the other party except for the payment of any of Tenant's Rental obligations to Landlord accrued prior to
38 the effective date of any such termination. Tenant, at its expense, shall construct, equip and complete the
39 Fixed Improvements and install its Operating Equipment proceeding at all times with due diligence and in a
40 good and workmanlike manner under the supervision of a New Jersey licensed architect or engineer in
41 accordance with all applicable legal and code requirements, Tenant's Agreement with the Authority, the
42 TAA process and the Permits in order to complete the same and open the Premises for business to the public
43 no later than the Rental Commencement Date. All such construction shall be completed free and clear of all
44 liens, encumbrances and security instruments. If any mechanics', materialmens' or other lien is filed against
45 the Premises, the Terminal, the Airport or any interest in this Sublease or the Terminal C Lease as a result of
46 any work or act of Tenant, Tenant shall fully and completely discharge the lien and have it released from
47 record by payment or posting a bond within 20 days after the filing thereof. If Tenant fails to discharge and
48 have the lien released from record as provided above, Landlord or the Authority may, at their respective
49 options, bond or pay the lien or claim for the account of Tenant without inquiring into the validity thereof
50 and Tenant shall, within 30 days after notice, completely reimburse Landlord or the Authority for any funds
51 so spent to bond or pay the lien or claim. The term "Fixed Improvements" shall mean any addition,

1 alteration, annexation or improvement which shall become affixed to the Premises which cannot be
2 removed, modified or changed without damage to, or destruction of, either itself or any portion of the
3 Premises. "Operating Equipment" shall mean any removable trade furniture, furnishings, equipment and
4 fixtures that are fabricated, furnished and installed by Tenant and used in its operations in the Premises, but
5 does not include Fixed Improvements nor any displays or decorations that are of a seasonal or temporary
6 promotional nature.
7

8 (d) All contracts and subcontracts for the performance of Tenant's Work shall require (1) that all
9 contractors and subcontractors provide labor that can work in harmony with other labor employed or to be
10 employed at the Airport in accordance with this Sublease and Tenant's Agreement with the Authority,
11 properly bonded and badged for Airport security purposes; (2) insurance coverage and suretyship
12 reasonably satisfactory to Landlord; (3) that all contractors and subcontractors comply with all of the
13 requirements of this Sublease, the TAA process, all applicable Permits, Tenant's Agreement with the
14 Authority and/or as otherwise required by code or the Authority; (4) in the case of Fixed Improvements,
15 performance and payment bonds from Tenant or its contractor, in form and substance reasonably
16 satisfactory to Landlord, each of which shall name Landlord and the Authority as an additional obligee and
17 aggregating in the penal sum equal to all of Tenant's construction contracts.
18

19 **Section 5.02 OCCUPANCY PERMITS AND OTHER DOCUMENTS.** Within 20 days after
20 Tenant's opening for business in the Premises, Tenant shall deliver to Landlord executed copies of all
21 mechanics' lien waivers and/or releases or other lien waivers and/or releases on account of Tenant's Work,
22 notarized and unconditional, in such form as Landlord shall have reasonably approved and an architect's
23 certification that the Premises have been constructed in accordance with the approved Final Drawings and
24 are fully complete in accordance with all of such requirements specified or referenced herein. Further,
25 Tenant shall also deliver to Landlord a copy of the Authority's Permit to Occupy and Use with respect to the
26 Premises within 20 days after issuance thereof by the Authority. Within 90 days after Tenant's opening for
27 business in the Premises, Tenant shall deliver to Landlord (i) final and complete sets of "as-built" Final
28 Drawings and Computer Aided Drafting and Design ("CADD") drawings, duly certified by a registered
29 architect or registered engineer licensed in the State of New Jersey; and (ii) statements of the total
30 construction costs incurred by Tenant which is certified by a responsible officer of Tenant as correct
31 together with copies of all supporting documentation required by Landlord or the Authority under Tenant's
32 Agreement with the Authority. If Tenant shall fail to provide any of the same within such 90 day period,
33 Tenant shall pay to Landlord as Additional Rent, within 10 days after demand, the sum of \$50.00 per day
34 for each day that such certified drawings, construction costs and required documents have not been
35 delivered to Landlord within such period of time. If such failure shall continue for a period exceeding 6
36 months after Tenant's opening for business in the Premises, such shall be a material default by Tenant
37 hereunder entitling Landlord to all remedies available to it hereunder or at law.
38

39 **Section 5.03 CONDITION OF PREMISES.** Except as otherwise specifically provided herein
40 (including, without limitation, in Exhibit B), Tenant hereby agrees that upon delivery of possession of the
41 Premises to Tenant, Tenant shall accept such delivery of possession of the Premises in its then existing "AS
42 IS" condition, and Tenant acknowledges (i) that Tenant shall have inspected the Premises and shall be fully
43 aware of the condition of the Premises as of delivery of possession; (ii) that Landlord shall have no
44 obligation to improve or alter the Premises for the benefit of Tenant other than to complete any remaining
45 portion of Landlord's Work, if any, under Exhibit B; (iii) that, except as may be expressly provided herein,
46 neither Landlord nor any of Landlord's employees, agents, representatives, contractors nor brokers has made
47 any representation or warranty of any kind respecting (a) the condition of the Premises, and/or the Terminal,
48 (b) the suitability thereof for Tenant's permitted use or the conduct of Tenant's business, or (c) occupancy or
49 operation within the Terminal by any other airline, person or entity including forecasted or estimated
50 enplaned passenger volume in the Terminal. Tenant irrevocably waives any claim based upon or related to
51 any such claimed representation by Landlord or any claimed representation by Landlord as to public traffic

1 to be expected at the Premises or sales to be expected at the Premises. Tenant's taking possession of the
2 Premises shall constitute Tenant's formal acceptance of the same and acknowledgment that the Premises are
3 in the condition called for hereunder, subject to all field conditions existing at the time of delivery of
4 possession. In no event shall Landlord or the Authority be liable for damages or otherwise as a result of any
5 failure to make the Premises available within the time and/or in the condition provided herein and no such
6 failure shall permit Tenant to rescind or terminate this Sublease or Tenant's Agreement with the Authority.
7

8 **Section 5.04 ULTIMATE RENTAL COMMENCEMENT DATE.** Notwithstanding anything
9 to the contrary contained herein, if for any reason whatsoever (excluding, without limitation, force majeure),
10 the Rental Commencement Date shall not have commenced prior to such date as shall be one (1) year from
11 the Commencement Date or such longer period of time as Landlord may approve in writing to Tenant, then,
12 at Landlord's option, this Sublease shall be automatically terminated without further act of either party
13 hereto and each of the parties hereto shall be released from any further obligation hereunder.
14

15
16 **ARTICLE VI**
17 **ALTERATIONS, CHANGES AND ADDITIONS**
18

19
20 **Section 6.01 ALTERATIONS BY TENANT.** Tenant shall not make or cause to be made any
21 alterations, additions or improvements to the Premises (for example, but without limiting the generality of
22 the foregoing, Tenant shall not install or cause to be installed any signs, floor covering, interior or exterior
23 lighting, plumbing fixtures, shades, canopies, awnings, electronic detection devices, antennas, mechanical,
24 electrical or sprinkler systems, or make any changes to the storefront or the general appearance of the
25 Premises), without the prior written approval of Landlord and the Authority pursuant to the TAA process.
26 Tenant, with the prior written approval of Landlord, may make such voluntary alterations, additions and
27 improvements to the interior of the Premises provided: (a) the same are cosmetic and not structural in
28 nature, do not affect a utility system, the storefront or storefront sign and are not inconsistent with the Final
29 Drawings approved by Landlord and the Authority; (b) that Tenant complies with the provisions concerning
30 contractors, labor relations, reporting of costs and insurance and bonds, the provisions of Exhibit B and the
31 Tenant Design Criteria and Handbook; (c) that after Tenant has obtained Landlord's approval, Tenant shall
32 submit to Landlord 15 days written notice prior to undertaking any of the foregoing together with a schedule
33 of the commencement and completion dates of the work; and (d) Tenant shall comply with the TAA
34 process. Tenant shall present to Landlord, Final Drawings for all alterations, additions or improvements,
35 voluntary or otherwise, at the time approval is sought, in accordance with criteria and procedures as
36 provided in Exhibit B, the Tenant Design Criteria and Handbook and the TAA process. Notwithstanding
37 anything to the contrary contained herein, no such alterations, additions or improvements by Tenant
38 hereunder shall be included in "Cost of Fixed Improvements", it being expressly understood that any of the
39 foregoing shall be at Tenant's sole cost and expense and not subject to any reimbursement or buy-out
40 provisions in favor of Tenant hereunder.
41

42 **Section 6.02 REMOVAL BY TENANT.** All Fixed Improvements and any alterations thereto
43 made by Tenant shall be deemed to have attached to the Premises and title shall immediately be deemed
44 vested in the Authority or the City of Newark in accordance with the Terminal C Lease and the Authority's
45 lease with the City of Newark. Upon the expiration or earlier termination of this Sublease, Tenant shall not
46 remove any of such Fixed Improvements; provided, however, that Operating Equipment installed by Tenant
47 and not permanently affixed to the Premises shall remain the property of Tenant and may be removed
48 throughout the Term hereof or upon expiration or earlier termination of the Term hereof if all Rental and
49 other charges due hereunder are paid in full and Tenant is not otherwise then in default of any of the
50 covenants, terms or provisions of this Sublease; provided that Tenant immediately repairs any damage
51 caused by such removal. Under no circumstances shall Fixed Improvements be demolished or removed

1 except with the prior written consent of Landlord and the Authority. If Tenant shall fail to remove any of its
2 personal property and Operating Equipment, Landlord, the Authority or any designee may, at their option,
3 retain either any or all of such property, and title thereto shall thereupon vest in Landlord, the Authority or
4 any designee without compensation to Tenant; or any of such entities may remove all or any portion of the
5 property from the Premises and dispose of the property in any manner, without compensation to Tenant. In
6 the latter event, Tenant shall, upon demand, pay to Landlord for itself or for the benefit of the Authority, the
7 reasonable and actual expense of such removal and disposition and the repair of any damage to the Premises
8 resulting from or caused by such removal. Tenant shall, at its expense, execute all documents requested and
9 deemed necessary by the Authority to evidence the title to any Fixed Improvements. The obligations
10 contained in this Section 6.02 shall survive the expiration or earlier termination of this Sublease.

11
12 **Section 6.03 CHANGES AND ADDITIONS.** Landlord (consistent with the Terminal C Lease)
13 and the Authority reserve the right at any time, and from time to time, to make extensive alterations to, and
14 to build additional stories on, the Terminal and to construct other buildings and improvements in the
15 Airport, including any extensive modifications of the public areas in connection therewith, to enlarge or
16 reduce the Terminal, to add decks or elevated parking facilities, and to sell or lease any part of the land
17 comprising the Airport, for the extensive construction thereon of a building or buildings which may or may
18 not be part of the Airport. Landlord (consistent with the Terminal C Lease) and the Authority reserve the
19 right at any time to relocate, reduce, enlarge, or reconfigure the Terminal, the Airport, parking areas and
20 other public areas shown on Exhibits A-1 and A-2. Tenant agrees to accommodate and cooperate with
21 Landlord and the Authority in such matters, even though Tenant's own operations may be inconvenienced
22 or impaired thereby and Tenant agrees that no liability shall attach to either Landlord or the Authority
23 (including their respective agents, commissioners, contractors, directors, employees, officers and
24 subcontractors) by reason of such inconvenience or impairment and Tenant hereby waives any and all
25 claims for damages and other consideration by reason of such inconvenience or impairment. Landlord and
26 the Authority shall use reasonable efforts not to materially inconvenience Tenant or materially impair
27 Tenant's operations and Landlord shall give reasonable notice to Tenant of any such construction, repair or
28 related activity. Consistent with the Terminal C Lease, Landlord shall have the exclusive right to use all or
29 any part of the roof of the Terminal for any purpose; to erect additional stories or other structures over all or
30 any part of the Premises; to erect in connection with the construction thereof temporary scaffolds and other
31 aids to construction on the exterior of the Premises, provided that access to the Premises shall not be
32 materially impaired; and to install, maintain, use, repair and replace within the Premises pipes, ducts,
33 conduits, wires and all other mechanical equipment serving other parts of the Terminal, the same to be in
34 locations as will not unreasonably deny Tenant's use thereof. Landlord may make any use it desires of the
35 side or rear walls of the Premises (including, without limitation, freestanding columns and footings for all
36 columns) and Landlord, at its expense, shall repair all damage to the Premises resulting from any work
37 related to such use.

38
39 **Section 6.04 RELOCATION, EXPANSION, CONTRACTION OR TERMINATION.** (a)
40 At any time during the Term hereof, due to the nature of the Airport and airline industries in general, it may
41 be necessary to relocate the Premises, expand or reduce all or any part of the Premises or obtain possession
42 of the Premises if Landlord determines such action to be necessary for airline operational and/or airport
43 operational considerations (e.g. the operation of non-concession services in the Terminal, the operation of
44 non-concession services for any airline or Airport operations in the Terminal or due to public health or
45 safety issues relating to the operation of the Terminal). For purposes hereof, relocation is defined as
46 Landlord's decision to terminate possession of an existing Premises and, to the extent reasonably possible,
47 provide a reasonably comparable space for the substitute Premises in terms of size, location, relation to
48 airline gates and exposure to the Terminal's users' pedestrian traffic flow patterns (particularly enplaned
49 passengers) within the Terminal. Reduction of the Premises includes, but is not limited to, the movement of
50 walls of the Premises or any other action which reduces the retail sales Floor Area of the Premises and
51 expansion of the Premises includes, but is not limited to, the movement of walls of the Premises or any other

1 action which increases the retail sales Floor Area of the Premises. Landlord hereby reserves the right at any
2 time following the Commencement Date to take such action in the Terminal as described above as the
3 Terminal may be altered from time to time. In the event Landlord elects to exercise any such rights as
4 Landlord deems necessary or desirable, it shall use diligent efforts to advise Tenant by 60 days prior written
5 notice and Tenant hereby agrees to be bound by such election and to execute; upon receipt from Landlord,
6 whatever amendments or other instruments as may be necessary to correctly reflect the foregoing. If the
7 Premises are relocated, reduced to a size reflecting a 20% or greater decrease in the retail sales Floor Area or
8 expanded to a size reflecting a 20% or greater increase in the retail sales Floor Area, the parties agree to
9 negotiate in good faith on a commercially reasonable basis with respect to an equitable adjustment to
10 Guaranteed Rent and corresponding adjustment to the Monthly Breakpoint for Percentage Rent, if
11 applicable under the circumstances. Any such relocation, reduction or expansion of the Premises shall be
12 accomplished, with Tenant's complete cooperation, as expeditiously as is reasonable under the
13 circumstances but in no event later than the date specified by Landlord to ensure the proper and efficient
14 operation of the Terminal. From and after the Commencement Date, in the event any such relocation or
15 reduction occurs after the Premises have been constructed and opened for business to the public, Landlord
16 agrees to reimburse Tenant for the reasonable and proper costs of renovating the relocated and/or reduced
17 Premises (in accordance with Final Drawings and total renovation costs approved by Landlord and the
18 Authority) so that the same are reasonably comparable to the original Premises. Landlord also agrees to
19 reimburse Tenant for the reasonable and proper costs of moving Tenant's Operating Equipment and exterior
20 storefront signage. Tenant shall be responsible for any and all other costs involved. Neither Landlord nor
21 the Authority shall have any liability for such relocation, change in size or the closing of the Premises other
22 than as specifically set forth in this Section 6.04(a) and Tenant hereby waives any such claims, including,
23 without limitation, claims for lost business opportunity, claims for lost profits and claims for relocation
24 benefits under Federal and any state law. If Tenant is unable to operate its business in the Premises or any
25 portion thereof as a result of the exercise of any of Landlord's rights, Tenant's payment of Guaranteed Rent
26 shall be abated during the period which Tenant is unable to operate. If Tenant, during any relocation, wants
27 to operate from temporary mobile carts, if available, Landlord and the Authority must approve in advance
28 and in writing all aspects (including size, location, design, duration of occupancy and merchandise displayed
29 for sale) of any temporary mobile carts desired to be operated by Tenant. Notwithstanding the foregoing, if
30 Landlord desires to relocate Tenant to a substitute Premises as provided in this Section 6.04(a) above,
31 Tenant shall have the right, in its sole discretion, to terminate this Sublease within 30 days after receipt of
32 Landlord's relocation notice, and such termination shall be effective at the expiration of the 60 day period
33 referenced above or such later date as may be reasonably determined by Landlord.

34
35 (b) In the event Landlord in its sole judgment believes it desirable for Landlord to obtain possession
36 of the Premises, Landlord, upon 90 days prior notice in writing to Tenant, may terminate this Sublease. In
37 the event of such termination, within 30 days following the date that Tenant shall have vacated the Premises,
38 paid all Rentals and performed all other accrued obligations hereunder through to the effective date of such
39 termination, Landlord shall pay to Tenant a sum equal to net book value of "Cost of Fixed Improvements".
40 In addition to Landlord's termination rights set forth in the immediately preceding sentence, if Landlord
41 exercises its rights under the applicable provisions of the Terminal C Lease to terminate the Terminal C
42 Lease (or to terminate the month-to-month tenancy if previously converted pursuant to Section 88 of the
43 Terminal C Lease) or if Landlord's leasehold interest is terminated by the Authority in accordance with the
44 Authority's rights under the Terminal C Lease, then, in either such event, at the option of the Authority and
45 Landlord: (1) this Sublease shall be assigned by Landlord to the Authority or its designee and this Sublease
46 shall remain in full force and effect in accordance with the terms contained herein and Tenant shall not have
47 any approval or rejection rights with respect to any such assignment; or (2) this Sublease shall be
48 terminated, with the effective date of such termination as reasonably determined by Landlord and thereafter
49 neither party shall have any further obligations or liabilities to the other party except for: (1) any accrued
50 obligations or liabilities of Tenant, whether monetary or non-monetary, which have arisen prior to the
51 effective date of such termination and have not yet been fully performed and/or paid by Tenant; and (2)

1 Landlord shall pay to Tenant, within 30 days following the date that Tenant shall have vacated the Premises,
2 paid all Rentals and performed all other accrued obligations under this Sublease through the effective date of
3 such termination, a sum equal to the net book value of "Cost of Fixed Improvements". Within 90 days after
4 Tenant's completion of construction of the Premises, Tenant shall furnish to Landlord such information as
5 Landlord may reasonably require in connection with the determination of such costs. At a minimum, such
6 cost information shall include copies of all contracts, copies of all invoices for the work which clearly
7 identified the work completed and copies of all canceled checks for payment, all of which shall be
8 evidenced by a certificate from Tenant. In order to obtain any funds from Landlord, at a minimum, Tenant
9 must furnish to Landlord on a timely basis, and provide copies to the Authority, all such relevant
10 information concerning the net book value of the "Cost of Fixed Improvements". The following will be
11 considered the net book value of the "Cost of Fixed Improvements":
12

- 13 (1) The unamortized balance of reasonable amounts paid by the Tenant for the construction
14 and installation of Fixed Improvements upon the Premises.
- 15
- 16 (2) The unamortized balance of reasonable amounts paid by the Tenant to extend utility lines
17 into the Premises.
- 18
- 19 (3) The unamortized balance of reasonable sums paid to external architects, engineers,
20 surveyors, and construction managers in connection with the design, development and
21 construction of Fixed Improvements upon the Premises.
22

23 Such payment shall be in lieu of any claims, causes of actions, suits, or damages that Tenant may have as a
24 result of its use and occupancy of the Premises, including, without limitation, any and all rights and/or
25 awards under any applicable Federal or state law. Landlord reserves the right to audit documentation of all
26 Cost of Fixed Improvements for the same period that the Authority is permitted to audit such documentation
27 as specified in Tenant's Agreement with the Authority. Tenant must cooperate in such an audit and provide
28 other supporting cost documentation (including books, records, documents and other evidence and
29 accounting procedures and practices sufficient to reflect properly all construction costs claimed to have been
30 incurred in performing Tenant's Work) upon request within 15 days after notice from Landlord. If Landlord
31 disagrees with the Tenant's determination of: (i) Cost of Fixed Improvements, or (ii) the reasonableness of
32 the cost of the item, or (iii) if supporting cost documentation is not sufficient, Landlord shall notify the
33 Tenant in writing. Tenant shall have 15 days following receipt of Landlord's notice in which to respond or
34 provide any additional information. After consideration of any response or additional information provided,
35 Landlord will make a reasonable final determination as to whether or not the construction costs will qualify
36 as Cost of Fixed Improvements and will be paid. For purposes of this Sublease, the Tenant's Cost of Fixed
37 Improvements shall be amortized by Tenant, depreciated monthly, using the straight-line method, over a
38 period not to exceed the balance of the Term of this Sublease or the useful life of each Fixed Improvement,
39 whichever period is shorter and the foregoing shall take into consideration the effect of accelerated
40 amortization, if any, granted to or taken by Tenant on its books or otherwise under the provisions of Section
41 168(a) of Title 26 USCA or similar legislation hereafter enacted. In addition to the foregoing, Tenant
42 understands and agrees that the Authority shall have the right to revoke Tenant's Agreement with the
43 Authority, without cause, at any time on 30 days written notice, which notice must be concurred in and
44 jointly subscribed by the Authority and Landlord and upon any such revocation, this Sublease shall be
45 automatically terminated. Upon the early termination of this Sublease by Landlord (or revocation of the
46 Agreement) as provided in this Section 6.04(b), other than by reason of Tenant's default, Tenant shall be
47 entitled to be reimbursed by Landlord for any unamortized investment in Fixed Improvements to the nearest
48 full month as established by its amortization period for Cost of Fixed Improvements. Tenant acknowledges
49 the right of the Authority to the same examination, audit and reproduction rights granted to Landlord in this
50 Section 6.04 or confirmed elsewhere herein.
51

1 (c) If Tenant elects to terminate this Sublease as provided in Section 6.04(a) due to the proposed
2 relocation of the Premises, this Sublease shall terminate on the effective date thereof as reasonably specified
3 by Landlord and Tenant shall remain liable for the payment of all Rentals and the performance of all other
4 accrued obligations of Tenant under this Sublease up to and including the effective date of such termination.
5 Under no circumstances shall Landlord or any other third party including the Authority have any obligation
6 to Tenant, nor shall Tenant be entitled to any payment from either Landlord or any other third party
7 including the Authority for the net book value of the Cost of Fixed Improvements or any other sums if
8 Tenant so elects to terminate this Sublease.
9

10
11 **ARTICLE VII**
12 **CONDUCT OF BUSINESS BY TENANT**
13
14

15 **Section 7.01 PERMITTED USE.** Tenant shall use the Premises only for the purpose of
16 conducting the business of selling only those items of merchandise and/or providing services specifically set
17 forth in the Data Sheet ("Permitted Use") and for no other use or purpose. Notwithstanding anything to the
18 contrary contained herein, including Tenant's Permitted Use, if Landlord reasonably determines that any
19 item displayed, offered for sale or sold by Tenant is objectionable or inappropriate for display or sale at the
20 Terminal and/or Airport, Tenant shall, within 2 days after delivery of Landlord's written notice to the
21 Premises, immediately remove such item from display and its inventory and Tenant shall not thereafter
22 display, offer for sale or sell any such objectionable or inappropriate item. If any governmental license or
23 permit shall be required for the proper and lawful conduct of Tenant's business or other activity conducted in
24 the Premises, or if a failure to procure such a license or permit might or would in any way adversely affect
25 Landlord, the Authority, the Terminal and/or Airport, then Tenant, at Tenant's expense, shall duly procure
26 and thereafter maintain such license or permit and submit the same for inspection by Landlord. Tenant, at
27 its expense, shall at all times comply with the requirements of each such license or permit.
28

29 **Section 7.02 OPERATION OF BUSINESS.** (a) Tenant agrees to be open for business and to
30 continuously and uninterruptedly operate in all of the Premises during the entire Term following the Rental
31 Commencement Date, to actively and diligently conduct its business at all times in a first class and reputable
32 manner, making every reasonable and lawful effort to develop, maintain and increase Tenant's business,
33 using best efforts to achieve maximum sales volumes, customer satisfaction and maintaining at all times a
34 complete stock of high quality merchandise. Tenant shall maintain a sufficient number of personnel to
35 service customers. All such personnel shall be knowledgeable, helpful to Terminal users, courteous,
36 efficient, neat in appearance and appropriately attired and shall not act in a loud, offensive or otherwise
37 objectionable manner. Tenant's employees shall wear name tags (or security badges, if required) at all
38 times. Tenant shall not employ at or about the Premises any person who shall use offensive language,
39 makes persistent announcements of its merchandise and/or services over loud speakers or whose conduct is
40 loud or offensive or otherwise detrimental to the best interests of the Terminal and/or Airport. Tenant also
41 agrees not to divert or allow or cause to be diverted any business from the Terminal and/or Airport. Tenant
42 agrees to accept at least 2 nationally recognized credit cards for payment of purchases made at the Premises
43 and Tenant shall offer all of its customers shipping of purchased products and gift wrap services (if
44 appropriate for the type and size of merchandise being requested to be gift wrapped) at cost. Tenant shall
45 not abandon or permanently vacate the Premises without the prior, advance written approval of Landlord.
46 For purposes hereof, "abandonment" shall mean closing the Premises to retail trade for 5 or more
47 consecutive days, unless other provisions hereof permit such closing. Tenant shall install and maintain at all
48 times a display of merchandise in the display windows, if any, as required herein and shall keep the display
49 windows well lighted. Tenant shall be obligated to be open for business and to operate continuously during
50 all hours established as Terminal retail concession business hours. Tenant understands and agrees that its
51 operation hereunder is a service to airline customers and the users of the Terminal and the Airport.

1 Notwithstanding the requirements set forth herein, Landlord shall have the right to make reasonable
2 objections to the number or quality of sales staff used by Tenant, the prices for merchandise sold or services
3 rendered, the number or quality of articles sold, the character of the service offered to the public, responses
4 to customer complaints and the appearance and condition of the Premises. Tenant agrees to take reasonable
5 steps to promptly comply with Landlord's reasonable objections. If Tenant fails to comply with any of the
6 provisions of this Section 7.02(a), then Tenant shall pay, within 5 days after notice thereof and failure to
7 cure the same, Additional Rent in the amount of \$100.00 per day until such time as Tenant is in compliance
8 with this Section 7.02(a). This remedy shall be in addition to any and all other remedies provided herein or
9 by law to Landlord. Failure by Tenant to be open for business and to operate shall entitle Landlord, in
10 addition to other remedies provided in this Section 7.02, this Sublease or by law, to mandatory injunctive
11 relief if awarded by a court of competent jurisdiction. Without limiting the generality of the foregoing,
12 Landlord shall be the sole judge of which hours and days shall be Terminal retail concession business hours
13 and days.
14

15 (b) Tenant, at its expense, shall promptly comply with all present and future laws, ordinances,
16 orders, rules, regulations, applicable business licenses and requirements of Landlord and the Authority and
17 all governmental authorities having jurisdiction affecting or applicable to the Premises or the cleanliness,
18 safety, occupancy and use of the same, whether or not any such law, ordinance, order, rule, regulation or
19 requirement is foreseen or unforeseen, ordinary or extraordinary, shall necessitate changes or improvements
20 (other than structural changes or structural improvements) and/or interfere with the use and enjoyment of the
21 Premises. Tenant shall promptly correct any deficiencies reported by Landlord, the Authority and all other
22 governmental authorities having jurisdiction. Tenant shall not do or permit anything to be done in or about
23 the Premises, nor bring anything therein, which will in any way conflict with any such law, ordinance,
24 order, rule, regulation or requirement affecting the occupancy or use of the Premises or the Terminal which
25 has been or may hereafter be enacted or promulgated by Landlord and the Authority and all governmental
26 authorities, or in any way obstruct or interfere with the rights of others, nor shall Tenant use or allow the
27 Premises to be used for any improper, immoral or objectionable purposes or do any act tending to injure the
28 reputation of the Terminal and/or Airport. No auction, liquidation, going out of business, fire or bankruptcy
29 sale may be conducted or advertised by sign or otherwise in the Premises. Tenant shall not permit the
30 installation or operation of any coin operated or vending machines or pay telephones in the Premises,
31 including, but not limited to, rental of cellular phones, facsimile machines and other public communication
32 devices, sales of entertainment event tickets and lottery tickets and reservations for ground transportation,
33 hotels or other lodging. Tenant shall not sell or display any merchandise except within the areas outlined in
34 the Tenant Design Criteria and Handbook unless such sale or display shall be expressly approved on the
35 Final Drawings or otherwise approved by Landlord, in writing, except that Tenant shall be permitted to
36 display merchandise in the display windows, if any. Tenant shall not use the areas adjacent to or outside the
37 Premises for business purposes or any other purposes, including the display and sale of merchandise,
38 products or services in any areas outside of the Premises without Landlord's advance written approval,
39 which approval may be withheld in Landlord's sole discretion. Tenant shall not store anything in service or
40 exit corridors. All receiving and delivery of goods and merchandise for the Premises, and all removal of
41 merchandise, supplies, equipment, trash and debris and all storage of trash and debris from the Premises
42 shall be made only by way of or in the areas provided therefor. No trash, trash containers, hand trucks,
43 carts, racks or movable fixtures designed for the movement of merchandise and/or trash within the Premises
44 or to or from the Premises may be left unattended in the storefront, corridors or other public areas, nor may
45 such items or devices in non-public areas be visible from public areas of either the Premises or the Terminal.
46 Tenant shall be solely responsible for prompt disposal within the Premises or in such areas as may be
47 provided for such disposal of all trash and debris from the Premises. Tenant shall not use or permit the use
48 of any portion of the Premises for any unlawful purposes or, except as specifically permitted in Section 7.01.
49 Tenant shall not install any radio, television, communication dish or other similar device or related
50 equipment exterior to the Premises, shall not cause or make any penetration of the roof of the Premises or
51 the building in which the Premises is located and shall not erect any aerial or antenna on the roof or exterior

1 walls of any building within the Terminal. Tenant, at its sole cost and expense, shall contract directly with a
2 pest control service reasonably acceptable to Landlord at such intervals as Landlord may require. If Tenant
3 shall fail to comply with any of the provisions of this Section 7.02(b), then Tenant shall pay, within 10 days
4 of demand therefor by Landlord, Additional Rent in the amount of \$100.00 per day until such time as
5 Tenant is in compliance. This remedy shall be in addition to any and all other remedies provided in this
6 Sublease or by law to Landlord.
7

8 (c) Tenant acknowledges that although it is subleasing the Premises directly from Landlord, the
9 Authority controls the overall operations at the Airport and has the right, pursuant to the Terminal C Lease,
10 the Agreement and state and Federal laws and regulations, including the Authority's rules and regulations,
11 to regulate and control certain aspects of Tenant's operations at the Premises including but not limited to the
12 matters listed below in this Section 7.02(c):
13

14 (i) The Authority has the right to control the hours of operation of all retail concessions at the
15 Terminal including the hours of operation of Tenant. The hours of operation of retail concessions such as
16 Tenant's operation are at a minimum from 7:00 AM to 10:00 PM, local time, 7 days a week, 365 days a year
17 or other hours necessary to service the earliest daily incoming and outgoing flights and the latest daily
18 incoming and outgoing flights except as may otherwise be approved in writing by Landlord. These hours of
19 operation are subject to permanent modification at the sole discretion of Landlord upon 15 days advance
20 notice to Tenant (if Landlord determines that passenger traffic conditions, flight scheduling, flight delays or
21 other considerations make it necessary, in the reasonable opinion of Landlord, services shall be available at
22 times not then scheduled). For tenants whose Permitted Use authorizes the primary sale of news and
23 sundries items, the hours of operation for news and/or news and sundries concessions shall be a minimum of
24 16 hours each day, 7 days a week, 365 days a year with the opening for business each day at least 30
25 minutes before the departure time of the earliest scheduled commercial flight and with the closing for
26 business each day not less than 30 minutes after the departure time of the latest scheduled commercial flight.
27 Any modifications to the required operating hours that may be requested from time to time by Tenant shall
28 be subject to Landlord's prior written approval determined in its discretion. Tenant agrees to otherwise
29 abide by all hours of operation as set by Landlord. Tenant shall assure that a local representative of Tenant
30 is available, by telephone, on a 24 hour per day, 7 day per week, basis in case of emergencies and Tenant
31 shall notify Landlord of the name and telephone number of such representative and shall update such
32 information promptly as necessary.
33

34 (ii) The Authority and Landlord require (and Tenant acknowledges that the Authority has the legal
35 right to so require) that Tenant provide to customers high quality products and competitively price all
36 products sold from the Premises such that the retail prices are the same as or are comparable to average
37 "street" prices for comparable brands sold by retailers in the Port of New York District so that customers do
38 not expect to pay more for products and services in the Terminal than they would for average prices in
39 locations outside the Terminal. Tenant agrees to adjust its prices to ensure that they meet the "street"
40 pricing criteria in accordance with the Authority's pricing policy and enforcement guidelines without any
41 further notice or immediately upon written notice from Landlord if Tenant is not in compliance therewith.
42 Prior to opening for business, Tenant agrees to supply to Landlord a detailed list of all products and services
43 to be offered at the Premises and the prices to be charged therefor. Tenant agrees to continue to provide this
44 data on a quarterly basis throughout the Term hereof. Tenant shall, at all times, observe and comply with
45 the pricing policy as set forth in Exhibit H. Further, for the benefit of the users of the Terminal, Landlord
46 has the right to promote a "free market" competitive environment within the Terminal and, to the extent
47 possible, Landlord may cluster concession operators with similar products and services in groups to help
48 stimulate competition, provide superior service and competitive pricing, and under no circumstances shall
49 Tenant or any other subtenants of Landlord within the Terminal receive any type of "exclusives" or
50 protection related thereto.
51

1 (iii) Tenant agrees that after it has taken delivery of the Premises, it will contact Landlord on all
2 operational matters pertaining to its occupancy including but not limited to the following areas: (a) hours of
3 operation, (b) employee parking and security requirements, (c) customer inquiries and complaints, (d)
4 facility maintenance issues, (e) utility services, and (f) staffing issues.
5

6 (iv) To ensure that Tenant is in compliance with the quality of products, pricing and service
7 standards set forth in this Section 7.02(c), and the Authority's objectives are met, Landlord, the Authority or
8 an agent of either thereof may perform service audits, such as "surprise shopper programs," of the conduct
9 of Tenant's operation in the Premises at any time. The results of such service audits performed on behalf of
10 either Landlord or the Authority may be employed by Landlord to enforce Tenant's obligations hereunder.
11

12 **Section 7.03 HAZARDOUS MATERIALS.** (a) Tenant shall not generate, store, handle or
13 dispose of any oil or any hazardous waste or hazardous substances, and shall not permit the generation,
14 storage, handling or disposition of any oil, hazardous waste or hazardous substances, in, on, about or from
15 the Premises by Tenant in any manner contrary to Federal, state, or local environmental laws and
16 regulations (collectively, "Environmental Laws"), including, without limitation, 42 U.S.C. § 9601 *et. seq.*,
17 49 U.S.C. § 1801 *et. seq.*, 42 U.S.C. § 6901 *et. seq.*, 15 U.S.C. § 2601 *et. seq.*, 42 U.S.C. § 7401 *et. seq.* and
18 33 U.S.C. § 1251 *et. seq.* all of which are Federal Environmental Laws as well as state Environmental Laws,
19 all as presently in effect and as the same may be hereafter amended, any regulation pursuant thereto, or any
20 other present or future Environmental Laws or laws, rules, ordinances, regulations, orders or directives
21 addressing environmental, safety or health issues of or by any governmental authority, including the
22 Authority, having proper jurisdiction. Tenant agrees to immediately notify Landlord, the Authority and the
23 Airport Fire Department in the event Tenant becomes aware of any such generation, release, threatened
24 release, storage, handling or disposal of oil, hazardous waste or hazardous substances. Tenant shall
25 promptly respond to and clean up any release or threatened release of oil, hazardous waste or hazardous
26 substances which are the result of Tenant's actions into the drainage systems, soils, groundwater, water,
27 atmosphere or any other part of the Airport in a safe manner in accordance with applicable Environmental
28 Laws and disposed of properly in compliance with applicable Environmental Laws at Tenant's sole cost and
29 expense. For purposes of this Section 7.03, the terms oil, hazardous waste and hazardous substances shall
30 have the meanings subscribed to them in any such Federal or state Environmental Laws and the term Tenant
31 shall include, without limitation, Tenant and its employees, contractors, subcontractors, licensees,
32 concessionaires, subtenants, assigns or agents. Notwithstanding the foregoing, Tenant shall be permitted to
33 use minimum and safe amounts of cleaning fluids in the ordinary course of its business and to sell products
34 that may contain minimum and safe amounts of hazardous materials in the ordinary course of its business
35 provided Tenant complies in all respect with all Environmental Laws governing the use or sale thereof.
36

37 (b) If a lien is filed against Tenant's leasehold interest, the Premises, the Terminal or the Airport
38 relating to Tenant's violation of any Environmental Laws, then Tenant shall, within 10 days or such shorter
39 period as may be required under any Environmental Laws, or if a governmental authority has commenced
40 steps to cause any of the foregoing to be sold pursuant to such lien, either: (i) immediately pay the claim and
41 remove the lien; or (ii) immediately furnish a cash deposit, bond or such other security as is satisfactory in
42 all respects to Landlord and the Authority and legally sufficient to effect a complete discharge of such lien.
43

44 (c) Landlord, at its cost, reserves the right to conduct annually an environmental audit of the
45 Premises and Tenant's operations, equipment, facilities and fixtures thereon. It shall be a default hereunder
46 if the resulting audit report reveals non-compliance or violations by Tenant of any Environmental Laws.
47

48 (d) Except with respect to Landlord's or the Authority's direct violation of Environmental Laws,
49 Tenant (as a corporate, partnership or joint venture entity and not personal to Tenant's employees unless
50 Tenant is an individual or operating the business in the Premises as a sole proprietorship) hereby agrees to
51 indemnify, defend and hold harmless Landlord, the Authority, their respective affiliates, parent corporations,

1 subsidiaries, partners, management companies, and the agents, employees, officers, commissioners,
2 directors and contractors of any of them from and against any and all loss, claims, demands, penalties,
3 causes of action, fines, settlements, damages, costs and expenses of whatever kind or nature (including
4 reasonable attorneys' and consultants' fees and expenses, investigation and laboratory fees and expenses,
5 court costs and litigation expenses) arising directly or indirectly out of or in any way related to (i) any
6 default by Tenant of this Section 7.03, (ii) any violation or failure to comply by Tenant with any of the
7 Environmental Laws, (iii) any personal injury (including death) or property damage as a result of Tenant's
8 willful misconduct, negligence, or other actions or omissions including, but not limited to, Tenant's use and
9 occupancy of the Premises, and (iv) any litigation brought or threatened by any governmental authority as a
10 result of Tenant's willful misconduct, negligence, or other actions or omissions including, but not limited to,
11 Tenant's use, occupancy and the conduct of its business in the Premises. As used herein "costs and
12 expenses" shall also include, in addition to those set forth above, costs associated with administrative and
13 judicial proceedings, costs arising from any lien, costs of any remedial actions and business interruption
14 resulting from any remediation, or any executive, administrative or judicial order. This indemnification
15 shall constitute the personal recourse undertaking, obligation and liability of Tenant (as a corporate,
16 partnership or joint venture entity and not personal to Tenant's employees unless Tenant is an individual or
17 operating the business in the Premises as a sole proprietorship). The obligations set forth in this Section
18 7.03 shall survive the expiration or earlier termination of this Sublease.

19
20
21 **ARTICLE VIII**
22 **PUBLIC AREAS**
23

24
25 **Section 8.01 OPERATION AND MAINTENANCE OF PUBLIC AREAS.** Landlord shall
26 cause to be operated and maintained during the Term all public areas to the extent required in the Terminal
27 C Lease. The manner in which such public areas and facilities are operated and maintained, and the
28 expenditures therefor, shall be at Landlord's sole discretion. The use of such public areas and facilities shall
29 be subject to reasonable rules and regulations as the Authority or Landlord may make from time to time.
30

31 **Section 8.02 USE OF PUBLIC AREAS.** The term "public areas" as used herein shall mean, to
32 the extent provided by Landlord, all improved areas within the Terminal which are not devoted to the
33 exclusive use by any airline, tenant or other occupant occupying space in the Terminal including, without
34 limitation, public transportation loading and unloading facilities, pedestrian walkways and horizontal
35 pedestrian movers, delivery areas, landscaped areas, community rooms, elevators, escalators, stairs and
36 ramps, public restrooms and comfort stations, service areas, service and fire exit corridors, passageways and
37 those areas adjacent to the Terminal containing parking facilities. Tenant shall have as appurtenant to the
38 Premises the right to the non-exclusive use in common with others all public areas and facilities in the
39 Terminal as designated as such by Landlord from time to time, and such reasonable access, during Tenant's
40 normal operating hours, to the Premises. Such appurtenant rights shall be subject to such reasonable rules,
41 regulations, fees and security directives from time to time established by the Authority or Landlord by
42 suitable notice. Landlord shall have the right, but not the obligation, from time to time, to modify the public
43 areas, remove portions of the public areas from common use, to permit entertainment events, advertising
44 displays, educational displays and other displays in the public areas that in Landlord's judgment tend to
45 attract the public, and to allow Landlord to lease retail merchandising units or temporary pushcarts or carts
46 ("RMUs"). If Landlord determines in its discretion to place RMUs in the public areas near the Premises,
47 such placement shall not be within 10 feet of Tenant's storefront entrance and shall not materially interfere
48 with ingress or egress to the Premises by the public. Tenant shall not be entitled to any credit for income
49 earned by Landlord with respect to the public areas. Tenant and its employees shall not park their cars or
50 any other vehicles in the parking facilities except in the areas specifically designated by Landlord for
51 employee parking. There is no free parking at the Airport for Tenant or any of Tenant's employees,

1 contractors or customers. Tenant and its agents, employees, contractors or subcontractors shall comply with
2 the Authority's rules and regulations with respect to parking as the same may be amended or modified from
3 time to time and will be subject to any enforcement action (including towing) pursued by the Authority's
4 airport police without any notice thereof. Tenant shall indemnify, defend and hold harmless Landlord and
5 the Authority and their employees, agents, and representatives from and against any and all claims of the
6 employee and/or owner of any vehicle so towed. Landlord or the Authority may at any time close any
7 public areas to make repairs or changes, to prevent the acquisition of public rights in such area, to use areas
8 for attendant or valet parking, and may do such other acts in and to the public areas as in its judgment may
9 be desirable.

10
11 **Section 8.03 LOADING DOCK, DELIVERIES AND TENANT'S SHARE OF THE**
12 **MAINTENANCE SUPPORT REIMBURSEMENT CHARGE.**

13 Tenant agrees to pay directly to
14 Landlord, as Additional Rent for the benefit of Landlord or its designees, a "Maintenance Support
15 Reimbursement Charge" as further described in this Section 8.03.

16 (a) All outside deliveries of supplies, materials, inventory or merchandise required to support the
17 operations of Tenant under this Sublease shall be made to the loading dock area controlled by Landlord or
18 its designee. No deliveries of any items shall be made by any persons or entities directly to the Premises
19 without the prior written authorization of Landlord and if given by Landlord, Landlord shall have the right
20 to revoke any such authorization at any time and for any reason. Tenant shall be advised by Landlord or its
21 designee of all shipments for all items received at the loading dock area and Tenant shall be responsible, at
22 its sole cost and expense, for promptly transporting all of such items from the loading dock area to the
23 Premises. All equipment to be utilized, methods of operation and employment of personnel shall be at the
24 sole determination of Landlord as they relate to the transporting of supplies, materials, inventory or
25 merchandise in the Terminal and at the Airport and shall be in compliance with all applicable federal, state
26 and local laws, regulations and ordinances as well as all Airport rules and regulations promulgated from
27 time to time by Landlord or the Authority.

28
29 (b) The loading dock area controlled by Landlord is located within the airfield of the Airport and is
30 subject to all post-security regulations with respect to access to secured areas in airports in the United States.
31 Therefore, all outside delivery vehicles will have to be escorted to the loading dock by the badged escort
32 delivery service personnel and vehicles. Landlord, in its discretion, shall have the right to establish rules
33 and regulations with respect to such outside deliveries including, but not limited to: (i) restrictions on
34 delivery times (days and hours) and the time in which any vehicle may remain in the loading dock area; (ii)
35 methods of delivering supplies, materials, inventory or merchandise from the loading dock to the Premises
36 such as pallet or plastic wrap requirements; and (iii) delivery escort guidelines, rules, instructions and
37 training if so required which must be complied with by Tenant and all transportation companies and vendors
38 delivering any such items to the loading dock area. Landlord may deny access or require any vehicle to be
39 removed for failure to follow any such rules, regulations and guidelines that may be established by Landlord
40 from time to time.

41
42 (c) Tenant shall pay to Landlord, as Additional Rent in the manner and at the place hereinafter
43 provided, Tenant's proportionate share of the Maintenance Support Reimbursement Charge as follows:
44 (collectively, "Operating Costs and Expenses"): all costs and expenses of every kind or nature paid or
45 incurred by Landlord with respect to the loading dock area which services all of the concession facilities,
46 including the Premises, within the Terminal. By way of example, Operating Costs and Expenses shall
47 include, but not be limited to, the full cost and expense of: (1) all trash removal services in the loading dock
48 area; (2) all labor costs, both supervisors (including both on-site and independent third party off-site
49 supervisory personnel, if any) and personnel, for persons employed to clean the loading dock area and the
50 area surrounding the trash dumpsters as well as the cost of uniforms and identification badges for all of such
51 personnel; (3) all labor costs, both supervisors (including both on-site and independent third-party off-site

1 supervisory personnel, if any) and personnel, for persons employed to operate the loading dock area and to
2 maintain, repair and/or replace loading dock area equipment as well as the cost of uniforms and
3 identification badges for all such personnel; (4) all labor costs, both supervisors (including both on-site and
4 independent third party off-site supervisory personnel, if any) and personnel, for persons employed to
5 operate the vehicle escort delivery service across the airfield and to maintain, repair and/or replace the escort
6 delivery service equipment as well as the cost of uniforms and identification badges for all such personnel;
7 (5) the cost to purchase, operate, maintain, repair and/or replace all equipment and other items necessary for
8 the operation of the loading dock area and escort delivery service to include, but, not be limited to, all trash
9 dumpsters and other trash removal equipment and supplies, all loading dock area equipment such as lifts,
10 doors, dollies, etc., common use doors, loading dock area office equipment, escort delivery service
11 equipment and vehicles; and (6) any and all other direct costs and expenses which Landlord deems
12 reasonably necessary or desirable in order to properly operate and maintain the loading dock area and escort
13 delivery service in an efficient and acceptable manner. With respect to the cost of any procurement of
14 equipment and other items necessary for the operation of the loading dock area and escort delivery service,
15 Landlord shall use commercially reasonable efforts to control such costs. Except as specifically set forth in
16 this Section 8.03(c), Landlord understands and agrees with Tenant that the Maintenance Support
17 Reimbursement Charge shall not include a fee for Landlord's internal administrative expenses.
18

19 (d) The proportionate share so to be paid by Tenant shall be that portion of Operating Costs and
20 Expenses which the number of square feet of Floor Area in the Premises bears to the total number of square
21 feet of Floor Area of gross leased and occupied Floor Area of all concession facilities in the Terminal
22 subleased by Landlord; provided, however, any vacant Floor Area excluded shall not exceed twenty percent
23 (20%) of the gross leaseable Floor Area of all such concession facilities in the Terminal subleased by
24 Landlord but such restriction on the exclusion of vacant space, if any, shall not be applicable until Landlord
25 has completed the approximate 2 year phase-in schedule with respect to the implementation of the new retail
26 concession program in the Terminal. The gross leased and occupied Floor Area in effect for the whole of
27 any Lease Year shall be the average of the gross leased and occupied Floor Area on the 1st day of each
28 calendar month in such Lease Year.
29

30 (e) Tenant's proportionate share of Operating Costs and Expenses for the Maintenance Support
31 Reimbursement Charge following the Rental Commencement Date shall be paid to Landlord as Additional
32 Rent in equal, consecutive monthly installments on or before the 1st day of each calendar month, in
33 advance, in an amount estimated by Landlord from time to time. Subsequent to the end of each Lease Year,
34 Landlord shall furnish Tenant with a detailed statement of Tenant's proportionate share of such Operating
35 Costs and Expenses for such period showing general method of computing such proportionate share. Tenant
36 shall not have any inspection or audit rights of any of Landlord's books and records pertaining to Operating
37 Costs and Expenses and the Maintenance Support Reimbursement Charge and Tenant hereby expressly
38 waives any rights, whether by statute or otherwise, to conduct any such inspection or audit. If the total
39 amount paid by Tenant under this Section 8.03 for any such Lease Year shall be less than the actual amount
40 due for any such Lease Year as shown on Landlord's statement, Tenant shall pay the difference between the
41 amount paid and the actual amount due, within 30 days after the furnishing of each such statement. If the
42 total amount paid by Tenant under this Section 8.03 for any such Lease Year shall exceed the actual amount
43 due for such Lease Year, such excess shall be credited against the next payment(s) due from Tenant to
44 Landlord for Operating Costs and Expenses under this Sublease. If at the end of the Term of this Sublease,
45 the total amount paid by Tenant under this Section 8.03 for such final Lease Year shall exceed the actual
46 amount due for such final Lease Year, such excess shall be refunded to Tenant within 60 days after Tenant
47 has vacated the Premises in the condition required at the conclusion of this Sublease and all Rentals and
48 other sums due Landlord from Tenant under this Sublease have been paid in full or Landlord shall be
49 entitled to deduct any such remaining sums due from any such excess. Landlord may estimate the annual
50 budget and charge the same to Tenant on a monthly basis, subject to revision of the budget from time to
51 time and final annual adjustment based upon actual Operating Costs and Expenses for the Maintenance

1 Support Reimbursement Charge. Notwithstanding anything herein to the contrary, there will be no
2 duplication in charges to Tenant in this Section 8.03 under any other provisions of this Sublease; and,
3 provided, further, although the Operating Costs and Expenses shall be adjusted each Lease Year as
4 determined in Landlord's reasonable discretion, Tenant's proportionate share thereof shall not exceed 115%
5 of the Operating Costs and Expenses for the immediately preceding Lease Year then ended following
6 completion of the approximate 2 year phase-in schedule with respect to the implementation of the new retail
7 concession program in the Terminal.
8
9

10 **ARTICLE IX**
11 **SIGNS**
12
13

14 **Section 9.01 TENANT'S SIGNS.** The design, construction, location, use and maintenance of
15 Tenant's signs (whether blade or band signs) are subject to the provisions of the Tenant Design Criteria and
16 Handbook and the approved Final Drawings. Tenant shall affix a sign to the exterior surface of the
17 storefront of the Premises located inside the Terminal, subject to the advance approval of Landlord and the
18 Authority. Tenant shall pay all costs of fabricating, constructing, operating and maintaining such sign.
19 Tenant shall keep said sign well lighted during such hours as Landlord shall designate and shall maintain
20 said sign in good condition and repair during the entire Term hereof. Said sign shall conform to the criteria
21 for signs contained in the approved Final Drawings and the Tenant Design Criteria and Handbook, and the
22 size, content, design and location thereof shall be subject to the prior written approval of Landlord and the
23 Authority. Except as hereinabove mentioned, Tenant shall not place or cause to be placed, erected or
24 maintained on any exterior door, wall, window or the roof of the Premises, or on the interior or exterior
25 surface of the glass of any window or door of the Premises, or on any sidewalk or other location outside the
26 Premises, or within any display window space in the Premises, or within one foot of the front of the
27 storefront leaseline, whether or not there is display window space in the Premises, or within any entrance to
28 the Premises, any sign (flashing, moving, hanging, handwritten, or otherwise), decal, placard, decoration,
29 flashing, moving or hanging lights, lettering, or any other advertising matter of any kind or description;
30 provided, that subject to the prior written approval of Landlord with respect to design and placement, Tenant
31 may place decals relating to charge cards accepted and alarm system used for safety purposes on glass
32 storefronts where warranted. No symbol, design, name, mark or insignia adopted by either Landlord or the
33 Authority for the Terminal or the Airport shall be used without the prior written consent of Landlord and/or
34 the Authority. All signs located in the interior of the Premises shall be in good taste so as not to detract from
35 the general appearance of the Premises and Terminal. If Tenant shall be in default of this Section 9.01
36 which is not cured within 48 hours after notice, Tenant shall pay as Additional Rent the sum of \$100.00 for
37 each day of default in order to reimburse Landlord for the additional administrative expenses resulting
38 therefrom.
39

40 **Section 9.02 TENANT'S DISPLAY WINDOWS.** Tenant acknowledges and agrees that the
41 condition and appearance of its interior advertising stanchions and display windows facing into or in any
42 manner visible from the Terminal property including exterior glass windows (if any) is important and
43 significant to both Landlord and the Authority. If Tenant installs such interior advertising display
44 stanchions or window display or any signs in the window display facing into or in any manner visible from
45 the public areas of the Terminal which either Landlord or the Authority reasonably determines to be
46 objectionable to the general character and appearance of the Terminal, Tenant agrees to remove the
47 stanchions, window display and/or signs within 2 days after notice. If Tenant fails or refuses to remove such
48 stanchion, window display or sign, Tenant hereby grants Landlord the right to remove the stanchion, display
49 or sign at the Tenant's expense. Tenant agrees that its interior advertising display stanchions and display
50 windows will be designed and printed in a professional manner and will contain only first class
51 merchandise. Under no circumstances shall any temporary signs or displays be used by Tenant including

1 any employment opportunity signs. Temporary holiday decorations shall also be designed and printed in a
2 professional manner.

3
4
5 **ARTICLE X**
6 **MAINTENANCE AND REPAIRS**
7

8
9 **Section 10.01 LANDLORD'S OBLIGATIONS FOR MAINTENANCE.** Landlord shall keep
10 and maintain the Terminal property, which is not part of the Premises, and the roof (excluding any skylights,
11 Tenant installed rooftop HVAC units and/or roof penetrations made by Tenant, any of which shall only be
12 permitted with Landlord's prior written consent and subject to the TAA process), structural elements and
13 structural foundation and the exterior surface of the exterior walls of the building in which the Premises is
14 located (exclusive of storefronts, doors, door frames, door checks, other entrances, windows or window
15 frames which are part of the Premises or which are not part of the public areas of Terminal), the public areas
16 of the Terminal adjacent to the Premises in good repair, except that Landlord shall not be required to
17 undertake any maintenance or repair required or occasioned by any act, negligent act or omission to act of
18 Tenant, its agent, employees, licensees, contractors or subcontractors or caused by any alteration, addition,
19 construction or improvement by Tenant, its agents, employees, licensees, contractors or subcontractors.
20 Such maintenance of the Terminal required by Landlord herein shall be maintained in a condition which
21 Landlord determines for the proper operation thereof, determined in Landlord's sole discretion, but only to
22 the extent required of Landlord under the Terminal C Lease. Landlord shall not be called upon or required to
23 make any other improvements or repairs of any kind upon the Premises and appurtenances, except as
24 specifically required under this Sublease. In no event shall Landlord be liable for any damages, whether
25 consequential damages or otherwise or lost profits claimed to be caused by any failure of maintenance or
26 repair by Landlord and nothing contained in this Section 10.01 shall limit Landlord's right to reimbursement
27 from Tenant for maintenance costs, repair costs and replacement costs confirmed elsewhere in this Sublease.
28

29 **Section 10.02 TENANT'S OBLIGATIONS FOR MAINTENANCE.** (a) Except as provided in
30 Section 10.01, Tenant, at Tenant's sole cost and expense, shall keep and maintain in a first-class appearance,
31 in a "like new" condition equal to or better than that which existed when Tenant initially opened the
32 Premises for business, reasonable wear and tear and damage by fire and other casualty excepted, and in a
33 safe, clean, neat, sanitary and lawful order, good condition and repair (including replacement of parts and
34 equipment, if necessary), the Premises and every part thereof and any and all appurtenances thereto
35 wherever located, including, without limitation, surfaces of all walls, windows and window casings and sills
36 (both interior and exterior), the interior and exterior portion of all doors, door frames and door checks, other
37 entrances, plate glass (except outside surfaces of windows, window casings and sills located on the exterior
38 of the Terminal building, if any), storefronts, wall coverings, floor coverings, ceilings, relamping and/or
39 replacement of light fixtures, trade fixtures, Fixed Improvements, Operating Equipment, HVAC and
40 electrical and other utility systems and utility branch lines exclusively serving the Premises (whether or not
41 located within the Premises), sprinkler systems and sprinkler heads exclusively serving the Premises
42 (whether or not located within the Premises), and all other repairs, replacements, renewals, restorations,
43 interior and exterior, ordinary and extraordinary, foreseen and unforeseen that relate to all work by or on
44 behalf of Tenant pursuant to Article V, Article VI, Exhibit B and the Tenant Design Criteria and Handbook.
45

46 (b) Tenant shall keep and maintain the Premises in a first-class, like-new, clean, neat, safe and
47 sanitary condition in accordance with applicable Landlord and/or Authority regulations and all directions,
48 rules and regulations of the applicable health, fire and building inspector officials or other proper officials of
49 governmental agencies having jurisdiction. Tenant shall comply with all requirements of laws, ordinances
50 and otherwise affecting the Premises at Tenant's sole cost and expense, including complying with the
51 requirements of any insurance underwriters, inspection bureaus or similar agencies designated in writing by

1 either Landlord or the Authority upon suitable notice. Tenant shall promptly undertake and complete
2 diligently any repair, replacement or maintenance to any of the foregoing as may be considered reasonably
3 necessary by Landlord or the Authority with materials and labor reasonably approved by Landlord. At the
4 end of the Term or upon the earlier termination of this Sublease, Tenant shall surrender the Premises broom-
5 clean and in good order, condition and repair, reasonable wear and tear and damage by fire, loss or other
6 casualty not covered or required to be covered by Tenant's insurance or not otherwise attributable to
7 Tenant's fault or negligence excepted.
8

9 (c) Tenant's maintenance and repair of the Premises is an obligation which runs directly to Landlord
10 and the Authority (per Tenant's Agreement with the Authority) and includes all of the following duties:
11

12 (i) Tenant, at its own expense, shall install and maintain fire extinguishers, fire hoses and other fire
13 protection devices as may be required by Landlord, the Authority, the applicable fire marshal official and
14 any agency having jurisdiction thereof or by the insurance underwriter insuring the Terminal.
15

16 (ii) Tenant shall obtain Landlord's prior written approval of the materials used in any plate glass or
17 window glass installation, repair or replacement and Contractor performing any such repair and replacement
18 (the foregoing is subject to Landlord's sole discretion).
19

20 (iii) Tenant, at all times and at its sole cost and expense, shall use the Premises with care.
21 Maintenance, repairs and replacements shall be accomplished as necessary to maintain the Fixed
22 Improvements and Operating Equipment and trade fixtures in good condition. Tenant shall repaint, retile,
23 recarpet or replace wall coverings, floor coverings and ceiling coverings as reasonably necessary, and high
24 traffic areas shall be repainted, retiled, recarpeted on a regular basis or as otherwise reasonably directed by
25 Landlord to maintain a high quality, first-class appearance; and all furniture and furnishings that become
26 worn or torn shall be promptly replaced as necessary.
27

28 (iv) Tenant, at its own expense, shall provide complete and adequate arrangements for the sanitary
29 handling and disposal of all trash, garbage, recycling materials and other refuse generated in the Premises,
30 including suitable receptacles situated in locations determined by Landlord. Such shall be removed at times
31 and in a manner which will cause minimum interference with the use of the Terminal by the public and
32 other authorized persons. Tenant shall be required to participate in Landlord's recycling program, if any, as
33 appropriate. Tenant shall also furnish, at its own expense, custodial services for the Premises. Piling of
34 boxes, cartons, containers or other similar items in the public areas or in the Premises is not permitted.
35

36 (v) With respect to utility systems and lines servicing the Premises, (a) in areas where such utility
37 systems and lines serve other areas in the Terminal in addition to the Premises, Tenant shall only be
38 responsible for the maintenance of the utility branch systems and utility branch lines located within or
39 exclusively serving the Premises, (b) where utility systems and lines are installed by Tenant and solely for
40 its use, Tenant shall solely be responsible for the maintenance, repair and replacement thereof from the
41 Premises up to the Landlord - maintained main utility systems or lines or to the shut-off valves located in the
42 Terminal, as appropriate, (c) Tenant shall have sole responsibility for the maintenance, repair and
43 replacement, as necessary, of all electrical, telephone, data transmission and other communication cables,
44 conduits, wiring, fire alarm systems and protection devices, wiring panels and associated equipment located
45 within or exclusively serving the Premises. The Authority reserves the right to maintain, repair or replace
46 any such utility systems and lines to the extent of its rights under the Terminal C Lease.
47

48 (vi) Tenant shall prepare a comprehensive preventive maintenance program for all equipment and
49 lines that it is responsible for maintaining and submit the same to Landlord and shall maintain such program
50 on a current basis. Tenant shall report all malfunctions to all systems, lines, devices and equipment installed
51 or located within the Premises to Landlord in accordance with the Authority's regulations and as promptly

1 as possible after discovery and provide timely notice to Landlord as required by this Sublease with respect
2 to maintenance issues.

3
4 (vii) All repairs, replacements and maintenance by Tenant hereunder shall comply with all of the
5 applicable provisions of the Authority's TAA process, as the same may be amended from time to time by
6 the Authority in its sole discretion, shall be performed in accordance therewith and with the applicable
7 provisions of the Tenant Design Criteria and Handbook and shall be subject to the Landlord's prior written
8 approval (except in the case of emergencies when only prior notice to Landlord shall be required), such
9 approval to be determined in Landlord's sole discretion. All such maintenance, repairs and replacements
10 shall be of a quality equal to the original in materials and workmanship, Landlord shall have the right to
11 disapprove any improvements, replacements or alterations which, in its judgment, are of a design, quality,
12 condition or in any color or in any other way deemed to be inconsistent with the Tenant Design Criteria and
13 Handbook, the Authority's TAA process or the general character and design of the Terminal.

14
15 (viii) Landlord, the Authority, or both, reserve the right to interrupt temporarily, the heating, air
16 conditioning, plumbing, fire sprinkler and electrical services when necessary to make repairs, alterations,
17 replacements or improvements thereto. Neither the Authority nor Landlord shall have any responsibility or
18 liability to Tenant (including consequential damages and lost profits) for failure to supply heat, air
19 conditioning, all other utilities or plumbing or, when prevented from doing so by laws, orders or regulations
20 of any federal, state or local agency as a result of strikes, accidents, force majeure or by any other cause
21 whatsoever beyond Landlord's or the Authority's control. Landlord shall provide Tenant with as much
22 advance notice as reasonably possible and under the circumstances shall use reasonable efforts to avoid
23 interrupting Tenant's business operations except as deemed necessary by Landlord or the Authority.

24
25 **Section 10.03 RIGHTS OF THE AUTHORITY AND LANDLORD.** If at any time Tenant
26 shall fail to comply with any of its obligations under Section 10.02 hereof, Landlord reserves the right to
27 perform and complete such maintenance, repairs, replacements or alterations after notice to Tenant of its
28 default thereunder and Tenant's failure to timely cure the same, and charge back to Tenant the full cost
29 thereof, plus appropriate administrative fees, for such work performed on behalf of Tenant. Landlord or the
30 Authority, without prior notice to Tenant, may enter the Premises and make inspections as often as it
31 considers necessary, to determine the proper maintenance of the Premises by Tenant. Further, Landlord
32 reserves the right to interrupt, temporarily, all utility services provided by Landlord when necessary to make
33 repairs, alterations, replacements or improvements in such systems.

34
35
36 **ARTICLE XI**
37 **INSURANCE AND INDEMNITY**
38

39
40 **Section 11.01 TENANT'S INSURANCE.** (a) Tenant, at its sole cost and expense, shall, during
41 the entire Term hereof, procure and keep in force: (i) Commercial General Liability Insurance with respect
42 to the Premises and the operations of Tenant in, on or about the Premises, in which the combined limits shall
43 be not less than \$5,000,000.00 per occurrence, broad form/extended coverage, insuring for bodily injury,
44 death and property damage, and business automobile liability insurance covering all owned, non-owned and
45 hired or borrowed vehicles of Tenant used in connection with the operation of its business from the
46 Premises, in which the limits for landside vehicle/mobile equipment operation shall be not less than
47 \$2,000,000.00 per occurrence combined single limit, insuring for bodily injury, death and property damage,
48 and in which the limits for airside vehicle/mobile equipment operation shall be not less than \$25,000,000.00
49 per occurrence combined single limit, insuring for bodily injury, death and property damage; (ii) plate glass
50 insurance (Tenant may self-insure), at full replacement value; (iii) insurance against fire, extended coverage,
51 vandalism, malicious mischief, water damage which does not exclude backup from sewers or drains and/or

1 sprinkler leakage, and such other additional perils including flood as now are or hereafter may be included
2 in a standard extended coverage endorsement from time to time in general use in the county in which the
3 Terminal is located, insuring Tenant's merchandise, Fixed Improvements, trade fixtures, furnishings,
4 Operating Equipment and all other items of personal property of Tenant located on or in the Premises, in an
5 amount equal to the full replacement cost thereof; (iv) workers' compensation coverage as required by the
6 State of New Jersey and including Employer's Liability Insurance in the amount of \$1,000,000.00 each
7 accident, \$1,000,000.00 each employee, by disease, \$1,000,000.00 policy aggregate by disease; (v) with
8 respect to alterations, improvements and the like required or permitted to be made by Tenant hereunder,
9 builders' risk insurance in an amount reasonably satisfactory to Landlord, which coverage may be provided
10 and accepted from Tenant's contractors rather than Tenant; (vi) the insurance required under Exhibit B or
11 the TAA process; and (vii) such other insurance as may be reasonably required by Landlord or the Authority
12 from time to time after suitable notice thereof based upon circumstances in the Terminal and imposed upon
13 other retail concession operators in the Terminal. In addition, if Landlord in its reasonable, non-
14 discriminatory opinion deems it necessary to increase the amounts or limits of insurance required to be
15 carried by Tenant hereunder, Landlord may reasonably increase said amounts or limits (limited to a five
16 percent increase in amounts or limits in any Lease Year), and Tenant shall so increase the amounts or limits
17 of the insurance required to be carried by Tenant hereunder and shall provide Landlord with certificates
18 indicating the increased amounts or limits as provided in this Section 11.01. All policies of insurance
19 required to be carried by Tenant pursuant to this Section 11.01 shall be written by insurance companies of
20 adequate financial capacity (having a Best's rating and Financial Size Category of not less than A-/VII) and
21 qualified to do business in the State of New Jersey. Any such insurance required of Tenant hereunder may
22 be furnished by Tenant under any blanket policy carried by it or under a separate policy therefor. An
23 insurance certificate (and endorsements where same become necessary) Tenant's insurer, certifying that
24 such policy has been issued, provides the coverage required by this Section 11.01 and contains all of the
25 provisions specified in this Section 11.01 (including, without limitation, naming of additional insured
26 entities as required by Section 11.01(b) below) shall be delivered to Landlord's General Manager, at the
27 address set forth on the Data Sheet prior to the commencement of the Term hereof, and certificates in
28 connection with all renewals (if any), not less than 30 days prior to the expiration of the term of each such
29 policy. As often as any such policy shall expire or terminate, renewal or additional policies shall be
30 procured and maintained by Tenant.

31
32 (b) Each policy evidencing insurance required to be carried by Tenant pursuant to this Section 11.01
33 shall contain the following clauses and provisions: (i) a provision that such policy and the coverage
34 evidenced thereby shall be primary and noncontributing with respect to any policies carried by Landlord or
35 the Authority and that any coverage carried by Landlord or the Authority be excess insurance; (ii) a
36 provision including Landlord, the Authority and the parties set forth on Exhibit F and any other parties
37 designated in writing by Landlord from time to time as additional insured entities; (iii) with respect to the
38 insurance carried by Tenant under Section 11.01(a) (iii) and (iv) above, a waiver by the insurer of any right
39 to subrogation against Landlord and the Authority and other additional insured entities, their respective
40 agents, commissioners, directors, employees, officers and representatives which arises or might arise by
41 reason of any payment under such policy or by reason of any act or omission of Landlord, the Authority,
42 their respective agents, commissioners, directors, employees, officers or representatives; (iv) a severability
43 of interest clause or endorsement; (v) a provision that the insurer will not cancel or change the coverage
44 provided by such policy without giving Landlord and the Authority 30 days' prior written notice; (vi) such
45 policy shall be an occurrence form policy; and (vii) a provision that the insurer shall not, without obtaining
46 the express advance permission from the Authority's General Counsel, raise any defense involving in any
47 way the jurisdiction of the tribunal over the person of the Authority, the immunity of the Authority, its
48 commissioners, officers, agents or employees, the governmental nature of the Authority or the provisions of
49 any statutes respecting suits against the Authority.

50
51 (c) In the event that Tenant fails to procure or to maintain, at the times and for the duration specified

1 in this Section 11.01, any insurance required by this Section 11.01, or fails to carry insurance required by
2 law or governmental regulation, Landlord may (but shall not be required to) at any time or from time to
3 time, and upon 5 days notice to Tenant, procure such insurance and pay the premiums therefor, and the cost
4 of same, shall be deemed Additional Rent and shall be payable within 10 days after receipt of Landlord's
5 written demand. Tenant will not do or suffer to be done, or keep or suffer to be kept, anything in, upon or
6 about the Premises which will violate Landlord's, the Authority's or the Airport's policies of hazard or
7 liability insurance or which will prevent Landlord or the Authority from procuring such policies in
8 companies acceptable to Landlord or the Authority.
9

10 **Section 11.02 LANDLORD'S INSURANCE.** Landlord has the obligation to carry the insurance
11 set forth in the Terminal C Lease, but only to protect the interests of Landlord and the Authority. Landlord,
12 by virtue of this Sublease or otherwise, has no obligation to protect the interests of Tenant nor name Tenant
13 as an additional insured under any of its insurance covering the Terminal. The Authority shall, at its sole
14 option, carry insurance on the Terminal and the Airport as it sees fit or operate under a self-insurance
15 program. Tenant shall inform Landlord, the Authority and the Airport police, in writing, within 24 hours
16 after Tenant becomes aware of any damage or alleged theft of the property of Landlord or the Authority.
17

18 **Section 11.03 COVENANT TO HOLD HARMLESS.** Tenant at its sole cost and expense shall
19 defend and indemnify Landlord, the Authority, their respective affiliates, parent corporations, subsidiaries,
20 commissioners, directors, officers, partners, shareholders, representatives, management companies, agents
21 and employees, and save them harmless (except to the extent of loss or damage resulting from the
22 intentional or willful acts or omissions or the negligence of Landlord not required to be insured against by
23 Tenant pursuant to this Article XI) from and against any and all claims, actions, demands, judgments,
24 awards, fines, mechanics' liens or other liens, losses, damages, liability and expense, including reasonable
25 attorneys' fees and court costs, in connection with all losses, including loss of life, personal injury and/or
26 damage to property, arising from or out of any occurrence, upon or at the Premises, Tenant's conduct of its
27 business in the Terminal or the occupancy or use by Tenant of the Premises; or arising from or out of
28 Tenant's failure to comply with any provision hereof or occasioned wholly or in part by any act or omission
29 of Tenant, its concessionaires, agents, contractors, subcontractors, suppliers, employees, servants, or
30 licensees and including any product liability claim or any labor dispute involving Tenant or its contractors,
31 subcontractors and agents, all for which is regardless of where the injury, death or damage may occur. In
32 case Landlord, the Authority or any other party so indemnified shall be made a party to any litigation
33 commenced by or against Tenant, then Tenant shall defend, indemnify, protect and save them harmless with
34 counsel reasonably acceptable to Landlord and the Authority and shall pay, as the same becomes due and
35 payable, all costs, expenses and reasonable attorneys' fees and court costs incurred or paid by them in
36 connection with such litigation, or, at Landlord's or the Authority's discretion or request, such parties may
37 conduct the defense thereof on their own behalf and in such event, Tenant shall immediately reimburse
38 either Landlord and/or the Authority, as the case may be, for all such costs and expenses incurred or paid by
39 them as provided above in this Section. Landlord or the Authority shall give Tenant reasonable notice of
40 and the opportunity to defend against any such claims or actions. The foregoing express obligation of
41 indemnification shall not be construed to negate or abridge any other indemnity running in favor of
42 Landlord or the Authority which would exist at common law or under other provisions hereof and/or the
43 Terminal C Lease. In addition, if Landlord or the Authority is deemed to be in noncompliance with laws or
44 regulations governing access to secured areas of the Terminal or to the areas of any airfield which is a part
45 of the Airport and said noncompliance is a result of or due to the negligence or act or omission of Tenant, its
46 agents, concessionaires, contractors, subcontractors, vendors, suppliers, employees, servants or licensees
47 and such noncompliance results in a civil penalty action against Landlord or the Authority, Tenant agrees to
48 reimburse Landlord or the Authority for all expenses, including reasonable attorneys' fees incurred by
49 Landlord or the Authority in defending against the civil penalty action and for any civil penalty or
50 settlement amount paid by Landlord or the Authority. Landlord shall give Tenant reasonable notice of any
51 allegation, investigation or proposed or actual civil penalty action which relates to noncompliance by, the

1 negligence, act or omission of Tenant, its agents, concessionaires, contractors, subcontractors, vendors,
2 suppliers, employees, servants or licensees. The provisions of this Section 11.03 shall survive the expiration,
3 termination or earlier cancellation of this Sublease for any claims, suits, demands, actions, liabilities, loss or
4 damage which occur prior to the expiration, termination or earlier cancellation of this Sublease.
5

6 **Section 11.04 INJURY CAUSED BY THIRD PARTIES.** Tenant covenants and agrees that
7 Landlord and the Authority (including their respective agents, employees, officers, directors,
8 commissioners, members and shareholders) shall not be responsible or liable to Tenant, or any entity or
9 person claiming by, through or under Tenant, for any injury, death or damage to persons or property
10 resulting from any latent defect in the Premises, the Terminal, the Airport and appurtenant areas; or from
11 any acts or omissions of entities, persons, subtenants or other occupants occupying adjoining premises in the
12 Terminal or any other part of the Airport or the agents, servants, employees, contractors or invitees of such
13 entities, persons, subtenants or occupants; or from fire, electricity, water, snow or leaks from any part of the
14 Terminal or Terminal systems, including sprinkler systems; or from any other cause of whatever nature,
15 unless caused by or due to the direct negligence or direct misconduct of Landlord, its agents and employees.
16

17
18 **ARTICLE XII**
19 **UTILITIES**
20

21
22 **Section 12.01 UTILITY CHARGES.** (a) Landlord shall provide reasonable and normal amounts
23 (as determined by Landlord) of electric, heat, air conditioning, domestic cold water (if applicable), high
24 temperature hot water (if applicable), gas (if applicable) and sewage (if applicable) services to the Premises
25 for use by Tenant provided by utility systems, connections and related equipment existing as of the
26 Commencement Date but shall have no obligation to provide telephone or data communication services to
27 the Premises. Should Tenant require utility services over and above those provided by Landlord, Tenant
28 shall pay directly for the costs of extending those additional utilities to the Premises. Tenant shall pay for all
29 such additional utilities consumed within the Premises within 10 days following receipt of an invoice from
30 Landlord or directly to the appropriate public utility company if Tenant is billed directly by such public
31 utility company. Where possible, in those cases where the Tenant is paying for additional utilities, utility
32 consumption shall be determined by separate metering. If separate metering is not possible, Landlord shall
33 make a reasonable determination to calculate the amount owed by Tenant.
34

35 (b) Tenant shall be solely responsible for and shall promptly pay for all fees, deposits and charges,
36 including use and/or connection fees, hook-up fees, standby fees, and/or penalties for discontinued or
37 interrupted service, and the like, for water (domestic cold and high temperature hot, if applicable), gas,
38 electricity, heat, air conditioning, fire alarm, burglar alarm, telephone, cable television, sewer and sanitation,
39 solid waste disposal and any other service or utility used in or upon or furnished to the Premises, including,
40 without limitation, any services to be supplied by Landlord, irrespective of whether any of the foregoing are
41 initially paid in advance by Landlord, or otherwise.
42

43 (c) In no event shall Landlord or the Authority be liable for damages, loss of business, loss of profits
44 or otherwise for any interruption, reduction, disruption, curtailment or failure in the supply, quality or
45 character of electricity, services from a central utility plant or any other utility or other service, or if either
46 the quantity, quality or character thereof supplied to or by Landlord is changed or is no longer available for
47 Tenant's requirements, nor shall any such interruption, reduction, disruption, curtailment, failure or change
48 in quantity, quality or character constitute or be deemed to constitute actual or constructive eviction of
49 Tenant, or excuse or relieve Tenant from its obligations hereunder, including but not limited to the payment
50 of Rental or all other sums, damages, fees, costs and expenses payable under this Sublease. Any obligation
51 of Landlord to furnish light, power and services from a central utility plant shall be conditioned upon the

1 availability of adequate energy sources. Landlord shall have the right to reduce heating, cooling and lighting
2 within the Premises and the public areas as required by any mandatory or voluntary fuel or energy saving
3 allocation, or similar statute, regulation, order or program. Notwithstanding anything to the contrary
4 contained in this Section 12.01(c), if any utility to the Premises is supplied by or through either Landlord or
5 the Authority and, due to the sole negligence of either Landlord or the Authority, such utility to the Premises
6 is interrupted which forces Tenant to close its business within the Premises for more than 2 complete and
7 consecutive days, then Guaranteed Rent shall abate for the period commencing on the 3rd day after Tenant
8 is forced to close its business within the Premises and shall continue until the earlier of: (i) the date such
9 utility is restored to the Premises, or (ii) the date Tenant reopens its business in the Premises.

10
11 (d) Tenant shall operate its heating, ventilating and air conditioning ("HVAC") system(s) serving
12 the Premises so as to maintain comfortable conditions during regular Terminal retail concession business
13 hours. Temperatures in the Premises shall be compatible with temperatures in the Terminal. Tenant's
14 obligation to connect to the services supplied by Landlord, as set forth in this Section 12.01 and Exhibit B,
15 as well as Tenant's operation and maintenance of its HVAC system(s) within the Premises, shall be as set
16 forth herein, in Exhibit B and in any related exhibit(s), such as the Tenant Design Criteria and Handbook or
17 approved Final Drawings. If Tenant desires to install any equipment which shall exceed the capacity of any
18 utility facilities or which shall require additional utility facilities, Tenant shall not have the right to do so
19 without Landlord's prior written approval of Tenant's plans and specifications therefor. If such installation is
20 approved by Landlord, and if such additional facilities are provided to accommodate Tenant's installation,
21 Tenant agrees to pay Landlord, on demand, the cost of providing such additional utility facilities or utility
22 facilities of greater capacity. Tenant shall in no event use any of the utility facilities in any way which shall
23 overload or overburden the utility systems at the Terminal and the Airport. Landlord shall have the right to
24 impose reasonable restrictions and require Tenant to comply with any state or local regulations or measure
25 adopted from time to time with respect to conservation of any utilities including water usage.

26
27
28 **ARTICLE XIII**
29 **ESTOPPEL STATEMENT, ATTORNMENT AND SUBORDINATION**
30

31
32 **Section 13.01 ESTOPPEL STATEMENT.** Within 20 days after request therefor by Landlord,
33 Tenant shall execute, in recordable form, and deliver to Landlord a statement, in writing, certifying (a) that
34 this Sublease is in full force and effect, (b) the Rental Commencement Date and the expiration date hereof,
35 (c) that Rental and all other charges hereunder are paid currently without any offset or defense thereto, (d)
36 the amount of Rental and all other charges hereunder, if any, paid in advance, (e) whether this Sublease has
37 been modified and, if so, identifying the modifications, (f) that, to the best of its knowledge, there are no
38 uncured defaults by Landlord or stating in reasonable detail those claimed by Tenant, and (g) such other
39 matters as may be reasonably requested by Landlord.
40

41 **Section 13.02 ATTORNMENT.** If the Authority terminates the Terminal C Lease, the Terminal
42 C Lease expires, or in the event Landlord assigns, sells, or otherwise transfers its interest in the Terminal C
43 Lease, this Sublease either (i) shall terminate in accordance with the provisions hereof, or (ii) at the
44 Authority's discretion, shall remain in full force and effect and shall be assigned to the Authority or its
45 designee. If and when this Sublease is assigned to the Authority or its designee and the Authority or its
46 designee, as the case may be, agrees to assume the same, then on request of the Authority, Tenant hereby
47 attorns to and covenants and agrees to execute an instrument in writing satisfactory to the Authority
48 whereby Tenant attorns to the Authority or its designee and recognizes the Authority or its designee as the
49 landlord hereunder.
50

51 **Section 13.03 SUBORDINATION.** Tenant further agrees this Sublease shall be subordinate to

1 the Terminal C Lease and to any mortgages, deeds of trust or any ground leases that may now exist or be
2 placed upon the Premises, the Terminal or the Airport and to any and all advances to be made thereunder,
3 and to the interest thereon, and all renewals, modifications, replacement and extensions thereof. Tenant
4 agrees that upon the demand of Landlord, the Authority or any mortgagee, beneficiary or ground lessor,
5 Tenant shall, within 20 days of the receipt of said demand, execute whatever reasonable instruments as may
6 be required to carry out the intent of this Section 13.03 in the form requested by Landlord, the Authority or
7 such mortgagee, beneficiary or ground lessor, including, without limitation, appropriate subordination
8 agreements upon the condition that Tenant shall have the right to remain in possession of the Premises under
9 the terms hereof, notwithstanding any default in any such mortgage, deeds of trust or ground lease, or after
10 foreclosure thereof, so long as Tenant is not in default beyond the applicable notice and cure periods under
11 any of the covenants, conditions and agreements contained herein.
12
13

14 **ARTICLE XIV**
15 **ASSIGNMENT AND SUBLETTING**
16

17
18 **Section 14.01 RESTRICTIONS.** Notwithstanding anything to the contrary contained herein
19 except as otherwise set forth in this Article XIV, Tenant shall not mortgage, pledge or encumber all or any
20 part of this Sublease, nor Tenant's interest in the Premises and Tenant shall not assign this Sublease, sublet
21 the Premises or any part thereof, or any right or privilege appurtenant thereto, nor enter into franchise,
22 license or concession agreements allowing any other entity or person to occupy or use the Premises or any
23 part thereof (collectively, "Transfer") without first procuring the written consent of Landlord. Tenant agrees
24 that Landlord may withhold its consent as determined in Landlord's sole discretion and without the need to
25 provide any reason for withholding consent. Any dissolution, sale or other transfer of all or substantially all
26 of the assets of Tenant shall be deemed a Transfer of this Sublease. Any attempted or purported Transfer
27 without Landlord's prior written consent shall be void and of no force or effect and shall not confer any
28 estate or benefit on anyone. Consent to a Transfer by Landlord shall not be deemed to be consent to any
29 subsequent Transfer to any other party. No Transfer of this Sublease or agreement entered into with respect
30 thereto, whether with or without Landlord's consent, shall relieve Tenant or any guarantor from liability
31 hereunder. Landlord has been induced to enter into this Sublease with Tenant in order to obtain, for the
32 benefit of the Terminal retail concession program, Tenant's experience and business reputation. The
33 restrictions against Transfers contained herein are consistent therewith and expressly agreed to by Tenant.
34

35 **Section 14.02 PROCEDURE FOR TRANSFER AND RENTAL ADJUSTMENT.** (a) Should
36 Tenant desire to make a Transfer hereunder, Tenant shall, in each instance, give written notice of its
37 intention to do so to Landlord at least 75 days before the intended effective date of any such proposed
38 Transfer, specifying in such notice whether Tenant proposes to assign or sublet, or enter into license,
39 franchise or concession agreements, the proposed date thereof, and specifically identifying the proposed
40 Transferee and the net worth (certified as accurate by the proposed Transferee) and previous business
41 experience of the proposed Transferee. Landlord shall, within 45 days after its receipt of such notice of a
42 proposed Transfer, by giving written notice to Tenant of its intention to do so: (a) withhold consent to the
43 Transfer; or (b) consent to the Transfer. Failure of Landlord to give Tenant written notice of Landlord's
44 action with respect to any request for Landlord's consent to a proposed Transfer shall not constitute or be
45 deemed Landlord's consent to such Transfer. Landlord's consent to a proposed Transfer shall only be given
46 if and when Landlord has notified Tenant in writing that Landlord consents to such proposed Transfer.
47

48 (b) If Tenant shall make a permitted Transfer hereunder to a non-affiliated third party, then the
49 Guaranteed Rent then currently paid by Tenant to Landlord shall be increased, effective as of the date of
50 such Transfer, to an amount equal to the greater of: (i) one hundred percent (100%) of the then current
51 Guaranteed Rent payable hereunder immediately prior to such effective date; or (ii) the Guaranteed Rent

1 and Percentage Rent paid hereunder for the immediately preceding Lease Year prior to such effective date.
2 If the Guaranteed Rent is increased under sub-clause (ii) above, the Monthly Breakpoint for Percentage Rent
3 shall be adjusted accordingly. In no event shall the Guaranteed Rent, after a permitted Transfer, be less than
4 the then current Guaranteed Rent payable hereunder immediately before a permitted Transfer.
5

6 **Section 14.03 REQUIRED DOCUMENTS AND FEES.** Each Transfer to which Landlord has
7 consented shall be evidenced by a written instrument in form reasonably satisfactory to Landlord, executed
8 by Tenant and the Transferee, under which the Transferee shall agree in writing for the benefit of Landlord
9 and the Authority to assume, perform and abide by all of the terms, covenants and conditions of this
10 Sublease and Tenant's Agreement with the Authority to be done, kept and performed by Tenant, including
11 the payment of all amounts due or to become due hereunder directly to Landlord and the obligation to use
12 the Premises only for the purpose specified herein. In addition, the Transfer shall not become effective until
13 the Transferee has entered into an Agreement or similar document with the Authority as required by the
14 Authority including the form and content thereof. Tenant shall reimburse Landlord for Landlord's
15 reasonable attorneys' and administrative fees incurred in the processing of, and documentation for, each
16 such requested Transfer, whether or not the Transfer is consummated with any such reasonable attorneys'
17 and administrative fees not to exceed \$500.00.
18

19 **Section 14.04 TRANSFER OF STOCK OR PARTNERSHIP INTEREST.** If Tenant is a
20 corporation, association or partnership which, under the current laws, rules or guidelines promulgated by the
21 governmental body or agency having jurisdiction and authority to promulgate the same, is not deemed a
22 public corporation, or is an unincorporated association or partnership, the transfer, assignment or
23 hypothecation, in the aggregate of more than a twenty-five percent (25%) interest of the total outstanding
24 voting stock or voting interest in such corporation, association or partnership shall be deemed a Transfer
25 within the meaning and provisions hereof.
26

27 **Section 14.05 ASSIGNMENT AND SUBLEASE RENTALS.** The following conditions shall
28 apply to any subletting by Tenant of all or any part of the Premises (if and when approved by Landlord) and
29 shall be deemed included in all further subleases hereunder whether or not expressly incorporated therein.
30 Tenant hereby assigns and transfers to Landlord all of Tenant's interest in all rentals and income arising
31 from any such further sublease heretofore or hereafter made by Tenant, and Landlord may collect such rent
32 and income and apply same toward Tenant's obligations hereunder; provided, however, that until a breach
33 shall occur in the performance of Tenant's obligations hereunder, Tenant may, except as otherwise provided
34 herein, receive, collect and enjoy the rents accruing under such further sublease. Landlord shall not, by
35 reason of this or any other assignment of such further sublease to Landlord, nor by reason of the collection
36 of the rents from a subtenant, be deemed liable to the subtenant for any failure of Tenant to perform and
37 comply with any of Tenant's obligations to such subtenant under such further sublease. Tenant hereby
38 irrevocably authorizes and directs any such subtenant, upon receipt of a written notice from Landlord stating
39 that a breach exists in the performance of Tenant's obligations hereunder, to pay to Landlord the rents and
40 other charges due and to become due under such further sublease. The subtenant shall rely upon any such
41 statement and request from Landlord and shall pay such rents and other charges to Landlord without any
42 obligation or right to inquire as to whether such breach exists and notwithstanding any notice from or claim
43 from Tenant to the contrary. Tenant shall have no right or claim against said subtenant, or, until the breach
44 has been cured, against Landlord, for any such rents and other charges so paid by said subtenant to
45 Landlord. In the event of a breach by Tenant in the performance of its obligations hereunder, Landlord, at
46 its option and without any obligation to do so, may require any subtenant to attorn to Landlord, in which
47 event Landlord shall undertake the obligations of the sublandlord under such sublease from the time of the
48 exercise of said option to the expiration of such further sublease; provided, however, Landlord shall not be
49 liable for any prepaid rents or security deposit paid by such subtenant to Tenant or for any other prior
50 defaults or breaches of Tenant as sublandlord under such further sublease.
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2 **Section 14.06 PERMITTED TRANSFER SUBJECT TO CONSENT.** (a) Notwithstanding
3 anything to the contrary contained in this Article XIV, the transfer of Tenant's securities in connection with
4 Tenant becoming a publicly held company or issuing securities in connection with an additional public
5 offering of securities shall not constitute a Transfer. Further, the public trading of Tenant's securities on a
6 nationally recognized exchange or on the NASDAQ market shall not constitute or be considered to result in
7 any such Transfer.
8

9 (b) Notwithstanding the foregoing provisions of this Article XIV, Tenant shall have the right to
10 Transfer this Sublease, with Landlord's consent, such consent not to be unreasonably withheld, to: (i) a
11 subsidiary of Tenant or its parent corporation or to an entity that is an affiliate of Tenant or its parent
12 corporation; (ii) any corporation with which Tenant shall merge, reorganize or consolidate; or (iii) any
13 corporation acquiring all or substantially all of the assets of Tenant; provided that in the case of any and
14 each such Transfer under clauses (ii) and (iii) above which is permitted in this Section 14.06, Landlord shall
15 have the discretionary right to withhold its consent unless; (1) such Transferee shall have a net worth equal
16 to or greater than Tenant (or its guarantor, if any) as of the effective date of any proposed Transfer; (2) such
17 Transferee shall have proven retailing experience and the ability to efficiently and effectively operate the
18 business in the Premises consistent with at least as high a standard as then exists in the Premises; (3) the
19 business conducted in the Premises by such Transferee shall be conducted under the same use and under a
20 trade name permitted to be used by Tenant hereunder; (4) Tenant shall not be in default after the applicable
21 notice and cure periods under any of the terms and provisions hereof; (5) the use of the Premises by such
22 Transferee shall not violate any agreements affecting the Premises, Landlord, the Authority or other tenants
23 or occupants in the Airport; (6) except as may otherwise be prohibited under federal securities laws, notice
24 of any proposed Transfer shall be given to Landlord at least 30 days prior to its proposed effective date, and
25 there shall be delivered to Landlord instruments evidencing such proposed Transfer and the agreement of
26 such Transferee to assume and be bound by all of the terms, conditions and covenants hereof and Tenant's
27 Agreement with the Authority to be performed by Tenant, all in form reasonably acceptable to Landlord and
28 acceptable to the Authority; and (7) Tenant and its guarantor, if any, shall continue to remain fully liable for
29 the payment of all sums due and the performance of all the terms and conditions hereof.
30

31 (c) Notwithstanding the foregoing provisions of this Article XIV which shall not be binding upon or
32 enforceable against the Authority and regardless of whether Landlord has in fact consented to any further
33 subletting of the Premises or a proposed Transfer, Landlord's consent will be of no force and effect and
34 shall not be binding upon the Authority in any manner whatsoever. No such further subletting or a proposed
35 Transfer shall be effective and no estate or benefit shall be conferred on anyone until such time as the
36 Authority has consented in writing, as determined in the Authority's sole and absolute discretion, to any
37 such further subletting or a proposed Transfer including, without limitation, nothing otherwise permitted in
38 this Article XIV shall become effective until such time as the Transferee, any other applicable parties and
39 the Authority have entered into an Agreement or a similar document as required by the Authority. In
40 addition, the terms and provisions of Tenant's Agreement with the Authority which in any way discusses
41 and/or addresses the subject matter covered in this Article XIV shall be controlling and shall govern.
42 Further, if this Sublease is assigned by Landlord and assumed by the Authority for any reason whatsoever,
43 the Authority shall have the right to determine, in its sole and absolute discretion, whether any of the
44 provisions of this Article XIV shall be binding upon and enforceable against the Authority and thereafter be
45 considered to be a part hereof.
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**ARTICLE XV
WASTE OR NUISANCE**

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Section 15.01 WASTE OR NUISANCE. Tenant shall not commit nor permit any of its employees, contractors, subcontractors, licensees, subtenants or agents to injure, deface or otherwise harm the Premises, the Terminal or the Airport, nor commit any waste upon the Premises, the Terminal or the Airport, and shall not place a load upon the floor of the Premises which exceeds the floor load per square foot which such floor was designed to carry. Tenant shall not commit nor permit any of its employees, contractors, subcontractors, licensees, subtenants or agents to commit any nuisance or other act or thing which may constitute a menace or which may impact either Landlord's operation of the Terminal or the Authority's operation of the Airport or disturb the quiet enjoyment of any other occupant or tenant of the Airport. Tenant shall not use or permit to be used any medium that might constitute a nuisance, such as loudspeakers, sound amplifiers, tape decks, compact disc players, radios, televisions, or any other sound producing or other device which will carry sound or odors outside the Premises except as may otherwise be approved in advance in writing by Landlord and, upon notice from Landlord to Tenant's business representative at the Premises, Tenant shall cause any such noise or odors to cease immediately. Tenant shall not allow any use of the Premises or any other portion of the Terminal and/or Airport in a manner which is a source of annoyance, disturbance or embarrassment to Landlord and/or the Authority, or to the other tenants and occupants of the Terminal and/or Airport or which is deemed by Landlord, in its sole discretion, as not in keeping with the character of the Terminal and/or Airport. The Premises shall not be used for any unlawful or immoral purpose or which will invalidate or increase the premiums on any of the Landlord's or the Authority's insurance.

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**ARTICLE XVI
TRADE NAME; JOINT MARKETING FUND**

Section 16.01 TRADE NAME. Tenant shall operate its business in the Premises under the name specifically set forth in the Data Sheet ("Trade Name") and shall not change the advertised name or character of the business operated in the Premises without the prior written approval of Landlord, which may be withheld in Landlord's absolute discretion.

Section 16.02 SOLICITATION OF BUSINESS. Tenant shall not give samples, approach customers, distribute handbills or other advertising matter or otherwise solicit business in the parking or other public areas or any part of the Terminal or the Airport other than in the Premises. In the event Tenant violates the foregoing, Tenant shall, at Tenant's sole cost and expense, be responsible to clean the area of any such materials so distributed by Tenant, its agents or employees.

Section 16.03 JOINT MARKETING FUND. Landlord shall cause to be provided a central marketing and promotional program which, in Landlord's sole judgment, will serve to promote the overall concession program and facilities in the Terminal. Tenant, along with other concession facility operators will contribute to the fund for this program which shall be known as the Joint Marketing Fund. Tenant, from and after the Rental Commencement Date, shall contribute during each month, as Tenant's share to the Joint Marketing Fund, and pay to Landlord as Additional Rent, an amount equal to one-half percent (1/2%) of Tenant's monthly Gross Receipts. This amount is payable to Landlord and must be paid no later than the 15th day following the end of each Lease Month. If Tenant is unable to calculate actual Gross Receipts in time to make the required monthly payment to the Joint Marketing Fund, the payment may be based on an estimate of monthly Gross Receipts. Any and all such estimated payments must be adjusted at the end of each 6 month period of each Lease Year. Within 30 days after the end of each such 6 month period, Tenant

1 must submit a report to Landlord reconciling estimated and actual Gross Receipts and showing any under or
2 overpayments to the Joint Marketing Fund. A check for any underpayments must accompany the
3 reconciliation. All overpayments will be credited to the next payment(s) due from Tenant or if the Sublease
4 has expired or has been terminated, overpayments will be utilized by Landlord for future Joint Marketing
5 Fund purposes. Landlord shall not be obligated to expend more for marketing and promotional programs
6 than is actually collected from Tenant and other concession facility operators in the Terminal. Any services
7 and personnel so provided shall be under the exclusive control and supervision of Landlord, who shall have
8 the sole authority to employ and discharge personnel, retain third party independent contractors and to
9 establish all budgets with respect to the Joint Marketing Fund. The primary purpose, but in no way a
10 limitation, of the Joint Marketing Fund, will be used to fund intra-Terminal promotional and advertising
11 programs such as permanent directories, graphics, take-one directory pamphlets and establishing customer
12 service and training programs with respect to the operations of the concession facilities in the Terminal,
13 such as customer surveys, "secret shopper" programs and sales technique seminars or on any other items
14 that may enhance the user's overall experience in the Terminal. Landlord shall conduct quarterly meetings
15 to discuss the promotional and advertising programs and customer service and training programs. Landlord
16 reserves the right at any time to terminate the Joint Marketing Fund and, in such event, shall notify Tenant
17 in writing. Thereafter, in the event of such termination, Tenant shall no longer be obligated to make any
18 further contributions to the Joint Marketing Fund and any remaining funds previously contributed to the
19 Joint Marketing Fund shall be used by Landlord to promote the overall concession program and facilities
20 within the Terminal.

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23 **ARTICLE XVII**
24 **DAMAGE AND DESTRUCTION**
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27 **Section 17.01 DAMAGE OR DESTRUCTION OF THE TERMINAL.** If the whole or any
28 part of the Terminal is partially damaged by fire, explosion, the elements, terrorist action or other casualty,
29 Landlord shall repair and restore the affected portions of the Terminal, at its cost and expense, to the extent
30 required of Landlord in the Terminal C Lease, with reasonable diligence, subject to force majeure and
31 delays beyond Landlord's control; provided, however, that if the damage is caused by the negligence, act or
32 omission to act of Tenant, its agents, employees, contractors, subcontractors, licensees or representatives, to
33 the extent that such damage is not covered by Landlord's insurance, Tenant shall be responsible for
34 reimbursing Landlord for the cost and expense incurred in such repair and restoration, including any
35 deductibles or self-insured retentions with respect to Landlord's insurance. Unless such partial damage
36 materially adversely affects Tenant's use and occupancy of the Premises, Tenant shall be required to
37 continue the conduct of business in the Premises without abatement of any Rentals hereunder.
38

39 If fifty percent (50%) or more of the Terminal shall be damaged or destroyed by an insured
40 casualty, or if twenty-five percent (25%) or more of the Terminal shall be damaged or destroyed by an
41 uninsured casualty, notwithstanding that the use and occupancy of the Premises is not materially affected
42 thereby, and if as a result of any such damage or destruction Landlord's flight operations are terminated or
43 more than fifty percent (50%) curtailed for a period of 30 days or more, Landlord shall have the right to
44 terminate this Sublease within 90 days from the date of such damage or destruction. In such event, this
45 Sublease shall terminate upon a mutually agreeable date based upon good faith negotiations and reasonable
46 circumstances and Tenant shall surrender the Premises to Landlord. Thereafter, neither party shall have any
47 further obligations to the other except for any of Tenant's obligations accrued prior to the effective date of
48 the termination of this Sublease.
49

50 **Section 17.02 DAMAGE OR DESTRUCTION OF THE PREMISES.** (a) If all or a portion of
51 the Premises shall be partially damaged (as distinguished from extensively damaged or destroyed as

1 described below) by fire, explosion, the elements, terrorist action or other casualty required to be insured
2 against by Landlord under the Terminal C Lease, but the Premises are not rendered untenable, Landlord
3 shall proceed with reasonable dispatch to repair such damage and restore the Premises, at its own cost, to the
4 extent required under the Terminal C Lease. Landlord shall repair and restore the Premises to substantially
5 the same condition as existed immediately prior to the commencement of Tenant's Work hereunder.
6 However, if the damage is caused by the negligence, act or omission to act of Tenant, its agents, employees,
7 contractors, subcontractors, licensees or representatives, Tenant, if Landlord is required and elects to repair
8 and restore as provided above, shall be responsible for reimbursing Landlord for the cost and expense
9 incurred thereby, including any deductibles or self-insured retentions with respect to Landlord's insurance.
10 In the event of any such partial damage, Tenant's obligations to Landlord hereunder, including all Rentals,
11 shall not be abated. In no event shall Landlord or the Authority be responsible in any way for any damage
12 or destruction of Tenant's Fixed Improvements, Operating Equipment, personal property or inventory even
13 if due to the negligence, act or omission to act of any such party nor shall Landlord or the Authority be
14 responsible to repair or restore any portion of the Premises relating to Tenant's Work and/or installed by
15 Tenant in the Premises including, but not limited to, Tenant's Fixed Improvements, Operating Equipment,
16 personal property, merchandise and inventory. If the Premises are so repaired and restored by Landlord,
17 Tenant shall repair and restore all damage as expeditiously as possible, to the Premises and to any and all
18 Fixed Improvements, Operating Equipment and Tenant's other property to the condition existing
19 immediately prior to such damage. All repairs and restoration by Tenant must comply with the
20 requirements herein relating to Tenant's initial construction of the Premises, including the Tenant Design
21 Criteria and Handbook and the Authority's TAA process.
22

23 (b) If the Premises are extensively damaged so as to render the Premises untenable, but capable
24 of being repaired and restored within 30 days, both Landlord and Tenant shall perform its repair and
25 restoration obligations in an identical manner as provided in Section 17.02(a) above. During the period of
26 any such repair and restoration, an equitable portion of Tenant's Rentals shall be abated if there is a material
27 adverse effect to Tenant's use and occupancy of the Premises to the extent of such material adverse effect
28 thereon, unless the damage is caused by the negligence, act or omission to act of Tenant, its agents,
29 employees, contractors, subcontractors; licensees or representatives. In no event shall Landlord or the
30 Authority be responsible in any way for any damage or destruction of Tenant's Fixed Improvements,
31 Operating Equipment, personal property or inventory even if due to the negligence, act or omission to act of
32 any such party nor shall Landlord or the Authority be responsible to repair or restore any portion of the
33 Premises relating to Tenant's Work and/or installed by Tenant in the Premises including, but not limited to,
34 Tenant's Fixed Improvements, Operating Equipment, personal property, merchandise and inventory.
35

36 (c) If the Premises are completely destroyed by fire, explosion, the elements, terrorist action or other
37 casualty and cannot be repaired or replaced except after more than 30 days after the occurrence, Landlord
38 shall not be required to (but may elect to) undertake the repair, replacement and reconstruction of the
39 Premises. All of Tenant's Rentals shall be completely abated, such abatement shall extend from the date of
40 the occurrence until a period not to exceed 60 days after the base building restoration has been made by
41 Landlord and Landlord has notified Tenant to commence Tenant's repair and restoration work to the
42 Premises. In no event shall Landlord or the Authority be responsible in any way for any damage or
43 destruction of Tenant's Fixed Improvements, Operating Equipment, personal property or inventory even if
44 due to the negligence, act or omission to act of any such party nor shall Landlord or the Authority be
45 responsible to repair or restore any portion of the Premises relating to Tenant's Work and/or installed by
46 Tenant in the Premises including, but not limited to, Tenant's Fixed Improvements, Operating Equipment,
47 personal property, merchandise and inventory. If within 6 months after the date of such occurrence the
48 Premises shall not have been repaired or reconstructed by Landlord as provided above, Tenant may give
49 written notice to Landlord terminating this Sublease, such termination to be retroactive back to the date of
50 the complete destruction. Notwithstanding the foregoing, if the Premises are completely destroyed as a
51 result of the negligence, act or omission to act of Tenant, its agents, employees, contractors, subcontractors,

1 licensees or representatives, Tenant's Rentals shall not abate and Landlord may, in its discretion: (1) require
2 Tenant to repair, restore and reconstruct the Premises, Tenant's Fixed Improvements, Operating Equipment
3 and all other damaged property, whether owned by Tenant, Landlord or the Authority, within 4 months of
4 such destruction, at Tenant's sole cost and expense; or (2) Landlord may repair, restore and reconstruct the
5 Premises within 6 months of such destruction and Tenant shall reimburse Landlord for the cost and expense
6 incurred thereby to the extent of Tenant's insurance proceeds and to the extent such costs and expenses
7 exceed Tenant's insurance proceeds.
8

9 **Section 17.03 DAMAGE OR DESTRUCTION NEAR END OF TERM.** If, during the final
10 Lease Year, more than twenty-five percent (25%) of the Premises are damaged or destroyed, either party at
11 its option may terminate this Sublease within 30 days after the date of such damage or destruction. The
12 termination shall be effective as of the date of such damage or destruction and thereafter neither party shall
13 have any further obligations to the other party except for Tenant's accrued obligations occurring prior to the
14 date of such damage or destruction.
15

16 **Section 17.04 LIMITS OF LANDLORD'S OBLIGATIONS.** It is understood that, in the
17 application of the foregoing Sections in this Article XVII, Landlord's obligations shall be limited to repair
18 and restoration of the Premises to, as nearly as possible, a condition and quality as existed at the
19 commencement of Tenant's Work hereunder. In no event shall Landlord or the Authority be responsible in
20 any way for any damage or destruction of Tenant's Fixed Improvements, Operating Equipment, personal
21 property or inventory even if due to the negligence, act or omission to act of any such party nor shall
22 Landlord or the Authority be responsible to repair or restore any portion of the Premises relating to Tenant's
23 Work and/or installed by Tenant in the Premises including, but not limited to, Tenant's Fixed
24 Improvements, Operating Equipment, personal property, merchandise and inventory.
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27 **ARTICLE XVIII**
28 **EMINENT DOMAIN**
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31 **Section 18.01 COMPLETE TAKING OF THE PREMISES.** If the whole of the Premises shall
32 be taken by any public or quasi-public authority under the power of eminent domain or destroyed by the
33 action of any public or quasi-public authority, or in the event of a conveyance, by sale or otherwise, in lieu
34 thereof ("Taking"), this Sublease shall terminate and the Term hereof shall cease as of the date upon which
35 possession is taken by such Taking authority, and all Rental and other charges shall be paid up to that date
36 and thereafter adjusted as of that date. All sums received or recovered from the Taking shall be paid to
37 either Landlord or the Authority as set forth in the Terminal C Lease. Nothing contained herein shall be
38 construed to prevent Tenant from prosecuting in any condemnation proceeding a claim for the value of any
39 of Tenant's Operating Equipment, trade fixtures and/or other removable items of Tenant's personal property
40 located within the Premises at the time of such Taking. Further, nothing herein shall limit the eminent
41 domain power of the Authority.
42

43 **Section 18.02 PARTIAL TAKING OF THE PREMISES.** (a) If less than the whole but a
44 substantial portion (more than fifty percent (50%) of the Floor Area) of the Premises shall be subject to a
45 Taking, then either party shall have the right to terminate this Sublease, by giving notice thereof to the other
46 not later than 30 days after such Taking. If this Sublease is so terminated, the provisions relating to the net
47 proceeds of the damages awarded from the Taking as provided in the Terminal C Lease shall apply.
48

49 (b) Subject to the Authority's right of termination pursuant to the Terminal C Lease, if this Sublease
50 is not terminated by either party under Section 18.02 (a), this Sublease shall remain in full force and effect
51 as to the portion of the Premises remaining after the Taking, except that Guaranteed Rent and Additional

1 Rent shall be reduced in the proportion that the Floor Area of the Premises so taken bears to the total Floor
2 Area of the Premises prior to the Taking and the Monthly Breakpoint for Percentage Rent shall be adjusted
3 accordingly. No reduction of Rental shall occur if other premises within the Terminal, equivalent in
4 function to the portion of the Premises taken, are made available to Tenant for the operation of its business.
5 Any award for such partial Taking shall be the sole property of Landlord or the Authority as set forth in the
6 Terminal C Lease; provided that Tenant shall be entitled to any portion of such award awarded to Tenant for
7 relocation of, loss or damage to Tenant's Operating Equipment, trade fixtures and other removable personal
8 property of Tenant's located within the Premises prior to such partial Taking.
9

10 (c) A voluntary sale or transfer of interest of all or any part of the Premises or the public areas in the
11 Terminal by Landlord to any public or quasi-public body, agency, person or other entity having the power of
12 eminent domain, either under threat of condemnation or while condemnation proceedings are pending, shall
13 be deemed to be a Taking under the power of eminent domain for the purposes of Article XVIII. Tenant
14 hereby waives the provisions of any statute or other law that may be in effect at the time of the occurrence
15 of any such Taking under which a lease/sublease is automatically terminated or pursuant to which a tenant is
16 given the right to terminate a lease/sublease by reason of such a Taking.
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19 **ARTICLE XIX**
20 **DEFAULT**
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23 **Section 19.01 RIGHTS UPON DEFAULT.** (a) Notwithstanding any provision herein to the
24 contrary and irrespective of whether all or any rights conferred upon Landlord by this Article XIX are
25 expressly or by implication conferred upon Landlord elsewhere herein, in the event of: (i) any failure of
26 Tenant to pay any Guaranteed Rent, Percentage Rent or Additional Rent or any other charges or sums
27 whatsoever due hereunder (including without limitation, amounts due as reimbursement to Landlord for
28 costs incurred by Landlord in performing obligations of Tenant hereunder upon Tenant's failure so to
29 perform) for more than 5 days after written notice from Landlord to Tenant that such Rental or any other
30 charges or sums whatsoever due hereunder were not received on the date required for payment pursuant to
31 this Sublease, provided that such notice from Landlord shall be in lieu of, and not in addition to, any notice
32 of default required by applicable laws; or (ii) any default or failure by Tenant to perform any other of the
33 terms, conditions, or covenants of this Sublease to be observed or performed by Tenant for more than 20
34 days after written notice from Landlord to Tenant of such default (unless such default cannot be cured
35 within said 20 days in which event Tenant shall not be deemed to be in default hereunder if Tenant shall
36 have commenced to cure said default promptly within said 20 days and shall thereafter proceed to prosecute
37 such cure to completion with all reasonable dispatch and diligence, provided that in no event shall such cure
38 period extend beyond 75 days or such longer period of time as is approved by Landlord in writing and if
39 Tenant's cure period is so extended, Tenant must, within 5 days after the written extension notice provide a
40 written plan to Landlord outlining all steps Tenant is taking to cure the default and when the cure shall be
41 completed), provided that such notice from Landlord shall be in lieu of, and not in addition to, any notice of
42 default required by applicable laws; or (iii) any failure by Tenant to commence construction of Tenant's
43 Work within 30 days of the Authority's approval of the TAA for such Tenant's Work and such failure is not
44 occasioned by reason of force majeure; or (iv) any failure by Tenant to move into the Premises and to
45 initially open for business on or before the Rental Commencement Date; or (v) any failure by Tenant to
46 operate continuously in the manner and during the hours established by Landlord pursuant to Section 7.02
47 hereof or for the purpose specified in the Data Sheet (the Permitted Use); or (vi) Tenant's abandonment of
48 the Premises, or permitting this Sublease to be taken under any writ of execution or similar writ or order; or
49 (vii) any default beyond the applicable notice and cure periods under Tenant's Agreement and/or Permits
50 with the Authority; or (viii) if applicable, the failure of Tenant to obtain and maintain continuously
51 throughout the Term, its eligibility and certification from the Authority of its DBE status and/or to renew

1 such eligibility and certification as may be required by the Authority from time to time and such failure shall
2 continue for a period of 20 days, then Landlord, in addition to or in lieu of other rights or remedies it may
3 have hereunder or by law, shall have the following rights: Landlord may at its sole discretion: (A)
4 immediately terminate this Sublease and Tenant's right to possession of the Premises by giving Tenant
5 written notice that this Sublease is terminated, in which event, upon such termination, Landlord shall have
6 the right to recover from Tenant the sum of (1) the worth at the time of award of the unpaid Rental which
7 had been earned at the time of termination; (2) the worth at the time of award of the amount by which the
8 unpaid Rental which would have been earned after termination until the time of award exceeds the amount
9 of such Rental loss that Tenant affirmatively proves could have been reasonably avoided; (3) the worth at
10 the time of award of the amount by which the unpaid Rental for the balance of the Term after the time of
11 award exceeds the amount of such Rental loss that Tenant affirmatively proves could be reasonably
12 avoided; (4) any other amount necessary to compensate Landlord for all the actual damages proximately
13 caused by Tenant's failure to perform its obligations hereunder or which in the ordinary course would be
14 likely to result therefrom; and (5) all such other amounts in addition to or in lieu of the foregoing as may be
15 permitted from time to time under applicable law; or (B) have this Sublease continue in effect for so long as
16 Landlord does not terminate this Sublease and Tenant's right to possession of the Premises, in which event
17 Landlord shall have the right to enforce all of Landlord's rights and remedies hereunder including the right
18 to recover the Guaranteed Rent, Percentage Rent, Additional Rent and other charges payable by Tenant
19 hereunder as they become due hereunder; or (C) without terminating this Sublease, Landlord may pay or
20 discharge any breach or violation hereof which amount so expended shall be added to the next monthly
21 payment of Guaranteed Rent, Percentage Rent and Additional Rent due and treated in the same manner as
22 Rental hereunder and Landlord shall automatically and without further action have a lien upon all of
23 Tenant's Operating Equipment, merchandise, inventory and other personal property within the Premises to
24 secure the payment thereof; or (D) without terminating this Sublease, make such alterations and repairs as
25 may be necessary in order to relet the Premises, and relet the Premises or any part thereof for such term or
26 terms (which may be for a term extending beyond the Term) at such rental or rentals and upon such other
27 terms and conditions as Landlord in its sole discretion may deem advisable. Landlord shall use reasonable
28 efforts to relet the Premises in order to mitigate its damage in respect of the remedies set forth in sub-clauses
29 (A) and (D) of this Section 19.01(a).

30
31 (b) If Landlord proceeds under Section 19.01(a)(A) or (D) above, upon such reletting all Rental and
32 other sums received by Landlord from such reletting shall be applied, first, to the payment of any
33 indebtedness other than Rental due hereunder from Tenant to Landlord or the Authority; second, to the
34 payment of any costs and expenses of such reletting, including reasonable brokerage fees and attorney fees
35 and Landlord's fees and of costs of such alterations and repairs; third, to the payment of Rental due and
36 unpaid hereunder; and the residue, if any, shall be held by Landlord and applied in payment of future
37 Guaranteed Rent and Additional Rent payable by Tenant hereunder, as the same may become due and
38 payable hereunder. If such Guaranteed Rent, Additional Rent and other sums received from such reletting
39 during any month are less than that to be paid during that month by Tenant hereunder, Tenant shall pay such
40 deficiency to Landlord; if such rentals and sums shall be more, Tenant shall have no right to the excess.
41 Such deficiency shall be calculated and paid monthly. No re-entry or taking possession of the Premises by
42 Landlord shall be construed as an election on its part to terminate this Sublease unless a written notice of
43 such intention is given to Tenant or unless the termination thereof is decreed by a court of competent
44 jurisdiction. Notwithstanding any such reletting without termination, Landlord may at any time thereafter
45 elect to terminate this Sublease for such previous breach and shall have the remedies provided herein.
46 Should Landlord at any time terminate this Sublease for any breach, in addition to any other remedies it may
47 have, it may recover from Tenant all damages it may incur by reason of such breach, including the cost of
48 recovering the Premises, all of which amount shall be immediately due and payable from Tenant to
49 Landlord. Landlord shall use its reasonable efforts to mitigate its damages hereunder; however, the failure
50 or refusal of Landlord to relet the Premises shall not affect Tenant's liability. The terms entry and re-entry
51 are not limited to their technical meanings. In the event of re-entry by Landlord, Landlord may remove all

1 persons and property from the Premises and such property may be stored in a public warehouse or
2 elsewhere at the cost of, and for the account of Tenant, with notice but without resort to legal process and
3 without Landlord being deemed guilty of trespass, conversion or becoming liable for any loss or damage
4 which may be occasioned thereby. In the event Tenant shall not remove its property from the Premises
5 within 15 days after Tenant has vacated the Premises, then such property shall be deemed abandoned by
6 Tenant and Landlord may dispose of the same without liability to Tenant subject to the rights of the City of
7 Newark, the Authority or their designee to such improvements. If Landlord removes such property from the
8 Premises and stores it at Tenant's risk and expense, and if Tenant fails to pay the cost of such removal and
9 storage after written demand therefor and/or to pay any Rental then due, then after the property has been
10 stored for a period of 30 days or more Landlord may sell such property at public or private sale, in the
11 manner and at such times and places as Landlord deems commercially reasonable following reasonable
12 notice to Tenant of the time and place of such sale. The proceeds of any such sale shall be applied first to
13 the payment of the expenses for removal and storage of the property, the preparation for the conducting of
14 such sale, and for attorneys' fees and other legal expenses incurred by Landlord in connection therewith,
15 and the balance shall be applied as provided in this subsection 19.01(b).

16
17 (c) At any time that Tenant shall have delivered checks to Landlord for payments pursuant hereto
18 which shall have on at least three (3) occasions during any Lease Year (whether consecutive or not or
19 whether involving the same check or different checks) been returned by Landlord's bank for any reason,
20 Landlord shall not be obligated to accept any payment from Tenant unless such payment is made by
21 cashier's check or in bank certified funds.

22
23 (d) For purposes of subclauses (1) and (2) of subsection 19.01(a), "worth at the time of award" shall
24 be computed by allowing interest at the maximum rate permitted by law (see Section 27.13) and for
25 purposes of subclause (3) of subsection 19.01(a), "worth at the time of award" shall be computed by
26 discounting such amount at the discount rate of the Federal Reserve Bank whose jurisdiction includes the
27 Airport at the time of award, plus one percent (1%); the Rental reserved in this Sublease shall be deemed to
28 be a monthly rental arrived at (i) by adding to the monthly installment of Guaranteed Rent payable under
29 this Sublease an amount equal to the monthly average of all the Percentage Rent based on Gross Receipts
30 received by or payable to Landlord hereunder during the period that Tenant was conducting Tenant's
31 business in the Premises in the manner and to the extent required pursuant to this Sublease, plus (ii) one
32 twelfth (1/12th) of the annual average of all Additional Rent payable by Tenant hereunder.

33
34 (e) Anything to the contrary notwithstanding, Landlord shall not be required to give notice under
35 this Article XIX more than three (3) times for the same type of default in any consecutive (12) twelve month
36 period. Further, a default of Tenant's obligations under the provisions of any other sublease with Landlord
37 covering any other retail concession facility within the Terminal or within the Airport shall constitute a
38 default by Tenant hereunder, entitling Landlord to the rights and remedies hereunder and at law.

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41 **ARTICLE XX**
42 **BANKRUPTCY OR INSOLVENCY**

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44
45 **Section 20.01 TENANT'S INTEREST NOT TRANSFERABLE.** Neither Tenant's interest in
46 this Sublease, nor any estate hereby created in Tenant nor any interest herein or therein, shall pass to any
47 trustee or receiver or assignee for the benefit of creditors or otherwise by operation of law except as may
48 specifically be provided pursuant to the United States Bankruptcy Code, as amended ("Code").

49
50 **Section 20.02 TERMINATION.** If the interest or estate created in Tenant hereby shall be taken
51 in execution or by other process of law, or if Tenant's guarantor, if any, or its executors, administrators, or

1 assigns, if any, shall be adjudicated insolvent or bankrupt pursuant to the provisions of any state act or the
2 Code or if Tenant is adjudicated insolvent by a court of competent jurisdiction other than the United States
3 Bankruptcy Court, or if a receiver or trustee of the property of Tenant or Tenant's guarantor, if any, shall be
4 appointed by reason of the insolvency or inability of Tenant or Tenant's guarantor, if any, to pay its debts as
5 the same become due or if any assignment shall be made of the property of Tenant or Tenant's guarantor, if
6 any, for the benefit of creditors, then Landlord shall have the right to elect by written notice to Tenant to
7 terminate this Sublease and all rights of Tenant hereunder at any time thereafter, and Tenant shall vacate and
8 surrender the Premises but shall remain liable as herein provided. However, if Tenant continues to pay all
9 Rental and perform all other obligations hereunder in a timely manner and shall cause such event to be
10 discharged within 60 days after its occurrence, Landlord shall not terminate this Sublease.

11
12 **Section 20.03 TENANT'S OBLIGATION TO AVOID CREDITORS' PROCEEDINGS.**

13 Tenant or Tenant's guarantor, if any, shall not cause or give cause for the appointment of a trustee or
14 receiver of the assets of Tenant or Tenant's guarantor, if any, and shall not make any assignment for the
15 benefit of creditors, or become or be adjudicated insolvent. The allowance of any petition under insolvency
16 law except under the Code or the appointment of a trustee or receiver of Tenant or Tenant's guarantor, if
17 any, or of the assets of either of them, shall be conclusive evidence that Tenant caused, or gave cause
18 therefor, unless such allowance of the petition, or the appointment of a trustee or receiver, is vacated within
19 90 days after such allowance or appointment. Any act or occurrence described in this Section 20.03 shall be
20 deemed a material breach of Tenant's obligations hereunder, and shall provide Landlord with the right to
21 elect by written notice to Tenant to terminate this Sublease and all rights of Tenant hereunder at any time
22 thereafter, and Tenant shall vacate and surrender the Premises but shall remain liable as herein provided.
23 Landlord does, in addition, reserve any and all other remedies provided in this Sublease or by law.

24
25 **Section 20.04 ELECTION TO ASSUME SUBLEASE.** Even though this is a sublease of real
26 property in an airport, the parties contractually agree that this Sublease shall be construed to be a lease of
27 real property in a shopping center within the meaning of Section 365(b)(3) of the Code. If Tenant becomes
28 a Debtor under Chapter 7, 11 or 13 of the Code, and the Trustee or Tenant, as Debtor-In-Possession, elects
29 to assume this Sublease for the purpose of assignment to a third party or otherwise, such election and
30 assignment, if any, may only be made if all the terms and conditions of Sections 20.05 and 20.07 are
31 satisfied. If the Trustee or Tenant, as Debtor-In-Possession, fails to elect to assume or reject this Sublease
32 by the 60th day after the entry of the Order for Relief in a case under Chapter 7, 11 and 13 of the Code, this
33 Sublease shall thereafter be deemed rejected and terminated in accordance with Section 365(d)(4) of the
34 Code. The Trustee or Tenant, as Debtor-In-Possession, shall thereupon immediately surrender possession of
35 the Premises to Landlord and Landlord shall have no further obligation to Tenant or Trustee hereunder. The
36 acceptance of Rental by Landlord after the 60th day shall not be deemed a waiver of Landlord's rights
37 herein and under Section 365(d)(4) of the Code, and Landlord's right to be compensated for damages in
38 such bankruptcy case shall survive.

39
40 **Section 20.05 CONDITIONS OF ASSUMPTIONS.** No election by the Trustee or Tenant, as
41 Debtor-In-Possession, to assume this Sublease, whether under Chapter 7, 11 and 13 of the Code shall be
42 effective unless each of the following conditions, which Landlord and Tenant acknowledge are
43 commercially reasonable in the context of a bankruptcy proceeding of Tenant, has been satisfied, and
44 Landlord has so acknowledged in writing: (a) Landlord has not terminated this Sublease pursuant to the
45 provisions established herein or under applicable state law, prior to the filing of a case under the Code; (b)
46 the Trustee or Tenant, as Debtor-In-Possession, has cured, or has provided Landlord adequate assurance that
47 within 20 days from the entry of an order granting the Trustee or Tenant, as Debtor-In-Possession, authority
48 to assume, the Trustee or Tenant will cure all defaults hereunder; (c) the Trustee or Tenant, as Debtor-In-
49 Possession, has compensated, or has provided to Landlord adequate assurance that within 20 days from the
50 date of the entry of an order granting authority to assume, Landlord will be compensated for any monetary
51 loss incurred by Landlord arising from the default of the Trustee or Tenant, as Debtor-In-Possession, as

1 recited in Landlord's written statement of monetary loss sent to the Trustee or Tenant; (d) the Trustee or
2 Tenant, as Debtor-In-Possession, has provided Landlord with adequate assurance of future performance of
3 each of the Tenant's obligations hereunder; (e) no fire, bankruptcy or going-out-of-business sale shall be
4 conducted at any time; (f) the assumption of the Sublease will not: (i) breach any provision in any other
5 lease, mortgage, financing agreement or other agreement by which Landlord or the Authority is bound
6 relating to the Airport, (ii) disrupt, in Landlord's judgment, the tenant mix of the Terminal or any other
7 attempt by Landlord to provide a specific variety of concessions in the Terminal which, in Landlord's
8 judgment, would be most beneficial to all of the subtenants in the Terminal and would enhance the image,
9 reputation, and profitability of the Terminal; and (g) for purposes of this Section, Landlord and Tenant
10 acknowledge that, in the context of a bankruptcy proceeding of Tenant, at a minimum "adequate assurance"
11 shall mean that the Bankruptcy Court shall have entered an Order segregating sufficient cash payable to
12 Landlord or the Trustee or Tenant, as Debtor-In-Possession, and shall have granted a valid perfected first
13 lien and security interest or mortgage in property of Tenant, Trustee or Debtor-In-Possession, acceptable as
14 to value and kind to Landlord to secure Landlord the obligation of the Trustee or Tenant, as Debtor-In-
15 Possession, to cure the monetary or non-monetary defaults under this Sublease within the time periods set
16 forth above.

17
18 **Section 20.06 SUBSEQUENT BANKRUPTCY.** In the event that this Sublease is assumed by a
19 Trustee appointed for Tenant or by Tenant as Debtor-In-Possession under the provisions of Section 20.05
20 hereof and thereafter Tenant is liquidated or files a subsequent Petition for reorganization or adjustment of
21 debts under Chapter 11 or 13 of the Bankruptcy Code, then, and in either of such events, Landlord may, at
22 its option, terminate this Sublease and all rights of Tenant hereunder, by giving Tenant written notice of its
23 election to so terminate, by no later than 30 days after the occurrence of either of such events.

24
25 **Section 20.07 ASSIGNMENT.** If the Trustee or Debtor-In-Possession has assumed this Sublease
26 pursuant to the terms and conditions of Sections 20.02 or 20.03, for the purpose of transferring Tenant's
27 interest under this Sublease or the estate created thereby, to any other person, such interest or estate may be
28 so transferred only if Landlord shall acknowledge in writing that the intended transferee has provided
29 adequate assurance of future performance as defined in this Section of all of the terms, covenants and
30 conditions of this Sublease to be performed by Tenant. For purposes of this Section, Landlord and Tenant
31 acknowledge that, in the context of a bankruptcy proceeding of Tenant, at a minimum "adequate assurance
32 of future performance" shall mean that each of the following conditions have been satisfied, and Landlord
33 has so acknowledged in writing: (a) such transferee shall have a net worth equal to or greater than the
34 highest of (i) the net worth of Tenant (and any guarantor) immediately prior to such transfer; (ii) the net
35 worth of Tenant (and any guarantor) on the date of this Sublease, or (iii) such net worth as Landlord
36 determines to be reasonably sufficient to assure the future performance of all obligations under this
37 Sublease; and in each case such net worth shall be evidenced by financial statements prepared by a reputable
38 certified public accountant and otherwise in such form and with such additional information as Landlord
39 may require; (b) the transferee, if requested, shall have obtained guarantees in form and substance
40 satisfactory to Landlord from one or more persons who satisfy Landlord's standards of creditworthiness; (c)
41 the transferee has submitted in writing evidence satisfactory to Landlord of substantial retailing experience
42 in airports comparable to the retail area in the Terminal and in the sale of merchandise and services
43 permitted under this Sublease; (d) Landlord has obtained all consents or waivers from any third party
44 required under the Terminal C Lease, any lease, mortgage, financing arrangement or other agreement by
45 which Landlord is bound to permit Landlord to consent to such transfer; (e) such transferee shall have
46 proven retailing experience and the ability to efficiently and effectively operate the Premises for the same
47 uses and in a manner consistent with at least as high a standard of operation as then exists in the Premises;
48 (f) the business conducted in the Premises by such transferee shall be conducted for the same Permitted Use
49 and under the same trade name required to be used by Tenant pursuant to the terms of this Sublease; (g) the
50 use of the Premises by such transferee shall not violate or create any violation or potential violation of
51 applicable codes, laws or ordinances nor violate any other agreement affecting the Premises, Landlord, the

1 Authority or other occupants in the Terminal; and (h) the assumption of this Sublease will not (i) breach any
2 provision in any other lease, mortgage, financing agreement or other agreement by which Landlord or the
3 Authority is bound relating to the Terminal, or (ii) disrupt, in Landlord's judgment, the tenant mix of the
4 Terminal or any other attempt by Landlord to provide a specific variety of concessions in the Terminal
5 which, in Landlord's judgment, would be most beneficial to all of the occupants in the Terminal and would
6 enhance the image, reputation, and profitability of the Terminal. Any person or entity to which this
7 Sublease is assigned pursuant to the provisions of the Code shall be deemed without further act or deed to
8 have assumed all of the obligations arising under this Sublease on and after the date of such assignment.
9 Any such assignee shall upon demand execute and deliver to Landlord an instrument confirming such
10 assumption.

11
12 **Section 20.08 OCCUPANCY CHARGES.** When, pursuant to the Code, the Trustee or Tenant,
13 as Debtor-In-Possession shall be obligated to pay reasonable use and occupancy charges for the use of the
14 Premises or any portion thereof, such charge shall not be less than the Guaranteed Rent and Percentage Rent
15 and all other monetary obligations of Tenant for the payment of Additional Rent.

16
17 **Section 20.09 CONSENT.** Neither Tenant's interest in this Sublease, nor any lesser interest of
18 Tenant herein, nor any estate of Tenant hereby created, shall pass to any trustee, receiver, transferee for the
19 benefit of creditors, or any other person or entity, or otherwise by operation of law under the laws of any
20 state having jurisdiction of the person or property of Tenant unless Landlord and the Authority shall consent
21 to such transfer in writing. No acceptance by Landlord of Rental or any other payments from any such
22 trustee, receiver, transferee, person or other entity shall be deemed to have waived the need to obtain such
23 consent for any transfer of Tenant's interest hereunder.

24
25 **Section 20.10 OTHER LAWS.** The provisions of this Article XX concerning the rights of
26 Landlord and the obligations of Trustee, Tenant, Debtor, Receiver, Debtor-In-Possession and assignee are in
27 addition to such rights and obligations provided by law, including those applicable provisions of the Code.
28 Nothing contained in this Article XX shall limit or reduce in any manner whatsoever such rights and
29 obligations which are otherwise provided by law.

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**ARTICLE XXIV
RULES AND REGULATIONS**

Section 24.01 RULES AND REGULATIONS. Tenant agrees to comply with and observe all reasonable rules and regulations established by the Authority or Landlord from time to time, with respect to the Airport, the Terminal, the Premises or any related matter. Such rules and regulations shall include the Authority's regulations as amended from time to time, and any other rules presently in effect or promulgated from time to time by the Authority. Tenant and its employees shall faithfully observe and comply with any other rules which the Authority or Landlord may from time to time make after notice to Tenant, provided such rules apply to all similarly situated subtenants in the Terminal and are reasonably related to the safety, care, appearance, reputation, operation or maintenance of the Terminal or the Airport or the comfort of subtenants and others using the Airport. Neither the Authority nor Landlord shall have any duty or obligation to enforce such rules or the terms and conditions in any other lease or sublease as against any other tenant and neither the Authority nor Landlord shall be liable to Subtenant for violations of the same by other subtenants, invitees, their servants, employees, contractors, subcontractors and agents. Tenant's failure to keep and observe said rules and regulations shall constitute a breach of the terms hereof in the same manner as if the rules and regulations were contained herein as covenants.

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**ARTICLE XXV
QUIET ENJOYMENT**

Section 25.01 LANDLORD'S COVENANT. Subject to the terms and conditions hereof, the terms and provisions of the Terminal C Lease as well as Tenant's Agreement with the Authority, upon payment by Tenant of Rental herein provided and other charges payable by Tenant hereunder, and upon the observance and performance of all the covenants, terms and conditions on Tenant's part to be observed and performed, Tenant shall peaceably and quietly hold and enjoy the Premises for the Term hereby demised without hindrance or interruption by Landlord.

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**ARTICLE XXVI
SECURITY DEPOSIT**

Section 26.01 DEPOSIT. Tenant shall deposit with the Authority the sum set forth in Tenant's Agreement with the Authority as a security deposit and payment and performance guarantee. The Authority shall retain said sum for the benefit of Landlord and the Authority throughout the Term of this Sublease and the Agreement as security for the faithful performance by Tenant of all of the terms, covenants and conditions of this Sublease and the Agreement. The Agreement shall govern all aspects in connection with the security deposit.

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**ARTICLE XXVII
MISCELLANEOUS**

Section 27.01 WAIVER; ELECTION OF REMEDIES. One or more waivers of any covenant or condition by Landlord shall not be construed as a waiver of a subsequent breach of the same covenant or condition, and the consent or approval by Landlord to or of any act by Tenant requiring Landlord's consent

1 or approval shall not be deemed to render unnecessary Landlord's consent or approval to or of any
2 subsequent similar act by Tenant. No breach by Tenant of a covenant or condition hereof shall be deemed
3 to have been waived by Landlord unless such waiver is in writing signed by Landlord. The rights and
4 remedies of Landlord hereunder or in any specific Section, subsection or clause hereof shall be cumulative
5 and in addition to any and all other rights and remedies which Landlord has or may have elsewhere
6 hereunder or at law or equity, whether or not such Section, subsection or clause expressly so states.
7

8 **Section 27.02 ENTIRE AGREEMENT.** The Data Sheet, and all exhibits and/or addendum(s), if
9 any, attached hereto are hereby made a part hereof, with full force and effect as if set forth herein. This
10 Sublease supersedes all prior agreements between the parties (other than the Terminal C Lease, applicable
11 Permits and Tenant's Agreement with the Authority) and sets forth all the covenants, promises, agreements
12 and conditions, and understandings between Landlord and Tenant concerning the Premises and there are no
13 actual or implied covenants, promises, agreements, conditions or understandings, either oral or written,
14 between them other than as are set forth herein and none thereof shall be used to interpret, construe,
15 supplement or contradict this Sublease. Neither Landlord nor its agents have made any representation or
16 warranty regarding the profitability of the Premises, the enplaned passenger and/or airline volume in the
17 Terminal or operating airlines in the Terminal, and Tenant has not entered into this Sublease in reliance on
18 any such representations, warranties or financial projections prepared or furnished to Tenant by Landlord or
19 its agents. No alteration, amendment, change or addition to this Sublease shall be binding upon Landlord or
20 Tenant unless reduced to writing and signed by each party and consented to in writing by the Authority.
21 Tenant shall pay all of Landlord's costs, expenses and reasonable fees of its attorney(s) in connection with
22 any amendment, change or addition to this Sublease made at the request of or to accommodate Tenant with
23 any such costs, expenses and fees not to exceed \$500.00.
24

25 **Section 27.03 INTERPRETATION; USE OF PRONOUNS; AUTHORIZATION.** Nothing
26 contained herein shall be deemed or construed by the parties hereto, nor by any third party, as creating the
27 relationship of principal and agent or of partnership or of joint ventures between the parties hereto, it being
28 understood and agreed that neither the method of computation of Rental, nor any other provision contained
29 herein, nor any acts of the parties herein, shall be deemed to create any relationship between the parties
30 hereto other than the relationship of landlord and tenant. Whenever herein the singular number is used the
31 same shall include the plural, and the masculine gender shall include the feminine and neuter genders. If
32 this Sublease is signed on behalf of a corporation, partnership or other entity, the signer is duly authorized to
33 execute this Sublease on behalf of such corporation, partnership or entity.
34

35 **Section 27.04 DELAYS; FORCE MAJEURE.** In the event either party is delayed in the
36 performance of any obligation required by this Sublease, such performance shall be excused (unless the
37 specific provision otherwise provides) for the period of the delay and performance of any such obligation
38 shall be extended for a period equal to the delay, if and only if the delay is by reason of "force majeure",
39 which as used herein shall mean fire, earthquake, hurricane, flood and a similar act of God constituting a
40 natural disaster, explosion, terrorist action, war, executive order of government or similar causes not within
41 the control of the entity being delayed. However, the time for Tenant's performance of any obligation shall
42 not be extended due to any lack of funds, financial or economic problems of either Tenant or Tenant's
43 architects, contractors, suppliers, agents, consultants and/or employees. If Tenant shall claim a delay due to
44 force majeure, Tenant must notify Landlord in writing for receipt by Landlord within 15 days of the first
45 occurrence of an event of force majeure. Such notice must specify in reasonable detail the cause or basis for
46 claiming force majeure and the anticipated delay in Tenant's performance. In no event shall any delay
47 extend Tenant's performance beyond a 75 day period without the specific written approval of Landlord.
48 Under no circumstances shall any such condition or delay (unless the specific provision provides for
49 abatement of Rental), whether such condition or delay is claimed by Landlord, the Authority or Tenant,
50 excuse or delay Tenant's payment of any Rental and other charges due hereunder. Further, Landlord's or
51 the Authority's reduction of heat, light, air conditioning or any other services whatsoever to the Terminal or

1 the Premises shall not relieve or excuse Tenant from any of its obligations hereunder.

2
3 **Section 27.05 NOTICES.** Notwithstanding the fact that certain descriptions elsewhere in this
4 Sublease of notices required to be given by one party to the other may omit to state that such notices shall be
5 in writing, any notice, demand, request or other instrument which may be or is required to be given
6 hereunder shall be in writing and sent by (i) United States certified mail, return receipt requested, postage
7 prepaid, (ii) United States express mail, (iii) air courier (such as Federal Express), (iv) personal delivery or
8 (v) any other method creating a receipt, waybill or other indication of delivery, and shall be addressed (a) if
9 to the Landlord, at the address as set forth on the Data Sheet, or such other address or addresses as Landlord
10 may designate by written notice, together with copies thereof to such other parties designated by Landlord
11 and, (b) if to Tenant, the address set forth on the Data Sheet, or such other address or addresses as Tenant
12 shall designate by written notice, together with copies thereof to such other parties designated by Tenant.

13
14 **Section 27.06 CAPTIONS AND SECTION NUMBERS.** The captions, section numbers, article
15 numbers and index appearing herein are inserted only as a matter of convenience and in no way define,
16 limit, construe or describe the scope or intent of such sections or articles hereof nor in any way affect this
17 Sublease.

18
19 **Section 27.07 BROKER'S COMMISSION.** Each party represents and warrants to the other
20 party that there are and shall be no claims for brokerage commissions or finder's fees in connection with this
21 Sublease, and each party agrees to indemnify the other and hold it harmless from all liabilities arising from
22 any claim for brokerage commissions and finder's fees in connection with this Sublease. Such agreement
23 shall survive the termination hereof.

24
25 **Section 27.08 RECORDING.** Tenant shall not record this Sublease or any short form or
26 memorandum hereof. Tenant, upon the request of Landlord, shall execute and acknowledge a short form or
27 memorandum of this Sublease for recording purposes, with the recording costs to be borne by Landlord.

28
29 **Section 27.09 FURNISHING OF FINANCIAL STATEMENTS.** Tenant has provided
30 Landlord at or prior to the date of this Sublease with statements reflecting its financial condition and a credit
31 report as of a date within the last 12 months as an inducement to Landlord to enter into this Sublease, and
32 Tenant hereby represents and warrants that its financial condition and credit rating have not materially
33 changed since the date of those statements and reports. Upon Landlord's written request, Tenant shall
34 promptly furnish Landlord, from time to time, but not more frequently than once in any Lease Year, with
35 financial statements reflecting Tenant's then current financial condition. Landlord shall treat such financial
36 statements and information provided to it pursuant to Articles III and IV hereof confidentially, and shall not
37 disclose them except to the Authority, Landlord's lenders or otherwise as reasonably necessary for the
38 operation of the Terminal or administration of Landlord's or the Authority's business or unless disclosure is
39 required by any judicial or administrative order or ruling.

40
41 **Section 27.10 TENANT'S WAIVERS IN ACTION FOR POSSESSION.** Landlord and
42 Tenant agree that in any action brought by Landlord to obtain possession of the Premises, the parties desire
43 an expeditious resolution of such litigation. Accordingly, Tenant shall not file and hereby waives the right
44 to file any non-compulsory counterclaim in such action. Tenant also shall not file and hereby waives the
45 right to file any defense to such action for possession other than the defense that the default alleged by
46 Landlord did not occur unless Tenant would otherwise be precluded from the filing of any such other
47 defense in a separate action.

48
49 **Section 27.11 TRANSFER OF LANDLORD'S INTEREST.** In the event of any transfer or
50 transfers of Landlord's interest in the Premises, the transferor shall be automatically relieved of any and all
51 obligations on the part of Landlord accruing from and after the date of such transfer, provided that (a) the

1 interest of the transferor, as Landlord, in any funds in the hands of Landlord in which Tenant has an interest
2 shall be turned over, subject to such obligations, to the then transferee; and (b) notice of such sale, transfer
3 or lease shall be given to Tenant as required by law. Landlord also has the right at any time to assign this
4 Sublease to the Authority or to any successor operator to Landlord in the Terminal in the event of the
5 expiration, termination or assignment of the Terminal C Lease without notice to Tenant.
6

7 **Section 27.12 FLOOR AREA.** Floor Area as used in this Sublease means with respect to any
8 leasable area of the Premises the aggregate number of square feet of interior floor space of all floor levels
9 therein, including any mezzanine space which shall be measured: (i) with respect to the front and rear width
10 thereof, from the exterior face of the adjacent exterior or corridor wall, or if none, to the center of the
11 demising partition, and (ii) with respect to the depth thereof, from the front of the lease line as shown on
12 Exhibit A-2 to the exterior face of the exterior wall, or corridor wall, or if none, to the center of the demising
13 partition. No deduction or exclusion from Floor Area shall be made by reason of columns, ducts, stairs,
14 elevators, escalators, shafts or other interior construction or equipment.
15

16 **Section 27.13 INTEREST ON PAST DUE OBLIGATIONS.** Any amount due from Tenant to
17 Landlord hereunder which is not paid when due (including, without limitation, amounts due as
18 reimbursement to Landlord for costs incurred by Landlord in performing obligations of Tenant hereunder
19 upon Tenant's failure to so perform) shall bear interest at the lesser of (a) the "Prime Rate" as published in
20 the Wall Street Journal or successor publication; or (b) the maximum rate then allowed under the laws of the
21 State of New Jersey from the date due until paid, unless otherwise specifically provided herein, but the
22 payment of such interest shall not excuse or cure any default by Tenant hereunder. Interest on any amounts
23 due from Tenant to the Authority shall be calculated and paid in accordance with Tenant's Agreement with
24 the Authority.
25

26 **Section 27.14 LIABILITY OF LANDLORD AND LIMITATION OF DAMAGES.** If
27 Landlord shall fail to perform any covenant, term or condition hereof upon Landlord's part to be performed,
28 and if as a consequence of such default Tenant shall recover a money judgment against Landlord, such
29 judgment shall be satisfied only out of the rents or other income from the concession program in the
30 Terminal received by Landlord and neither Landlord nor any of the officers, directors, employees, agents,
31 partners or affiliates of Landlord shall be liable for any deficiency. No member, shareholder, commissioner,
32 director, officer, agent or employee of the Authority or Landlord shall be charged personally or held
33 contractually liable under any term or provision of this Sublease and/or Tenant's Agreement with the
34 Authority or because of any breach thereof or because of the execution or attempted execution of this
35 Sublease or Tenant's Agreement with the Authority. Landlord and the Authority (including the members,
36 shareholders, commissioners, directors, officers, agents or employees of either of them) shall not be liable to
37 Tenant for any loss of business or any indirect, special, consequential or exemplary damages or lost profits.
38

39 **Section 27.15 APPLICATION OF PAYMENTS; ACCORD AND SATISFACTION.** All
40 payments received by Landlord shall be credited and be deemed to be on account of the Rental and other
41 charges first then due. No statements or endorsements on any check or any letter accompanying any check
42 or payment of Rental or other charges shall be deemed an accord and satisfaction of any debt or obligation
43 of Tenant hereunder. Landlord reserves the right to accept any check or payment without prejudicing in any
44 way Landlord's right to recover the balance of any and all Rental and other charges due from Tenant after
45 receipt of any such check or payment or to pursue any other remedy provided herein or by law.
46

47 **Section 27.16 EXECUTION OF SUBLEASE; NO OPTION.** The submission of this Sublease
48 to Tenant shall be for examination purposes only, and does not and shall not constitute a reservation of an
49 option for Tenant to lease, or otherwise create any interest by Tenant in the Premises or any other premises
50 in the Terminal. Execution of this Sublease by Tenant and the return of same to Landlord shall not be
51 binding upon Landlord, notwithstanding any time interval, until Landlord has executed and delivered this

1 Sublease to Tenant and the parties have obtained the required Agreement executed by the Authority.
2

3 **Section 27.17 GOVERNING LAW.** This Sublease shall be governed by and construed in
4 accordance with laws of the State of New Jersey. If any provision of this Sublease or the application thereof
5 to any person or circumstances shall, to any extent, be invalid or unenforceable, such provision shall be
6 adjusted rather than voided, if possible, in order to achieve the intent of the parties, to the extent possible; in
7 any event, all other provisions hereof shall be deemed valid and enforceable to the full extent.
8

9 **Section 27.18 SPECIFIC PERFORMANCE OF RIGHTS.** Each party shall have the right to
10 obtain specific performance of any and all covenants or obligations of the other party hereunder except to
11 the extent otherwise provided herein for the benefit of Landlord excusing any such performance by
12 Landlord, and nothing contained herein shall be construed as or shall have the effect of abridging such right.
13

14 **Section 27.19 SURVIVAL OF TENANT'S OBLIGATIONS.** All obligations of Tenant
15 hereunder which cannot be ascertained to have been fully performed prior to the end of the Term or any
16 earlier termination hereof shall survive any such expiration or termination. Further, all of the terms,
17 conditions, covenants, provisions, restrictions or requirements imposed upon Tenant hereunder shall be
18 deemed to extend to Tenant's agents, employees, officers, directors, partners, guarantors, contractors,
19 concessionaires, licensees and subcontractors and Tenant shall cause any such persons or entities to comply
20 therewith and include any applicable provisions in any agreements, contracts, subcontracts or the like
21 entered into by Tenant with respect to its activities and operations in the Premises, the Terminal and the
22 Airport.
23

24 **Section 27.20 CERTAIN RULES OF CONSTRUCTION.** Time is of the essence in Tenant's
25 performance of this Sublease. Notwithstanding the fact that certain references elsewhere in this Sublease to
26 acts required to be performed by Tenant hereunder, or to breaches or defaults of this Sublease by Tenant,
27 omit to state that such acts shall be performed at Tenant's sole cost and expense, or omit to state that such
28 breaches or defaults by Tenant are material, unless the context clearly implies to the contrary, each and
29 every act to be performed or obligation to be fulfilled by Tenant pursuant hereto shall be performed or
30 fulfilled at Tenant's sole cost and expense, and all breaches or defaults by Tenant hereunder shall be deemed
31 material. Tenant shall be fully responsible and liable for the observance and compliance by concessionaires,
32 franchisees and licensees of Tenant and with all the terms and conditions of this Sublease, which terms and
33 conditions shall be applicable to concessionaires, franchisees and licensees as fully as if they were the
34 Tenant hereunder; and failure by a concessionaire, franchisee or licensee fully to observe and comply with
35 the terms and conditions of this Sublease shall constitute a default by Tenant. Nothing contained in the
36 preceding sentence shall constitute consent by Landlord or the Authority to any concession, subletting or
37 other arrangement. Further, although the printed provisions of this Sublease were drawn by Landlord, the
38 parties agree that this circumstance alone shall not create any presumption, canon of construction or
39 implication favoring the position of either Landlord or Tenant and the deletion of language from this
40 Sublease prior to its mutual execution shall not be construed to have any particular meaning or to raise any
41 presumption, canon of construction or implication, including, without limitation, any implication that the
42 parties intended thereby to state the converse, adverse or opposite of the deleted language.
43

44 **Section 27.21 CONFIDENTIALITY.** Any and all information contained in this Sublease or
45 provided to or by Tenant and/or Landlord by reason of the covenants and conditions hereof, economic or
46 otherwise, shall remain confidential between Landlord and Tenant and shall not be divulged to third parties
47 except as required to be disclosed by law. The Authority shall be permitted to disclose any and all such
48 information consistent with its policies and procedures as such determination is made by the Authority in its
49 sole and absolute discretion; and, in addition, Landlord or the Authority shall be permitted to divulge the
50 contents of statements and reports derived and received in connection with the provisions of Article III and
51 Article IV in connection with any contemplated sales, transfers, assignments, encumbrances or financing

1 arrangements of Landlord's or the Authority's interest in the Terminal C Lease, the Airport or the Terminal
2 or in connection with any administrative or judicial proceedings in which Landlord or the Authority is
3 involved where Landlord or the Authority may be required to divulge such information.
4

5 **Section 27.22 ATTORNEY FEES.** If at any time after the date that this Sublease has been
6 executed by Landlord and Tenant, either Landlord or Tenant institutes any action or proceeding against the
7 other relating to the provisions hereof or any default hereunder, the non-prevailing party in such action or
8 proceeding shall reimburse the prevailing party for the reasonable expenses of attorneys' fees and all costs
9 and disbursements incurred therein by the prevailing party, including, without limitation, any such fees,
10 costs or disbursements incurred on any appeal from such action or proceeding. Subject to the provisions of
11 local law, the prevailing party shall recover all such fees, costs or disbursements as costs taxable by the
12 court or arbiter in the action or proceeding itself without the necessity for a cross-action by the prevailing
13 party. Any such amounts due from Tenant to Landlord under this provision shall be considered as
14 Additional Rent hereunder and shall be paid by Tenant to Landlord within 20 days after written demand.
15

16 **Section 27.23 WAIVER OF TRIAL BY JURY.** Landlord and Tenant desire and intend that any
17 disputes arising between them with respect to or in connection with this Sublease be subject to expeditious
18 resolution in a court trial without a jury. Therefore, Landlord and Tenant each hereby waive the right to trial
19 by jury of any cause of action, claim, counterclaim or cross-complaint in any action, proceeding or other
20 hearing brought by either Landlord against Tenant or Tenant against Landlord or any matter whatsoever
21 arising out of, or in any way connected with, this Sublease, the relationship of Landlord and Tenant,
22 Tenant's use or occupancy of the Premises or any claim of injury or damage, or the enforcement of any
23 remedy under any law, statute, or regulation, emergency or otherwise, now or hereafter in effect.
24

25 **Section 27.24 A.D.A. COMPLIANCE.** Tenant agrees that within the Premises Tenant shall be
26 fully and solely responsible for compliance with the Americans with Disabilities Act (42 U.S.C. Sec. 12101
27 *et. seq.*), and the regulations and Accessibility Guidelines for Buildings and Facilities issued pursuant
28 thereto. Further, Tenant agrees to construct its Fixed Improvements and install its Operating Equipment and
29 operate the Premises so that the Premises shall at all times accommodate customers with luggage.
30

31 **Section 27.25 SECURITY.** Tenant shall be fully responsible, at its sole cost, for providing security
32 for the Premises with no right of reimbursement from either Landlord or the Authority. Notwithstanding the
33 foregoing, Tenant shall take such reasonable security precautions with respect to the Premises and its
34 operations and personnel as Landlord or the Authority, in their discretion may require from time to time.
35

36 **Section 27.26 NON-DISCRIMINATION AND AFFIRMATIVE ACTION.** With respect to
37 non-discrimination and affirmative action, Tenant, its agents, employees, licensees, contractors and
38 subcontractors shall comply at all times with all of the terms and conditions set forth in Exhibit G and as set
39 forth in Tenant's Agreement with the Authority.
40

41 **Section 27.27 LABOR HARMONY.** Tenant agrees that in the use of the Premises or any work
42 performed in or about the Premises that Tenant will employ only labor which can work in harmony with all
43 elements of labor being employed at the Airport. Tenant shall use its best efforts, taking all measures and
44 means, to insure labor harmony in its activities at the Terminal and the Airport, all to the end of avoiding
45 and preventing strikes, walkouts, work stoppages, slowdowns, boycotts and other labor trouble and discord.
46 Tenant particularly recognizes the essential necessity of the continued and full operation of the whole
47 Airport as a transportation center. Tenant shall immediately give oral notice to Landlord and the Authority
48 (to be followed by written notice and reports) of any and all impending or existing labor complaints,
49 troubles, disputes or controversies and the progress thereof. If any type of strike, boycott, picketing, work
50 stoppage, slowdown or other labor activity is directed against Tenant or against any of Tenant's operations
51 pursuant to this Sublease which in the opinion of Landlord and/or the Authority (i) physically interferes with
52 the operation of the Terminal or the Airport, or (ii) physically interferes with access between the Premises

1 and any portion of the Terminal or the Airport, by the public, or (iii) physically interferes with access to
2 other areas of the Terminal or the Airport, by the public, or (iv) physically interferes with the operations of
3 other subtenants, concessionaires, lessees or licensees at the Terminal or the Airport, or (v) presents a
4 danger to the health or safety of users of the Terminal or the Airport, persons employed thereat, or to
5 members of the public, whether or not the same is due to the fault of Tenant or is caused by employees of
6 Tenant or of others, Landlord and/or the Authority shall have the right at any time during the continuance
7 thereof, by 24 hours oral notice to suspend Tenant's operations hereunder effective at the time specified in
8 such oral notice. During any suspension, Tenant shall cease all its activities and operations hereunder and
9 take such steps to secure and protect the Premises as shall be necessary or desirable. The period of
10 suspension shall end automatically no later than 24 hours after the cause thereof has ceased or been cured.
11 While Tenant shall be relieved of its obligation to continually conduct its business in the Premises during a
12 suspension period, suspension shall not relieve Tenant of its payment or reporting obligations hereunder and
13 there shall be no abatement of Rental under any circumstances whatsoever unless otherwise approved in
14 writing by Landlord determined in its sole and absolute discretion.

15
16 **Section 27.28 CROSS DEFAULT.** Notwithstanding anything to the contrary contained in this
17 Sublease, a default of Tenant's obligations under the provisions of any other sublease with Landlord
18 covering any other concession facilities within the Terminal shall constitute a default by Tenant under this
19 Sublease, entitling Landlord to the rights and remedies provided to it under this Sublease and at law.

20
21 **Section 27.29 AIRPORT SECURITY.** Tenant, its agents, employees, contractors and
22 subcontractors shall be familiar with, comply with and conduct all their activities and operations hereunder
23 in accordance with all regulations and directives of Landlord, the Authority and the Federal Aviation
24 Administration ("FAA") with respect to maintaining Airport security. Tenant agrees with Landlord and the
25 Authority to require each of its employees to attend an appropriate training seminar that may be required as
26 a condition of employment. Each of Tenant's employees shall be eligible to apply for the appropriate
27 identification badge for the Terminal C Concession Program ("TCCP Badge"). Tenant agrees that at all
28 times Tenant shall have a sufficient number of its employees that have obtained and are holding currently
29 issued TCCP Badges in order to efficiently conduct its business in the Terminal. Landlord assumes no
30 responsibility for providing escorts within the Terminal for Tenant's benefit if Tenant fails to have a
31 sufficient number of employees so badged nor does the Authority assume any such responsibility for
32 providing escorts. The TCCP Badge will contain the employee's ID number, photograph, name and social
33 security number, store name and expiration date (issued for maximum of 1 year). Tenant hereby agrees to
34 require all employees to wear and properly display the TCCP Badge at all times while in the Airport. The
35 TCCP Badge shall be obtained from Landlord or its designated security agent by Tenant for each of its
36 employees, at Tenant's sole cost and expense, and all fees for background checks, fingerprinting (if
37 necessary), application processing and production of the TCCP Badge shall be as set from time to time by
38 Landlord and shall be paid in advance by Tenant. The TCCP Badge shall allow access to certain secured
39 areas in the operations level of the Terminal which includes employee locker areas, offices, storage rooms,
40 employee cafeteria and a portion of the loading dock area. The TCCP Badge shall not permit access to
41 other secured areas of the Airport including the aeronautical operations area ("AOA"), any exterior ramps or
42 access to the exterior portion of the loading dock area. Access to any such prohibited areas shall only be
43 permitted when accompanied by an Authority badged escort. If Tenant fails to strictly comply with any of
44 the obligations required of Tenant hereunder as well as all requirements imposed under federal law,
45 including, but not limited to the FAA's and the Authority's rules and regulations, or fails to provide
46 adequate and complete information and documentation to either Landlord, the Authority or the FAA
47 immediately upon request, such failure shall be deemed a material default and a material breach by Tenant
48 of the terms and conditions hereof and as a result thereof Tenant may be subject to fines and penalties
49 imposed by the FAA as well as any other remedies available to Landlord hereunder or by law.

50
51 (a) TCCP Badge Application and Processing. Tenant shall obtain the required application from
52 Landlord or its designated agent. Each application shall be completed on behalf of each employee

1 containing all of the required information under FAA regulations including, but not limited to, a 10-year
2 employment history, the most previous 5 years being verified by Landlord's designated security agent and
3 all information must be true, complete and accurate in all respects. All information provided on the
4 application shall be typewritten and must be reviewed with Landlord or the appropriate badging authority at
5 least 7 days prior to the scheduled start date for each employee of Tenant. Tenant shall pay all fees in
6 advance during each badging process. All employee badges shall be delivered to the Premises after
7 processing has been completed and the TCCP Badge issued. The FAA conducts ongoing, spot audits of all
8 documentation required to be maintained by Tenant for its employees at the Airport. Tenant must provide
9 Landlord and the Authority with true, accurate and complete copies of all required and necessary
10 documentation that Tenant has obtained, providing evidence that Tenant has verified each employee's
11 employment and/or education history, when requested from time to time.
12

13 (b) Tenant Certification Report. Tenant's management representative employed at the Premises
14 shall provide to Landlord or its designated agent, on a monthly basis, with a report certifying all employees
15 holding TCCP badges, each such employee's social security number, the expiration date of each TCCP
16 Badge previously issued and reporting any TCCP Badges that were not recovered from any of Tenant's
17 employees when employment at the Premises was terminated. Such monthly certification report shall be
18 submitted no later than the 20th day of each calendar month. Failure to deliver such report within such time
19 frame shall subject Tenant to a daily penalty of \$50.00 until each monthly certification report is properly
20 delivered. Tenant shall be solely responsible for any penalties for failure to return any and all expired and
21 terminated employees' TCCP badges.
22

23 (c) Tenant's Indemnification and Assumption of Liability. Tenant shall be responsible for ensuring
24 that none of its employees fails to wear their TCCP Badges at all times when within the Airport or enters
25 into any secured area without the proper type of security identification badge and assumes all liability for
26 violation of FAA regulations by its employees including, but not limited to, fines that may be imposed by
27 the FAA, the Authority and/or Landlord for any such failures. Tenant hereby covenants and agrees with
28 Landlord and the Authority that Tenant shall indemnify, defend and hold harmless Landlord, the Authority
29 and their respective agents and employees from and against any and all liabilities, claims, costs, damages,
30 demands, expenses, fees, fines, penalties, suits, proceedings, actions and causes of action of any and every
31 kind and nature arising or growing out of or in any way connected with, directly or indirectly, the failure by
32 Tenant to strictly comply with the requirements of federal law, including, but not limited to, the FAA's and
33 the Authority's rules and regulations concerning the subject matter set forth in this Section 27.29.
34

35 (d) Authority Security ID Badge. If it is deemed absolutely necessary for any of Tenant's
36 employees to obtain access to other restricted areas of the Airport via an Authority Security ID Badge for
37 the sole purpose of performing valid aspects of Tenant's operation of its business, Tenant shall obtain all
38 applications and badges from the Authority in accordance with the Computerized Security System ID Card
39 Procedures Manual as the same is issued and amended from time to time. Issuance of any such Authority
40 badges shall be determined in the sole discretion of the Authority.
41

1 Section 27.30 **DISCOUNT TO CERTAIN EMPLOYEES.** Notwithstanding anything to the
2 contrary contained in this Sublease, Tenant is hereby required to give a discount for all products,
3 merchandise and/or services sold and/or rendered hereunder to Landlord's employees (evidenced by a valid
4 Continental Airlines ID Badge), the Authority's employees (evidenced by a valid Port Authority ID Card)
5 and other individuals employed at the Airport (who can demonstrate to the reasonable satisfaction of Tenant
6 that such individuals are employed at the Airport). The discount to be given as required under this Sublease,
7 which for purposes of Section 2.02(e)(vii) shall be deemed by Landlord and Tenant to be a "customary
8 discount", shall be in the amount of ten percent (10%) as compared to Tenant's normal non-sale prices for
9 products, merchandise and/or services sold and/or rendered hereunder to the general public.

10
11 IN WITNESS WHEREOF, Landlord and Tenant, personally or by their duly authorized agents, have
12 executed this Sublease as of the day and year first above written.

13
14 TENANT:

15
16 **WORLD CONCOURSE VENTURES, LLC,**
17 a Delaware limited liability company

18
19 By: Dale Mason Cochran

20
21 Print Name: Dale Mason Cochran

22
23 Its: Chief Executive Officer

24
25 LANDLORD:

26
27 **CONTINENTAL AIRLINES, INC.,**
28 a Delaware corporation

29 By: 

30 Print Name: Holden Shannon
31 Vice President

32 Its: Corporate Real Estate
33 & Environmental Affairs

34
35 ATTEST:

36 By: 

37 Print Name: Myra Berdi

 Its: Vice President

1 Attached to and forming a part of the Sublease dated February 23, 2001, by and between
2 **CONTINENTAL AIRLINES, INC.**, as Landlord, and **WORLD CONCOURSE VENTURES, LLC**,
3 as Tenant, of the portion of Newark International Airport, Terminal C, Newark, New Jersey, described
4 therein.
5

6 **ADDENDA**
7 **QUALIFICATIONS, MODIFICATIONS OR ADDITIONS TO SUBLEASE**
8

- 9 1. The following is added after the end of the second sentence in line 29 of **Section 1.02**:
10 "Notwithstanding the foregoing, if possession of the Premises is not delivered to Tenant on or before
11 October 1, 2001, then the Latest Rental Commencement Date specified in the Data Sheet shall be
12 extended on a day-for-day basis equal to the exact number of days past October 1, 2001, that delivery of
13 possession of the Premises to Tenant was so delayed."
14
- 15 2. In **Section 1.03**, the phrase ", its employees, agents and contractors" is inserted in line 46 after the
16 word "Landlord" and before the word "for".
17
- 18 3. In **Section 1.03**, the phrase "or not due to delays caused by circumstances beyond Tenant's control" is
19 inserted in line 46 after the word "Premises" and before the comma.
20
- 21 4. Notwithstanding anything to the contrary contained in **Section 2.01 and Section 2.02**, Tenant shall
22 pay to Landlord on a monthly basis and on an annual basis, the greater of the Guaranteed Rent or
23 Percentage Rent in the amounts or percentages set forth in the Data Sheet of this Sublease. Tenant
24 understands and agrees that the Percentage Rent rates as specified in the Data Sheet of this Sublease
25 are based on all Gross Receipts and that there is no "Monthly Breakpoint" or "Annual Breakpoint"
26 applicable to the payment of Percentage Rent as is otherwise described in Section 2.02(a). Monthly
27 installments of Guaranteed Rent shall be paid by Tenant to Landlord in advance on or before the 1st
28 day of each calendar month. In the event that the Percentage Rent derived from all Gross Receipts is
29 greater than the monthly installment of Guaranteed Rent paid during the Lease Month, Tenant shall
30 remit to Landlord any additional sums due, together with Tenant's Monthly Statement, within 15 days
31 after the expiration of each Lease Month.
32
- 33 5. The following is added to the end of **Section 2.02(d)**: "For purposes of calculating Percentage Rent,
34 Gross Receipts for Category "A" Products must include retail display allowances and any other
35 promotional incentives received by Tenant."
36
- 37 6. **Section 2.04** is deleted in its entirety.
38
- 39 7. In **Section 5.01(c)**, the phrase "Landlord may, at its option, terminate this Sublease upon 24 hours
40 notice to Tenant" is deleted in line 35 and the phrase "Landlord or Tenant may, at their respective
41 options, terminate this Sublease upon 24 hours written notice to the other party" substituted therefor.
42
- 43 8. In **Section 5.02**, the figure "20" is deleted in line 19 and the figure "30" substituted therefor.
44
- 45 9. In **Section 5.02**, the phrase "20 days after issuance thereof by the Authority" is deleted in line 26 and
46 the phrase "30 days after Tenant's receipt thereof from the Authority" substituted therefor.
47
- 48 10. The following is added to the end of **Section 6.02**: Subject to any of Landlord's rights or remedies
49 provided at law or in equity, even if Tenant is in default under this Sublease, Tenant can remove its
50 Operating Equipment and other personal property within the Premises on or before, but not later than,
51 the effective date of expiration, early termination or revocation of Tenant's Agreement with the

1 Authority in order to avoid being responsible for the reasonable and actual expenses of such removal
2 and disposition of these items that may be incurred by Landlord, provided that Tenant immediately
3 repairs any damage caused by such removal.”
4

5 11. The following is added to the end of **Section 8.03(a)**: “Due to the nature of Tenant’s business, Tenant
6 shall be allowed to have urgent time-sensitive materials limited to newspapers and magazines
7 delivered directly to the Premises at Tenant’s sole cost and expense; provided, however,
8 notwithstanding such direct deliveries, Tenant shall be required to pay in full Tenant’s proportionate
9 share of the Maintenance Support Reimbursement Charge as provided in this Section 8.03.”.

10
11 12. In **Section 8.03(c)**, the word “actual” is inserted in line 44 after the word “all” and before the word
12 “costs”.

13
14 13. In **Section 11.01(a)(i)**, the parenthetical “(if applicable)” is inserted in line 48 after the figure
15 “\$25,000,000.00” and before the word “per” in line 49.

16
17 14. In **Section 11.02**, the phrase “located within the Premises” is inserted in line 16 after the word
18 “Authority” and before the period.

19
20 15. **Section 14.02(b)** is deleted in its entirety.

21
22 16. In **Section 17.01**, the phrase “and Tenant each” is inserted in line 43 after the word “Landlord” and
23 before the word “shall”.

24
25 17. In **Section 18.02(b)**, the phrase “even if less than 50%” is inserted in line 51 after the word “Taking”
26 and before the comma.

27
28 18. In **Section 19.01(b)**, the words “alterations and” are deleted in line 35.

29
30 19. In **Section 21.01**, the figure “12” is deleted in line 24 and the figure “6” substituted therefor.

31
32 20. In **Section 27.02**, the sentence “Tenant shall pay all of Landlord’s costs, expenses and reasonable fees
33 of its attorney(s) in connection with any amendment, change or addition to this Sublease made at the
34 request of or to accommodate Tenant with any such costs, expenses and fees not to exceed \$500.00.” is
35 deleted in lines 21 through 23.

36
37 21. A new **Section 27.31** is added as follows: “**Section 27.31 RENTAL PAYMENTS TO LANDLORD**
38 **AND THE AUTHORITY.** It is hereby acknowledged and agreed by the parties hereto in order to
39 avoid any confusion that all payments of Guaranteed Rent and Percentage Rent to Landlord’s agent as
40 set forth in this Sublease includes payment of the “PA Share” (as such term is defined in Tenant’s
41 Agreement with the Authority), except as otherwise instructed in writing by the Authority pursuant to
42 the terms of Tenant’s Agreement to be entered into between the Authority and Tenant.”

43
44 22. A new **Section 27.32** is added as follows: “**Section 27.32 REVOCATION OR TERMINATION OF**
45 **TENANT’S AGREEMENT WITH THE AUTHORITY.** If Tenant’s Agreement is revoked or
46 terminated by the Authority not due to a default by Tenant thereunder or not due to the fault by Tenant
47 for any other reason thereunder and as a result of any such revocation or termination, Tenant is required
48 to vacate the Premises and surrender the same to Landlord, this Sublease shall be deemed to have
49 terminated effective as of the date Tenant is so required to vacate and surrender possession of the
50 Premises and thereafter neither party shall have any further obligations to the other party except for any
51 of Tenant’s obligations which shall have accrued or which shall be arising out of events occurring prior

1 to the effective date of any such termination of this Sublease including, but not limited to, the payment
2 of all previously accrued Rentals as well as any other obligations of Tenant hereunder or thereunder
3 which expressly survive the expiration or earlier termination of this Sublease and Tenant's Agreement
4 with the Authority in accordance with the respective terms and provisions of this Sublease and Tenant's
5 Agreement with the Authority."

Newark International Airport

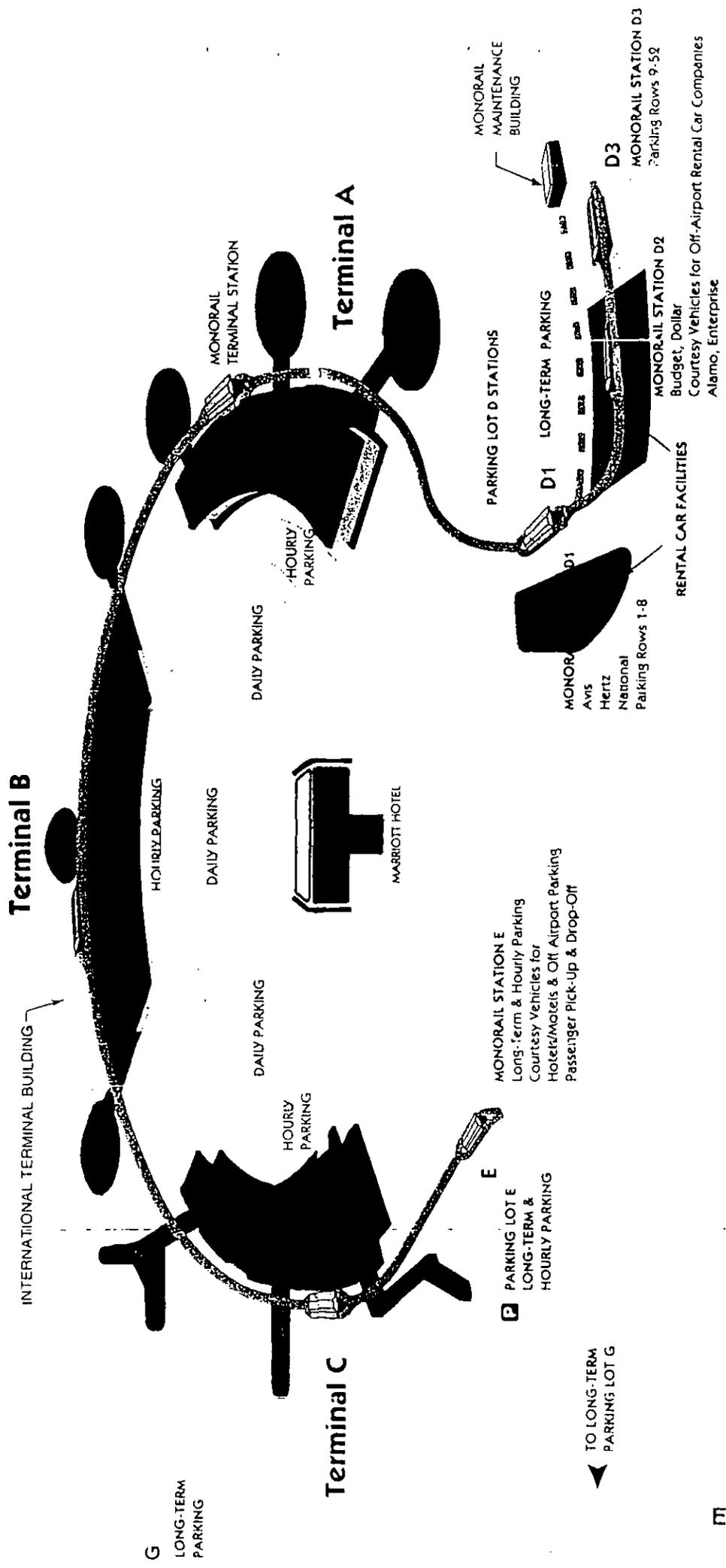


EXHIBIT B

DESIGN AND CONSTRUCTION REQUIREMENTS

I. INTRODUCTION AND DEFINITIONS.

A. Landlord or its predecessor-in-interest constructed all of the existing improvements for the Terminal as generally shown on Exhibit A-1, including the base building structure and the base building utility systems. Landlord shall have the right to perform the safe removal, encapsulation, enclosure or other disposition of asbestos, polychlorinated biphenyls or other hazardous or toxic materials (collectively, "Hazardous Materials") that exist within the Premises as of the date Tenant is delivered possession of the Premises. Landlord shall remediate or remove (or reimburse Tenant for the reasonable costs incurred by Tenant) any such pre-existing Hazardous Materials that Landlord determines, in its discretion, is necessary for Tenant to perform Tenant's Work. If Tenant encounters any such pre-existing Hazardous Materials during the performance of Tenant's Work for the initial construction of the Premises, Tenant shall immediately notify Landlord in writing and provide all details related thereto. In no event shall Tenant perform any of Tenant's Work that will in any way disturb any such Hazardous Materials so encountered until Landlord has determined whether it is necessary to remediate or remove the same.

B. The term Landlord's Work shall mean Landlord's total responsibility for construction of improvements within the Terminal as set forth in this Exhibit B. The cost of Landlord's Work shall be borne as set forth in this Exhibit B. Landlord's Work shall be of a design, type, size, location, quality and nature as may be selected by Landlord from time to time. Any item of work necessary to complete the Premises which is not hereinafter specifically included as part of Landlord's Work under this Exhibit B shall be considered as part of Tenant's Work.

C. The term Tenant's Work shall mean Tenant's total responsibility (or any portion thereof) for the construction and improvement of the Premises. Tenant's Work shall be performed at Tenant's sole cost and expense. Tenant's Work shall include, but not be limited to, all work necessary or required to complete the Premises, except those items of work that are specifically included under this Exhibit B as part of Landlord's Work.

II. GENERAL REQUIREMENTS AND PROVISIONS.

A. Tenant's Work shall be subject to Landlord's and the Authority's prior approval, such approval to be determined in their sole discretion, and shall be designed, fabricated, constructed and installed to comply with all of the requirements set forth in Landlord's design criteria for the Terminal ("Tenant Design Criteria and Handbook") and with all of the requirements set forth in the most current edition of the Authority's Tenant's Construction or Alteration Application and other various documents and requirements of the Authority pertaining to Tenant's construction within the Terminal ("TAA"). All details and information contained in either the Tenant Design Criteria and Handbook or the TAA, whether appearing on Tenant's Conceptual Plans and Final Drawings or not, shall be considered a part of Tenant's Conceptual Plans and Final Drawings and design and construction requirements. By this reference the Tenant Design Criteria and Handbook, the TAA and its process requirements are incorporated herein and made a part of this Exhibit B and the Sublease. This Exhibit B, the Tenant Design Criteria and Handbook, the TAA and its process requirements may, when the context requires, hereinafter be collectively referred to as "Tenant's Construction Requirements".

B. The design, fabrication, construction and installation of Tenant's Work must comply with each of the following requirements:

1. This Exhibit B.
2. The Tenant Design Criteria and Handbook.
3. The TAA and its process requirements.
4. Tenant's Final Drawings, as approved by Landlord and the Authority.
5. All applicable laws, ordinances, codes, regulations and the requirements of all federal, state or local permitting, building and inspection agencies, including the Authority.
6. All applicable standards of the American Insurance Association, The National Electric Code (latest edition), the American Society of Heating, Refrigeration and Air Conditioning Engineer's Guide (latest edition), the Authority's and Landlord's insurance carriers, the local building codes and regulations and all other agencies having jurisdiction.

In the event of a conflict between any of the above-referenced items, the most stringent requirement shall govern each increment of Tenant's Work.

C. All aspects of Tenant's Work shall be performed in a professional, first-class and workmanlike manner and shall be in a good and first-class and usable condition as of the date of completion and maintained in such condition at all times. All materials used in Tenant's Work, Tenant's construction of the Premises and installations made as a part of Tenant's Work shall be of new, commercial grade and first-class quality. After Tenant's initial construction of the Premises, any and all elective remodeling and alterations and any and all remodeling and alterations required of Tenant by Landlord or the Authority under the applicable provisions of the Sublease shall be performed in accordance with all of the requirements set forth in this Exhibit B and the most current editions of the Tenant Design Criteria and Handbook and the TAA.

D. Tenant shall be solely responsible for the investment required for the planning, design, development, construction, fabrication and installation of all Fixed Improvements and other leasehold improvements and Operating Equipment necessary to complete the Premises as required to provide the retail concession services within the Terminal as provided in the Sublease. Such investment shall be subject to the detailed review and approval by Landlord and the Authority as provided elsewhere in the Sublease and in the Tenant's Construction Requirements.

E. All contracts and subcontracts for any portion of Tenant's Work shall require: (i) that all contractors and subcontractors provide labor that can work in harmony with other elements of labor employed or to be employed at the Airport as specified in Section 27.27 hereof; (ii) insurance coverage and suretyship reasonably satisfactory to Landlord and the Authority for the protection of Landlord, the Authority and their respective laborers, suppliers, contractors, subcontractors and the general public; (iii) that all contractors and subcontractors comply strictly with all of the applicable provisions of the Terminal C Lease, the Sublease, this Exhibit B, Tenant Design Criteria and Handbook, Tenant's Agreement with the Authority and the TAA; and (iv) for all Fixed Improvements and other leasehold improvements to the Premises, performance bonds and payment bonds from the Tenant or its general contractor, in form and substance satisfactory to Landlord and the Authority, each of which shall name Landlord and the Authority as an additional obligee and which shall be in the penal sum equal to the amount of Tenant's total construction contracts and

subcontracts. Further, Tenant shall comply and shall cause all of its contractors and subcontractors to comply with the Authority's non-discrimination and affirmative action provisions contained in Exhibit G and shall require the inclusion of such provisions in all contracts and subcontracts relating in any way to Tenant's Work.

III. LANDLORD'S WORK.

A. Landlord's Work to be performed or provided at Landlord's sole cost and expense shall be limited to the following:

1. A basic building shell for the Premises (for in-line specialty retail concession facility locations only) to Landlord's specifications. The basic building shell shall only include the installation of metal studs, centered upon the lease lines of the Premises, as may be required to separate the Premises from adjacent retail concession facilities and/or public areas within the Terminal. Landlord shall also provide a rough concrete floor slab within the Premises for such in-line specialty retail concession facility locations only. Landlord shall not provide any finished walls or wall coverings, finished ceiling or ceiling covering or finished floor covering within the Premises, all of such to be performed by Tenant as part of Tenant's Work.
2. Utility stub-ins for placement of Tenant's utility lines and facilities to Landlord's specifications shall be provided from the Terminal's base building system sources and shall be stubbed to the lease lines of the Premises or areas adjacent thereto in locations selected by Landlord. These shall consist of HVAC (for in-line specialty retail concession facility locations), electric conduit (for all specialty retail concession facility locations), and fire sprinkler systems (for in-line and wall-shop specialty retail concession facility locations). Tenant shall be responsible for the installation of any required utility submeters as part of Tenant's Work. If Landlord so deems, fire sprinkler stub in may be in the form of existing sprinkler coverage to be modified by Tenant as part of Tenant's Work.
3. Public use service corridors, if any, which have not been previously provided by Landlord, located as required by code or as selected by Landlord, with such corridor walls, if any, finished on the corridor side only.

B. Landlord may, but shall not be required, to provide additional items of basic building shell or utility conduit services for the Premises as part of Landlord's Work. If applicable, such additional items, if any, shall be provided in accordance with Landlord's specifications.

IV. TENANT'S WORK.

A. Tenant shall prepare preliminary conceptual plans ("Conceptual Plans") for the Premises in accordance with the provisions of the Tenant Design Criteria and Handbook and the TAA and submit them to Landlord and the Authority (if the Authority determines to review Conceptual Plans) for approval; such approval to be in determined in their sole discretion. The Conceptual Plans must be submitted to Landlord not later than 20 days from the Commencement Date or such shorter period of time as may be required for Tenant to open for business by the Latest Rental Commencement Date, and shall include at a minimum the following:

Floor Plans: To include overall dimensions; interior finishes; construction components; identification of any proposed structural alterations to the Premises.

Fixture Plans: Merchandising layouts of the Premises including fixture locations (permanent and movable); and details and/or catalog cuts of the fixtures including materials with smoke developed ratings and flame spread classifications.

Elevations: Drawings of all interior and storefront elevations of the Premises visible to the public, storefront details illustrating architectural compatibility with surrounding areas, building sections or cross sections to accurately depict design details.

Material Boards: Material boards referenced to floor plans and elevations for the Premises illustrating floor base, wall, door, trim and ceiling materials and color selections; material boards shall include color photos and catalog cuts of furniture and/or fixtures where required; colors and materials for all storefront components. Include smoke developed ratings and flame spread classifications, as applicable.

Project Schedule: A preliminary project schedule describing the actions necessary to implement the project, the sequence of actions and the schedule of actions.

Mechanical, Engineering and Plumbing: Connections to base building systems and locations of piping, ductwork, equipment and materials; catalog cuts and/or details for the make, model and capacity of all new equipment including location and electrical requirements; location or return air systems; incorporation of all applicable design criteria; floor plan and riser diagram for all new plumbing fixtures; show interface with base building smoke control system and building automation system.

Signage Drawings: The shape, size, color and location of signs, and a description of all methods of fabrication, installation and construction.

Fire Suppression System: Sprinkler head layout and connection point to the base building system; location of all smoke detectors, pull stations, alarm bells and fire extinguishers; interior fixtures, shelving, etc., that may affect sprinkler discharge; and any and all changes to the wet sprinkler supply system.

Fire Alarm System: Plans showing all initiating and indication devices in accordance with the Authority's fire alarm design criteria; compliance with Landlord, the Authority and State of New Jersey requirements and ADA; locations of addressable smoke detectors, duct smoke detectors, etc.

Electrical Drawings: Floor plans showing outlets; other electrical equipment; location of panelboard and switchboards; projected electrical loads; and incorporation of applicable design criteria contained in the electrical requirements.

Reflected Ceiling Plans: Showing types and electrical connections for lighting fixtures.

Special Systems: Including telephone and data transmission line systems, fire alarm system, airport access control system (if applicable); paging system (if applicable); cable access television system (if applicable); and master clock system (if applicable).

Locking System: Tenant shall install a lock keying system compatible with Landlord's and the Authority's system on all entrances to the Premises and mechanical room entrances located therein for police, security, fire protection and maintenance reasons.

B. Landlord shall have the right to require modifications to the Conceptual Plans and any approval granted by Landlord is subject to the Tenant's incorporation of the required modifications and draft set of Tenant specifications to ensure compliance with the Tenant Design Criteria and Handbook and the TAA. In the event Landlord requires any such modifications to the Conceptual Plans, Tenant shall prepare and submit the same for Landlord's review and approval within 10 days after receipt of Landlord's modifications. Tenant shall follow the steps as outlined in the Tenant Design Criteria and Handbook for submitting the Conceptual Plans required for the Tenant.

C. Tenant shall prepare final drawings and specifications ("Final Drawings") which are based on the Landlord approved Conceptual Plans for the Premises as described in the Tenant Design Criteria and Handbook within 30 days from receipt of the approved Conceptual Plans, or earlier as may be required to open the Premises for business no later than the Latest Rental Commencement Date. The Final Drawings shall be prepared, and all calculations must be signed and sealed by a registered architect or a registered engineer licensed in the State of New Jersey, at a minimum, include the following:

Drawings: Floor Plans including location of all walls, partitions, and doors; lease lines to adjacent premises; overall dimensions of space with column locations; including room finish schedule with fire rating and door and hardware schedule.

Final Fixturing Plans: Merchandising layouts.

Reflected Ceiling Plans: To include ceiling grid, soffits, drops, recesses, coves, etc.; ceiling heights for each space; all light fixtures; HVAC supply and return grilles; type of ceiling system with fire-rating; sprinklers and smoke detectors; any items attached to or coming through the ceiling, if any, ceiling mounted signs, banners, flags, etc.; and communicated system components.

Structural Drawings: Structural drawings and calculations of proposed structural alterations to the base building.

Signage Drawings: Elevation of storefront showing design, location, size, color and layout of signs, including dimensions, etc., and a description of all methods of construction.

Mechanical Drawings: To include load calculations submitted as required in the Tenant Design Criteria and Handbook and the TAA and proposed locations of all equipment.

Plumbing Drawings: If applicable, to include location and size of water and supply lines, drains, vents and grease traps; and water and sanitary riser diagrams.

Fire Protection System: Fire suppression system; and fire alarm and location of connection point to the base building fire alarm systems and location of addressable smoke detectors, duct/smoke detectors, combination heat/smoke detectors and addressable heat detectors all per the Tenant Design Criteria and Handbook, the TAA and all applicable codes and regulations.

Electrical Plans: To include power and lighting layout with circuits and home runs; electrical load requirements; on panel schedules; service riser diagrams; telephone conduits; and load calculations.

Sections: Showing construction materials and design details.

Special Systems: Such as telephone and data transmission line systems; airport access control system (if applicable); paging system (if applicable); cable access television system (if applicable); and master clock system (if applicable).

Locking System: Tenant shall install a lock keying system compatible with Landlord's and the Authority's system on all entrances to the Premises and mechanical room entrances located therein for police, security, fire protection and maintenance reasons.

Specifications: All specifications shall include the requirements contained in the Tenant Design Criteria and Handbook and the TAA.

D. Tenant shall submit to the Landlord and the Authority as part of the Conceptual Plans and Final Drawings, drawings (in color) showing storefronts, window displays, signage and any advertising structures; plus a lighting plan.

E. When Tenant submits any plans and specifications to Landlord it shall include complete sets for each submittal as specified in the Tenant Design Criteria and Handbook and the TAA.

F. Tenant's Work shall include the procurement of all necessary building permits, licenses, variances, and additional utility services required to facilitate Tenant's construction and occupancy of the Premises, and the payment of any fees associated therewith as may be required by the Authority, other public agencies and utility companies. Within 10 days after approval of the Final Drawings or such shorter period of time as may be required for Tenant to open the Premises for business no later than the Latest Rental Commencement Date, Tenant shall make all necessary applications, provide all necessary information, pay all required fees and take all necessary actions to obtain such items and shall endeavor to use due diligence and its best efforts to procure the same as quickly as possible. Please refer to the Tenant Design Criteria and Handbook and the TAA for the required permitting process.

G. Tenant shall comply in all respects with the Tenant's Construction Requirements including, but not limited to, applicable local/state health department requirements, U.S. Department of Labor, Construction Safety and Health Regulations, Part 1926. Tenant shall comply and be liable for all costs associated with adherence to the Americans with Disabilities Act (ADA) codes and guidelines.

H. If the Premises are modified, renovated, or newly-constructed, the Tenant shall: (i) obtain the Architect's/Engineer's New Jersey Seal on two (2) sets of final construction drawings or as may otherwise be specified by the Authority's TAA process submitted for a building permit; (ii) obtain from the Tenant's contractor(s) a written warranty of all materials and workmanship for a period of one (1) year effective from the date of beneficial occupancy of the Premises. Tenant's contractor(s) shall be required by Tenant in its construction contract to repair and/or replace all defective materials, equipment and workmanship at no cost to the Authority, the Landlord or the Tenant occupying the Premises; (iii) obtain all required manufacturers' guarantees, maintenance manuals and other pertinent documents; and (iv) furnish to Landlord one (1) set of mylar "as-built" drawings (and preferably specifications) and Computer Aided Drafting and Design (CADD) drawings, duly certified by a New Jersey registered architect or registered engineer, no later than 90 days after opening for business in the Premises.

I. Tenant's Final Drawings must be submitted to Landlord in CADD and satisfy all other requirements for Final Drawings as set forth in this Exhibit B and the Tenant Design and Construction Procedures.

J. Tenant shall not be permitted to commence any work until all requirements of the Tenant Design Criteria and Handbook, the TAA and this Exhibit B have been completed.

K. Security clearance must be completed as required by the Authority.

L. A construction deposit of a minimum of \$5,000.00 will be required from Tenant's general contractor and shall not be released by Landlord until after satisfactory completion of all requirements of this Exhibit B and the documents referenced herein and approval by both Landlord's and the Authority's on-site construction supervision personnel specifying that all of Tenant's Work has been completed and accepted by Landlord and the Authority.

M. During the construction periods at the Terminal, the Landlord, Tenant and their agents, servants, employees and contractors shall be permitted entry and access to the Terminal and to the Premises for the purpose of performing and completing all work necessary to make the Premises and other improvements ready for use, occupancy and rental. During the construction periods, Landlord, Tenant and their respective agents, consultants and employees, contractors and subcontractors shall observe all applicable rules and regulations and applicable directives imposed by the Authority at the Airport as to the conduct of their work. Tenant and its agents shall be responsible for securing, keeping and maintaining all of their equipment, materials, supplies, tools, work trailers and the like within the Tenant's Premises, or within a defined staging area for the exclusive purpose of supporting the Tenant's Premises construction, subject to Landlord approval. Tenant shall also be responsible for insuring that all construction debris is removed from the construction site daily, and that the site is neat and clean at all times. Tenant shall comply in all respects with procedures for project close-out and acceptance of the space as detailed in the Tenant Design Criteria and Handbook and the TAA.

N. All policies of insurance and bonds addressed in this Sublease shall be issued for the protection of the Landlord, Tenant and the Authority, in accordance with their respective insurable interest. The terms of the policies and bonds and the insurer or surety shall be subject to the reasonable approval of Landlord and the Authority.

O. Tenant shall provide, maintain and identify the Authority and the Landlord as an additional insured, with respect to the insurance protection required under the provisions outlined in the Sublease.

P. Construction Costs:

(i) As part of Tenant's Work and the construction requirements required in this Sublease, Tenant shall submit to Landlord a statement of the total construction costs which it has certified as correct with all supporting documents required by Landlord as specified in the applicable sections of this Sublease.

(ii) The Authority, Landlord, or an independent professional firm retained by the Authority or Landlord, may audit costs associated with the construction, modification or renovation of the Premises. In this regard, the Authority, Landlord and/or their auditing firm shall have the right upon 7 days advance request by the Authority or Landlord during the Term hereof and for such longer period as required in Tenant's Agreement with the Authority, to examine and audit books, records, documents and other evidence and accounting procedures and practices, sufficient to reflect properly all construction costs claimed to have been incurred or anticipated to be incurred, in performing this Sublease. The right of examination shall extend to all documents necessary to allow evaluation of

both the validity and reasonableness of said construction costs, including all documents of the Tenant who shall make all construction records available to the Authority or Landlord within the Port of New York District for examination, audit, or reproduction, upon 7 days advance request by the Authority or Landlord.

Q. In its construction plans Tenant must insure that the Premises has strong visual appeal and is inviting to the customers; and that the Premises accommodates customers with luggage and meets all Americans With Disabilities Act (ADA) requirements relating to ingress, egress, access and other architectural matters, such as for example, large print price signs for the visually impaired and the ability to communicate with hearing impaired.

V. CONSTRUCTION CHARGEBACKS PAYABLE TO LANDLORD.

A. Landlord may provide items of construction, work or services for the Premises as a part of Landlord's Work at Tenant's sole cost and expense, including, but not limited to the following:

1. Landlord, at Tenant's expense, may install a temporary construction barricade along the storefront area leaseline in a design, material and location approved by Landlord if Tenant fails to install such temporary construction barricade prior to the commencement of any of Tenant's Work in the Premises. If Landlord installs such a barricade, Tenant shall reimburse Landlord therefor as Additional Rent an amount which will be computed at the rate of \$75.00 per lineal foot of the barricade. Upon completion of Tenant's Work, Tenant shall be responsible, at Tenant's sole cost, to remove such barricade to an appropriate disposal site outside of the Airport.

VI. PROGRESS MEETINGS; MISCELLANEOUS.

A. Representatives of Landlord (or its agent) and Tenant, as designated in writing to each other, shall establish and attend on-site progress meetings with such periods of frequency during the performance of Tenant's Work as may be mutually agreed upon but no less frequently than monthly.

B. Tenant shall perform Tenant's Work so as not to: (i) unreasonably interfere with any other construction being performed at the Terminal or the Airport; or (ii) unreasonably impair the use, occupancy or enjoyment at the Terminal and/or the Airport by Landlord, the Authority, other airlines, other subtenants operating concession facilities or customers of any of them.

C. Tenant shall (i) take all safety measures required to protect the Terminal and/or the Airport from injury or damage caused by or resulting from the performance of Tenant's Work and defend, protect and indemnify Landlord and the Authority (including their respective agents, commissioners, officers, directors and employees), other airlines, other subtenants operating concession facilities or customers of any of them from any and all claims arising from or in connection with the death of or accident, injury, loss or damage whatsoever caused to any natural person or to the property of any person or entity arising out of, in connection with, or as a result of Tenant's Work; (ii) repair any and all damage to the Terminal and/or the Airport as a result of Tenant's Work; and (iii) require all contractors and subcontractors to comply with all of the requirements and Permits for the performance of Tenant's Work.

EXHIBIT C

[PANYNJ SUBTENANT AGREEMENT FORM]

EXHIBIT D

DISADVANTAGED BUSINESS ENTERPRISES

To qualify as a Disadvantaged Business Enterprise ("DBE"), the firm must meet the criteria established by the U.S. Department of Transportation in 49 CFR Part 23 and be certified by the Authority. Currently, to qualify as a DBE, the firm must be a small business concern whose average annual receipts for the preceding 3 fiscal years does not exceed \$30,000,000.00 and it must be (a) at least fifty-one percent (51%) owned and controlled by one or more socially and economically disadvantaged individuals, or in the case of any publicly owned business, at least fifty-one percent (51%) of the stock is owned by one or more socially and economically disadvantaged individuals; and (b) whose management and daily business operations are controlled by one or more of the socially or economically disadvantaged individuals who own it. For other types of business operations, the U.S. Small Business Administration size standards are used to determine eligibility for certification. The DBE may, if other qualifications are met, be a franchisee of a franchisor. An airport concession is a for-profit business enterprise, located on an airport, which is subject to the Code of Federal Regulations 49 Part 23, subpart F, that is engaged in the sale of consumer goods or services to the public under an agreement with the sponsor, another concessionaire, or the owner or operator of a terminal, if other than the sponsor. The Authority makes a "rebuttable presumption that individuals in the following groups who are citizens of the United States or lawful permanent residents are "socially and economically disadvantaged:

- a. Women;
- b. Black Americans which includes persons having origins in any of the Black racial groups of Africa;
- c. Hispanic Americans which includes persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;
- d. Native Americans which includes persons who are American Indians, Eskimos, Aleuts or Native Hawaiians;
- e. Asian-Pacific Americans which includes persons whose origins are from Japan, China, Taiwan, Korea, Vietnam, Laos, Cambodia, the Philippines, Samoa, Guam, the U.S. Trust Territories of the Pacific, and the Northern Marianas;
- f. Asian-Indian Americans which includes persons whose origins are from India, Pakistan and Bangladesh; and
- g. Members of other groups, or other individuals, found to be economically and socially disadvantaged by the Small Business Administration under Section 8(a) of the Small Business Act, as amended (15 U.S.C. Section 637(a)).

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

The Authority has compiled a list, which may be supplemented and revised from time to time by the Authority, to indicate the firms the Authority determined satisfy the criteria for DBE certification. Such list shall be made available to the proposers upon request. The Authority makes no representations as to the financial responsibility of such firms, their technical competence to perform, nor any other performance-related qualifications. Only listed DBEs and such firms not so listed, but certified by the Authority as DBEs hereunder, will count towards DBE requirements.

Certification of DBEs hereunder shall be made by the Office of Business and Job Opportunity of the Authority. If a proposer wishes to utilize a firm not so listed but which the proposer believes should be certified as a DBE, that firm shall submit to the Authority a written request for a determination that the firm is eligible for certification. This shall be done by completing and forwarding such forms as may be required by the Authority from time to time. All such requests shall be in writing, addressed to Mr. John Alexander, Supervisor, Certification Programs or other designee of the Office of Business and Job Opportunity, The Port Authority of New York and New Jersey, One World Trade Center, Room 63 East, New York, NY 10048. Eligibility for certification shall only be made in writing over the name of the Director in charge of the Office of Business and Job Opportunity. The determination of the Authority shall be final and binding on the applicant. For inquiries or assistance, please contact John Alexander at (212) 435-6513.

EXHIBIT E

NEWARK INTERNATIONAL AIRPORT - Terminal C
 SUBTENANT CERTIFIED SALES & RENT STATEMENT

| SUBTENANT: _____ | | SPACE #: _____ | | CONTACT: _____ | | | | |
|------------------|-------------|-----------------|-----------------|----------------|----------------|-----------|-----------------------|------------|
| YEAR: _____ | | LEASE #: _____ | | PHONE: _____ | | | | |
| MONTH | GROSS SALES | Guaranteed Rent | Percentage Rent | | Mktg Fund 0.5% | Utilities | Maint. Support Charge | Total Rent |
| | | | Breakpoint | Overage | | | | |
| Jan | | | | | | | | |
| Feb | | | | | | | | |
| Mar | | | | | | | | |
| Apr | | | | | | | | |
| May | | | | | | | | |
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| Sep | | | | | | | | |
| Oct | | | | | | | | |
| Nov | | | | | | | | |
| Dec | | | | | | | | |
| Y-T-D | | | | | | | | |

CERTIFICATION:

Signed: _____

Title: _____

Date: _____

EXHIBIT F

ADDITIONAL INSURED ENTITIES

Each of Tenant's insurance policies required under Section 11.01 of the Sublease shall name the following entities as additional insureds:

CONTINENTAL AIRLINES, INC., a Delaware corporation

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

WESTFIELD CONCESSION MANAGEMENT, INC., a Delaware corporation

WESTFIELD CORPORATION, INC., a Delaware corporation

Certificates of Insurance evidencing the Tenant's insurance coverages shall be delivered by Tenant to Landlord upon execution of the Sublease and no later than prior to delivery of the Premises to Tenant at the following address:

Continental Airlines, Inc.
c/o Westfield Concession Management, Inc.
Newark International Airport-Terminal C
Newark, New Jersey 07114
Attention: General Manager

The certificate holder on each of the Certificates of Insurance shall be as follows:

Continental Airlines, Inc.
c/o Westfield Concession Management, Inc.
Newark International Airport-Terminal C
Newark, New Jersey 07114
Attention: General Manager

EXHIBIT G
NON-DISCRIMINATION AND AFFIRMATIVE ACTION

PART I

NON-DISCRIMINATION REQUIREMENTS

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1. Tenant shall not exclude any person from participation in, nor deny any person the benefits of, nor otherwise subject any person to discrimination in, the use by Tenant of the Premises or in the construction of any Fixed Improvements or the furnishing of any services at the Premises on the grounds of race, creed, color, national origin, sex, age, disability or marital status and Tenant shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, 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 Tenant's operations at the Premises, whether by reason of agreement between the Authority and the United States Government or otherwise. Tenant's non-compliance with the provisions of this Exhibit G, Part I shall constitute a material breach of this Sublease. In the event of any such breach of any of the above non-discrimination provisions, the Authority may take appropriate action to enforce compliance; or in the event such noncompliance shall continue for a period of 7 days after receipt of written notice from the Authority, Landlord shall have the right to terminate this Sublease and the letting thereunder with the same force and effect as a termination under Article XIX of this Sublease, or may pursue such other remedies as be provided by law; and as to any or all the foregoing, each of Landlord and the Authority may take such action as the United States may direct. Tenant shall indemnify and hold harmless Landlord and the Authority from any claims and demands of third persons, including the United States of America, resulting from Tenant's noncompliance with any of the provisions of this Exhibit G, Part I and Tenant shall reimburse Landlord and the Authority for any loss or expense incurred by reason of such noncompliance. Nothing contained in this Exhibit G, Part I shall grant or shall be deemed to grant to Tenant the right to perform any construction at the Premises.

2. In addition to and without limiting any other term or provision of this Sublease, Tenant shall 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, sex, age, disability or marital status be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. Tenant shall assure that no person is excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this paragraph. Tenant also shall require that its covered suborganizations provide written assurances to Tenant and the Authority that they similarly will undertake affirmative action programs and that they will require written assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

3. In addition to and without limiting any other term or provision of the Sublease:

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

(b) In addition to and without limiting the foregoing or Exhibit G, Part II or Section 2 of this Exhibit G, Part I, Tenant shall, in connection with (i) its continuing operation, maintenance and repair of the Premises, or any portion thereof, including all purchasing procurement and subcontractors opportunities associated with the operations under this Sublease, including without limitation, the purchase of supplies, equipment, labor and other services, and (ii) every agreement for concession or consumer services in the Premises throughout the Term, commit itself to and use good faith efforts to implement an extensive program of affirmative action, including specific affirmative action steps to be taken by Tenant, to ensure, to the maximum extent feasible and consistent

1 with cost competitiveness and other considerations properly present in the exercise of good business judgement (A)
2 maximum opportunities for employment and contracting by minorities and women, (B) meaningful participation and
3 (C) meaningful interest (in the business to be operated in any portion of the Premises) by Minority Business
4 Enterprises ("MBEs") and Women-owned Business Enterprises ("WBEs") (such program is referred to herein as the
5 "Tenant's Affirmative Action Program"). In meeting the said commitment Tenant shall submit to the Authority for
6 its review and approval Tenant's Affirmative Action Program, within 6 months after the execution of this Sublease.
7 Tenant shall incorporate in Tenant's Affirmative Action Program such revisions and changes which the Authority
8 initially or from time to time may reasonably require. Tenant throughout the Term of this Sublease shall document
9 its efforts in implementing Tenant's Affirmative Action Program, shall keep the Authority fully advised of Tenant's
10 progress in implementing Tenant's Affirmative Action Program and shall supply to the Authority such information,
11 data and documentation with respect thereto as the Authority may from time to time and at any time request,
12 including but not limited to annual reports.
13

14 4. In the implementation of Paragraph 3, the Authority may consider compliance by Tenant with the
15 provisions of any federal, state or local law concerning affirmative action-equal employment opportunity which are
16 at least equal to the requirements of Paragraph 3 as effectuating the provisions of Paragraph 3. If the Authority
17 determines that by virtue of such compliance with the provisions of any such federal, state or local law that the
18 provisions hereof duplicate or conflict with such law, the Authority may waive the applicability of the provisions of
19 Paragraph 3 to the extent that such duplication or conflict exists. Nothing herein provided shall be construed as a
20 limitation upon the application of any laws which establish different standards of compliance or upon the application
21 of requirements for the hiring of local or other area residents.
22

23 5. Tenant shall furnish good, prompt and efficient service hereunder, adequate to meet all demands
24 therefor at the Terminal; furnish said service on a fair, equal and non-discriminatory basis to all users thereof; and,
25 without being construed in derogation of Article VII of this Sublease, charge fair, reasonable and non-discriminatory
26 prices for each unit of sale or service, provided that Tenant may make reasonable and non-discriminatory discounts,
27 rebates or other similar types of price reductions to volume purchasers.
28

29 6. Tenant acknowledges that: (a) the Authority has applied for and received a grant or grants of money
30 from the Administrator of the Federal Aviation Administration pursuant to the Airport and Airways Development
31 Act of 1970, as the same has been amended and supplemented or superseded by similar federal legislation, and
32 under prior federal statutes which said Act superseded and the Authority may in the future apply for and receive
33 further such grants. In connection therewith, the Authority has undertaken and may in the future undertake certain
34 obligations respecting its operation of the Airport and the activities of its contractors, lessees, and permittees
35 thereon. The performance by Tenant of the covenants, promises and obligations contained in this Exhibit is
36 therefore a special consideration and inducement for the Authority to enter into the Agreement between Tenant and
37 the Authority, and if the Administrator of the Federal Aviation Administration or any other governmental officer or
38 body having jurisdiction over the enforcement of the obligations of the Authority in connection with the Federal
39 Airport Aid, shall make any orders, recommendations or suggestions respecting the performance by Tenant of such
40 covenants, promises and obligations, Tenant will promptly comply therewith, at the time or times when and to the
41 extent that the Authority may direct. (b) Without limiting the generality of Exhibit G, Part I, this Sublease is subject
42 to the requirements of the U.S. Department of Transportation's regulations, 49 CFR part 23, subpart F. Tenant
43 agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or
44 sex in connection with the award or performance of any concession agreement covered by 49 CFR part 23, subpart
45 F. (c) Tenant agrees to include the above statements in any subsequent sublease, license or franchise agreement that
46 it enters and cause those businesses to similarly include the statements in such further agreements, the foregoing not
47 to be construed as approval by Landlord or the Authority of any such subsequent sublease, license or franchise
48 agreements as required. Exhibit D to this Sublease is hereby incorporated by reference into this Exhibit G.
49

PART II

CONTRACTOR BID CONDITIONS

A. AFFIRMATIVE ACTION GUIDELINES – EQUAL EMPLOYMENT OPPORTUNITY

I. As a matter of policy the Authority hereby requires Tenant and Tenant shall require Contractor, as hereinafter defined, to comply with the provisions set forth hereinafter in this Exhibit G. The provisions set forth in this Part II.A. are similar to the conditions for bidding on federal government contracts adopted by the Office of Federal Contract Compliance and effective May 8, 1978. Tenant as well as each bidder, contractor and subcontractor of Tenant and each subcontractor of a contractor at any tier of construction (herein collectively referred to as "Contractor") must fully comply with the clause entitled "Equal Employment Opportunity" and conditions set forth herein (said conditions being herein called "Bid Conditions"). Tenant hereby commits itself to the goals for minority and female utilization set forth below and all other requirements, terms and conditions of the Bid Conditions. Tenant shall likewise require Contractor to commit itself to the said goals for minority and female utilization set forth below and all other requirements, terms and conditions of the Bid Conditions by submitting a properly signed bid.

II. Tenant and Contractor shall each appoint an executive of its company to assume the responsibility for the implementation of the requirements, terms and conditions of the following Bid Conditions:

(a) The goals for minority and female participation, expressed in percentage terms, for Contractors' workforce at the construction site are as follows: 30% Minority, All Skilled Trades; 40% Minority, Laborers; 6.9% Female, All Skilled Trades; 6.9% Female Laborers. In the event that during the performance of such contract the Office of Federal Contract Compliance establishes different goals for the Port of New York District, Tenant/Contractor shall be deemed bound to such different goals and this Exhibit G, Part II shall be deemed amended to substitute such goals for the goals set forth above. These goals are applicable to all Tenant's/Contractor's construction work performed in and for the Premises. The term "Contractor" hereinafter shall include Tenant should Tenant or an affiliate thereof be the contractor. The specific affirmative action obligations required herein of minority and female employment and training must be substantially uniform throughout the length of the contract, and in each trade, and Contractor shall make good faith efforts to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from contractor to contractor or from project to project for the sole purpose of meeting the goals shall be a violation of the contract and, where the contractor is the Tenant, the Sublease. Compliance with the goals will be measured against the total work hours performed.

(b) Contractor shall provide written notification to Tenant and Tenant shall provide written notification to the Manager of the Office of Business and Job Opportunity of the Authority within 10 working days of award of any construction subcontract in excess of \$10,000 at any tier for construction work. The notification shall list the name, address and telephone number of the subcontractor; employer identification number; estimated starting and completion dates of the subcontract; and the geographical area in which the subcontract is to be performed.

(c) As used in these specifications: (1) "Employer identification number" means the Federal Social Security Number used on the Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941. (2) "Minority" includes: (i) Black (all persons having origins in any of the Black African racial groups not of Hispanic origin); (ii) Hispanic (all persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American culture or origin, regardless of race); (iii) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands); and (iv) American Indian or Alaskan Native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).

(d) Whenever Contractor, or any subcontractor at any tier, subcontracts a portion of the construction work involving any construction trade, it shall physically include in each subcontract in excess of \$10,000 those provisions which include the applicable goals for minority and female participation.

1 (e) Contractor shall implement the specific affirmative action standards provided in subparagraphs (1)
2 through (16) of Paragraph (h) hereof. The goals set forth above are expressed as percentages of the total hours of
3 employment and training of minority and female utilization Contractor should reasonably be able to achieve in each
4 construction trade in which it has employees in the Premises. Contractor is expected to make substantially uniform
5 progress toward its goals in each craft during the period specified.
6

7 (f) Neither the provisions of any collective bargaining agreement, nor the failure by a union with whom
8 Contractor has a collective bargaining agreement, to refer either minorities or women shall excuse Contractor's
9 obligations hereunder.
10

11 (g) In order for the nonworking training hours of apprentices and trainees to be counted in meeting the
12 goals, such apprentices and trainees must be employed by Contractor during the training period, and Contractor
13 must have made a commitment to employ the apprentices and trainees at the completion of their training subject to
14 the availability of employment opportunities. Trainees must be trained pursuant to training programs approved by
15 the U.S. Department of Labor.
16

17 (h) Contractor shall take specific affirmative actions to ensure equal employment opportunity ("EEO").
18 The evaluation of Contractor's compliance with these provisions shall be based upon its good faith efforts to achieve
19 maximum results from its actions. Contractor shall document these efforts fully, and shall implement affirmative
20 action steps at least as extensive as the following: (1) Ensure and maintain a working environment free of
21 harassment, intimidation, and coercion at all sites, and in all facilities at which Contractor's employees are assigned
22 to work. Contractor, where possible, will assign two or more women to each Phase of the construction project.
23 Contractor, shall specifically ensure that all foremen, superintendents, and other supervisory personnel at the
24 Premises are aware of and carry out Contractor's obligation to maintain such a working environment, with specific
25 attention to minority or female individuals working at the Premises. (2) Establish and maintain a current list of
26 minority and female recruitment sources, provide written notification to minority and female recruitment sources
27 and to community organizations when Contractor or its unions have employment opportunities available, and
28 maintain a record of the organizations' responses. (3) Maintain a current file of the names, addresses and telephone
29 numbers of each minority and female off-the-street application and minority or female referral from a union, a
30 recruitment source or community organization and of what action was taken with respect to each such individual. If
31 such individual was sent to the union hiring hall for referral and was not referred back to Contractor by the union or,
32 if referred, not employed by Contractor, this shall be documented in the file with the reason therefor, along with
33 whatever additional actions Contractor may have taken. (4) Provide immediate written notification to Tenant when
34 the union or unions with which Contractor has a collective bargaining agreement has not referred to Contractor a
35 minority person or woman sent by Contractor, or when Contractor has other information that the union referral
36 process has impeded Contractor's efforts to meet its obligations. (5) Develop on-the-job training opportunities
37 and/or participate in training programs for the area which expressly include minorities and women, including
38 upgrading programs and apprenticeship and training programs relevant to Contractor's employment needs,
39 especially those programs funded or approved by the Department of Labor. Contractor shall provide notice of these
40 programs to the sources compiled under subparagraph (2) above. (6) Disseminate Contractor's EEO Policy by
41 providing notice of the policy to unions and training programs and requesting their cooperations in assisting
42 Contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining
43 agreement; by publicizing it in Contractor's newspaper, annual report, etc.; by specific review of the policy with all
44 management personnel and with all minority and female EEO employees at least once a year; and by posting
45 Contractor's EEO policy on bulletin boards accessible to all employees at each location where construction work is
46 performed. (7) Review, at least every six months, Contractor's EEO policy and affirmative action obligations
47 hereunder with all employees having any responsibility for hiring, assignment, layoff, termination or other
48 employment decisions including specific review of these items with on-Premises supervisory personnel such as
49 Superintendents, General Foremen, etc., prior to the initiation of construction work at the Premises. A written
50 record shall be made and maintained identifying the time and place of these meetings, persons attending, subject
51 matter discussed, and disposition of the subject matter. (8) Disseminate Contractor's EEO policy externally by
52 including it in any advertising in the news media, specifically including minority and female news media, and
53 providing written notification to and discussing Contractor's EEO policy with other Contractors and Subcontractors
54 with whom Contractor does or anticipates doing business. (9) Direct its recruitment efforts, both oral and written, to
55 minority, female and community organizations, to schools with minority and female students and to minority and

1 female recruitment and training organizations and to State-certified minority referral agencies serving Contractor's
2 recruitment area and employment needs. Not later than one month prior to the date for the acceptance of
3 applications for apprenticeship or other training by any recruitment source, Contractor shall send written notification
4 to organizations such as the above, describing the openings, screening procedures, and tests to be used in the
5 selection process. (10) Encourage present minority and female employees to recruit other minority persons and
6 women and, where reasonable, provide after school, summer and vacation employment to minority and female
7 youth both on the Premises and in other areas of a Contractor's workforce. (11) Tests and other selecting
8 requirements shall comply with 41 CFR Part 60-3. (12) Conduct, at least every six months, an inventory and
9 evaluation at least of all minority and female personnel for promotional opportunities and encourage these
10 employees to seek or to prepare for, through appropriate training, etc., such opportunities. (13) Ensure that seniority
11 practices, job classifications, work assignments and other personnel practices, do not have a discriminatory effect by
12 continually monitoring all personnel and employment related activities to ensure that the EEO policy and
13 Contractor's obligations hereunder are being carried out. (14) Ensure that all facilities and company activities are
14 nonsegregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure
15 privacy between the sexes. (15) Document and maintain a record of all solicitations of offers for subcontracts from
16 minority and female construction contractors and suppliers, including circulation of solicitations to minority and
17 female contractor associations and other business associations. (16) Conduct a review, at least every six months, of
18 all supervisors' adherence to and performance under Contractor's EEO policies and affirmative action obligations.

19
20 (i) Contractors are encouraged to participate in voluntary associations which assist in fulfilling one or
21 more of their affirmative action obligations (subparagraphs (1)-(16) of Paragraph (h) above). The efforts of a
22 contractor association, joint contractor-union, contractor-community, or other similar group of which Contractor is a
23 member and participant, may be asserted as fulfilling any one or more of its obligations under Paragraph (h) hereof
24 provided that; Contractor actively participates in the group, makes good faith efforts to assure that the group has a
25 positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the
26 program are reflected in Contractor's minority and female workforce participation, makes good faith efforts to meet
27 its individual goals and timetables, and can provide access to documentation which demonstrates the effectiveness
28 of actions taken on behalf of Contractor. The obligation to comply, however, is Contractor's and failure of such a
29 group to fulfill an obligation shall not be a defense for Contractor's non-compliance.

30
31 (j) A single goal for minorities and a separate single goal for women have been established. Contractor,
32 however, is required to provide equal employment opportunity and to take affirmative action for all minority groups,
33 both male and female, and all women, both minority and non-minority. Consequently, Contractor may be in
34 violation hereof if a particular group is employed in a substantially disparate manner (for example, even though
35 Contractor has achieved its goals for women generally, Contractor may be in violation hereof if a specific minority
36 group of women is underutilized).

37
38 (k) Contractor shall not use the goals and timetables or affirmative action standards to discriminate
39 against any person because of race, color, religion, sex and national origin.

40
41 (l) Contractor shall not enter into any subcontract with any person or firm debarred from Government
42 contracts pursuant to Executive Order 11246.

43
44 (m) Contractor shall carry out such sanctions and penalties for violation of this clause including
45 suspension, termination and cancellation of existing subcontracts as may be imposed or ordered by Tenant. Any
46 Contractor who fails to carry out such sanctions and penalties shall be in violation hereof.

47
48 (n) Contractor, in fulfilling its obligations hereunder shall implement specific affirmative action steps, at
49 least as extensive as those standards prescribed in Paragraph (h) hereof so as to achieve maximum results from its
50 efforts to ensure equal employment opportunity. If Contractor fails to comply with the requirements of these
51 provisions, Tenant shall proceed accordingly.

52
53 (o) Contractor shall designate a responsible official to monitor all employment related activity to ensure
54 that the Company EEO policy is being carried out, to submit reports relating to the provisions hereof as may be
55 required and to keep records. Records shall at least include for each employee the name, address, telephone

1 numbers, construction trade, union affiliation, if any, employee identification number when assigned, social security
2 number, race, sex, status (e.g. mechanical apprentice, trainee, helper, or laborer), dates of changes in status, hours
3 worked per week in the indicated trade, rate of pay, and location at which the work was performed. Records shall be
4 maintained in an easily understandable retrievable form; however, to the degree that existing records satisfy this
5 requirement, contractors shall not be required to maintain separate records.
6

7 (p). Nothing herein provided shall be construed as a limitation upon the application of any laws which
8 establish different standards of compliance or upon the application of requirements for the hiring of local or other
9 area residents (e.g., those under the Public Works Employment Act of 1977 and the Community Development Block
10 Grant Program).
11

12 (q) Without limiting any other obligation, term or provision under the Lease, Contractor shall cooperate
13 with all federal, state or local agencies established for the purpose of implementing affirmative action compliance
14 programs and shall comply with all procedures and guidelines established or which may be established by the
15 Authority.
16

17 III. Tenant shall require all contractors (and subcontractors thereof, at any tier of construction) to include in all
18 contracts for construction relating to the Premises the following statements: (a) The Contractor shall not discriminate
19 against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or
20 marital status, and shall undertake or continue existing programs of affirmative action to ensure that minority group
21 persons are afforded equal employment opportunity without discrimination. Such programs shall include, but not be
22 limited to, recruitment, employment, job assignment, promotion, upgrading, demotion, transfer, layoff, termination,
23 rates of pay or other forms of compensation, and selections for training or retraining, including apprenticeships and
24 on-the-job training; (b) At the request of the Authority, the Contractor shall request such employment agency, labor
25 union, or authorized representative of workers with which it has a collective bargaining or other agreement or
26 understanding and which is involved in the performance of the contract with Tenant to furnish a written statement
27 that such employment agency, labor union or representative shall not discriminate because of race, creed, color,
28 national origin, sex, age, disability or marital status and that such union or representative will cooperate in the
29 implementation of the Contractor's obligations hereunder; (c) The Contractor will state, in all solicitations or
30 advertisements for employees placed by or on behalf of the Contractor in the performance of the contract, that all
31 qualified applicants will be afforded equal employment opportunity without discrimination because of race, creed,
32 color, national origin, sex, age, disability or marital status; (d) The Contractor will include the provisions of
33 subparagraphs (a) through (c) of this paragraph in every subcontract or purchase order in such a manner that such
34 provisions will be binding upon each subcontractor or vendor as to its work in connection with the contract; and (e)
35 "Contractor" as used herein shall include each contractor and subcontractor at any tier of construction.
36
37

38 **B. MINORITY BUSINESS ENTERPRISES/WOMEN-OWNED BUSINESS ENTERPRISES**

39

40 As a matter of policy the Authority requires Tenant and Tenant shall itself and shall require the general
41 contractor or other construction supervisor and each of Tenant's contractors to use every good faith effort to provide
42 for meaningful participation by Minority Business Enterprises (MBEs) and Women-owned Business Enterprises
43 (WBE's) in the construction work, pursuant to the provisions of this Exhibit G. For purposes hereof, Minority
44 Business Enterprise (MBE) shall mean any business enterprise which is at least fifty-one percent owned by, or in the
45 case of a publicly owned business, at least fifty-one percent of the stock of which is owned by citizens or permanent
46 resident aliens who are minorities and such ownership is real, substantial and continuing. For the purposes hereof,
47 Women-owned Business Enterprise (WBE) shall mean any business enterprise which is at least fifty-one percent
48 owned by, or in the case of a publicly owned business, at least fifty-one percent of the stock of which is owned by
49 women and such ownership is real, substantial and continuing. A minority shall be as defined in paragraph II(c) of
50 Part II.A. of this Exhibit G. "Meaningful participation" shall mean that at least twelve percent (12%) of the total
51 dollar value of the construction contracts (including subcontracts) covering the construction work are for the
52 participation of Minority Business Enterprises and that at least five percent (5%) of the total dollar value of the
53 construction contracts (including subcontracts) are for the participation of Women-owned Business Enterprises.
54 Good faith efforts to include meaningful participation by MBEs and WBEs shall include at least the following: (a)
55 Dividing the Work to be subcontracted into smaller portions where feasible. (b) Actively and affirmatively soliciting

1 bids for subcontracts from MBEs and WBEs, including circulation of solicitations to minority and female contractor
2 associations. Contractor shall maintain records detailing the efforts made to provide the meaningful MBE and WBE
3 participation in the Work, including the names and addresses of all MBEs and WBEs contacted and, if any such
4 MBE or WBE is not selected as a joint venturer or subcontractor, the reason for such decision. (c) Making plans and
5 specifications for prospective construction work available to MBEs and WBEs in sufficient time for review. (d)
6 Utilizing list of eligible MBEs and WBEs maintained by the Authority or seeking minorities and women from other
7 sources for the purpose of soliciting bids for subcontractors. (e) Encouraging the formation of joint ventures,
8 partnerships or other similar arrangements among subcontractors, where appropriate, to insure that Tenant and
9 Contractor will meet their obligations hereunder. (f) Insuring that provision is made to provide progress payments to
10 MBEs and WBEs on a timely basis. (g) Not requiring bonds from and/or providing bonds and insurance for MBEs
11 and WBEs, where appropriate.

12
13 Certification of MBEs and WBEs hereunder shall be made by the Office of Business and Job Opportunity of the
14 Authority. If Contractor wishes to utilize a firm not already certified by the Authority, it shall submit to the
15 Authority a written request for a determination that the proposed firm is eligible for certification. This shall be done
16 by completing and forwarding such form as may be required by the Authority from time to time. All such requests
17 shall be in writing addressed to the Office of Business and Job Opportunity, The Port Authority of New York and
18 New Jersey, One World Trade Center, 63 East, New York, New York 10048. Eligibility for certification shall be
19 made in writing over the name of the Director in charge of the Office of Business and Job Opportunity. The
20 determination of the Authority shall be final and binding. For inquiries or assistance, please contact the Office of
21 Business and Job Opportunity at 212-435-6509.

22
23 The Authority has compiled a list of the firms that the Authority has determined satisfy the criteria for MBE and
24 WBE certification. This list may be supplemented and revised from time to time by the Authority. Such list shall be
25 made available to Contractor upon request. The Authority makes no representation as to the financial responsibility
26 of such firms, their technical competence to perform, or any other performance-related qualifications. Only MBEs
27 and WBEs certified by the Authority will count toward the MBE and WBE goals. Please note that only 60 percent
28 of expenditures to MBE/WBE suppliers will count towards meeting MBE and WBE goals. However, expenditures
29 to MBE or WBE manufacturers (i.e., suppliers that produce goods from raw materials or substantially alter them
30 before resale) are counted dollar for dollar.

EXHIBIT H

MERCHANDISE STREET PRICING REQUIREMENTS -TERMINAL C

A. General Authority Street Pricing Policy.

The Aviation Department of the Authority requires specific pricing criteria in all concessions agreements at the Airport. In general, the Authority and Landlord seek to promote fair and reasonable prices in airport concession programs. The street pricing policy is also designed to produce a greater volume of sales, thereby reflecting the Authority's and Landlord's objective to provide high customer service and optimization of financial return. The Authority's street pricing policy requires that prices charged at the Airport will be comparable to off-airport prices. In general, the policy requires any specialty retail, newsstand and food & beverage vendors that operate both on-airport and off-airport to price goods in the on-airport store within the range of prices charged at their off-airport stores. For vendors without off-airport operations in the area, comparable stores in the region are identified to establish the basis for street prices (the specific methodology for this comparison is established based upon the specific type of store and merchandise sold). For duty free concession vendors, where there are no comparable off-airport operations, the pricing policy requires that the prices of duty free merchandise be substantially comparable to the prices charged in duty free goods at the region's airports be comparable to the prices charged in duty free stores other airports in the Northeastern U.S. Further, vendors must submit price lists for all goods and services in advance for approval. The street pricing policy also requires vendors to post signs in clearly visible locations notifying customers that the store charges fair and reasonable prices that are comparable to other stores in the region. Landlord requires strict adherence to the Authority's street pricing policy.

B. Comparable Locations In the Port of New York District.

1. Specialty Retail and Food & Beverage Concession Facilities. For price comparative purposes, Landlord requires that the prices charged in the various types of specialty retail and food & beverage concession facilities permitted hereunder shall be compared to similar specialty retail and food & beverage establishments located in the following regional malls: Garden State Plaza, Paramus, New Jersey; the Mall at Short Hills, Short Hills, New Jersey; and Newport Center, Jersey City, New Jersey.
2. Newsstand Concession Facilities. For price comparative purposes, Landlord requires that the prices charged in the newsstand concession facilities permitted hereunder for newspapers, magazines and sundries shall be compared to the following convenience store chains located in the Port of New York District: 7-Eleven and Quick-Check. For price comparative purposes, Landlord requires that the prices charged in the newsstand concession facilities permitted hereunder for gifts, souvenirs and novelties shall be compared to both similar gift, souvenir and novelty establishments located in the local malls referenced in part B.1. as well as to the local convenience store chains referenced in this part B.2.

C. Specialty Retail and Food & Beverage Concession Facilities Pricing Requirements.

Tenant's prices for all specialty retail and food & beverage products permitted to be sold under the Permitted Use clause in this Sublease shall at all times be fair and reasonable and must be competitively priced such that the prices charged therefor are the same or comparable with comparable specialty retail and food & beverage establishments located in the regional malls listed in part B.1. To determine fair, reasonable and comparable prices, Landlord or its agents, at least once per year or more often if Landlord so desires, may select 5 comparable establishments in such local malls. Tenant's prices on any comparable items may not exceed the average of those 5 priced similar items.

D. Newsstand Premises Pricing Requirements.

Tenant's prices for all news and gift products permitted to be sold under the Permitted Use clause in this Sublease shall at all times be fair and reasonable and must be competitively priced such that the prices charged therefor for newspapers, magazines and sundries are the same or comparable to those charged by the convenience store chains listed in part B.2. and for gifts, souvenirs and novelties to those charged by comparable gift, souvenir and novelty establishments located in the local malls referenced in part B.1. To determine fair, reasonable and comparable prices, Landlord or its agents, at least once per year or more often if Landlord so desires, may select 5 locations operated by such convenience store chains and comparable establishments in such local malls. Tenant's prices on any specific item may not exceed the average of those 5 priced similar items.

E. General Pricing Requirements.

In all other situations and circumstances for which no specific pricing requirement has been established, Tenant shall abide by the following pricing requirements:

Tenant shall offer for sale only goods of first-class quality. For such goods, Tenant shall charge fair, reasonable and competitive prices. When an item has a suggested retail price premarked and established by the manufacturer or distributor, Tenant shall not charge the public a price higher than the suggested retail premarked price without the prior written approval of Landlord and the Authority, which approval shall not be unreasonably withheld. When an item has no suggested retail price or premarked price, the item shall be sold at a price as first approved by Landlord and the Authority, which approval shall not be unreasonably withheld.

EXHIBIT I

Port Authority of New York and New Jersey
One World Trade Center – 69 EAST
New York, NY 10048
Attn: CREDIT MANAGER

Date: _____

CLEAN IRREVOCABLE STANDBY LETTER OF CREDIT NO.

To the Addressee:

At the request of _____ A _____, we _____ B _____, hereby open this CLEAN IRREVOCABLE LETTER OF CREDIT NO. _____ C _____ in your favor up to an aggregate of \$ _____ D _____ U.S. Dollars, available by your draft(s) on us at sight.

We warrant to you that all of your drafts under this CLEAN IRREVOCABLE LETTER OF CREDIT WILL BE DULY HONORED UPON PRESENTATION OF YOUR DRAFT(S) drawn on us and presented to us at the office of our New York/New Jersey Branch, now located at _____ E _____, _____ E _____ on or before the expiration set forth below or future expiration date as indicated below. Our obligation under this Letter of Credit is the individual obligation of the Bank, in no way contingent upon reimbursement with respect thereto, or upon our ability to perfect any lien or security interest.

All drafts must be marked "Drawn Under _____ B _____ Letter of Credit No. _____ C _____ dated _____, 200_." Partial drawings under this Letter of Credit are permitted.

This CLEAN IRREVOCABLE LETTER OF CREDIT expires at the close of business on _____ F _____, 200_. This CLEAN IRREVOCABLE LETTER OF CREDIT shall be automatically extended without amendment for additional periods of one (1) year from the present or each future expiration date unless we have notified you in writing not less than sixty (60) days before such date that we elect not to extend the Letter of Credit for such additional period, such notice to be sent by registered or certified mail to you at the address herein. Upon receipt by you of such notice you may draw on us at sight for the balance remaining in this Letter of Credit within the then applicable expiration date, no statement required.

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, THIS LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION) INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 500.

Bank Officer/Representative

LEGEND:

- A – INSERT APPLICANT NAME, I.E. TENANT NAME.
- B – INSERT NAME OF ISSUING BANK.
- C – INSERT L/C IDENTIFICATION NUMBER.
- D – INSERT DOLLAR VALUE OF INSTRUMENT.
- E – INSERT EXACT ADDRESS OF LOCAL BANK BRANCH.
- F – INSERT EXPIRATION DATE OF SUBLEASE PLUS SIXTY DAYS.

EXHIBIT J

CORPORATION

GUARANTY

THIS GUARANTY ("Guaranty") is made as of this ____ day of _____, 200_, by, _____ ("Guarantor"), to and for the benefit of CONTINENTAL AIRLINES, INC., ("Landlord") and THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY ("Authority").

WITNESSETH:

WHEREAS, Landlord and _____ ("Tenant") have entered into that certain sublease dated _____, 200_, (the "Sublease"), for the Premises located in Terminal C of Newark International Airport, as more fully described in the Sublease;

WHEREAS, Guarantor will derive financial benefits from Tenant's use and occupancy of the Premises;

WHEREAS, it is a condition precedent to all of the obligations of Landlord pursuant to the Sublease, that Guarantor shall have executed and delivered this Guaranty.

NOW, THEREFORE, in consideration of and as an inducement to the execution of the Sublease by Landlord, and in consideration of the above recitals and other good and valuable consideration paid by Landlord to Guarantor and intending to be legally bound hereby, Guarantor does hereby covenant and agree as follows:

1. Guarantor hereby absolutely, unconditionally and irrevocably guarantees to Landlord and the Authority that Guarantor is and shall be directly and jointly and severally liable to Landlord and the Authority, for the full and prompt payment of all rents, additional rents and any and all other charges payable by Tenant under the Sublease, when due, whether by acceleration or otherwise, and the full, faithful and prompt performance and observance of all the covenants, terms, conditions and agreements of the Sublease to be performed and observed by Tenant, and Guarantor does hereby become surety to Landlord and the Authority, and their respective successors and assigns, for and with respect to all of Tenant's obligations under this Sublease.

2. Guarantor does hereby covenant and agree to and with Landlord and the Authority, that if default shall at any time be made by Tenant, in the payment of any such rents or other sums or charges payable by Tenant under the Sublease or in the performance of any of the covenants, terms, conditions or agreements contained in the Sublease, Guarantor will forthwith pay such rent or other sums or charges to Landlord, and any arrears thereof (including, without limitation, any and all interest or additional charges as provided in the Sublease), and will forthwith faithfully perform and fulfill all of such covenants, terms, conditions and agreements, and will forthwith pay to Landlord and the Authority all damages and all costs and expenses that may arise in consequence of any default by Tenant, under the Sublease (including, without limitation, all attorneys' fees and any and all expenses incurred by Landlord or the Authority or caused by any such default and/or by the enforcement of this Guaranty).

3. This Guaranty is an absolute and unconditional guaranty of payment and of performance and is a surety agreement. Guarantor's liability hereunder is direct and may be enforced immediately without Landlord or the Authority being required to resort to any other right, remedy or security and this Guaranty shall be enforceable immediately against Guarantor, without the necessity for any suit or proceedings on

Landlord's part of any kind or nature whatsoever against Tenant, and without the necessity of any notice of non-payment, non-performance or non-observance or the continuance of any such default or of any notice of acceptance of this Guaranty or of Landlord's or the Authority's intention to act in reliance herein or of any other notice or demand to which Guarantor might otherwise be entitled, all of which Guarantor hereby expressly waives; and Guarantor hereby expressly agrees that the validity of this Guaranty and the obligations of Guarantor hereunder shall in no manner be terminated, affected, or impaired by reason of the assertion or the failure to assert by Landlord or the Authority against Tenant, or of any of the rights or remedies reserved to Landlord or the Authority pursuant to the provisions of the Sublease.

4. This Guaranty shall be a continuing Guaranty, and (whether or not Guarantor shall have notice or knowledge of any of the following) the liability and obligation of Guarantor hereunder shall be absolute and unconditional irrespective of: (i) any amendment or modification of, or supplement to, or extension or renewal of the Sublease or any assignment or transfer thereof or sublease of the Premises; (ii) any exercise or non-exercise of any right, power, remedy or privilege under or in respect of the Sublease or this Guaranty or any waiver, consent or approval by Landlord or the Authority with respect to any of the covenants, terms, conditions or agreements contained in the Sublease or any indulgences, forbearances or extensions of time for performance or observance allowed to Tenant from time to time, at any time and for any length of time; (iii) any lack of validity or enforceability of the Sublease or any other agreement or instrument relating thereto; (iv) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition or liquidation or similar proceedings relating to Tenant, or its properties or creditors; (v) any impairment, modification, change, release or limitation of liability or obligation of Tenant under the Sublease (including, but not limited to, any disaffirmance or abandonment by a trustee of Tenant), resulting from the operation of any present or future provision of the United States Bankruptcy Code, as amended, or any other similar federal or state statute, or from the decisions of any court; (vi) any other circumstances which might otherwise constitute a defense available to, or a discharge of, the Tenant in respect of the Sublease or the Guarantor in respect of this Guaranty. This Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any rents, additional rents and any and all other charges by Tenant, under the Sublease, or performance and observance of any and all of the covenants, terms, conditions and agreements of the Sublease to be performed and observed by Tenant, under the Sublease are rescinded, cancelled or otherwise must be returned by Landlord upon the insolvency, bankruptcy or reorganization of the Tenant, all as though such payment had not been made and/or performance and observance had not occurred.

5. All of Landlord's and the Authority's rights and remedies under the Sublease and under this Guaranty are intended to be distinct, separate and cumulative and no such right and remedy therein or herein mentioned is intended to be in exclusion of or a waiver of any of the others. No termination of the Sublease or taking or recovering of the premises demised thereby shall deprive Landlord or the Authority of any of its rights and remedies against Guarantor under this Guaranty. This Guaranty shall apply to Tenant's obligations thereunder during the original term thereof in accordance with the original provisions thereof.

6. Guarantor represents and warrants to Landlord that (a) it is duly incorporated, validly existing and in good standing under the laws of _____; (b) that the execution and delivery of this Guaranty has been duly authorized by the Board of Directors or members of Guarantor; (c) the making of this Guaranty does not require any vote or consent of shareholders of Guarantor; and (d) that the officer executing this Guaranty has been duly authorized to execute the same by its Board of Directors or members.

7. As a further inducement to Landlord to make and enter into the Sublease and perform its obligations thereunder, and in consideration thereof, Guarantor covenants and agrees that in any action or

INDIVIDUAL

GUARANTY

THIS GUARANTY (the "Guaranty") is made as of this _____ day of _____, 200_, by _____ (individually and collectively the "Guarantor"), to and for the benefit of CONTINENTAL AIRLINES, INC., ("Landlord") and THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY ("Authority").

WITNESSETH:

WHEREAS, Landlord and _____ ("Tenant") have entered into that certain sublease dated _____, 200_, (the "Sublease"), for the Premises located in Terminal C of Newark International Airport, as more fully described in the Sublease;

WHEREAS, Tenant, and therefore, Guarantor will derive financial benefits from Tenant's use and occupancy of the Premises;

WHEREAS, it is a condition precedent to all of the obligations of Landlord pursuant to the Sublease, that Guarantor shall have executed and delivered this Guaranty.

NOW, THEREFORE, in consideration of and as an inducement to the execution of this Sublease by Landlord, and in consideration of the above recitals and other good and valuable consideration paid by Landlord to Guarantor and intending to be legally bound hereby, Guarantor does hereby covenant and agree as follows:

1. Guarantor hereby absolutely, unconditionally and irrevocably guarantees to Landlord and the Authority that Guarantor is and shall be directly and jointly and severally liable to Landlord and the Authority, for the full and prompt payment of all rents, additional rents and any and all other charges payable by Tenant under the Sublease, when due, whether by acceleration or otherwise, and the full, faithful and prompt performance and observance of all the covenants, terms, conditions and agreements of the Sublease to be performed and observed by Tenant, and Guarantor does hereby become surety to Landlord and the Authority, and their respective successors and assigns, for and with respect to all of Tenant's obligations under the Sublease.

2. Guarantor does hereby covenant and agree to and with Landlord and the Authority, that if default shall at any time be made by Tenant, in the payment of any such rents or other sums or charges payable by Tenant under the Sublease or in the performance of any of the covenants, terms conditions or agreements contained in the Sublease, Guarantor will forthwith pay such rent or other sums or charges to Landlord, any arrears thereof (including, without limitation, any and all interest or additional charges as provided in the Sublease), and will forthwith faithfully perform and fulfill all of such covenants, terms, conditions and agreements, and will forthwith pay to Landlord and the Authority all damages and all costs and expenses that may arise in consequence of any default by Tenant, under the Sublease (including, without limitation, all attorneys' fees and any and all expenses incurred by Landlord or the Authority or caused by any such default and/or by the enforcement of this Guaranty).

3. This Guaranty is an absolute and unconditional guaranty of payment and of performance and is a surety agreement. Guarantor's liability hereunder is direct and may be enforced immediately without Landlord or the Authority being required to resort to any other right, remedy or security and this Guaranty shall be enforceable immediately against Guarantor, without the necessity for any suit or proceedings on Landlord's or the Authority's part of any kind or nature whatsoever against Tenant, and without the

necessity of any notice of non-payment, non-performance or non-observance or the continuance of any such default or of any notice of acceptance of this Guaranty or of Landlord's and the Authority's intention to act in reliance herein or of any other notice or demand to which Guarantor might otherwise be entitled, all of which Guarantor hereby expressly waives; and Guarantor hereby expressly agrees that the validity of this Guaranty and the obligations of Guarantor hereunder shall in no manner be terminated, affected, or impaired by reason of the assertion or the failure to assert by Landlord or the Authority against Tenant, or of any of the rights or remedies reserved to Landlord or the Authority pursuant to the provisions of the Sublease.

4. This Guaranty shall be a continuing Guaranty, and (whether or not Guarantor shall have notice or knowledge of any of the following) the liability and obligation of Guarantor hereunder shall be absolute and unconditional irrespective of: (i) any amendment or modification of, or supplement to, or extension or renewal of the Sublease or any assignment or transfer thereof or sublease of the Premises; (ii) any exercise or non-exercise of any right, power, remedy or privilege under or in respect of the Sublease or this Guaranty or any waiver, consent or approval by Landlord or the Authority with respect to any of the covenants, terms, conditions or agreements contained in the Sublease or any indulgences, forbearances or extensions of time for performance or observance allowed to Tenant from time to time, at any time and for any length of time; (iii) any lack of validity or enforceability of the Sublease or any other agreement or instrument relating thereto; (iv) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition or liquidation or similar proceedings relating to Tenant, or its properties or creditors; (v) any impairment, modification, change, release or limitation of liability or obligation of Tenant under the Sublease (including, but not limited to, any disaffirmance or abandonment by a trustee of Tenant), resulting from the operation of any present or future provision of the United States Bankruptcy Code, as amended, or any other similar federal or state statute, or from the decisions of any court; (vi) any other circumstances which might otherwise constitute a defense available to, or a discharge of, the Tenant in respect of the Sublease or the Guarantor in respect of this Guaranty. This Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any rents, additional rents and any and all other charges by Tenant, under the Sublease, or performance and observance of any and all of the covenants, terms, conditions and agreements of the Sublease to be performed and observed by Tenant, under the Sublease are rescinded, cancelled or otherwise must be returned by Landlord upon the insolvency, bankruptcy or reorganization of the Tenant, all as though such payment had not been made and/or such performance and observance had not occurred.

5. All of Landlord's and the Authority's rights and remedies under the Sublease and under this Guaranty are intended to be distinct, separate and cumulative and no such right and remedy therein or herein mentioned is intended to be in exclusion of or a waiver of any of the others. No termination of the Sublease or taking or recovering of the premises demised thereby shall deprive Landlord or the Authority of any of their rights and remedies against Guarantor under this Guaranty. This Guaranty shall apply to Tenant's obligations pursuant to any extension, renewal, amendment, modification and supplement of or to the Sublease as well as to Tenant's obligations thereunder during the original term thereof in accordance with the original provisions thereof.

6. As a further inducement to Landlord to make and enter into the Sublease and perform its obligations thereunder, and in consideration thereof, Guarantor covenants and agrees that in any action or proceeding brought on, under or by virtue of this Guaranty, Guarantor shall and does hereby waive trial by jury. Guarantor agrees to pay Landlord's and the Authority's reasonable attorneys' fees and all costs and other expenses incurred in any collection or attempted collection or in any negotiations relative to the obligations hereby guaranteed or in enforcing this Guaranty against the undersigned, individually, jointly and severally.

EXHIBIT K
PERMITTED USE MERCHANDISE CATEGORIES
CATEGORY "A"

- 1
2
3 • Newspapers: A complete supply of all local daily newspapers of general circulation including but not
4 limited to the New York Times, New York Daily News, New York Post, Wall Street Journal,
5 Newark's Star-Ledger, USA Today, Washington Post, Philadelphia Inquirer, etc.
- 6 • Magazines and periodicals: The major, best-selling national magazines and periodicals, to include not
7 less than one hundred fifty (150) separately displayed publications at all times. The twenty (20) best-
8 sellers in the weekly New York Times Book Review Section, on the Paperback Best Sellers List, for
9 fiction; and the top five (5) *nonfiction* best-sellers each from the General, Advice, How To, and
10 Miscellaneous lists. A full line of other paperback books shall be stocked. All books must be sold at
11 no more than the premarked price. Those book titles without a premarked price indicated thereon
12 shall be sold at reasonable prices.
- 13 • Candy bars: The twenty (20) best-selling candy bars in the New Jersey/New York metropolitan area,
14 each in a weight and size as packaged for normal retail sale.
- 15 • Gum, mints, candies, etc.: a full range of national brand gums, mints, breath mints, and candy items
16 (such as Wrigley, Certs, Lifesavers, Beechnut, etc) each in a weight and size as packaged for normal
17 retail sale.
- 18 • Cigarettes, cigars, pipe tobacco: A full range and supply of national brand items.
- 19 • Smoking accessories: Lighters, matches, pipes, pipe cleaners, ashtrays, etc.
- 20 • Bottled water, soda & juice drinks: A variety of bottled water, bottled soda and bottled juice drinks.
- 21 • Umbrellas.
- 22 • Camera, film and basic camera accessories: Including cameras, film, flashbulbs and batteries.
- 23 • Sunburn and suntan lotions.
- 24 • Utility writing tablets, pocket notebooks, postcards.
- 25 • Sunglasses and related items: Standard (generic, lower-priced brands) snuggles styles.
- 26 • Minor nonprescription drugs: Common pain remedy products (such as Tylenol, Midol, aspirin,
27 Bufferin, Anacin, etc.) iodine, merthiolate, first-aid creams, travel sickness remedies, cough
28 medicines, cold capsules, nasal inhalers, and chapped lip balms, and at least one aspirin-type
29 medication and travel sickness remedy offered in single dosage packets.
- 30 • Traveler necessity items: Band-Aids, pocket facial tissues, hand lotions, tampons, sanitary napkins,
31 shaving creams, eyeglass Cleaners, contact lens solutions, dry or liquid clothes sash packets,
32 toothbrushes, toothpaste, shampoo, hair rinses, deodorants, manicure aids, pocket combs, hairbrushes,
33 women's utility hosiery (non-designer), sewing kits, razor blades, and shaver refills, disposable
34 razors, and disposable diapers.

- 1 • Cosmetics, perfumes, and men's toiletries: A full range and supply of deluxe (high-fashion) and
2 standard (mid-priced) items including, but not limited to, nationally and internationally known
3 brands, as determined by Landlord.
- 4 • Greeting cards: A full range and supply to include a full assortment of individual occasion and all-
5 occasion greeting cards, current holiday greeting cards, cards celebrating major ethnic, religious and
6 seasonal holidays, and an assortment of contemporary humor cards.
- 7 • Gift wrapping, bow, ribbons, etc.
- 8 • Travel guides, maps, tour books, etc.

9

10 **CATEGORY "B"**

11 Along with the permitted use merchandise categories outlined under Category "A", Tenant will also be
12 permitted to sell the following:

- 13 • Gifts: Diverse, high quality gift items representative of the New Jersey/New York metropolitan area.
14 Such items shall also be representative of the various historical, geographical, and cultural
15 perspectives of said area (such as colonial America, Native America items, pre-packaged food items,
16 Pennsylvania Dutch, Amish, New Jersey Shore, etc.).
- 17 • Souvenir apparel: Popular souvenir, sports, and novelty apparel, such as T-shirts, sweatshirts, knit
18 shirts, professional and college jerseys and apparel, etc. All apparel must be related to the New
19 York/New Jersey area.
- 20 • Souvenirs, novelties, and traveler-related gifts: Diverse, high quality souvenir items representative of
21 the New York/New Jersey metropolitan area.
- 22 • Children's gifts: A full range and supply of children's gifts (such as dolls, toys, board games, stuffed
23 animals, and other "plush," etc).
- 24 • Hosiery: A full range and supply of men's and women's hosiery (such as socks, stockings, nylons,
25 etc.) in popular sizes, styles, and brands.
- 26 • Hats, clothing, and other general apparel.
- 27 • Luggage, carrying cases, deluxe bags and containers, and other luggage related accessories.
- 28 • Posters, pictures, prints, paintings, art objects, pottery, and other "collectibles": To include figurines,
29 medals, stamps, commemorative plates, etc.
- 30 • Prepared gift food and drink items: Such as wines, cheeses, jams, breads, meats, pasta, etc. Each such
31 item shall be pre-packaged and sold for off-Airport consumption by the customer.
- 32 • Electronic items and accessories: Such as calculators, watches, radios, audio cassette tape players and
33 recorders, etc.

- 1 • Premium candy and nuts: Premium boxed chocolates, bulk chocolates, boxed and bulk nuts, and other
- 2 premium "sweets" items as customarily carried by first-class northern New Jersey candy and
- 3 confectionery stores.

Any additional items not included above which Tenant feels are desirable to properly service the passengers in the Terminal may be submitted to Landlord or its designated agent for prior written approval. Landlord, at its sole discretion, shall have the right to disapprove any such request if in Landlord's judgement, such items are deemed objectionable and not appropriate to be displayed and offered for sale in either the Terminal or the Airport, are being offered for sale by other concessions located within the Terminal or would otherwise disrupt the tenant merchandise mix within the Terminal.

: For Port Authority Use Only :

: AWB-996 :

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

NEWARK LIBERTY INTERNATIONAL AIRPORT
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 non-exclusive privilege at Newark Liberty International Airport, County of Essex, City of Newark, State of New Jersey, in accordance with the Terms and Conditions 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:

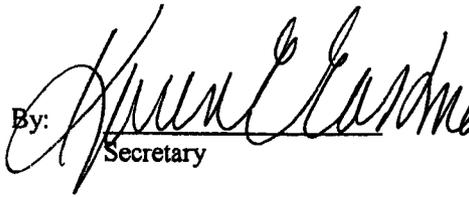
1. **PERMITTEE:** AMS-BW Newark, JV, Airport Management Services, LLC and Branded Works, Inc.
2. **PERMITTEE'S ADDRESS:** c/o The Hudson Group, One Meadowlands Plaza, Suite 902, East Rutherford, New Jersey 07073
3. **PERMITTEE'S REPRESENTATIVE:** Michael R. Mullaney for AMS-BW Newark, JV and Airport Management Services, LLC and Ruth Ann Menutis for Branded Works, Inc.
4. **PRIVILEGE:** To provide such Permitted Use described in Special Endorsement No. 1(b) hereof (the "Authorized Service"), and for no other purpose or purposes whatsoever.
5. **FEES:** As set forth in Special Endorsement 2(a)(vi) hereof
6. **EFFECTIVE DATE:** February 27, 2009
7. **EXPIRATION DATE:** unless sooner revoked or terminated as provided herein.
8. **REQUIRED SECURITY DEPOSIT:** \$550,000.00 in the form of a letter of credit as provided in the Concession Lease (described in Special Endorsement No. 1(a) hereof).
9. **INSURANCE REQUIREMENTS:** \$2,000,000.00 minimum limit Commercial General Liability as provided in the Concession Lease (described in Special Endorsement No. 1(a) hereof).
10. **ENDORSEMENTS:** Specials, Schedule G and Exhibit X

PA LAW DEPARTMENT
LEASES DIVISION

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

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

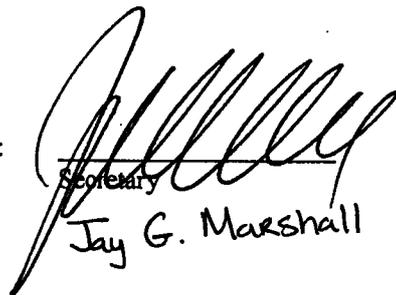
ATTEST:

By:  Secretary
By:  Name: Doug Stearns
(Please Print Clearly)
Title: Asst. Director, CCAAT
(Seal)

LESSEE:

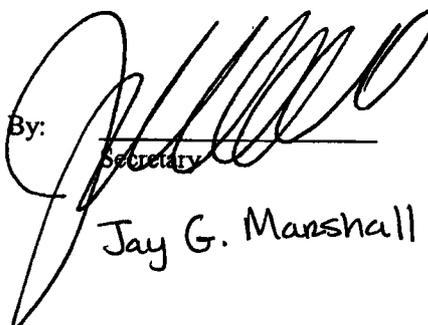
ATTEST:

AMS-BW NEWARK JV
By: Airport Management Services, LLC, a joint venturer
By: Hudson News Company, Its Managing Member

By:  Secretary
Jay G. Marshall
By:  Name: Michael R. Mullaney
(Please Print Clearly)
Title: Executive Vice President
(Seal)

ATTEST:

AIRPORT MANAGEMENT SERVICES, LLC,
a Delaware limited liability company
By: Hudson News Company, Its Managing Member

By:  Secretary
Jay G. Marshall
By:  Name: Michael R. Mullaney
(Please Print Clearly)
Title: Executive Vice President
(Seal)

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

By _____

Name _____

(Please Print Clearly)

Title _____

AMS-BW NEWARK JV, Permittee

By: Airport Management Services, LLC, a joint venturer

By _____

Name _____

(Please Print Clearly)

Title _____ Member

**AIRPORT MANAGEMENT
SERVICES, LLC, Permittee**

By _____

Name _____

(Please Print Clearly)

Title _____ Member

BRANDED WORKS, INC., Permittee

By *Ruth Ann Menutis*

Name RUTH ANN MENUTIS

(Please Print Clearly)

Title _____ President

| Port Authority Use Only: | |
|--------------------------|----------------------|
| Approval as to Terms: | Approval as to Form: |
| <i>SA</i> | <i>MP</i> |

OTC

TERMS AND CONDITIONS

1. Definitions:

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

(a) "*Airport*" or "*Facility*" shall mean Newark Liberty International Airport, Newark, New Jersey, 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.

(b) "*City*" shall mean the City of Newark.

(c) "*City Lease*" shall mean the lease of the air terminal 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.

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

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

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

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

(f) "*Executive Director*" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the Executive Director by this Permit;

but until further notice from the Port Authority to the Permittee it shall mean the Executive Director of the Port Authority for the time being or his duly designated representative or representatives.

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

(h) "*Gross Receipts*" shall include all monies paid or payable to the Permittee for sales made and for services rendered at or from the Airport, regardless of when or where the order therefor is received, and outside the Airport, if the order therefor is received at the Airport, and any other revenues of any type arising out of or in connection with the Permittee's operations at the Airport, provided, however, that any taxes imposed by law which are separately stated to and paid by the customer and directly payable to the taxing authority by the Permittee, shall be excluded therefrom.

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

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

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

2. Effective Date, Termination and Revocation:

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

(b) Notwithstanding any other term or condition hereof, the permission hereby granted may be revoked without cause upon thirty (30) days' written notice by the Port Authority, or terminated without cause upon thirty (30) days' written notice by the Permittee, provided, however, that it may be revoked on twenty-four (24) hours' notice by the Port Authority if the Permittee shall fail to keep, perform and observe each and every promise, agreement, condition, term and provision contained in this

Permit, including but not limited to the obligation to pay fees. Unless sooner revoked or terminated, such permission shall expire in any event upon the expiration date hereinbefore set forth.

(c) In the event the Port Authority exercises its right to revoke this Permit for any reason other than "without cause", the Permittee shall be obligated to pay to the Port Authority an amount equal to all costs and expenses reasonably incurred by the Port Authority in connection with such revocation, including without limitation any and all personnel and legal costs (including but not limited to the cost to the Port Authority of in-house legal services) and disbursements incurred by it arising out of, relating to, or in connection with the enforcement or 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" business trust, by the Permittee acting only through the medium of its members, trustees, officers, and employees,

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

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

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

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

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

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

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

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

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

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

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

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

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

4. Fees:

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

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

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

or made via the following wire transfer instructions:

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

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

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

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

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

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

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

5. Security Deposit:

(a) (i) Provided that an amount is set forth in Item 8 on the first page of this Permit (the "*Required Security Deposit*"), and, provided, further, the amount of said Required Security Deposit is less than \$20,000.00, upon the execution of this Permit by the Permittee and delivery thereof to the Port Authority, the Permittee shall deposit with the Port Authority (and shall keep deposited throughout the effective period of the permission under this Permit) the Required Security Deposit, either in cash, or bonds of the United States of America, or of the State of New Jersey, or of the State of New York, or of the Port Authority of New York and New Jersey, having a market value of that amount, as security for the full, faithful and prompt performance of and compliance with, on the part of the Permittee, all of the terms, provisions, covenants and conditions of this Permit on its part to be fulfilled, kept, performed or observed. Bonds qualifying for deposit hereunder shall be in bearer form but if bonds of that issue were offered only in registered form, then the Permittee may deposit such bonds or bonds in registered form, provided, however, that the Port Authority shall be under no obligation to accept such deposit of a bond in registered form unless such bond has been re-registered in the name of the Port Authority (the expense of such re-registration to be borne by the Permittee) in a manner satisfactory to the Port Authority. The

Permittee may request the Port Authority to accept a registered bond in the Permittee's name and if acceptable to the Port Authority the Permittee shall deposit such bond together with an irrevocable bond power (and such other instruments or other documents as the Port Authority may require) in form and substance satisfactory to the Port Authority. In the event the Required Security Deposit is returned to the Permittee, any expenses incurred by the Port Authority in re-registering a bond to the name of the Permittee shall be borne by the Permittee. In addition to any and all other remedies available to it, the Port Authority shall have the right, at its option, at any time and from time to time, with or without notice, to use the Required Security Deposit, or any part thereof, in whole or partial satisfaction of any of its claims or demands against the Permittee. There shall be no obligation on the Port Authority to exercise such right and neither the existence of such right nor the holding of the Required Security Deposit itself shall cure any default or breach of this Permit on the part of the Permittee. With respect to any bonds deposited by the Permittee, the Port Authority shall have the right, in order to satisfy any of its claims or demands against the Permittee, to sell the same in whole or in part, at any time, and from time to time, with or without prior notice at public or private sale, all as determined by the Port Authority, together with the right to purchase the same at such sale free of all claims, equities or rights of redemption of the Permittee. The Permittee hereby waives all right to participate therein and all right to prior notice or demand of the amount or amounts of the claims or demands of the Port Authority against the Permittee. The proceeds of every such sale shall be applied by the Port Authority first to the costs and expenses of the sale (including but not limited to advertising or commission expenses) and then to the amounts due the Port Authority from the Permittee. Any balance remaining shall be retained in cash toward bringing the Required Security Deposit to the sum specified in Item 8 on the first page of this Permit. In the event that the Port Authority shall at any time or times so use the Required Security Deposit, or any part thereof, or if bonds shall have been deposited and the market value thereof shall have declined below the amount set forth in Item 8 on the first page of this Permit, the Permittee shall, on demand of the Port Authority and within two (2) days thereafter, deposit with the Port Authority additional cash or bonds so as to maintain the Required Security Deposit at all times to the full amount above stated in Item 8 on the first page of this Permit, and such additional deposits shall be subject to all the conditions of this Section. After the expiration or earlier revocation or termination of the effective period of the permission under this Permit, and upon condition that the Permittee shall then be in no wise in default under any part of this Permit, and upon written request therefor by the Permittee, the Port Authority will return the Required Security Deposit to the Permittee less the amount of any and all unpaid claims and demands (including estimated damages) of the Port Authority by reason of any default or breach by the Permittee of this Permit or any part thereof. The Permittee agrees that it will not assign or encumber the Required Security Deposit. The Permittee may collect or receive any interest or income earned on bonds and interest paid on cash deposited in interest-bearing bank accounts, less any part thereof or amount which the Port Authority is or may hereafter be entitled or authorized by law to retain or to charge in connection therewith, whether as or in lieu of an administrative expense, or custodial charge, or otherwise; provided, however, that the Port Authority shall not be obligated by this provision to place or to keep cash deposited hereunder in interest-bearing bank accounts.

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

security under paragraph (a)(i) of this Section. Failure to provide such a letter of credit at any time during the effective period of the permission granted under this Permit, valid and available to the Port Authority, including any failure of any banking institution issuing any such letter of credit previously accepted by the Port Authority to make one or more payments as may be provided in such letter of credit, shall be deemed to be a breach of this Permit on the part of the Permittee. Upon acceptance of such letter of credit by the Port Authority, and upon request by the Permittee made thereafter, the Port Authority will return the Required Security Deposit, if any, theretofore made under and in accordance with the provisions of paragraph (a)(i) of this Section. The Permittee shall have the same rights to receive such Required Security Deposit during the existence of a valid letter of credit as it would have to receive such sum upon expiration of the effective period of the permission granted under this Permit and fulfillment of the obligations of the Permittee hereunder. If the Port Authority shall make any drawing under a letter of credit held by the Port Authority hereunder, the Permittee on demand of the Port Authority and within two (2) days thereafter, shall bring the letter of credit back up to its full amount.

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

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

the Required Security Deposit, as the case may be, and such additional cash and/or bonds or adjusted (or replaced) letter of credit shall thereafter constitute the Required Security Deposit required under this Section.

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

6. Permittee's Operations:

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

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

(c) 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.

(d) 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.

(e) 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.

(f) 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.

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

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

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

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

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

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

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

4. If a Permittee is engaged in the business of selling duty-free goods, "Street Prices" shall mean the price regularly charged by the Permittee or similar retailer for the same or similar retailer for the same or similar duty-free item at other urban airports in the Northeast region of the United States, including but not limited to Newark Liberty International Airport, Newark, New Jersey.

The Permittee's breach of the aforesaid Street Pricing Policy shall be deemed a material breach of the Permittee's obligations under this Permit. The Permittee shall post in each sales area (including any temporary sales space) a notice in form and substance satisfactory to the Port Authority notifying the public that the Permittee subscribes to a "Street Pricing Policy," such policy to be clearly visible and unobstructed. If the Permittee charges any price to a customer in excess of the price which would satisfy the "Street Pricing Policy" in violation of its obligations under this Permit, the amount of such excess shall constitute an overcharge which shall, upon demand, by the Port Authority or the Permittee's customer, be promptly refunded to the customer.

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

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

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) 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. Without limiting the foregoing, the Permittee shall maintain Workers' Compensation and Employers Liability Insurance in accordance with the Permittee's statutory obligations under the applicable State Workers' Compensation Law for those employees of the Permittee employed in operations conducted pursuant to this Permit at or from the Airport. In the event the Permittee maintains the foregoing insurance in limits greater than aforesaid, the Port Authority shall be included therein as an additional insured, except for the Workers' Compensation and Employers Liability Insurance policies, to the full extent of all such insurance in accordance with all terms and provisions of this Permit.

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

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

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

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

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

9. Special Endorsements:

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

10. No Waiver:

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

11. Removal of Property:

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

12. Permittee's Representative:

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

13. Notices:

Except where expressly required or permitted herein to be oral, all notices, directions, requests, consents and approvals required to be given to or by either party shall be in writing, and all such notices given by the Port Authority to the Permittee shall be validly given if sent by registered or certified mail addressed to the Permittee at the address specified on the first page hereof or at the latest address that the

Permittee may substitute therefor by notice to the Port Authority, or left at such address, or delivered to the Permittee's representative. Any notice from the Permittee to the Port Authority shall be validly given if sent by registered or certified mail addressed to the Executive Director of the Port Authority at 225 Park Avenue South, New York, New York 10003 or at such other address as the Port Authority shall hereafter designate by notice to the Permittee. If mailed, the notices herein required to be given shall be deemed effective and given as of the date of the certified or registered mailing thereof.

14. Late Charges:

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

15. Non-discrimination:

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

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

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

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

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

16. Affirmative Action:

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

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

17. Rules and Regulations:

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

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

18. Prohibited Acts

- (a) The Permittee shall not do or permit to be done any act which
- (i) will invalidate or be in conflict with any fire insurance policies covering the Airport or any part thereof or upon the contents of any building thereon, or
 - (ii) will increase the rate of any fire insurance, extended coverage or rental insurance on the Airport or any part thereof or upon the contents of any building thereon, or
 - (iii) in the opinion of the Port Authority will constitute a hazardous condition, so as to increase the risks normally attendant upon the operations contemplated by this Permit, or
 - (iv) may cause or produce upon the Airport any unusual noxious or objectionable smokes, gases, vapors or odors, or
 - (v) may interfere with the effectiveness or accessibility of any drainage and sewerage system, water system, communications system, fire protection system, sprinkler system, alarm system, fire hydrant and hose, if any, installed or located or to be installed or located in or on the Airport, or
 - (vi) shall constitute a nuisance or injury in or on the Airport or which may result in the creation, commission or maintenance of a nuisance or injury in or on the Airport.

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

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

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

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

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

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

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

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

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

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

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

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

(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. 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 Percentage Fee and all other fees payable to the Port Authority hereunder.

25. Rates and Charges:

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

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

26. Other Agreements:

(a) 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.

(b) 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.

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

27. Waiver of Trial by Jury:

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

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

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

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

acknowledges that the Port Authority reserves all its legal and equitable rights and remedies in the event of such failure by the Permittee to cease performance of the Authorized Service.

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

29. Miscellaneous:

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

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

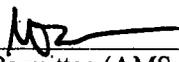
(c) The Section and paragraph headings, if any, in this Permit are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of any provision hereof.

(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.

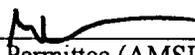
Initialed:



For the Port Authority



For the Permittee (AMS-BW)



For the Permittee (AMSLLC)

For the Permittee (BW, Inc)

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For the Port Authority

Initialed:

For the Permittee (AMS-BW)

For the Permittee (AMSLLC)



For the Permittee (BW, Inc)

SPECIAL ENDORSEMENTS

1. (a) (i) The Port Authority and the Permittee have entered into a concession lease agreement ("Concession Lease") pursuant to which the Port Authority has granted to the Permittee the right to operate a certain consumer service facility(ies) in designated space at Passenger Building A or B ("Terminal") at Newark Liberty International Airport, such operation to consist of either the provision of food and beverage, newsstand, gift shop or other consumer service facilities, as more specifically stated in paragraph (b) of this Special Endorsement. The Permittee is obligated under the Concession Lease to undertake certain construction at the leased premises prior to commencing operations thereat. In anticipation of, and prior to, commencing said operations the parties have agreed to enter into this Permit, pursuant to which the Permittee is granted the privilege to provide the same consumer service operation as is contemplated by the Concession Lease, for the stated, interim period of time set forth on the first page of this Permit and at the space designated on Exhibit A-2, attached hereto and hereby made a part hereof ("Concession Area"). This Permit shall be deemed to be terminated effective as of the Rental Payment Start Date of the Concession Lease, and the terms and provisions of such Concession Lease shall supercede and control in the event of any ambiguity or inconsistency between the terms and provisions of this Permit and the terms and provisions of the executed Concession Lease; provided, however, that all terms and conditions of this Permit which are stated to or impliedly survive the revocation, expiration or termination of this Permit shall so survive including, without limitation, any liability accrued by the Permittee under this Permit prior to the effective date of such revocation, expiration, or termination, as the case may be.

(ii) Nothing contained in this Permit shall grant or be deemed to grant to any contractor, architect, supplier, subcontractor or any other person engaged by the Permittee or any of its contractors in the performance of any part of the proposed construction work to be undertaken in connection with the Concession Lease ("Proposed Work") any right of action or claim against the Port Authority, its Commissioners, officers, agents and employees with respect to any work any of them may do in connection with the Proposed Work. Nothing contained herein shall create or be deemed to create any relationship between the Port Authority and any such contractor, architect, supplier, subcontractor or any other person engaged by the Permittee or any of its contractors in the performance of any part of the Proposed Work and the Port Authority shall not be responsible to any of the foregoing for any payments due or alleged to be due thereto for any work performed or materials purchased in connection with the Proposed Work.

(b) Notwithstanding Paragraph 4(i) of the Terms and Conditions above and in connection with Paragraph 6 of the Terms and Conditions above, the Permittee may use the Concession Area for the following purpose: for the operation of news & gift concessions limited to the sale at retail of newspapers, books, magazines, sundries, souvenirs, gifts, pre-packaged foods and non-alcoholic beverages, and for no other use or purpose. The Permittee's initial list of products, as approved by the Port Authority, is set forth in **Schedule A** attached to the Concession Lease, and such **Schedule A** may be amended from time to time with the written consent of the Port Authority, determined in its sole and absolute discretion.

(c) The Port Authority makes no representations or warranties as to the location, size, adequacy or suitability of the Concession Area and the facilities therein.

2. (a) As used herein:

(i) "Affiliate" shall mean a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Permittee. The term control (including the terms controlling, controlled by and under common control with) means the

possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

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

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

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

(v) Notwithstanding the definition of Gross Receipts set forth in Section 1(h) of the Terms and Conditions, the term "Gross Receipts" shall mean and include all monies paid or payable to the Permittee for sales made or services rendered at or from the Airport, regardless of when or where the order therefor is received, and outside the Airport, if the order therefor is received at the Airport, and any other revenues of any type arising out of or in connection with the Permittee's operations at the Airport; provided, however, there shall be excluded from Gross Receipts the following: (1) any sums collected for any federal, state, county and municipal sales taxes, so-called luxury taxes, use taxes, consumer excise taxes, gross receipts taxes and other similar taxes now or hereafter imposed by law upon the sale of merchandise, food & beverage products or services which are separately stated to and paid by a customer and directly payable to the taxing authority by the Permittee, (2) any receipts of the Permittee which arise from its operations under any other agreement with the Port Authority at the Airport and which are subject to a percentage fee or percentage rental under that agreement, (3) receipts in the form of refunds from, or the value of merchandise (including food & beverage products), services, supplies or equipment returned to, vendors, shippers, suppliers or manufacturers, including volume discounts received from Permittee's vendors, suppliers or manufacturers, (4) gratuities for services performed by employees of Permittee which are paid or given by Permittee's customers to such employees at or serving at the Airport, (5) the sale or transfer in bulk of the inventory of the Permittee to a purchaser of all or

substantially all of the assets of the Permittee in a transaction not in the ordinary course of Permittee's business, (6) except with respect to proceeds received for business interruptions paid on a gross earnings business interruption insurance policy, proceeds from all other insurance received by Permittee as a result of a loss or casualty, (7) rebates, exchanges or allowance made to customers of the Permittee at the Airport, (8) the exchange of merchandise between the stores or warehouses owned by or affiliated with Permittee, if any, where such exchanges of goods or merchandise are made solely for the convenient operation of the business of Permittee and not for the purpose of consummating a sale which has theretofore been made at, in, from or upon the Airport or for the purpose of depriving the Port Authority of the benefit of the sale which otherwise would be made at, in, from or upon the Airport, (9) income actually received by Permittee from manufacturers of goods (e.g., cosmetics, perfume) displayed for sale at the Airport if the conditions set forth in the succeeding sentence are fully and strictly satisfied with respect to such income; the conditions with respect to this clause (9) are as follows: (i) the manufacturer specifically identifies the time period to which the income relates, (ii) reimbursement from the manufacturer to Permittee occurs in connection with employees (1) who are on Permittee's payroll for the operations permitted under this Permit and (2) who are on such payroll during the time period to which the reimbursement relates, (iii) the manufacturer and Permittee have previously entered into a written agreement that sets forth the material terms of their arrangement with regard to the reimbursement that is the subject of this clause (9), and (iv) Permittee provides to the Port Authority written documents and records substantiating the matters listed in sub-clauses (i) through (iii), (10) proceeds from the sale of gift certificates or like vouchers until such time as the gift certificates or like vouchers have been treated as a sale in or from the Airport pursuant to Permittee's record keeping system and (11) sale of trade fixtures, equipment or property which are not stock in trade and not in the ordinary course of business.

For the purpose of determining the Percentage Fee payable by the Permittee hereunder, Gross Receipts shall include all orders including, but not limited to, all orders by means of mail, catalogue, closed circuit television, electronic, telephonic, video, computer or other technology-based system, whether now existing or developed in the future, all deposits not refunded to or otherwise forfeited by customers, all orders taken in and from the Airport, whether or not such orders are filled elsewhere, the entire amount of the actual sales price and all other receipts for sales and services rendered, all insurance proceeds received due to loss of gross earnings paid under Permittee's business interruption insurance policy because of business interruptions, and the spread earned on any exchange or foreign currency transaction whether for an exchange service or for merchandise, products and/or services. A "sale" shall be deemed to have been consummated for purposes hereof, and the entire amount of the sales price shall be included in Gross Receipts and deemed received at the time of determination of the amount due for each transaction, whether for cash, credit or otherwise, and not at the time of billing or payment. Each sale made upon installment or credit shall be treated as a sale for the full price in the month during which such sale shall be made, irrespective of the time when any payment is received. No deduction from Gross Receipts shall be allowed for uncollected or uncollectible credit amounts or "bad" checks. Gross Receipts shall include retail display allowances, slotting fees, on-premises advertising and other promotional incentives (collectively referred to as "RDAs"). Gross Receipts shall include all such sales, revenues or receipts generated by Permittee's concessionaires, if any, or anyone else conducting business pursuant to an arrangement with Permittee and shall also include the full amount of all insurance proceeds paid on a gross earnings business interruption insurance policy to Permittee.

(vi) "Percentage Fee" shall mean for and during the period commencing on the Fee Commencement Date and continuing throughout the period of permission granted hereunder, both dates inclusive, a monthly percentage fee equivalent to twenty-three percent (23%) of all of the Permittee's Gross Receipts arising hereunder during each monthly period and payable by Permittee to the Port Authority as provided in Paragraph 4(a) of the Terms and Conditions.

(vii) "Distribution Fee" shall have the same meaning as set forth in the Concession Lease and the Permittee shall pay such monthly charges for its Distribution Fee as set forth in the Concession Lease.

(viii) "Promotion Fee" shall have the same meaning as set forth in the Concession Lease and the Permittee shall pay such monthly charges for its Promotion Fee as set forth in the Concession Lease.

(b) Notwithstanding Paragraph 4(b) of the Terms and Conditions, for purposes of this Permit, and unless and until notified in writing otherwise by the Port Authority, the Port Authority hereby directs that any payments to be made to the Port Authority under this Permit (whether of percentage fees, fines, or other concession operator payments) be remitted on its behalf directly, and payable, to Westfield Concession Management, LLC, which shall serve as the Port Authority's agent for this purpose, and such payments shall be made in accordance with Section 38 of the Concession Lease.

(c) Gross receipts shall be reported and the Percentage Fee thereon shall be paid as follows: on the 15th day of the first month following the Effective Date and on the 15th day of each and every month thereafter, and the month following the expiration of the permission granted hereunder, the Permittee shall render to the Port Authority a statement, certified by a responsible officer of the Permittee, showing all Gross Receipts arising from the Permittee's operations hereunder in the preceding month, and specifying the percentage(s) stated in Special Endorsement Paragraph 2(vi), and also showing its cumulative Gross Receipts from the date of the Effective Date for which the report is made through the last day of the preceding month and the percentages applicable thereto.

3. The Permittee shall be required to make a minimum initial capital investment (excluding furniture, fixtures and equipment) to ready the Concession Area for initial occupancy and operations in an amount equal to - Not applicable - . Nothing herein shall reduce the Permittee's obligations to comply with the Port Authority's Tenant Alteration and Application process.

4. The Port Authority shall have the right by its officers, employees, agents, representatives and contractors at all reasonable times to enter upon the Concession Area for the purpose of inspecting the same, for observing the performance by the Permittee of its obligations under this Permit and for the doing of any act or thing which the Port Authority may be obligated or have the right to do under this Permit or otherwise. Westfield Concession Management, LLC, as the Port Authority's representative, shall also have the right to access the Concession Area to inspect the same and observe performance by the Permittee of its obligations under this Permit. Further, the Port Authority shall have the right to enter upon the Concession Area for the purpose of making repairs, alterations or replacements in or to any portion of the Terminal.

5. (a) The Permittee hereby certifies that the Federal Tax Identification Numbers for AMS-BW Newark JV is (EX. 1) for Airport Management Services, LLC is (EX. 1) , and for Branded Works, Inc is (EX. 1)

(b) Notwithstanding Paragraph 5 of the Terms and Conditions, pursuant to the terms of the Concession Lease (defined in Special Endorsement 1(a)), the security deposited with the Port Authority upon signing the Concession Lease shall serve as security under this Permit as well. The provisions of this section shall survive the expiration or termination of the Concession Lease and/or this Permit, as the case may be, and upon such event, without the necessity for executing any further instrument, the provisions of this section shall continue in full force and effect and no part of such security shall then or thereafter be returned to the Permittee until the later to occur of the termination of this Permit or the cessation of the Concession Lease, at which ultimate time, upon condition that the Permittee shall then be in no way in default or breach, including anticipatory breach, under any obligation to the Port Authority and upon written request of the Permittee, the Port Authority will return the said security, as and in such an amount as then appropriate hereunder, less the sum of any and all unpaid claims and demands (including estimated damages) of the Port Authority by reason of any such defaults or breach.

6. (a) The Permittee shall be responsible for the repair, replacement and rebuilding of any and all parts of the Concession Area and any other parts of the Terminal or the Facility which may be damaged or destroyed by the acts or omissions of the Permittee, its officers, employees, agents, representatives, contractors, or other persons doing business with it as set forth in the Terms and Conditions, as modified, if at all, by the terms of the Concession Lease.

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

7. A copy of any notice from the Permittee to the Port Authority shall also be sent to Westfield Concession Management, LLC at the following addresses (in connection with Paragraph 13 of the Standard Terms and Conditions):

Westfield Concession Management, LLC
11601 Wilshire Blvd., 11th Floor
Los Angeles, California 90025
Attention: Office of Legal Counsel

Westfield Concession Management, LLC
Newark Liberty International Airport
35 Terminal B, Bldg. #74
Newark, New Jersey 07114
Attention: General Manager

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

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

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

11. Labor Harmony at the Airport

(a) General. In connection with its operations at the Airport under this Permit, the Permittee shall serve the public interest by promoting labor harmony, it being acknowledged that strikes, picketing, or boycotts may disrupt the efficient operation of the Terminal. The Permittee recognizes the essential benefit to have continued and full operation of the Airport as a whole and the Terminal as a

transportation center. The Permittee shall immediately give oral notice to the Port Authority (to be followed reasonably promptly by written notices and reports) of any and all impending or existing labor-related disruptions and the progress thereof.

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

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

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

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

12. The liability insurance required by the terms of the Concession Lease and the Certificate of Insurance provided to the Port Authority upon signing the Concession Lease shall satisfy the Permittee's liability insurance obligations under this Permit as required by Paragraph 8 of the Standard Terms and Conditions.

13. Notwithstanding Paragraph 24 of the Standard Terms and Conditions, the Permittee may maintain records as provided for in the Concession Lease.

14. Notwithstanding Paragraph 29(a) of the Standard Terms and Conditions, utilities shall be provided as described in the Concession Lease.

Initialed:

etc
For the Port Authority

[Signature]
For the Permittee (AMSLLC)

[Signature]
For the Permittee (AMS-BW)

[Signature]
For the Permittee (BW, Inc.)

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Initials:

For the Port Authority

For the Permittee (AMSLLC)

For the Permittee (AMS-BW)

For the Permittee (BW, Inc.)

SCHEDULE G

Airport Concession Disadvantaged Business Enterprise ("ACDBE") Participation

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

The overall ACDBE goal is a key element of the Port Authority's concession program and Concessionaire shall take all necessary and reasonable steps to comply with the requirements of the Port Authority's ACDBE program. The Concessionaire commits to making good faith efforts to achieve the ACDBE goal. Pursuant to 49 CFR 23.25(f), ACDBE participation must be, to the greatest extent practicable, in the form of direct ownership, management and operation of the concession or the ownership, management and operation of specific concession locations through subleases. The Port Authority will also consider participation through (1) joint venture in which ACDBEs control a distinct portion of the joint venture business and/or purchase of goods and services from ACDBEs. In connection with the aforesaid good faith efforts, as to those matters contracted out by the Concessionaire in its performance of this agreement, the Concessionaire shall use, to the maximum extent feasible and consistent with the Concessionaire's exercise of good business judgment including without limit the consideration of cost competitiveness, a good faith effort to meet the Port Authority's goals. Information regarding specific good faith steps can be found in the Port Authority's ACDBE Program located on its above-referenced website. In addition, the Concessionaire shall keep such records as shall enable the Port Authority to comply with its obligations under 49 CFR Part 23 regarding efforts to offer opportunities to ACDBEs.

Qualification as an ACDBE

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

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

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

- a. Women;

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

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

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

General

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

EXHIBIT X

EVIDENCE OF SIGNED LABOR PEACE AGREEMENT

[Insert Name of Company] (the "Company") has complied with board Resolution "All airports – Labor Harmony Policy" passed October 18, 2007, which stipulates that the Company must sign a Labor Peace Agreement with a labor organization that seeks to represent the Company's employees and that contains provisions under which the labor organization and its members agree to refrain from engaging in any picketing, work stoppages, boycotts or any other economic interference with the Company's operations.

FOR THE COMPANY:

[Insert Name of Company]

BY: _____

DATE: _____

FOR THE UNION:

[Insert Name of Labor Organization]

BY: _____

DATE: _____

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

AGREEMENT OF LEASE

Between

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

And

**AMS-BW NEWARK JV
AIRPORT MANAGEMENT SERVICES, LLC
BRANDED WORKS, INC.**

Dated as of November 11, 2009



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SCHEDULES AND EXHIBITS

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AGREEMENT OF LEASE

THIS AGREEMENT OF LEASE ("**Agreement**"), dated as of November 11, 2009, by and between the PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "**Port Authority**") a body corporate and politic, created by Compact between the States of New York and New Jersey with the consent of the Congress of the United States of America, and having an office at 225 Park Avenue South, in the Borough of Manhattan, City, County and State of New York, and **AMS-BW NEWARK JV**, a joint venture between Airport Management Services, LLC, a limited liability company organized and existing under and by virtue of the laws of the State of Delaware and Branded Works, Inc., a corporation organized and existing under and by virtue of the laws of the State of Louisiana and having an office for the transaction of business at c/o The Hudson Group, One Meadowlands Plaza, Suite 902, East Rutherford, New Jersey 07073 whose representative is Michael R. Mullaney; **AIRPORT MANAGEMENT SERVICES, LLC**, a limited liability company organized and existing under and by virtue of the laws of the State of Delaware and having an office for the transaction of business at c/o The Hudson Group, One Meadowlands Plaza, Suite 902, East Rutherford, New Jersey 07073 whose representative is Michael R. Mullaney; and **BRANDED WORKS, INC.**, a corporation organized and existing under and by virtue of the laws of the State of Louisiana and having an office for the transaction of business at 110 Travis Street, Lafayette, Louisiana 70503 whose representative is Ruth Ann Menutis (AMS-BW Newark JV, Airport Management Services, LLC and Branded Works, Inc. being jointly and severally liable hereunder and such joint venture, limited liability company and corporation being hereinafter collectively called the "**Lessee**").

WITNESSETH, THAT, the Port Authority and the Lessee, for and in consideration of the rents, covenants and agreements hereinafter contained, mutually covenant and agree as follows:

Section 1. Definitions

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

(a) "**Adjustment Period**" shall have the meaning set forth in the Section of this Agreement entitled "*Additional Rent Items and Lessee Obligations*".

(b) "**Affiliate**" shall mean any person that directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the Lessee and any entity in which the Lessee or a shareholder of the Lessee has an ownership, licensor/licensee or franchiser/franchisee interest or relationship, but if the Lessee shall be a corporation whose voting securities shall be registered with the Securities and Exchange Commission and publicly traded on a regular basis then only such shareholder of the Lessee having an ownership interest greater than five percent (5%). The term "**control**" (including the terms controlling, controlled by and under common control with) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise.

(c) "**Airline Leases**" shall mean those leases in effect at the Terminal(s) between the Port Authority, as lessor, and various airlines, as lessees, from time to time during the term of this Agreement, as the same have been or shall be supplemented or amended including, without limitation, all letter agreements entered into between the Port Authority and the relevant airline lessee(s). For purposes of this Agreement, the aforementioned airlines shall be referred to as "airline lessees".

(d) "**Airport**" shall mean Newark Liberty International Airport.

(e) "**Airport Concession Disadvantaged Business Enterprise ("ACDBE")**"

[AMS BW Newark JV/Hudson Booksellers/Lease No ANC-011]

shall have the meaning set forth in Schedule G.

(f) “**Anniversary Date**” shall have the meaning set forth in the Section of this Agreement entitled “*Additional Rent Items and Lessee Obligations*”.

(g) “**Annual Index Increase**” shall have the meaning set forth in the Section of this Agreement entitled “*Additional Rent Items and Lessee Obligations*”.

(h) “**Annual Period**” shall mean the following: The first annual period shall be the period commencing with the Rental Payment Start Date and ending on December 31 next following, and thereafter Annual Period shall mean each twelve (12) month consecutive, calendar month period thereafter occurring during the term of the letting under this Agreement commencing on each anniversary of January 1, provided, however, that the last Annual Period shall expire in any event on the expiration date of the term of the letting under this Agreement.

(i) “**Anything of value**” shall have the meaning set forth in the Section of this Agreement entitled “*Ethical Standards*”.

(j) “**Assignment**” shall have the meaning set forth in the Section of this Agreement entitled “*Assignment and Subletting*”.

(k) “**Base Period**” shall have the meaning set forth in the Section of this Agreement entitled “*Additional Rent Items and Lessee Obligations*”.

(l) The terms “**Basic Rental**” and “**MAG**” shall have the meaning set forth in Item 1 of Exhibit B hereof.

(m) “**Bid conditions**” shall have the meaning set forth in Part I of Schedule E hereof.

(n) “**Causes or conditions beyond the control of the Port Authority**” shall mean and include acts of God, the elements, weather conditions, tides, earthquakes, settlements, fire, acts of any governmental authority, war, terrorism, shortage of labor or materials, acts of third parties for which the Port Authority is not responsible, injunctions, labor troubles or disputes of every kind (including all those affecting the Port Authority, its contractors, suppliers or subcontractors) or any other conditions or circumstances, whether similar to or different from the foregoing (it being agreed that the foregoing enumeration shall not limit or be characteristic of such condition or circumstance which is beyond the control of the Port Authority) or which could not be prevented or remedied by reasonable effort and at reasonable expense.

(o) “**Cost**” shall have the meaning set forth in Item 6 of Exhibit B hereof.

(p) “**Date of Beneficial Occupancy**” shall have the meaning set forth in this Section under the definition of “**Rental Payment Start Date**”.

(q) “**Distribution Fee**” shall have the meaning set forth in the Section of this Agreement entitled “*Additional Rent Items and Lessee Obligations*”.

(r) “**Employer identification number**” shall have the meaning set forth in Part I of Schedule E hereof.

(s) “**Environmental Damages**” shall mean any one or more of the following: (i) the presence in, on, or under the Premises of any Hazardous Substance whether such presence occurred prior to or during the term of the letting under this Agreement or resulted from any act or

omission of the Lessee or others, and/or (ii) the disposal, discharge, release or threatened release of any Hazardous Substance from the Premises or of any Hazardous Substance from under the Premises and/or (iii) the presence of any Hazardous Substance in, on or under other property at the Airport as a result of (x) the Lessee's use and occupancy of the Premises or the performance of the construction work or any other work or activities at the Premises or (y) a migration of a Hazardous Substance from the Premises or from under the Premises or (z) the Lessee's operations at the Airport, and/or (iv) any personal injury, including wrongful death, or property damage, arising out of or related to any Hazardous Substance described in (i), (ii) or (iii) above, and/or (v) the violation of any Environmental Requirement pertaining to any Hazardous Substance described in (i), (ii) or (iii) above, the Premises and/or the activities thereon.

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

(1) 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;

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

(3) The Atomic Energy Act of 1954, 42 U.S.C. Section 2011 *et seq.*; the Clean Water Act also known as the Federal Water Pollution Control Act, 33 U.S.C. Section 1251 *et seq.*; the Clean Air Act, 42 U.S.C. Section 7401 *et seq.*; the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. Section 136 *et seq.*; the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 *et seq.*; the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), Section 2701 *et seq.*; the Emergency Planning and Community Right to Know Act, 42 U.S.C. Section 11001 *et seq.*; the Occupational Safety and Health Act, 29 U.S.C. Section 651 *et seq.*; the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101 *et seq.*; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 *et seq.*; the Toxic Substances Control Act, 15 U.S.C. Section 2601 *et seq.*; the Safe Drinking Water Act of 1974, 42 U.S.C. Sections 300f-300h-11 *et seq.*; the New Jersey Spill Compensation and Control Act (N.J.S.A. 58:10-23.11 *et seq.*) ("Spill Act"); the Industrial Site Recovery Act ("ISRA")(N.J.S.A. 13:1K and N.J.A.C. 7:26B); Solid Waste Management Act (N.J.S.A. 13:1E-1 to 48); and Water Pollution Control Act (N.J.S.A. 58:10A-1 to 60); together, in each case, with any amendment thereto, and

the regulations adopted, guidances, memoranda and publications promulgated thereunder and all substitutions thereof.

(ii) "Food Court Maintenance Fee" shall have the meaning set forth in the Section of this Agreement entitled "*Additional Rent Items and Lessee Obligations*".

(v) "Gross Receipts" shall include all monies paid or payable to the Lessee for sales made or services rendered at or from the Premises, regardless of when or where the order therefor is received, and outside the Premises, if the order therefor is received at the Premises, and any other revenues of any type arising out of or in connection with the Lessee's operations at the Premises; provided, however, there shall be excluded from Gross Receipts the following: (1) any sums collected for any federal, state, county and municipal sales taxes, so-called luxury taxes, use taxes, consumer excise taxes, gross receipts taxes and other similar taxes now or hereafter imposed by law upon the sale of merchandise, food & beverage products or services which are separately stated to and paid by a customer and directly payable to the taxing authority by the Lessee, (2) any receipts of the Lessee which arise from its operations under any other agreement with the Port Authority at the Premises and which are subject to a percentage fee or percentage rental under that agreement, (3) receipts in the form of refunds from, or the value of merchandise (including food & beverage products), services, supplies or equipment returned to, vendors, shippers, suppliers or manufacturers, including volume discounts received from Lessee's vendors, suppliers or manufacturers, (4) gratuities for services performed by employees of Lessee which are paid or given by Lessee's customers to such employees at or serving at the Premises, (5) the sale or transfer in bulk of the inventory of the Lessee to a purchaser of all or substantially all of the assets of the Lessee in a transaction not in the ordinary course of Lessee's business, (6) except with respect to proceeds received for business interruptions paid on a gross earnings business interruption insurance policy, proceeds from all other insurance received by Lessee as a result of a loss or casualty, (7) rebates, exchanges or allowance made to customers of the Lessee at the Premises, (8) the exchange of merchandise between the stores or warehouses owned by or affiliated with Lessee, if any, where such exchanges of goods or merchandise are made solely for the convenient operation of the business of Lessee and not for the purpose of consummating a sale which has theretofore been made at, in, from or upon the Premises or for the purpose of depriving the Port Authority of the benefit of the sale which otherwise would be made at, in, from or upon the Premises, (9) income actually received by Lessee from manufacturers of goods (e.g., cosmetics, perfume) displayed for sale at the Premises if the conditions set forth in the succeeding sentence are fully and strictly satisfied with respect to such income; the conditions with respect to this clause (9) are as follows: (i) the manufacturer specifically identifies the time period to which the income relates, (ii) reimbursement from the manufacturer to Lessee occurs in connection with employees (1) who are on Lessee's payroll for the operations permitted under this Agreement and (2) who are on such payroll during the time period to which the reimbursement relates, (iii) the manufacturer and Lessee have previously entered into a written agreement that sets forth the material terms of their arrangement with regard to the reimbursement that is the subject of this clause (9), and (iv) Lessee provides to the Port Authority written documents and records substantiating the matters listed in sub-clauses (i) through (iii), (10) proceeds from the sale of gift certificates or like vouchers until such time as the gift certificates or like vouchers have been treated as a sale in or from the Premises pursuant to Lessee's record keeping system and (11) sale of trade fixtures, equipment or property which are not stock in trade and not in the ordinary course of business.

For the purpose of determining the Percentage Rental payable by the Lessee hereunder, Gross Receipts shall include all orders including, but not limited to, all orders by means of mail, catalogue, closed circuit television, electronic, telephonic, video, computer or other technology-based system, whether now existing or developed in the future, all deposits not refunded to or otherwise forfeited by customers, all orders taken in and from the Premises, whether or not such orders are filled elsewhere, the entire amount of the actual sales price and all other receipts for sales and services rendered, all insurance proceeds received due to loss of gross earnings paid under

Lessee's business interruption insurance policy because of business interruptions, and the spread earned on any exchange or foreign currency transaction whether for an exchange service or for merchandise, products and/or services. A "sale" shall be deemed to have been consummated for purposes hereof, and the entire amount of the sales price shall be included in Gross Receipts and deemed received at the time of determination of the amount due for each transaction, whether for cash, credit or otherwise, and not at the time of billing or payment. Each sale made upon installment or credit shall be treated as a sale for the full price in the month during which such sale shall be made, irrespective of the time when any payment is received. No deduction from Gross Receipts shall be allowed for uncollected or uncollectible credit amounts or "bad" checks. Gross Receipts shall include retail display allowances, slotting fees, on-Premises advertising and other promotional incentives (collectively referred to as "RDAs"). Gross Receipts shall include all such sales, revenues or receipts generated by Lessee's concessionaires, if any, or anyone else conducting business pursuant to an arrangement with Lessee and shall also include the full amount of all insurance proceeds paid on a gross earnings business interruption insurance policy to Lessee.

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

(x) "**Index**" shall have the meaning set forth in the Section of this Agreement entitled "*Additional Rent Items and Lessee Obligations*".

(y) "**Lessee**" shall have the meaning set forth in the first paragraph on the first page of this Agreement.

(z) "**Lessee's Work**" shall have the meaning set forth in the Section of this Agreement entitled "*Finishes and Decorating by the Lessee*".

(aa) "**Letting**" shall mean the letting under this Agreement for the original term stated herein, and shall include any extensions thereof which may be made pursuant to the provisions of this Agreement or otherwise.

(bb) "**Meaningful participation**" shall have the meaning set forth in Part II of **Schedule E** hereof.

(cc) "**Metro Area**" shall have the meaning set forth in the Section of this Agreement entitled "*Sales and Services by the Lessee*".

(dd) "**Minority**" shall mean those persons described in paragraph II (c) of Part I of **Schedule E** annexed hereto.

(ee) The terms "**Minority Business Enterprise**" and "**MBE**" shall have the meaning set forth in Part II of **Schedule E** hereof.

(ff) The terms "**Office of Foreign Asset Control**" and "**OFAC**" shall have the meaning set forth in the Section of this Agreement entitled "*Lessee's OFAC Certification*".

(gg) **"Percentage Increase"** shall have the meaning set forth in the Section of this Agreement entitled *"Additional Rent Items and Lessee Obligations"*.

(hh) **"Port Authority"** shall have the meaning set forth in the first paragraph on the first page of this Agreement.

(ii) **"Port of New York District"** shall have the meaning set forth in the Port Compact of 1921 authorized by C. 154 Laws of N.Y. 1921 and C. 151 Laws of N.J. 1921, approved by Public Resolution No. 17 of the 67th Congress, First Session.

(jj) **"Predecessor Concession"** shall have the meaning set forth in the Section of this Agreement entitled *"Labor Disturbances and Labor Harmony"*.

(kk) **"Premises"** shall have the meaning set forth in the Section of this Agreement entitled *"Letting"*.

(ll) **"Promotion Fee"** shall have the meaning set forth in the Section of this Agreement entitled *"Additional Rent Items and Lessee Obligations"*.

(mm) The terms **"Records"**, **"Lessee's Records"** and **"Other Relevant Records"** shall have the meanings set forth in the Section of this Agreement entitled *"Obligations in Connection with any Percentage Rental"*.

(nn) The term **"Reserved Uses"** shall mean the following uses, operations or installations which the Port Authority reserves to itself and its designees exclusively in the Terminal: VIP lounges; airline clubs; airtrain/monorail facilities; advertising (including, without limitation, static display, broadcast and other); pay telephones, pre-paid phone cards, facsimile transmission machines and other public communications services including, without limitation, all Port Authority-owned or operated information and communications technology infrastructure for common Airport use; rental of cellular phones; concierge services (i.e., a center or location which offers a variety of services for passengers (including, but not limited to, hotel reservations, sale of entertainment events tickets and lottery tickets, luggage storage and delivery, sightseeing tours, business services and provision of touring information)); ground transportation (including vehicle rentals); hotel and other lodging reservations; vending machines dispensing anything (including, but not limited to, catalog and electronic sales) other than products specifically permitted to be sold on the Premises pursuant to a sublease with a specific concessionaire and if approved in advance by the Port Authority; on-airport baggage carts (other than shopping carts made available free of charge to shoppers within the concession areas of the Terminal) or other on-airport baggage-moving devices; and electronic amusements.

(oo) **"Rental Payment Start Date"** shall mean the earliest to occur of the following: (a) the date Gross Receipts are first generated in or from the Premises by the Lessee; or (b) ninety (90) days from the date the Port Authority makes available the Premises to the Lessee for its occupancy, such date being referred to herein as the "Date of Beneficial Occupancy".

(pp) The terms **"Terminal Building"** and **"Terminal"** shall have the meaning set forth in the Section of this Agreement entitled *"Letting"*.

(qq) The term **"Transfer"** shall have the meaning set forth in the Section of this Agreement entitled *"Assignment and Subletting"*.

(rr) The terms **"Street Prices"** and **"Street Pricing Policy"** shall have the meanings set forth in the Section of this Agreement entitled *"Sales and Services by the Lessee"*.

(ss) The terms "Women-owned Business Enterprise" and "WBE" shall have the meanings set forth in Part II of Schedule E hereof.

Section 2. Letting

The Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority, at Newark Liberty International Airport in Passenger Terminal Building A (hereinafter sometimes called the "Terminal Building" or "Terminal") the area(s) as shown on the sketch annexed hereto, hereby made a part hereof, and marked **Exhibit A-2** containing approximately 1,713 square feet, together with the fixtures, improvements and other property of the Port Authority located or to be located therein or thereon, all said space(s), fixtures, improvements and other property of the Port Authority hereinafter collectively referred to as the "Premises". **Exhibit A-1** is a general site plan of the Airport including the location of the Terminal. The Premises may include storage space on the operations level of the Terminal, if available, to be designated from time to time by the Port Authority in its sole discretion, which storage space may be shared with other tenants of the Port Authority and with respect to which there shall be no separate rental or fee imposed, nor shall any abatement to which the Lessee may be entitled under this Agreement apply to such storage space.

Section 3. Term

The term of the letting under this Agreement shall commence as of Date of Beneficial Occupancy and shall continue to and include eighty-four (84) months after the Rental Payment Start Date unless sooner terminated as provided herein. In the event that the Premises constitute more than one space to be operated under this Agreement, the term of this Agreement shall be determined based on eighty-four (84) months from the Rental Payment Start Date for the last of the spaces to be delivered, unless sooner terminated as provided herein (but in no event shall the term begin later than 90 days from the date the last space is delivered to Lessee for a retail concession space). The Term of this Lease will not extend beyond eighty-four (84) months from the Rental Payment Start Date for the Premises identified in Exhibit A-2 to this Lease, and the Term shall be unaffected by any other, additional or substituted space which may be described in an amendment to or modification of this Lease (unless such amendment or modification agreement expressly provides otherwise) or described in any other written communication which does not meet the requirements set forth in the first sentence of the second paragraph of the Section of this Agreement entitled "Entire Agreement".

Section 4. Rights of Use by the Lessee

The Lessee shall use the Premises for the following purpose only and for no other purpose whatsoever: for the operation of a full service bookstore displaying 8,000 to 10,000 titles in both hard cover and paperback along with book accessories such as book marks, book covers, book bags, book lights, magazines, journals, non-prescription reading glasses, travel guides and maps, calendars, downloadable book media and other electronic book media and greeting cards, and for no other use or purpose. The Lessee's initial list of products, as approved by the Port Authority, is set forth in **Schedule A** attached hereto and hereby made a part hereof, and such **Schedule A** may be amended from time to time with the written consent of the Port Authority, determined in its sole and absolute discretion.

The rights of the Lessee under this Section shall not be exclusive.

Section 5. Rental

(a) The Lessee agrees to pay the Port Authority a Basic Rental for the Premises at the rates and otherwise as provided in Item 1 of **Exhibit B** to this Agreement.

(b) The Lessee agrees to pay the Port Authority the Percentage Rental, if any, stated in Item 1 of **Exhibit B** to this Agreement.

(c) The time for making payments of rental and the method of computation and abatement thereof are set forth in Item 1 of **Exhibit B** to this Agreement.

(d) The Port Authority shall have the right to all revenues derived for or from all *Reserved Uses*.

Section 6. Obligations in Connection with any Percentage Rental

(a) If any rental hereunder is measured by a percentage of the Lessee's Gross Receipts, the Lessee shall:

(1) Take all reasonable measures in every proper manner to maintain, develop and increase the business conducted by it hereunder;

(2) Not divert or cause or allow to be diverted any business from the Terminal;

(3) Maintain, in accordance with accepted accounting practice, during the term of this Agreement, for one (1) year after the expiration or earlier termination thereof, and for a further period extending until the Lessee shall receive written permission from the Port Authority to do otherwise, records and books of account recording all transactions of the Lessee, at, through, or in any way connected with the Airport (which records and books of account are hereinafter to be called the "**Lessee's Records**"). The Lessee's Records shall be kept at all times within the Port of New York District;

(4) Allow in ordinary business hours during the term of this Agreement, for one (1) year thereafter, and during such further period as is mentioned in the preceding subparagraph (3), above, the examination and audit by the officers, employees and representatives of the Port Authority of (i) the Lessee's Records and (ii) also any records and books of account of any Affiliate of the Lessee if said entity performs services, similar to those performed by the Lessee, anywhere in the Port of New York District. The Lessee shall make available to the Port Authority within the Port of New York District for examination and audit by the Port Authority pursuant to this paragraph those records and books of account described in (i) which are not required by subparagraph (3) above to be kept at all times in the Port of New York District and those records and books of account described in (ii) above (all of the foregoing being hereinafter called the "**Other Relevant Records**" and the Lessee's Records and the Other Relevant Records being hereinafter collectively referred to as the "**Records**");

(5) Allow the inspection by the officers, employees and representatives of the Port Authority of any equipment used by the Lessee, including but not limited to cash registers and other point of sale systems;

(6) Furnish on or before the fifteenth (15th) day of each month following the commencement date of the letting, and on or before the fifteenth (15th) day of April of each calendar year, the statements described in Item 1 of **Exhibit B** hereto;

(7) Install and use such cash registers and other point of sale systems, sales slips, invoicing machines and any other equipment or devices for recording orders taken, or services rendered, as may be appropriate to the Lessee's business and necessary or desirable to keep accurate records of Gross Receipts;

(b) Without implying any limitation on the right of the Port Authority to terminate this Agreement for the breach of any term or condition thereof, the Lessee understands that compliance by the Lessee with the provisions of subparagraphs (3) and (4) of paragraph (a) above are of the utmost importance to the Port Authority in having entered into the Percentage Rental arrangement under this Agreement and in the event of the failure of the Lessee to maintain, keep within the Port of New York District or make available for examination and audit the Lessee's Records in the manner and at the times or location as provided in this Section then, in addition to all and without limiting any other rights and remedies of the Port Authority, the Port Authority may:

(1) Estimate the Gross Receipts of the Lessee on any basis that the Port Authority, in its sole discretion, shall deem appropriate, such estimation to be final and binding on the Lessee and the Lessee's Percentage Rental based thereon to be payable to the Port Authority when billed; or

(2) If any such Records have been maintained outside of the Port of New York District, but within the Continental United States then the Port Authority in its sole discretion may (i) require such Records to be produced within the Port of New York District or (ii) examine such Records at the location at which they have been maintained and in such event the Lessee 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, or

(3) If any such Records have been maintained outside the continental United States then, in addition to the costs specified in subdivision (2)(ii) above, the Lessee shall pay to the Port Authority when billed all other costs of the examination and audit of such Records including without limitation salaries, benefits, travel costs and related expenses, overhead costs and fees and charges of third party auditors retained by the Port Authority for the purpose of conducting such audit and examination.

(c) The foregoing auditing costs, expenses and amounts set forth in subparagraphs (2) and (3) of paragraph (b) above shall be deemed fees and charges under this Agreement payable to the Port Authority with the same force and effect as all other fees and charges thereunder.

(d) 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 Lessee, the Lessee, shall be obligated, and hereby agrees, to pay to the Port Authority a service charge in the amount of five percent (5%) of each amount determined by the Port Authority audit findings to be unpaid. Each such service charge shall be payable immediately upon demand (by notice, bill or otherwise) made at any time therefore by the Port Authority. Such service charge(s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority by the Lessee under this Agreement or otherwise. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid service charge shall be deemed a waiver of the right of the Port Authority of payment of any late charge or late charges or other service charges payable under the provisions of this Section with respect to such unpaid amount. Each such service charge shall be and become additional rent, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the rental. Nothing in this paragraph is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Agreement, including, without limitation, the Port Authority's rights to terminate set forth in the Section of this Agreement entitled "Termination" or (ii) any obligations of the Lessee under this Agreement.

Section 7. Government Requirements

(a) The Lessee shall procure at its own cost and expense from all governmental authorities having jurisdiction over the operations of the Lessee at the Premises all licenses, certificates, permits or other authorization which may be necessary for the conduct of its operations, and shall maintain in full force and effect throughout the term hereof all the foregoing licenses, certificates, permits and authorizations.

(b) The Lessee 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.

(c) The Lessee shall promptly observe, comply with and execute the provisions of any and all present and future governmental laws, rules, regulations, requirements, orders and directions, including without limitation all Environmental Requirements, which now or at any time during the term hereof may pertain or apply to the operations of the Lessee or the Premises or its occupancy thereof, and the Lessee shall, in accordance with and subject to the provisions of the Section of this Agreement entitled "*Construction by the Lessee*", make any and all structural and nonstructural improvements, alterations or repairs of the Premises that may be required at any time hereafter by any such present or future law, rule, regulation, requirement, order or direction. This paragraph (c) shall not require Lessee to make structural improvements, alterations, or repairs to the Premises which are also required to be made generally throughout the Terminal, unless the requirement to make such structural improvements, alterations, and repairs generally throughout the Terminal results from the particular operations of the Lessee in the Premises which are not common to other tenants at the Terminal.

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

Section 8. Rules and Regulations

The Lessee covenants and agrees to observe and obey (and to compel its officers, members, employees, agents, representatives, contractors, customers, guests, invitees and those doing business with it to observe and obey) the existing rules and regulations of the Port Authority for the government of the conduct and operations of the Lessee and others on the Premises (see **Exhibit R**), and such further reasonable rules and regulations as may from time to time during the letting be promulgated by the Port Authority for reasons of safety, health, preservation of property, noise, sanitation, good order, and the economic and efficient operation of the Airport. If a copy of **Exhibit R** is not attached, then the Port Authority will either deliver a copy thereof to Lessee upon receipt of its request therefor or will make a copy available at the office of the Secretary of the Port Authority. The obligation of the Lessee to require such observance and obedience on the part of its guests, invitees and business visitors shall obtain only while such persons are on the Premises.

The Port Authority agrees that, except in cases of emergency, it will give notice to the Lessee of every such further rule or regulation adopted by it at least ten (10) days before the Lessee shall be required to comply herewith.

Section 9. Various Obligations of the Lessee

(a) **Conduct of Operations.** The Lessee shall conduct its operations in an orderly and proper manner so as not to unreasonably annoy, disturb or be offensive to others at the Terminal. The Lessee shall take all reasonable measures to eliminate vibrations originating on the Premises tending to damage the Premises, or any equipment or structure or portion of the Terminal of which the Premises is a part, and to keep the sound level of its operations as low as possible. The Lessee shall use its best efforts to conduct all its operations at the Premises in a safe and careful manner, following in all respects the best practices of the Lessee's industry in the United States.

(b) **Lessee's Employees.** The Port Authority shall have the right to object to the Lessee regarding the conduct and demeanor of the employees of the Lessee whereupon the Lessee will immediately take all steps reasonably necessary to remove the cause of the objection.

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

(d) **Employee Identification.** If requested by the Port Authority, the Lessee shall supply and shall require its employees to wear or carry badges or other suitable means of identification, which shall be subject to the prior and continuing approval of the General Manager of the Airport.

(e) **Food and Beverage Operations.** If the Lessee is permitted under this Agreement to sell food and/or beverages, it shall, in connection with any preparation, packaging, handling, storage, delivery and dispensing of such food and/or beverages, comply with the following:

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

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

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

(4) All packing materials, including but not limited to wrappers, stoppers, caps, enclosures and containers, shall be clean and sterile and shall be so stored as to be protected at all times from dust, dirt, flies and other insects, rodents, vermin, unsanitary handling and unclean materials.

It is intended that the standards and obligations imposed by this paragraph (e) shall be maintained or complied with by the Lessee in addition to its compliance with all applicable governmental laws, ordinances and regulations, and in the event that any of said laws, ordinances and regulations shall be more stringent than such standards and obligations, the Lessee agrees that it will comply with such laws, ordinances and regulations in its operations hereunder.

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

(g) Minimization of Pollution. In addition to compliance by the Lessee with all laws, ordinances, governmental rules, regulations and orders now or at any time in effect during the term which as a matter of law are applicable to the operation, use or maintenance by the Lessee of the Premises or the operations of the Lessee under this Agreement (the foregoing not to be construed as a submission by the Port Authority to the application to itself of such requirements or any of them), the Lessee agrees that it shall exercise the highest degree of safety and care and shall conduct all its operations under this Agreement and shall operate and maintain the Premises and shall use the Premises in accordance with the highest standards and in such manner that there will be at all times a minimum of air pollution, water pollution or any other type of pollution and a minimum of noise emanating from, arising out of or resulting from the operation, use or maintenance of the Premises by the Lessee and from the operations of the Lessee under this Agreement. The Port Authority hereby reserves the right from time to time and at any time during the term of this Agreement to require the Lessee, and the Lessee agrees, to design and construct at its sole cost and expense such reasonable *equipment, devices and other facilities as may be necessary or appropriate to accomplish the objectives as set forth in the first sentence of this paragraph.* The manner, type and method of construction and the size and location of any of the foregoing shall be determined by the Port Authority. The Lessee shall submit for Port Authority approval its plans and specifications covering the required work and upon receiving such approval shall proceed diligently to construct the same. The obligations assumed by the Lessee under this paragraph shall not be relieved or diminished by the fact that the Port Authority shall have approved any construction application and supporting plans, specifications and contracts covering construction work, or that the Port Authority's recommendations or requirements have been incorporated therein. The Lessee's agreement to assume the obligations under this paragraph is a special inducement and consideration to the Port Authority in entering into this Agreement with the Lessee.

(h) Without limiting any other of the Lessee's obligations under this Agreement, the Lessee shall provide the General Manager of the Airport at the cost and expense of the Lessee with such information, documentation, records, correspondence, notices, reports, tests, results, and *certifications and any other information as the Port Authority shall request in connection with any Environmental Requirements or Environmental Damages, and the Lessee shall promptly acknowledge, swear to, sign or otherwise fully execute the same.* The Lessee agrees that any of the foregoing may be filed by the Port Authority with the appropriate governmental authority on behalf of the Lessee at the Lessee's cost and expense. Further, the Lessee agrees unless directed otherwise by

the Port Authority, to provide the General Manager of the Airport with copies of all information, documentation, records, correspondence, notices, certifications, reports, test results and all other submissions provided by the Lessee to a governmental authority and by a governmental authority to the Lessee within two (2) business days that the same are made available to or received by the Lessee with respect to any Environmental Requirements.

(i) In addition to and without limiting the generality of the obligations of the Lessee set forth above and elsewhere in the Agreement, the Lessee shall at its sole cost and expense, upon notice from the Port Authority, promptly take all actions to completely remove and remediate all Hazardous Substances on the Premises or the Airport which result from the Lessee's use and occupancy of the Premises, or which have been disposed of, released, discharged or otherwise placed on, under or about the Premises by or on behalf of the Lessee or as a result of its acts or omissions, during the term of the letting hereunder, and to cleanup and remediate all other Hazardous Substances on, about or under the Premises or which have migrated from the Premises to any adjoining property, which any federal, state or local governmental agency or political subdivision or any Environmental Requirement or any violation thereof require to be remediated, and to cleanup and remediate all Hazardous Substances necessary to mitigate Environmental Damages.

(j) Airport Concession Disadvantaged Business Enterprises ("ACDBE"). If Lessee is required to apply as an ACDBE with the Port Authority, please check here (X). Lessee shall immediately take all steps necessary to obtain such certification from the Port Authority on or before the Rental Payment Start Date. If the ACDBE participant is an individual or the individual is the sole owner of Lessee, the participating ACDBE percentage, as so certified, shall not be less than one hundred percent (100%) at all times during the Term hereof. If the ACDBE participant is a member/partner of a partnership with Lessee or joint venturer of a joint venture with Lessee, the participating ACDBE percentage, as so certified, shall not be less than thirty percent (30%) at all times during the Term hereof. Any change in the ownership structure involving the certified ACDBE participant must be reported in writing to the Port Authority immediately and in no event later than 30 days following any such change in ACDBE ownership status.

Section 10. Prohibited Acts

The Lessee shall not (a) commit any nuisance on the Premises, or do or permit to be done anything which may result in the creation or commission of a nuisance on the Premises; (b) cause or produce or allow to be caused or produced upon the Premises, or to emanate therefrom, any obnoxious odors or smokes, or noxious gases or vapors; (c) use the Premises for lodgings or sleeping purposes or for any immoral purposes; (d) install window shades or venetian blinds on the windows of the Premises unless and until the type, size and color of same shall have been previously approved in writing by the Port Authority; (e) do or allow to be done anything which may interfere with the effectiveness or accessibility of existing and future utilities systems or portions thereof on the Premises or elsewhere at the Terminal, including therein without limitation thereto systems for the supply of heat, water hot and cold, gas, electricity and fuel and for the furnishing of fire-alarm, fire-protection, sprinkler, sewage, drainage, air-conditioning, telephone, telegraph, tele-register, pneumatic-tube dispatch and inter-communications services, including lines, pipes, mains, wires, conduits and equipment connected with or appurtenant to all such systems, nor do or permit to be done anything which may interfere with free access and passage in the Premises, elsewhere in the Terminal or in the streets and sidewalk adjacent to the Terminal; (f) do or allow to be done anything which may interfere with the effectiveness or accessibility of elevators at the Terminal, including lines, pipes, wires, conduits and equipment connected with or appurtenant thereto; (g) overload any floor in the Premises; (h) place any furniture, machine or equipment over any expansion or contraction joint unless one end of such furniture, machine or equipment is free to allow expansion or contraction; (i) place any additional lock of any kind upon any window or interior or exterior door in the Premises unless a key therefor is delivered to the Port Authority, nor make any change in any existing door or window lock or the mechanism thereof, except with the prior written approval of the

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Port Authority, and upon the expiration or sooner termination of the letting hereof, the Lessee shall surrender to the Port Authority any and all keys to interior and exterior doors on the Premises, whether said keys were furnished to or were otherwise procured by the Lessee, and in the event of the loss of any keys furnished by the Port Authority to the Lessee, the Lessee shall pay to the Port Authority on demand the cost of replacement thereof; (j) do or allow to be done any act or thing upon the Premises which (i) will invalidate or conflict with any fire insurance, extended coverage or rental insurance policies covering the Premises or any part thereof, or the Terminal, or any part thereof, or (ii) in the opinion of the Port Authority, may constitute an extra-hazardous condition, so as to increase the risks normally attendant upon the operations contemplated by the Section of this Agreement entitled "*Rights of Use by the Lessee*". The Lessee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of the National Board of Fire Underwriters, the Fire Insurance Rating Organization of New Jersey, or of any other board or organization exercising or which may exercise similar functions, which may pertain or apply to the operations of the Lessee on the Premises, and the Lessee shall, subject to and in accordance with the provisions of the Section of this Agreement entitled "*Construction by the Lessee*", make any and all non-structural improvements, alterations or repairs of the Premises that may be required at any time hereafter by any such present or future rule, regulation, requirement, order or direction. If, by reason of any failure on the part of the Lessee to comply with the provisions of this subdivision, any fire insurance rate, extended coverage or rental insurance rate on the Premises or any part thereof, or on the Terminal or any part thereof, shall at any time be higher than it otherwise would be, then the Lessee shall pay to the Port Authority as an item of additional rental, on demand, that part of all insurance premiums paid by the Port Authority which shall have been charged because of such violation or failure by the Lessee; (k) unless the Port Authority provides its prior written consent, install, maintain or operate, or permit the installation, maintenance or operation on the Premises of any vending machine or device designed to dispense or sell food, beverages, tobacco products or merchandise of any kind, whether or not included in the above categories, or of any restaurant, cafeteria, kitchen, stand or other establishment of any type for the preparation, dispensing or sale of food, beverage, tobacco or tobacco products, or of any telephone pay-stations.

Section 11. Care, Maintenance, Rebuilding and Repair by the Lessee

(a) **Damage or Destruction of Premises by Lessee.** The Lessee shall repair, replace, rebuild and paint all or any part of the Terminal and the Premises, including therein, without limitation thereto, walls, partitions, floors, ceilings, columns, windows, doors, glass of every kind, fixtures, systems for the supply of heat, water hot and cold, gas, electricity and fuel and for the furnishing of fire-alarm fire-protection, sprinkler, sewerage, drainage, air-conditioning, telephone, tele-register, pneumatic-tube dispatch and intercommunication services, including lines, pipes, mains, wires, conduits and equipment connected with or appurtenant to all such systems, which may be damaged or destroyed by the acts or omissions of the Lessee, its officers or employees or of other persons on or at the Premises with the Lessee's consent, and shall pay to the Port Authority on demand the costs and expenses of the Port Authority to repair, replace, rebuild and paint all or any part of the Terminal and the Premises which may be damaged or destroyed by the acts or omissions of the Lessee or of its officers or employees or of other persons on or at the Premises with the Lessee's consent. All non-structural repair, replacement, rebuilding and painting shall be made or done by the Lessee and structural repair, replacement and rebuilding may be made or done by the Port Authority.

(b) **Lessee's Other Repair and Maintenance Obligations.** Except as expressly provided to the contrary herein with respect to structural repairs, the Lessee shall, throughout the term of this Agreement, assume the entire responsibility and shall relieve the Port Authority from all responsibility for repair, rebuilding and maintenance whatsoever in the Premises, whether such repair, rebuilding or maintenance be ordinary or extraordinary, partial or entire, inside or outside, foreseen or unforeseen, and without limiting the generality of the foregoing, the Lessee shall:

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

(2) Take good care of the Premises, including therein, without limitation thereto, walls, partitions, floors, ceilings, columns, windows, doors, glass of every kind, fixtures and shall make or do all non-structural repairs, replacements, rebuilding and painting (the exterior of the Premises, if applicable, and areas visible to the general public to be painted only in colors which have been approved by the Port Authority) necessary to keep the Premises in the condition existing as of the commencement date of the letting and to keep all improvements and fixtures made or installed subsequent to the commencement date of the letting in the condition existing as of the date such improvements are made and such fixtures installed. All such repairs and replacements and other work to be done by the Lessee shall be done in quality and class not inferior to the original in materials and workmanship.

(3) Not lay any linoleum, asphalt tile or other such affixed floor covering in direct contact with the floor of the Premises. If the Lessee lays any linoleum, asphalt tile or other such affixed covering on the floor of the Premises, an interlining of builder's deadening felt shall first be affixed to the floor with water-soluble paste or other water-soluble material, the use of cement or other adhesive non-soluble paste or other water-soluble material, the use of cement or other adhesive non-soluble in water being expressly prohibited.

(4) Maintain and pay the premiums on a policy of plate and mirror glass insurance covering all plate and mirror glass which is a part of or located on or in the Premises.

The provisions of this paragraph (b) shall not be deemed to require the Lessee to make or do any repairs, replacements, rebuilding or painting to any portion of the Terminal other than the Premises where such portion of the Terminal is damaged or destroyed by the acts or omissions of persons other than the Lessee, its officers, directors, members (in their capacity of the limited liability entity), managers (in their capacity as managers of, and if, Lessee is a limited liability entity), partners (if Lessee is a partnership), employees, agents, representatives or contractors.

(c) Port Authority Right to Perform at Lessee's Cost. In the event the Lessee fails to commence so to make or do non-structural repair, replacements, rebuilding or painting within a period of ten (10) days after notice from the Port Authority so to do or fails diligently to continue to completion the repair, replacement, rebuilding or painting of all the Premises required to be repaired, replaced, rebuilt or painted by the Lessee under the terms of this Agreement, the Port Authority may, at its option, and in addition to any other remedies which may be available to it, repair, replace, rebuild or paint all or any part of the Premises included in the said notice, the cost thereof to be paid by the Lessee on demand.

(d) Damage to or Destruction of the Premises. If the Premises or any part thereof shall be destroyed or damaged as a result of any casualty, without the fault of the Lessee, its officers, members, employees, agents, representatives, contractors, or other persons at the Premises with the consent of the Lessee, so as to render it untenable in whole or part, then:

(1) If in the opinion of the Port Authority the necessary repairs or rebuilding can be completed within ninety (90) days after the occurrence of the damage, the Port Authority shall repair or rebuild with due diligence, and the rental hereunder shall, if so provided in Item 1 of Exhibit B, be abated only for the period from the occurrence of the damage to the completion of the repairs or rebuilding, whether or not the work or repair or rebuilding is actually completed within the said ninety (90) days; or

(2) If in the opinion of the Port Authority such repairs or rebuilding cannot be completed within ninety (90) days after the occurrence of the damage or if the entire Premises require rebuilding, then the Port Authority shall have options:

(i) to proceed with due diligence to repair or to rebuild as necessary; or

(ii) to terminate the letting as to the damaged portion of the Premises only, or

(iii) to cancel this Agreement and terminate the letting as to the entire Premises; and the rental hereunder shall, if so provided in Item 1 of Exhibit B, be abated, either, as the case may require, for the period from the occurrence of the damage to the completion of repairs and rebuilding or for the period from the occurrence of the damage to the effective date of termination.

(e) **Removal of Property and/or Debris.** In the event of a partial or total destruction of the Premises, the Lessee shall immediately remove any and all of its property and/or debris from the Premises or the portion thereof destroyed and if the Lessee does not promptly so remove, the Port Authority may remove such property to a public warehouse for deposit or retain the same in its own possession and sell the same at public auction, the proceeds of which shall be applied first to the expenses of removal, storage and sale, second to any sums owed by the Lessee to the Port Authority, with any balance remaining to be paid to the Lessee; if the expenses of such removal, storage and sale shall exceed the proceeds of sale, the Lessee shall pay such excess to the Port Authority upon demand.

(f) The parties hereby stipulate that if the Premises are in the State of New Jersey neither the provisions of Titles 46:8-6 and 46:8-7 of the Revised Statutes of New Jersey nor those of any other similar statute shall extend or apply to this Agreement.

Section 12. Indemnity; Liability Insurance

(a) (1) The Lessee shall indemnify and hold harmless the (i) Port Authority and its Commissioners, officers, agents and employees (individually and collectively, "**PA Indemnitees**") and (ii) Westfield Concession Management, LLC (or any concession manager at the Terminal as designated by the Port Authority, if any) and its officers, directors, agents, affiliates, parent corporations, employees, members (in their capacity of the limited liability entity) (individually and collectively, "**Concession Manager Indemnitees**") (PA Indemnitees and Concession Manager Indemnitees being collectively referred to as "**Protected Indemnitees**") from and against (and shall reimburse the Protected Indemnitees for the Protected Indemnitees' costs and expenses including, without limitation, legal expenses incurred in connection with the defense of) all claims and demands of third persons including but not limited to claims and demands for death, for personal injuries, or for property damages, arising out of any default of the Lessee in performance or observance of any term or provision of this Agreement, or out of the use or occupancy of the Premises by the Lessee or by others with its consent, or out of any of the acts or omissions of the Lessee, its officers, directors, members (in their capacity of the limited liability entity), managers (in their capacity as managers of, and if, Lessee is a limited liability entity), partners (if Lessee is a partnership), employees, agents, representatives, contractors, subcontractors, customers, guests, invitees and other persons doing business with it where such acts or omissions are on the Premises or arising out of any acts or omissions of the Lessee, its officers, directors, members (in their capacity of the limited liability entity), managers (in their capacity as managers of, and if, Lessee is a limited liability entity), partners (if Lessee is a partnership), employees, agents, contractors, subcontractors and representatives where such acts or omissions are elsewhere at the Airport, including claims and demands of the City of Newark from which the Port Authority derives its rights in the Airport for

indemnification arising by operation of law or through agreement of the Port Authority with said City.

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

(b) (1) In addition to the obligations set forth in paragraph (a) of this Section and all other insurance required under this Agreement, during the term of this Agreement, the Lessee, in its own name as insured and including the Protected Indemnitees as additional insureds, shall maintain 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 not less than the limits set forth in Item 2 of **Exhibit B** hereof. Further, the Lessee shall maintain Workers' Compensation and Employers Liability Insurance in accordance with applicable State law for those employees of the Lessee employed in operations conducted pursuant to this Agreement at or from the Airport.

(2) In the event the Lessee maintains the foregoing insurance in limits greater than set forth in Item 2 of **Exhibit B** hereof, the Protected Indemnitees shall be included therein as an additional insured to the full extent of all such insurance in accordance with all terms and provisions of this Agreement.

(3) 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 Lessee thereunder with respect to any claim or action against the Lessee by a third person shall pertain and apply with like effect with respect to any claim or action against the Lessee by the Port Authority Indemnitees or the Concession Manager Indemnitees and any claim or action against the Port Authority Indemnitees or Concession Manager Indemnitees, by the Lessee, as if the Port Authority Indemnitees or Concession Manager Indemnitees, as applicable, were the named insured thereunder, but such clause or endorsement shall not limit, vary, change or affect the protections afforded the Protected Indemnitees thereunder as additional insureds. Each policy of insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Lessee under the provisions of this Agreement, including without limitation this Section.

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

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

or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port Authority." The foregoing provisions or endorsements shall be recited in each policy or certificate to be delivered pursuant to the following subparagraph (6).

(6) 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 Agreement by the Lessee to the Port Authority, with a photocopy to be delivered to Westfield Concession Management, LLC (or any concession manager at the Terminal as designated by the Port Authority, if any). In the event any binder is delivered it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate of insurance. Any renewal policy shall be evidenced by a renewal certificate of insurance delivered to the Port Authority at least seven (7) days prior to the expiration of each expiring policy, except for any policy expiring after the date of expiration of this Agreement, with a photocopy to be delivered to Westfield Concession Management, LLC (or any concession manager at the Terminal as designated by the Port Authority, if any). 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 Lessee 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.*

(7) 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 Lessee under this Agreement. The foregoing insurance requirements shall not constitute a representation or warranty as to the adequacy of the required coverage to protect the Lessee with respect to the obligations imposed on the Lessee by this Agreement or any other agreement or by law.

(8) The Lessee shall include in each of its insurance policies covering loss, damage or destruction by fire or other casualty a waiver of the insurer's right of subrogation against the Port Authority or, if such waiver should be obtainable or unenforceable, (i) an express agreement that such policy shall not be invalidated if the insured waives before the casualty right of recovery against any party responsible for a casualty covered by such policies, or (ii) any other form of permission for the release of the Port Authority.

(9) *The Lessee hereby releases the Protected Indemnitees with respect to any claim which it might otherwise have against any of them for loss, damage or destruction with respect to its property (including business interruption) occurring during the term of the letting under this Agreement and with respect and to the extent to which it is insured under a policy or policies containing a waiver of subrogation or permission to release liability as provided in subparagraph (8), above.*

Section 13. Sales and Services by the Lessee

(a) A principal purpose of the Port Authority in entering into this Agreement is to have available for travelers and other users of the Terminal, all other members of the public, and persons employed at the Terminal, the merchandise and/or services which the Lessee 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 obligations to operate facilities for the use and benefit of the public, and the Lessee agrees that it will conduct a first class operation and will furnish and install all necessary or proper equipment, fixtures, improvements (subject to the provisions of the Section of this Agreement entitled "*Construction by the Lessee*"), personnel, supplies, materials and other facilities and replacements therefor and all such fixtures and improvements (except trade fixtures removable without injury to the Premises) shall on installation become the property of the Port Authority and a part of the Premises, provided, however, that the Port Authority shall have the

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option, exercisable by notice delivered to the Lessee on or before a date sixty (60) days after expiration or termination hereof, to require the Lessee to remove any or all such fixtures, equipment and improvements and to restore the Premises to the condition thereof prior to any installation and in the event of a failure on the part of the Lessee so to remove and restore, the Port Authority may do so, and the Lessee shall pay the cost thereof to the Port Authority on demand. All equipment, fixtures and improvements to be used in the Premises and the installation thereof shall be subject to the prior written approval of the Port Authority as to type and quality. The Port Authority may by written authorization allow the Lessee to enter and occupy the Premises, prior to the commencement date of the letting stated or referred to in the Sections of this Agreement entitled "*Term*" and "*Letting Postponed*", respectively, solely for the purpose of installing fixtures and making improvements. In the event that the Lessee receives such written authorization the Lessee shall use and occupy the Premises in accordance with and shall be subject to all the provisions of this Agreement other than those relating to the conducting of a business and the payment of rental.

(b) The Lessee shall furnish good, prompt and efficient service hereunder, adequate to meet all demands therefor at the terminal; shall furnish said service on a fair, equal and non-discriminatory basis to all users thereof; and shall charge fair, reasonable and non-discriminatory prices for all items and/or services which it is permitted to sell and/or render hereunder.

(c) The Lessee shall comply with the Port Authority Aviation Department Street Pricing Policy. In connection therewith, the Lessee shall not charge prices to its customers in excess of "**Street Prices**", which for purposes of this Agreement is defined as follows:

(1) If the Lessee conducts a similar business to the business operation permitted under this Agreement in off-Airport location(s) in the Greater New York City – Northern New Jersey Metropolitan Area (herein referred to as the "**Metro Area**"), "**Street Prices**" shall mean the average price regularly charged by the Lessee for the same or similar item in such Metro Area location;

(2) If the Lessee does not conduct a similar business to the business operation permitted under this Agreement in off-Airport location(s) in the Metro Area, "**Street Prices**" shall mean the average price regularly charged in the Metro Area by similar retailers for the same or similar item; and

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

(4) If the Lessee is engaged in the business of selling duty-free goods, "**Street Prices**" shall mean the price regularly charged by the Lessee or similar retailer for the same or similar duty-free item at other urban airports in the Northeast region of the United States, including but not limited to John F. Kennedy International Airport, New York, New York.

For purposes of clarification, for purposes of this *Section 13(c)*, Metro Area shall have the same meaning as "**Port of New York District**".

The Lessee's breach of the aforesaid Street Pricing policy shall be deemed a material breach of the Lessee's obligations under this Agreement.

(d) The Lessee shall post in each sales area (including any temporary sales space) a notice in form and substance satisfactory to the Port Authority notifying the public that the Lessee subscribes to a "**Street Pricing Policy**", such notice to be clearly visible and unobstructed. If the Lessee charges any price to a customer in excess of the price which would satisfy the "**Street**

Pricing Policy” in violation of its obligations under this Agreement, the amount of such excess shall constitute an overcharge which shall, upon demand by the Port Authority or the Lessee’s customer, be promptly refunded to the customer.

(e) The Lessee shall submit to the Port Authority from time to time (and not less than annually), a current pricing survey and report demonstrating compliance by the Lessee with the aforementioned pricing requirements. For purposes of establishing the Street Price of an item, any difference in the size or quality of a product or service shall constitute a price differential.

(f) The Lessee shall be open for and shall conduct business and furnish services seven (7) days a week, or for such other hours and days as the General Manager of the Airport, from time to time by notice to the Lessee, may determine in his/her sole and absolute discretion shall properly serve the needs of the public. The determination of proper business hours and days made by the Port Authority shall be controlling. At the time of execution of this Agreement, required operating hours at the Terminal shall be as follows:

- (1) Food and beverage – 6:30 a.m. to thirty (30) minutes after the last flight departs from the Terminal; all coffee operations to be open 5:30 a.m. to 10:00 p.m.;
- (2) News – 6:00 a.m. to 10:00 p.m.;
- (3) Retail – 6:30 a.m. to 10:00 p.m.;
- (4) Duty free – 6:00 a.m. to thirty (30) minutes after the last international flight departs from the Terminal; and
- (5) Services – 6:30 a.m. to 10:00 p.m.

Section 14. Signs

(a) Except with the prior written consent of the Port Authority, the Lessee shall not erect, maintain or display any signs or any advertising at or on the exterior parts of the Premises or in the Premises so as to be visible through the windows or exterior doors thereof. Interior and exterior signs affecting public safety and security shall be in accordance with established Port Authority standards.

(b) Upon the expiration or termination of the letting, the Lessee shall remove, obliterate or paint out, as the Port Authority may direct, any and all signs and advertising on the Premises or elsewhere at the Terminal if pertaining to the Lessee, and in connection therewith shall restore the Premises and the Terminal to the same condition as existing prior to the installation of any such signs or advertising. In the event that there is a failure by the Lessee so to remove, obliterate or paint out each and every sign or advertising and so to restore the Premises and the Terminal, the Port Authority may, at its option, perform the necessary work at the expense of the Lessee, and the charge therefor shall be paid by the Lessee to the Port Authority on demand.

Section 15. Services and Utilities

(a) General

(1) Except as provided in this Section, the Port Authority shall not be obligated to perform or furnish any services or utilities whatsoever in connection with this Agreement or the use and occupancy of the Premises. Further, the Lessee acknowledges and agrees that reference in this Section to services and utilities shall not include telephone or any form of data or information transmission service, which shall be the responsibility of Lessee to obtain at its sole cost and expense.

(2) The Port Authority's obligation to provide or continue any service or utility hereunder shall be limited by the safe and efficient operating capacity of the existing equipment, systems, piping systems, tie-ins, wires and conduits serving the Terminal and no approval given by the Port Authority to the erection by the Lessee of any improvement or to the installation of any fixtures or equipment shall be deemed to impose upon the Port Authority any obligation to increase the said operating capacity of any existing or presently contemplated equipment, systems, piping systems, tie-ins, wires or conduits.

(3) The Lessee understands that the Port Authority and the airline lessees (as defined in the Section of this Agreement entitled "Definitions") by its and their respective officers, employees, agents, representatives or contractors or by the furnishers of utilities or other services to the Premises or to others at the Airport shall have the right to temporarily discontinue the supply of any of the services described herein in order to allow repair, alterations, changes or improvements in the Premises or elsewhere at the Airport including all systems for the supply of services for the benefit of the Lessee or for the benefit of others than the Lessee at the Airport.

(4) The Port Authority shall be under no obligation to supply services if and to the extent and during any period that the supplying of any such service or the use of any component necessary therefor shall be prohibited or rationed by any federal, state or municipal law, rule, regulation, requirement, order or direction and if the Port Authority deems it in the public interest to comply therewith even though such law, rule, regulation, requirement, order or direction may not be mandatory on the Port Authority as a public agency. The Port Authority shall not be obligated to perform or furnish any service whatsoever in connection with the Premises at any time while the Lessee wastes any of the said services or shall be in default under this Agreement after the period, if any, herein granted to cure such default shall have expired, or has breached any of the provisions of this Agreement after the period, if any, herein granted to cure such default shall have expired and the Port Authority may cease performance. If by operation of this Section any service for which the Lessee has agreed to pay a flat sum is discontinued for any period of the letting, the Lessee shall be relieved of its obligation to pay for such service for any such period or if any such service is supplied during fewer hours or in lesser amounts than agreed during any period of the letting, the Lessee shall be relieved proportionately of its obligation to pay for any such service for any such period.

(5) No failure, delay, interruption or curtailment in supplying agreed services (whether or not a separate charge is made therefor) shall be or be construed to be an eviction (actual or constructive) of the Lessee or grounds for any diminution or abatement of rental, or shall be grounds for any claims by the Lessee for damages, consequential or otherwise, against the Port Authority, or its officers, employees or agents. The Lessee shall not be entitled to receive any of the above services during any period during which the Lessee wastes any of the said services or is in default under any of the provisions of this Agreement.

(b) Electricity and Gas. The Lessee shall receive electricity and gas to the extent of the capability of existing or upgraded facilities, and the Lessee agrees to take electricity and gas, as follows.

(1) For use on and in the Premises, electricity and gas shall be provided to the Lessee either from the Port Authority, or the relevant airline lessee pursuant to the relevant Airline Leases, as the case may be. However, the Port Authority anticipates a modernization program to the facilities for electricity and gas. In connection with the modernization of the facilities, the Port Authority reserves the right to either check meter such utilities or arrange for the appropriate utility company to directly invoice the Lessee for such electricity and gas consumed by Lessee in the Premises, if that option becomes available with such modernization.

(2) The Lessee shall take electricity of the same voltage, phase and cycle as supplied by the public utility through existing wires, conduits and outlets at the Premises. The Lessee shall be solely responsible for transforming the electricity supplied to such voltage, phase and frequency as it desires, for the distribution and handling of such electricity within its Premises and for making all connections and tie-ins to the point or points in the Premises designated by the Port Authority or relevant airline lessee.

(c) **Extermination Service.** In the event the Port Authority shall provide extermination service for the enclosed areas of the Premises, the Lessee agrees to utilize the same and to pay its pro rata share of the cost thereof upon demand. This paragraph does not impose any obligation on the Port Authority to furnish such service. If the Port Authority does not provide such service, Lessee, at its sole cost and expense, shall, at such intervals as the Port Authority may require, contract directly with such service designated by the Port Authority that performs the service for the Port Authority in the Terminal in order to provide continuity and consistency in such service.

(d) **High Temperature Water.**

(1) For use on and in the Premises (as applicable), the Lessee shall be provided high temperature water at no additional charge from either the Port Authority, or the relevant airline lessee pursuant to the relevant Airlines Leases, as the case may be, and the Lessee shall take, as needed for Lessee's operations, the following: (i) high temperature water for heating purposes in reasonable quantities at a temperature of approximately 130 degrees F.; and (ii) high temperature water for domestic hot water purposes.

(2) The Lessee's obligation to distribute and handle the high temperature water provided hereunder within its Premises, and for making all connections and tie-ins to the point or points in the Premises designated by the Port Authority or the relevant airline lessee shall fully apply in the same way as it applies for electricity and gas, as hereinabove described.

(e) **Chilled Water.**

(1) For use on and in the Premises (as applicable), the Lessee shall be provided chilled water at no additional charge from either the Port Authority, or the relevant airline lessee pursuant to the relevant Airlines Leases, as the case may be, and the Lessee shall take, as needed for Lessee's operations, through existing pipes, mains and fittings, for the following purposes: (i) for air cooling purposes, at a temperature and with other characteristics as determined by the Port Authority; and (ii) for domestic cold water purposes only.

(2) The Lessee's obligation to distribute and handle the chilled water provided hereunder within its Premises, and for making a connections and tie-ins to the point or points in the Premises designated by the Port Authority or the relevant airline lessee shall fully apply in the same way as it applies for electricity and gas, as hereinabove described.

(3) Without limiting the generality of rights of entry upon the Premises elsewhere in this Agreement reserved to the Port Authority (or the relevant airline lessee, as the case may be, in accordance with the relevant Airline Lease), the Port Authority (and the relevant airline lessee, as the case may be, in accordance with the relevant Airline Lease) shall have, for itself, its officers, employees, agents, representatives, contractors and subcontractors, the right to enter upon the Premises at all times to construct, install, maintain, replace, repair or improve the air-cooling system or any part thereof. Such air-cooling shall be furnished subject to all the provisions of this Agreement (including the remaining provisions of this Section) and in accordance with the following:

(4) If the air-cooling on the Premises can be controlled by mechanisms within the Premises or portions thereof, the Lessee shall shut off the air-cooling before closing and

leaving any particular portion of the Premises at any time for any period. The Port Authority shall have the right to enter the Premises for the purpose of observing the Lessee's compliance with the provisions hereof and the Port Authority may lock, seal or install any timing device on or in connection with any air-cooling control mechanism so as to provide that each portion of the Premises shall only be air-cooled during the hours and days stipulated hereunder.

(5) If the Lessee in accordance with this Agreement erects any partitions or makes any improvements, which partitions or improvements stop, hinder, obstruct or interfere with the cooling of the air or the heating of the Premises, then no such action by the Lessee shall impose any obligation on the Port Authority to install facilities, fixtures or equipment for air-cooling or for heating additional to those presently existing or presently contemplated or to increase the capacity or output of existing or presently contemplated facilities, equipment or fixtures and the Lessee shall not in any such event be relieved of any of its obligations hereunder because a comfortable temperature is not maintained. No approval given by the Port Authority to the erection of partitions or the making of any improvements shall be or be deemed to be a representation that the work approved of will not stop, hinder, obstruct or interfere with either the cooling of the air or the heating of the Premises or any portion thereof.

(6) *The Lessee shall not waste or dissipate the air-cooling or heating service by any act or omission including but not limited to the permitting of outside doors or windows to remain open. Without otherwise affecting the Port Authority's rights or remedies in the event of any breach by the Lessee of its obligations under this subdivision, the Port Authority shall have the right to discontinue the said heating or air-cooling service during any period of such waste or dissipation and any failure of the Port Authority to supply any such service under such conditions shall not affect any of the Lessee's obligations under this Agreement. It is hereby understood further that the installation by the Lessee of any equipment which itself requires air-cooling or which requires additional quantities of air-cooling at the portion of the Premises where such equipment is installed, or the concentration in any portion of the Premises of such a number of people so as to require additional quantities of air-cooling, shall not impose any obligation on the Port Authority to increase the capacity or output of initially existing facilities, equipment or fixtures for the supply of chilled water and the Lessee shall not in any such event be relieved of any of its obligations hereunder.*

(f) **Obligation to Maintain Systems.** Without limiting or affecting any other term or provision of this Agreement, the Lessee shall be solely responsible for the operation of all equipment, systems, piping systems, tie-ins, utilities, lines and connections, mechanical, electrical, communications and other systems operating or located in the Premises and shall do all preventative maintenance and make all repairs, replacements, rebuilding and painting necessary to keep such systems (whether same involves structural or non-structural work) in the condition they were in when made or installed except for reasonable wear which does not adversely affect the watertight condition or structural integrity of the Terminals or adversely affect the efficient or proper utilization or appearance of any part of the Premises. In the event the Lessee retains a maintenance contractor for such work it shall secure the Port Authority's prior approval for said proposed contractor. Notwithstanding the foregoing and without otherwise limiting the generality thereof, the Lessee's obligations hereunder shall extend to and include cleaning of the supply and exhaust louvers on the Premises. To the extent necessary for the Lessee to have the benefit of any warranties and guarantees under existing contracts covering items and systems identified in this paragraph in fulfilling its obligations hereunder and on condition that such contracts permit it and the Port Authority's interests are not adversely affected in any way and to any extent, the Port Authority shall enable the Lessee to have recourse to such warranties and guarantees.

(g) **Drainage and Exhaust.** Without in any way limiting the Lessee's other obligations under this Agreement, the Lessee shall supply, replace, install, repair, maintain and keep clean all grease traps in all drainage pipes exclusively used in operations at the Premises whether such pipes are located on the Premises or elsewhere at the Terminal. The Lessee shall also keep clean,

repair and maintain (other than structurally) all kitchen exhaust ducts including the replacement of all filters where such ducts are exclusively used by it in such operations and whether such ducts are located on the Premises or elsewhere at the Terminal. As part of the Lessee's maintenance responsibilities, the hood and ventilation system servicing the Premises shall be cleaned and maintained, from inside the unit through the ductwork to the roof top fan, on a monthly basis and at the Lessee's sole cost and expense. Written documentation of this work shall be supplied to the Port Authority on or before the seventh (7th) day of each calendar month, relating to servicing during the preceding calendar month. In addition, should any corrective work be necessary for any portion of the hood and ventilation system, the Lessee shall be responsible for the immediate repair and costs therefor, whether such repair is required inside the unit or outside the unit.

(h) Other Governmental Actions. If any federal, state, municipal or other governmental body, authority or agency or any public utility assesses, levies, imposes, makes or increases any charge, fee or rent on the Port Authority for any service, system or utility now or in the future supplied to or available to the Premises or to any occupants or users thereof or to the structure or building of which the Premises form a part (including but not limited to any rent or charge for the use of the sewer systems), the Lessee shall, at the option of the Port Authority exercised at any time and from time to time by notice to the Lessee, pay in accordance with the said notice, such charge, fee or rent or increase thereof (or the portion thereof allocated by the Port Authority to the Premises or the operations therein) either directly to the governmental body, authority or agency or to the public utility or directly to the Port Authority or the airline lessee, as required.

(i) Washrooms. The Lessee shall be furnished, without additional charge, non-exclusive toilet and washroom facilities for the employees of the Lessee if toilet and washroom facilities are not a part of the Premises.

Section 16. Construction by the Lessee

(a) Except as hereinafter expressly provided, the Lessee shall not erect any structures, make any improvements or do any other construction work on the Premises or elsewhere at the Terminal, or alter, modify or make additions, improvements or repairs to or replacements of any structure now existing or built at any time during the letting, or install any fixtures (other than trade fixtures, removable without material injury to the freehold, any such damage to be immediately repaired by the Lessee) without the prior written consent of the Port Authority. In the event any construction, improvement, alteration, modification, addition, repair or replacement is made without such written approval of the Port Authority, then, upon notice given at any time during the letting or within sixty (60) days after expiration or termination of the term of the letting, the Lessee will remove the same, or, at the option of the Port Authority, cause the same to be changed to the satisfaction of the Port Authority. In case of any failure on the part of the Lessee to comply with such notice, the Port Authority may effect the removal or change, and the Lessee shall pay the cost thereof to the Port Authority on demand.

(b) In the event that Item 4 of **Exhibit B** provides that the Lessee is required (or is permitted to) build a structure or make repairs, alterations, improvements or additions to the Premises, the structure, repairs, alterations improvements or additions described in the said Item 4 shall be built or made strictly in accordance with the following terms and conditions:

(1) The Lessee shall, to the extent allowed under the law, be the insurer of the Port Authority, its Commissioners, officers, agents and employees, against the following distinct and several risks, whether they arise from the acts or omissions of the Lessee, of the Port Authority, its Commissioners, officers, agents and employees or of third persons, or from acts of God or of the public enemy, or otherwise, excepting only risks which result solely from affirmative, willful acts done by the Port Authority subsequent to the commencement of the work of construction, repair, alteration, improvement or addition.

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(i) The risk or loss or damage to all such required repairs, alterations, additions, improvements, or structures prior to the completion thereof. In the event of such loss or damage, the Lessee shall forthwith repair, replace and make good the work without cost to the Port Authority.

(ii) The risk of death, injury or damage, direct or consequential, to the Port Authority, its Commissioners, officers, agents and employees, and to its or their property, arising out of or in connection with the performance of the work. The Lessee shall indemnify the Port Authority, its Commissioners, officers, agents and employees, for all such deaths, injuries and damages, and for all loss suffered by reason thereof.

(iii) The risk of claims and demands, just or unjust, by third persons against the Port Authority, its Commissioners, officers, agents and employees, arising or alleged to arise out of the performance of the work. The Lessee shall indemnify the Port Authority, its Commissioners, officers, agents and employees against and from, and shall reimburse the Port Authority for, costs or expenses incurred by it in connection with the defense, settlement or satisfaction of all such claims and demands.

(2) All work done pursuant to this Section shall be done in accordance with drawings and specifications to be submitted to and approved by the Chief Engineer of the Port Authority prior to the commencement of the work, shall be done to his satisfaction and shall be subject to his inspection during the progress of such work and after completion thereof; and the Lessee shall re-do or replace at its own expense any work not approved by the said Chief Engineer. Unless otherwise expressly provided herein, all workmanship and materials are required to be first class.

(3) The Lessee shall pay all claims lawfully made against it by its contractors, subcontractors, materialmen and workmen and all claims lawfully made against it by other third persons arising out of or in connection with or because of the performance of the work and shall cause its contractors and subcontractors to pay all such claims lawfully made against them.

(4) The Lessee shall procure and maintain comprehensive public liability insurance, or, if the work is to be done by an independent contractor, the Lessee shall require such contractor to procure and maintain such insurance in the name of the contractor, in either case, in limits not lower than those set forth for such categories of insurance in Item 5 of **Exhibit B**.

(5) As soon as such structure, repair, alteration, improvement or addition shall have been completed to the satisfaction of the Chief Engineer of Port Authority, then (subject to the provisions of the following subdivision (c)) title thereto shall immediately and without execution of any further instrument vest in the Port Authority, and every said structure and all such repairs, alterations, improvements or additions, shall thereupon become and thereafter be part of the Premises (said vesting of title does not apply to Lessee's movable trade fixtures and other items of Lessee's personal property).

(c) The Port Authority shall have the option, exercisable by notice delivered on or before a date sixty (60) days after expiration, cancellation or termination hereof, to require the Lessee to remove any or all such structures, alterations, improvements or additions, and to restore the Premises to the condition thereof prior to the construction or installation thereof. In the event of a failure on the part of the Lessee so to remove and restore, the Port Authority may do so, and the Lessee shall pay the cost thereof to the Port Authority on demand.

Section 17. Injury and Damage to Person or Property

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

Section 18. Additional Rent and Charges

(a) If the Port Authority has paid any sum or sums or has incurred any obligation or expense (including, without limitation, payments to third persons and internal Port Authority costs and expenses) which the Lessee has agreed to pay or reimburse the Port Authority for, or if the Port Authority is required or elects to pay any sum or sums or incurs any obligation or expense (including, without limitation, payments to third persons and internal Port Authority costs and expenses) by reason of the failure, neglect or refusal of the Lessee to perform or fulfill any one or more of the conditions, covenants or agreements contained in this Agreement or as a result of an act or omission of the Lessee contrary to the said conditions, covenants and agreements, the Lessee agrees to pay the sum or sums so paid or the expense so incurred, including all interest, costs, damages and penalties, and the same may be added to any installment of rent thereafter due hereunder, and each and every part of the same shall and become additional rent, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the Basic Rental, or if there is no Basic Rental as a part of the Percentage Rental, all as set forth in the Section of this Agreement entitled "*Rental*".

(b) For all purposes under this Section and in any suit, action or proceeding of any kind between the parties hereto, any receipt showing any payment of sum or sums by the Port Authority for any work done or material furnished shall be prima facie evidence against the Lessee that the amount of such payment was necessary and reasonable. Should the Port Authority elect to use its own operating and maintenance staff in making any repairs, replacements and/or alterations and to charge the Lessee with the cost of same, any time report of any employee of the Port Authority showing hours of labor or work allocated to any such repair, replacement and/or alteration, or any stock requisition of the Port Authority showing the issuance of materials for use in the performance thereof, shall likewise be prima facie evidence against the Lessee that the amount of such charge was necessary and reasonable.

Section 19. Application of Payments; Accord and Satisfaction

All payments received by the Port Authority shall be credited and be deemed to be on account of the rentals and other charges then first due. No statements or endorsements on any check or any letter accompanying any check or payment of rentals or other charges shall be deemed an accord and satisfaction of any debt or obligation of the Lessee hereunder. The Port Authority reserves the right to accept any check or payment without prejudicing in any way the Port Authority's right to recover the balance of any and all rentals and other charges due from the Lessee after receipt of any such check or payment or to pursue any other remedy provided herein or by law.

Section 20. Rights of Entry Reserved

(a) The Port Authority by its officers, employees, agents, representatives and contractors shall have the right at all reasonable times to enter upon the Premises for the purpose of inspecting the same for observing the performance by the Lessee of its obligations under this

Agreement, and for the doing of any act or thing which the Port Authority may be obligated or have the right to do under this Agreement or otherwise.

(b) Without limiting the generality of the foregoing, the Port Authority, by its officers, employees, representatives, and contractors, shall have the right, for the benefit of the Lessee or for the benefit of others at the Terminal, to maintain existing and future utilities systems or portions thereof on the Premises, including therein without limitation thereto systems for the supply of heat, water hot and cold, gas, electricity and fuel and for the furnishing of fire-protection, sprinkler, sewerage, drainage, air-conditioning, telephone, telegraph, tele-register, pneumatic-tube dispatch and intercommunication services, and to maintain elevator and escalator systems, including lines, pipes, mains, wires, conduits and equipment connected with or appurtenant to all such systems, and to enter upon the Premises at all reasonable times to make such repairs, alterations and replacements as may, in the opinion of the Port Authority, be deemed necessary or advisable and, from time to time, to construct or install over, in, under or through the Premises new lines, pipes, mains, wires, conduits and equipment; provided, however, that such repair, alteration, replacement or construction shall not unreasonably interfere with the use of the Premises by the Lessee.

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

(d) At any time and from time to time during ordinary business hours within the six (6) months next preceding the expiration of the letting, the Port Authority, by its agents and employees, whether or not accompanied by prospective lessees, occupiers or users of the Premises, shall have the right to enter thereon for the purpose of exhibiting and viewing all parts of the same and during such six-month period for Port Authority may place and maintain on the Premises, the usual "To Let" signs, which signs the Lessee shall permit to remain without molestation.

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

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

Section 21. Condemnation

(a) In any action or proceeding instituted by any governmental agency or agencies for the taking for a public use of any interest in all or any part of the Premises, the Lessee shall not be entitled to assert any claim to any award or part thereof made or to be made therein, or to institute any action or proceeding or to assert any claim against such agency or agencies or against the Port Authority, for or on account of any such taking, except the possible claim to an award for loss of fixtures furnished and installed by the Lessee (and for the purpose of such possible claim alone, title to such fixtures shall revert to the Lessee), it being understood and agreed between the Port Authority and the Lessee that, except for the possible claim to an award for loss of fixtures, the Port Authority shall be entitled to all the compensation or awards made or to be made or paid for any such taking, free of any claim or right of the Lessee.

(b) In the event of a taking of the entire Premises by any governmental agency or agencies, then this Agreement shall be cancelled and the letting shall, as of the date possession is taken from the Port Authority by such agency or agencies, cease and determine in the same manner and with the same effect as if the term of the letting had on that date expired.

(c) In the event of a taking by any governmental agency or agencies of a part of the Premises, then the letting as to such part only shall, as of the date possession thereof is taken from the Port Authority by such agency or agencies, cease and determine, and the rentals thereafter to be paid by the Lessee to the Port Authority shall, if so provided in Item 1 of **Exhibit B**, be abated from and after the date of such taking.

(d) Notwithstanding the provisions of this Section 21, the Lessee shall not be prevented thereby from making a possible claim against the condemning party for an award for moving expenses or for trade fixtures owned or installed by Lessee, if (i) such claim is then allowed by law, (ii) such claim is then allowed by the Port Authority's lease with the City of Newark, described in the Section of this Agreement entitled "*Basic Lease*", if applicable, and (iii) such award is made separately from the award to the Port Authority and will not reduce the amount thereof; this provision shall not be deemed a representation by the Port Authority of the validity or legality of any such claim.

Section 22. Assignment and Subleasing

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

(1) "**Assignment**" shall mean any sale, conveyance, transfer, exchange, mortgage, assignment or other disposition of all or any portion of the Lessee's interest in this Agreement or the leasehold estate created hereby, whether directly or indirectly or by operation of law or otherwise.

(2) "**Sublease**" shall mean any sublease (including a sub-sublease or any further level of subletting) and any occupancy, license, franchise or concession agreement applicable to the Premises or any portion thereof.

(3) "**Transfer**" shall mean the transfer, sale, assignment, pledge, hypothecation or other disposition of any interest in the Lessee or in any direct or indirect constituent entity of the Lessee, where such disposition (whether by itself or cumulatively with other transactions) directly or indirectly produces any change in the direct or indirect Control (as defined in the definition of Affiliate) of the Lessee, and shall include but not be limited to (1) the sale, assignment, redemption or transfer of outstanding stock of or membership interest in, respectively, any corporation or any limited liability company that is the Lessee or that is the general partner of any partnership that is the Lessee, (2) the issuance of additional stock or membership interest in, respectively, any corporation or limited liability company that is the Lessee or that is the general partner of any partnership that is the Lessee, and (3) the sale, assignment, redemption or transfer of any general or limited partner's interest in, or the admission of a new partner to, a partnership that is the Lessee or that is a general or limited partner of any partnership that is the Lessee.

(b) No Assignment, Transfer or Sublease without Consent. The Lessee shall not effect or permit any Assignment, Transfer or Sublease without the prior written consent of the Port Authority.

(c) Unauthorized Transactions Null and Void. Any Sublease, Assignment or Transfer, including without limitation any sale, assignment, transfer, mortgage, pledge, hypothecation, encumbrance or disposition of the Premises or of the rents, revenues or any other income from the Premises, or this Agreement or any part hereof, or any license or other interest of the Lessee herein not made in accordance with the provisions of this Agreement shall be null and void *ab initio* and of no force or effect.

(d) Port Authority's Right to Collect Rent. If without the prior written consent of the Port Authority, the Lessee effects any Assignment, Transfer or Sublease, or if the Premises are occupied by anybody other than the Lessee, the Port Authority may collect rent from any assignee, sublessee or anyone who claims a right under this Agreement or letting or who occupies the Premises, and the Port Authority shall apply the net amount collected to the rental herein reserved; but no such collection shall be deemed a waiver by the Port Authority of the covenants contained in paragraphs (a) and (b) of this Section or an acceptance by the Port Authority of any such assignee, sublessee, claimant or occupant as Lessee, nor a release of the Lessee by the Port Authority from the further performance by the Lessee of the covenants contained herein.

(e) Continuing Application of Consent Requirement. Any consent granted by the Port Authority to any Assignment, Transfer or Sublease pursuant to the provisions hereof shall not be construed or deemed to release, relieve or discharge the Lessee or any other person claiming any right, title or interest in this Agreement from the requirement of obtaining the prior written consent of the Port Authority with respect to any other Assignment, Transfer or Sublease.

(f) Use of Premises. The Lessee shall not use or permit any person to use the Premises or any portion thereof for any purpose other than the purposes stated in the Section hereof entitled "Rights of Use by the Lessee". Except as provided in this Agreement or otherwise permitted in writing by the Port Authority, the Lessee shall not permit the Premises to be used or occupied by any person other than its own officers, employees, contractors and representatives.

Section 23. Termination

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

(1) The Lessee shall fail duly and punctually to pay the rentals or to *make any other payment required hereunder when due to the Port Authority.*

(2) The Lessee shall become insolvent, or shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy or a petition or answer seeking an arrangement or its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any other law or statute of the United States or of any State thereof, or consent to the appointment of a receiver, trustee, or liquidator of all or substantially all its property; or

(3) By order or decree of a court the Lessee shall be adjudged bankrupt or an order shall be made approving a petition filed by any of the creditors or, if the Lessee is a corporation, by any of the stockholders of the Lessee, seeking its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any law or statute of the United States or of any State thereof; or

(4) A petition under any part of the federal bankruptcy laws or an action under any present or future insolvency law or statute shall be filed against the Lessee and shall not be *dismissed within thirty (30) days after the filing thereof; or*

(5) The letting hereunder or the interest or estate of the Lessee under this Agreement shall be transferred to, pass to or devolve upon, by operation of law or otherwise, any other person, firm or corporation; or

(6) The Lessee, if a corporation, shall, without the prior written approval of the Port Authority, become a possessor or merged corporation in a merger, a constituent corporation in a consolidation, or a corporation in dissolution; or

(7) The Lessee is, or the Lessees collectively are doing business as, or constitute a co-partnership, and the said co-partnership shall be dissolved as the result of any act or omission of its co-partners or any of them, or by operation of law or the order or decree of any court having jurisdiction, or for any other reason whatsoever; or

(8) By or pursuant to, or under authority of any legislative act, resolution or rule, or any order or decree of any court or governmental board, agency or officer having jurisdiction, a receiver, trustee, or liquidator shall take possession or control of all or substantially all of the property of the Lessee, and such possession or control shall continue in effect for a period of fifteen (15) days; or

(9) Any type of strike or other labor activity is directed against the Lessee at the Terminal 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 Terminal or the operations of other Lessees or licensees thereat, whether or not the same is due to the fault of the Lessee, and whether caused by the employees of the Lessee or by others; or

(10) Any lien is filed against the Premises because of any act or omission of the Lessee and is not removed within ten (10) days; or

(11) The Lessee shall voluntarily abandon, desert, vacate or discontinue its operations in the Premises; or

(12) The Lessee shall fail to keep, perform and observe each and every other promise, covenant and agreement set forth in this Agreement on its part to be kept, performed or observed, within ten (10) days after receipt of notice of default thereunder from the Port Authority (except where fulfillment of its obligation requires activity over a period of time, and the Lessee shall have commenced to perform whatever may be required for fulfillment within ten (10) days after receipt of notice and continues such performance without interruption except for causes beyond its control);

then upon the occurrence of any such event or at any time thereafter the continuance thereof, the Port Authority may by five (5) days' notice terminate the letting and the rights of the Lessee hereunder, such termination to be effective upon the date specified in such notice. Such right of termination and the exercise thereof may be and operate as a conditional limitation.

(b) If any of the events enumerated in subdivision (a) of this Section shall occur prior to the letting, the Lessee shall not be entitled to enter into possession of the Premises and the Port Authority upon the occurrence of any such event or at any time thereafter during the continuance thereof by twenty-four hours' notice may cancel the interest of the Lessee under this Agreement, such cancellation to be effective upon the date specified in such notice.

(c) No acceptance by the Port Authority of rentals, fees, charges or other payments in whole or in part for any period or periods after or during the continuance of a breach or default of any of the terms, covenants and conditions to be performed, kept or observed by the Lessee shall be deemed a waiver of any right on the part of the Port Authority to terminate the letting, nor shall the same constitute a waiver of any such breach or default.

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

Agreement or to exercise any right or remedy consequent upon a breach or default thereof, and no extension, supplement or amendment of this Agreement during or after a breach thereof, unless expressly stated to be a waiver, shall constitute a waiver of any such breach or default of the said terms, covenants or conditions. No terms, covenant or condition of this Agreement to be performed or complied with by the Lessee, and no breach or default thereof, shall be waived, altered or modified except by a written instrument executed by the Port Authority.

(e) The rights of termination described above shall be in addition to any other rights of termination provided in this Agreement and in addition to any rights and remedies that the Port Authority would have at law or in equity consequent upon any breach of this Agreement by the Lessee, and the exercise by the Port Authority of any right of termination shall be without prejudice to any other such rights and remedies. The Lessee particularly acknowledges that as part of said equitable rights and remedies the Port Authority shall be entitled to restrain by injunction any violation or attempted or threatened violation of any covenants, conditions or other provisions of this Agreement.

Section 24. Right of Re-entry

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

Section 25. Waiver of Redemption

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

Section 26. Survival of the Obligations of the Lessee

(a) In the event that the letting shall have been terminated in accordance with a notice of termination as provided in the Section of this Agreement entitled "*Termination*", or the interest of the Lessee cancelled pursuant thereto, or in the event that the Port Authority has re-entered, regained or resumed possession of the Premises in accordance with the provisions of the Section of this Agreement entitled "*Right of Re-entry*", all the obligations of the Lessee under this Agreement shall survive such termination or cancellation, re-entry, regaining or resumption of possession and shall remain in full force and effect for the full term of this Agreement, and the amount or amounts of damages or deficiency shall become due and payable to the Port Authority to the same extent, at the same time or times and in the same manner as if no termination, cancellation, re-entry, regaining or resumption of possession had taken place. The Port Authority may maintain separate actions each month to recover the damage or deficiency then due or at its option and at any time may sue to recover the full deficiency less the proper discount, for the entire unexpired term.

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

(1) on account of the Lessee's basic rental obligation, the amount of the total of all annual basic rentals, less the installments thereof payable prior to the effective date of

termination except that the credit to be allowed for the installment payable on the first day of the month in which the termination is effective shall be prorated for the part of the month the letting remains in effect, on the basis of a 30-day month;

(2) on account of the Lessee's percentage rental obligation in the event that a basic rental is also reserved under this Agreement, an amount equal to the percentage stated in Item 1 of **Exhibit B** applied to the amount of Gross Receipts in excess of the annual exemption amount or amounts, which Gross Receipts would have been received by the Lessee during the balance of the term if there had been no termination or cancellation (or re-entry, regaining or resumption of possession), and for the purpose of calculation hereunder (i) the said amount of Gross Receipts shall be derived by multiplying the number of days in the balance of the term originally fixed, by the Lessee's average daily Gross Receipts; (ii) the average daily Gross Receipts shall be the total actual Gross Receipts of the Lessee during that part of the effective period of the letting (including all annual periods falling within the effective period) in which the abatement was in effect, divided by the number of days included in such part of the effective period; (iii) the annual exemption amount for any period of less than a year shall be the product of the original annual exemption amount multiplied by a fraction, the numerator of which shall be the number of days from the effective date of termination to the end of the annual period and the denominator shall be 365;

(3) on account of the Lessee's percentage rental obligation in the event that no basic rental is reserved under this Agreement, an amount equal to the percentage stated in Item 1 of **Exhibit B** applied to the amount of Gross Receipts which would have been received by the Lessee during the balance of the term if there had been no termination or cancellation (or re-entry, regaining or resumption of possession), and for the purpose of calculation hereunder (i) the said amount of Gross Receipts shall be derived by multiplying the number of days in the balance of the term originally fixed, by the Lessee's average daily Gross Receipts; and (ii) the average daily Gross Receipts shall be the total actual Gross Receipts of the Lessee during that part of the effective period of the letting (including all annual periods falling within the effective period) divided by the number of days included in such part of the effective period;

(4) the amount of all other unfulfilled monetary obligations of the Lessee under this Agreement, including without limitation thereto, all sums constituting additional rental hereunder and the cost to and expenses of the Port Authority for fulfilling all other obligations of the Lessee which would have accrued or matured during the balance of the term on the expiration date originally fixed or within a stated time after expiration or termination; and

(5) an amount equal to the cost to and the expenses of the Port Authority in connection with the termination, cancellation, regaining possession and restoring (on failure of the Lessee to restore) and reletting the Premises, the Port Authority's legal expenses (including but not limited to the cost to the Port Authority of in-house legal services) and costs, and the Port Authority's costs and expenses for the care and maintenance of the Premises during any period of vacancy, and any brokerage fees and commissions in connection with any reletting.

(c) It is understood and agreed that the statement of damages under the preceding subdivision (b) shall not affect or be construed to affect the Port Authority's right to damages in the event of termination or cancellation (or re-entry, regaining or resumption of possession) where the Lessee has not received any actual Gross Receipts under this Agreement.

Section 27. Reletting by the Port Authority

The Port Authority, upon termination or cancellation pursuant to the provisions of the Section of this Agreement entitled "*Termination*", or upon any re-entry, regaining, or resumption of possession pursuant to the provisions of the Section of this Agreement entitled "*Right of Re-entry*", may occupy the Premises or may relet the Premises, and shall have the right to permit any person,

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

Section 28. Thirty Day Termination

(a) The Port Authority shall have the right to terminate this Agreement and the letting hereunder, without cause, at any time, on thirty (30) days' notice to the Lessee. In the event of termination pursuant to this Section, this Agreement and the letting hereunder shall cease and expire as if the effective date of termination stated in the notice were the date originally stated herein for the expiration of this Agreement.

(b) The Lessee is obligated by this Agreement to furnish and install all fixtures and equipment and make all improvements in the Premises, necessary or proper for its operations hereunder. In the event of termination by the Port Authority under this Section, the Port Authority shall pay the Lessee a pro rata share of the Lessee's cost in supplying and installing such fixtures and equipment *and making all such improvements excluding any replacements thereof.* The cost and the pro rata share thereof shall be ascertained as stated in Item 6 of **Exhibit B**; provided, however, that tender of payment of said prorated cost by the Port Authority to the Lessee shall not be prerequisite to the exercise of the right of termination under this Section. On the payment by the Port Authority of said prorated cost and any interest due thereon, all fixtures, equipment and improvements including replacements furnished by the Lessee in the Premises and all interest of the Lessee therein which have not already become the property of the Port Authority shall be and become the property of the Port Authority and the Lessee shall execute any and all instruments necessary to transfer title to any such interest; provided, however, that the Port Authority may by notice relinquish its right to any such fixtures, equipment or improvements and the provisions of the Sections of this Agreement "*Sales and Services by the Lessee*" and "*Surrender*", respectively.

Section 29. Remedies to Be Non-exclusive

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

Section 30. Surrender

(a) The Lessee covenants and agrees to yield and deliver peaceably to the Port Authority possession of the Premises on the date of the cessation of the letting, whether such cessation be by termination, expiration or otherwise, promptly and in good condition, and all of the Premises shall be free and clear of all liens, encumbrances, and security interests and of any rights of any sublessees or other occupants of the Premises.

(b) Subject to the provisions of the Sections of this Agreement entitled "*Sales and Services by the Lessee*" and "*Thirty Day Termination*", respectively, the Lessee shall have the right at any time during the letting to remove its equipment, inventories, removable fixtures and other personal property from the Premises. If the Lessee shall fail to remove its property on or before the termination or expiration of the letting, the Port Authority may remove such property to a public warehouse for deposit or retain the same in its own possession, and sell the same at public auction, the proceeds of which shall be applied first to the expenses of removal, storage and sale, second to any sums owed by the Lessee to the Port Authority, with any balance remaining to be paid to the Lessee; if the expenses of such removal, storage and sale shall exceed the proceeds of sale, the Lessee shall pay such excess to the Port Authority upon demand.

Section 31. Acceptance of Surrender of Lease

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

Section 32. Requirement of Security Deposit

(a) Upon the execution of this Agreement by the Lessee and delivery thereof to the Port Authority, the Lessee shall deliver to the Port Authority, as security for the full, faithful and prompt performance of and compliance with, on the part of the Lessee, all of the terms, provisions, covenants and conditions of this Agreement on its part to be fulfilled, kept, performed or observed, a clean irrevocable letter of credit issued by a banking institution satisfactory to the Port Authority and having its main office within the Port of New York District and acceptable to the Port Authority, in favor of the Port Authority, and payable in the Port of New York District in the amount of Thirty Thousand Dollars and No Cents (\$30,000.00). The form and terms of such letter of credit, as well as the institution issuing it, shall be subject to the prior and continuing approval of the Port Authority. Such letter of credit shall provide that it shall continue throughout the effective period of the permission under this Agreement and for a period of not less than six (6) months thereafter; such continuance may be by provision for automatic renewal or by substitution of a subsequent clean and irrevocable satisfactory letter of credit. If requested by the Port Authority, said letter of credit shall be accompanied by a letter explaining the opinion of counsel for the banking institution that the issuance of said clean, irrevocable letter of credit is an appropriate and valid exercise by the banking institution of the corporate power conferred upon it by law. Upon notice of cancellation of a letter of credit, the Lessee agrees that unless, by a date twenty (20) days prior to the effective date of cancellation, the letter of credit is replaced by another letter of credit satisfactory to the Port Authority, the Port Authority may draw down the full amount thereof and thereafter the Port Authority will hold the same as security. Failure to provide such a letter of credit at any time during the effective period of the permission, under this Agreement, valid and available to the Port Authority, including any failure of any banking institution issuing any such letter of credit previously accepted by the Port Authority to make one or more payments as may be provided in such letter of credit shall be deemed to be a

breach of this Agreement on the part of the Lessee. Upon acceptance of such letter of credit by the Port Authority, and upon request by the Lessee made thereafter, the Port Authority will return the security deposit, if any, theretofore made. The Lessee 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 Agreement and fulfillment of the obligations of the Lessee hereunder. If the Port Authority shall make any drawing under a letter of credit held by the Port Authority hereunder, the Lessee on demand of the Port Authority and within two (2) days thereafter, shall bring the letter of credit back up to its full amount. No action by the Port Authority pursuant to the terms of any letter of credit, or any receipt by the Port Authority of funds from any bank issuing such letter of credit, shall be or be deemed to be a waiver of any default by the Lessee under the terms of this Agreement and all remedies of the Lessee and of the Port Authority consequent upon such default shall not be affected by the existence of a recourse to any such letter of credit.

(b) For purposes of the provisions set forth in this Section, the Lessee hereby certifies that the I.R.S. Employer Identification No. for: (i) AMS-BW Newark JV is (EX. 1) (ii) Airport Management Services, LLC is (EX. 1) and (iii) Branded Works, Inc is (EX. 1)

(c) Unless Item 7 of Exhibit B indicates that no performance bond is required, the Lessee shall furnish and pay the premium for a bond in the sum stated in the said Item 7, conditioned upon the full, faithful and prompt performance of and compliance with, on the part of the Lessee, all the covenants, terms and conditions of this Agreement on its part to be fulfilled, kept, performed and observed. The bond so furnished shall be in the form attached hereto, hereby made a part hereof and marked Exhibit U, and shall be effective throughout the performance of Lessee's Work for the Premises and through the later of either (i) a period of six (6) months following the completion of all punch list items issued by the Port Authority or (ii) the opening of the Premises for business to the public. Further, such bond shall be made either by a surety company or companies qualified to carry on a surety business in the State of New Jersey if the Premises are in New Jersey or in the State of New York if the Premises are in New York, and satisfactory to the Port Authority or by an individual or individuals satisfactory to the Port Authority.

Section 33. Brokerage

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

Section 34. Limitation of Rights and Privileges Granted

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

Section 35. Letting Postponed

The Lessee recognizes that, at the time of execution of this Agreement, the Premises may be occupied by another or may be under construction, alteration or improvement by the Port Authority or that the Port Authority may intend to do or make such construction, alteration or improvement and that as a result the Premises may not be ready for occupancy on the commencement date stated in the Section of this Agreement entitled "Term". In the event that the Premises are not ready for occupancy on said commencement date, the term of the letting under this Agreement shall

commence on a date designated by the Port Authority on ten (10) days' notice to the Lessee, but not later than the date stated in Item 8 of **Exhibit B**; and, in the event that the commencement date shall be postponed hereunder, then the expiration date as stated in said Section shall also be postponed by a period of time equivalent to the period intervening between the commencement date stated in said Section and the actual commencement date as designated pursuant to this Section. In the event that *the Premises are not ready for occupancy on or before the date stated in Item 8 of Exhibit B*, then this Agreement shall be cancelled and each party shall release and does hereby release the other party of and from any and all claims or demands based on this Agreement or any breach or alleged breach thereof. Nothing contained in this Section shall impose or shall be construed to impose on the Port Authority any obligation to perform construction or make alterations or improvements.

Section 36. Changes in the Terminal

The Port Authority shall have the right at any time and from time to time prior to and during the letting, in the interest of the efficient operation of the Terminal, to close, move or alter any common way in the Terminal, including but not limited to entrances, exits, passages, halls, corridors, aisles, stairways, elevators or escalators, or to restrict or change the traffic on or through any such common way; and no such action by the Port Authority shall release the Lessee from any of its obligations under this Agreement.

Section 37. Notices

(a) Except where expressly required or permitted herein to be oral, all notices, directions, requests, consents and approvals required to be given to or by either party shall be in writing, and all such notices and requests shall be (i) personally delivered to the duly designated officer or representative of such party or delivered to the office of such officer or representative during regular business hours, or (ii) forwarded to him or to the party at such address by certified or registered United States mail, postage prepaid, return receipt requested, or (iii) forwarded to him or to the party at such address by expedited prepaid delivery service, either commercial or United States Postal Service, with proof of delivery or attempted delivery required in the case of (i), (ii) or (iii) above. Said designated officer or representative of the Port Authority and the Lessee and their respective officers shall be as set forth in this Agreement.

(b) The Lessee shall from time to time designate in writing an office within the Port of New York District and an officer or representative whose regular place of business is at such office upon whom notices and requests may be served. Until further notice, the Lessee designates its representative named on the first page of this Agreement as its representative upon whom notices and requests may be served and its address given on the first page of this Agreement as its office where notices and request may be served. The Port Authority hereby designates its Executive Director, as its representative upon whom notices and requests may be served, and its office at 225 Park Avenue South, New York, New York 10003.

(c) A notice shall be deemed to have been given: in the case of hand delivery, at the time of delivery or refusal to accept delivery; in the case of registered or certified mail or expedited prepaid delivery, upon delivery or refusal to accept delivery; or in the event of failure to delivery by reason of changed address of which no notice was given or refusal to accept delivery, as of the date of such failure or refusal. A party receiving a notice which does not comply with the *technical requirements for notice under this Section may elect to waive any deficiencies and treat the notice as having been properly given.*

(d) Wherever a notice or request is required to be given by the Lessee to the Port Authority pursuant to this Agreement, a copy of such notice or request shall also be given simultaneously by the Lessee to Westfield Concession Management, LLC (or any successor

concession manager thereto designated by the Port Authority, if any), in accordance with the requirements of this Section, to the following address:

Westfield Concession Management, LLC
11601 Wilshire Blvd., 11th Floor
Los Angeles, California 90025
Attention: Office of Legal Counsel

Westfield Concession Management, LLC
Newark Liberty International Airport
35 Terminal B, Bldg. #74
Newark, New Jersey 07114
Attention: General Manager

Section 38. Place of Payments

All payments required of the Lessee by this Agreement shall be made by mail to the Port Authority of New York and New Jersey, c/o P.O. Box 51065, Los Angeles, CA 90074-1065 or via the following wire transfer instructions:

| | |
|------------------|---|
| Bank: | Bank of America, 555 S. Flower Street, 6 th Floor, Los Angeles, CA 90071 |
| Bank ABA Number: | 122 000 661 |
| Account Name: | Westfield Concession Mgmt., LLC As Agent for Newark Airport Terminal A&B/Blocked Acct. |
| Account Number: | (Ex. 1) |
| Instructions: | Lessee is required to send an email with EFT confirmation to the following individuals when payments are made: jgarraway@us.westfield.com (Airport Accountant) and nholder@us.westfield.com (Senior Accountant) |

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

Section 39. Quiet Enjoyment

The Port Authority covenants and agrees that as long as the Port Authority remains the lessee (if the Premises are located in the City of Newark) or the owner (if the Premises are located in the City of Elizabeth) of the Terminal, the Lessee, upon paying all rentals hereunder and performing all the covenants, conditions and provisions of this Agreement on its part to be performed, shall and may peaceably and quietly have, hold and enjoy the Premises free of any act or acts of the Port Authority except as expressly permitted in this Agreement.

Section 40. Headings

The section headings and the paragraph headings, if any, 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.

Section 41. Construction and Application of Terms

(a) Wherever in this Agreement a third person singular neuter pronoun or adjective is used, referring to the Lessee, the same shall be taken and understood to refer to the Lessee, regardless of the actual gender or number thereof.

(b) Whenever in this Agreement the Lessee is placed under an obligation or covenants to do or to refrain from or is prohibited from doing, or is entitled or privileged to do, any act or thing, the following shall apply:

(1) *If the Lessee is a corporation, its obligations shall be performed or its rights or privileges shall be exercised only by its officers and employees; or*

(2) *If the Lessee is an unincorporated association or a business or "Massachusetts" trust, the obligation shall be that of its members or trustees, as well as of itself, and shall be performed only by its members or trustees, and officers and employees, and the rights or privileges shall be exercised only by its members or trustees, and its officers and employees; or*

(3) *If the Lessee is a co-partnership, the obligation shall be that of its partners and shall be performed only by its partners and employees and the rights or privileges shall be exercised only by its partners and employees; or*

(4) *If the Lessee is an individual, the obligations shall be that of himself (or herself) and shall be performed only by himself (or herself) and his (or her) employees and the rights or privileges shall be exercised only by himself (or herself) and his (or her) employees; or*

(5) *if the Lessee is a limited liability company, by the Lessee acting only through the medium of its members, managers, and employees.*

(c) None of the privileges of paragraph (b) above shall be taken to alter, amend or diminish any obligation of the Lessee assumed in relation to its invitees, customers, agents, representatives, contractors or other persons, firms or corporations doing business with it.

(d) In the event that more than one individual or other legal entity are the Lessee under this Agreement, then and in that event each and every obligation under this Agreement shall be the joint and several obligation of each such individual or other legal entity.

(e) The Lessee's representative, hereinbefore specified (or such substitute as the Lessee may hereafter designate in writing) shall have full authority to act for the Lessee in connection with this Agreement and any things done or to be done hereunder, and to execute on the Lessee's behalf any amendments or supplements to this Agreement or any extension thereof.

(f) The Lessee agrees that any rule of construction to the effect that any ambiguities in this Agreement are to be resolved against the drafting party shall not be applicable to the interpretation or construction of this Agreement or any amendments, addendums, supplements, Exhibits or Schedules hereto.

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

(h) Unless otherwise expressly specified, the terms, provisions and obligations contained in the Exhibits and Schedules attached hereto, whether there set out in full or as

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amendments of, or supplements to provisions elsewhere in the Agreement stated, shall have the same force and effect as if herein set forth in full.

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

(j) The fact that certain of the terms and provisions hereunder are expressly stated to survive the expiration or termination of the letting hereunder shall not mean that those provisions hereunder which are not expressly stated to survive shall terminate or expire on the expiration or termination of the letting hereunder and do not survive such termination or expiration.

(k) Time is of the essence in the Lessee's performance of this Agreement. Notwithstanding the fact that certain references elsewhere in this Agreement to acts required to be performed by the Lessee hereunder, or to breaches or defaults of this Agreement by the Lessee, omit to state that such acts shall be performed at the Lessee's sole cost and expense, or omit to state that such breaches or defaults by the Lessee are material, unless the context clearly implies to the contrary, each and every act to be performed or obligation to be fulfilled by the Lessee pursuant hereto shall be performed or fulfilled at the Lessee's sole cost and expense, and all breaches or defaults by the Lessee hereunder shall be deemed material. The Lessee shall be fully responsible and liable for the observance and compliance by concessionaires, franchisees and licensees of the Lessee and with all the terms and conditions of this Agreement, which terms and conditions shall be applicable to concessionaires, franchisees and licensees as fully as if they were the Lessee hereunder; and failure by a concessionaire, franchisee or licensee fully to observe and comply with the terms and conditions of this Agreement shall constitute a default by the Lessee. Nothing contained in the preceding sentence shall constitute consent by the Port Authority to any concession, subletting or other arrangement.

Section 42. Non-Discrimination

(a) Without limiting the generality of any of the provisions of this Agreement, the Lessee in its operations at the Airport, the use of any space or Premises and the exercise of any privileges under this Agreement, shall not on the grounds of race, creed, color or national origin discriminate or permit discrimination against any person or group of persons in any manner whatsoever and shall comply with Part 21 to the Regulations of the Office of the Secretary of Transportation, as it may be amended and any other present or future laws, rules, regulations, orders or directions of the United States of America with respect thereto which from time to time may be applicable to the Lessee's operations at the Airport, whether by reason of agreement between the Port Authority and the United States Government or otherwise.

(b) The Lessee shall include the provisions of paragraph (1) of this Section in every agreement or concession pursuant to which any person or persons, other than the Lessee, operates any facility at the Airport providing services to the public and shall also include therein a provision granting the Port Authority a right to take such action as the United States may direct to enforce any such covenant. Nothing herein shall be or be deemed to grant to the Lessee the right to make any such agreement or concession.

(c) The Lessee's noncompliance with the provisions of this Section shall constitute a material breach of this Agreement. In the event of such noncompliance, the Port Authority may take any appropriate action to enforce compliance; or by giving twenty-four (24) hours' notice, may terminate this Agreement and the letting hereunder with the same force and effect as a termination under the Section of this Agreement providing for termination for default by the Lessee in the performance or observance of any other term or provision of this Agreement; or may

pursue such other remedies as may be provided by law; and as to any or all of the foregoing, the Port Authority may take such action as the United States may direct.

(d) This Agreement is subject to the requirements of the United States Department of Transportation's regulations, 49 CFR Part 23. The Lessee agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement or any management contract, or subcontract, purchase or lease agreement or other agreement covered by 49 CFR Part 23. The Lessee agrees to include the above statements in any subsequent concession agreement or contract covered by 49 CFR Part 23 that it enters and cause those businesses to similarly include the statements in further agreement.

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

Section 43. Basic Lease

If the Premises are located in the City of Newark, the following shall apply:

(a) Notwithstanding any other provision of this Agreement, this Agreement shall in any event expire with the expiration or termination of the lease of the Facility from the City of Newark to the Port Authority under the agreement of lease 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 the Book E-110 of Deeds at pages 242, et seq, no greater rights or privileges are hereby granted to the Lessee than the Port Authority has the power to grant under said agreement as supplemented or amended as aforesaid.

(b) The Port Authority has agreed by a provision in its said agreement with the City covering the Facility 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 Lessee 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 said agreement of lease provision thereto. Unless otherwise directed in writing by the Port Authority, the Lessee shall conform to such enactments, ordinances, resolutions and regulations insofar as they relate to the operations of the Lessee at the Facility. In the event of compliance with any such enactment, ordinance, resolution or regulation on the part of the Lessee, acting in good faith, commenced after such delivery to the Port Authority but prior to the receipt by the Lessee of a written direction from the Port Authority, such compliance shall not constitute a breach of this Agreement, although the Port Authority thereafter notifies the Lessee to refrain from such compliance. Nothing herein contained shall release or discharge the Lessee from compliance with any other provision hereof respecting governmental requirements.

Section 44. Governmental Compliance

In the event that all or any portion of the Premises is required by the Port Authority to comply with any present or future governmental law, rule, regulation, requirement, order or direction, the Port Authority shall give the Lessee notice that all or any such portion of the Premises is so required and the Lessee shall deliver all or any such portion of the Premises so required on the date [AMS BW Newark JV/Hudson Booksellers/Lease No. ANC-011]

specified in such notice, and if the Lessee does not so deliver, the Port Authority may take the same. No such taking or delivery shall be or be construed to be an eviction of the Lessee or a breach of this Agreement. In the event that the Lessee has received a notice hereunder it shall deliver all or any such portion of the Premises so required in the same condition as that required hereunder for the delivery of the Premises on the cessation of the letting. In the event of the taking or delivery of all the Premises, this Agreement and the letting hereunder shall on the day of such taking or delivery cease and expire as if that day were the date originally stated herein for the expiration of this Agreement; and, in the event of the taking or delivery of any portion of the Premises, then, from and after such taking or delivery, such portion of the Premises shall cease to be a part of the Premises hereunder. There shall be an abatement of the rental in the event of any such taking or delivery of a portion of the Premises if so provided in Item 1 of **Exhibit B**.

The Lessee understands the Port Authority by its officers, employees, agents, representatives or contractors or by the Airlines or their contractors or by the furnishers of utilities or other services to the Premises or to others at the Facility shall have the right to temporarily discontinue the supply of any of the above services in order to allow repairs, alterations, changes or improvements in the Premises or elsewhere at the Facility including all systems for the supply of services for the benefit of the Lessee or for the benefit of others than the Lessee at the Facility. Nothing contained herein shall be or be deemed construed to impose upon the Port Authority any obligations to supply any utility or service or to repair, alter or make changes or improvements or shall create any liability upon the Port Authority for any failure to do so.

Section 45. Force Majeure

(a) Neither the Port Authority nor the Lessee shall be deemed to be in violation of this Agreement if it is prevented from performing any of its obligations hereunder by reason of strikes, boycotts, labor disputes, embargoes, shortages of material, acts of God, acts of the public enemy, acts of superior governmental authority, acts of terrorism, weather conditions, tides, riots, rebellion, sabotage or any other circumstances for which it is not responsible and which are not within its control; provided, however, that this provision shall not apply to failures by the Lessee to pay the rentals specified in the Section of this Agreement entitled "*Rental*" and Item 1 of **Exhibit B** annexed to this Agreement and shall not apply to any other charges or money payments specified in this Agreement; and provided further, that except by virtue of the circumstances specifically set forth hereinabove in this Section, this provision shall not prevent either party from exercising any of its rights to terminate this Agreement.

(b) No abatement, diminution or reduction of the rental or other charges payable by the Lessee, shall be claimed by or allowed to the Lessee for any inconvenience, interruption, cessation or loss of business or other loss caused, directly or indirectly, by any present or future law, rule, requirement, order, direction, ordinance or regulation of the United States of America, or of the state, county or city government, or of any other municipal, governmental or lawful authority whatsoever, or by priorities, rationing or curtailment of labor or materials, or by war or any matter or thing resulting therefrom, or by any other cause or causes beyond the control of the Port Authority, nor shall this Agreement be affected by any such causes or conditions.

Section 46. Rules and Regulations Amendment

If a copy of the Rule and Regulations referred to in the Section of this Agreement entitled "*Rules and Regulations*" is not attached to this Agreement, then the Port Authority will notify the Lessee thereof either by delivery of a copy, or by publication in a newspaper published in the Port of New York District or by making a copy available at the office of the Secretary of the Port Authority. *No statement or provision in the said Rules and Regulations shall be deemed a representation or promise by the Port Authority that the services or privileges described shall be or remain available, or that the charges, prices, rates or fees stated therein shall be or remain in effect*

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throughout the letting, all of the same being subject to change by the Port Authority from time to time whenever it deems a change advisable.

Section 47. Non-Liability of Individuals

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

Section 48. Other Agreements

The Lessee shall not, by virtue of the execution of this Agreement, be released or discharged from any obligations or liabilities whatsoever under any other agreement it has with the Port Authority.

Section 49. Operating Names

(a) Any name, designation or any service mark proposed to be used or displayed at the Premises or at the Terminal or for the Lessee's operations therein shall be approved in advance in writing by the Port Authority and the Lessee shall have the right to use and display the name, designation or mark only so long as this Agreement is in force and effect. If for any reason the Lessee ceases its operations in the Premises, the Lessee's right to use such name, designation or service mark shall immediately cease and come to an end and the Port Authority or its designee shall have the sole right to use such name, designation or service mark and the Lessee hereby consents to such use thereof. Any registration or filing by the Lessee with respect to such name, designation or service mark shall indicate the Port Authority's interest therein and the form thereof shall be approved in advance by the Port Authority in writing. The Lessee agrees to assign and transfer to the Port Authority any such registration or filing and any other rights in or to the use of such name, designation or service mark promptly upon written request therefor from the Port Authority. Nothing herein contained is intended to apply to the continuing use by the Lessee of its customary name, designation or service mark, if any, used elsewhere in its operations prior to the making of this Agreement.

(b) The Lessee shall not use or make any reference, by advertising or otherwise, to the names "The Port Authority of New York and New Jersey", "Port Authority" or any simulation or abbreviation of any such names, or any emblem, picture or reproduction of the Facility, for any purpose whatsoever. Furthermore, the Lessee shall not make use of or originate any material intended for publication or visual or oral presentation which uses the name "Newark Liberty International Airport" without the consent of the Port Authority.

Section 50. Labor Disturbances and Labor Harmony

(a) General. In connection with its operations at the Airport under this Agreement, the Lessee shall serve the public interest by promoting labor harmony, it being acknowledged that strikes, picketing, or boycotts may disrupt the efficient operation of the Terminal. The Lessee recognizes the essential benefit to have continued and full operation of the Airport as a whole and the Terminal as a transportation center. The Lessee shall immediately give oral notice to the Port Authority (to be followed reasonably promptly by written notices and reports) of any and all impending or existing labor-related disruptions and the progress thereof.

If any type of strike, picketing, boycott or other labor-related disruption is directed against the Lessee at the Terminal, or against its operations thereat pursuant to this Agreement, which

in the opinion of the Port Authority (i) physically interferes with the operation of the Airport, the Terminal or the Premises, or (ii) physically interferes with public access between the Premises and any portion of the Terminal or the Airport, or (iii) physically interferes with the operations of other operators at the Airport or the Terminal, or (iv) presents a danger to the health and safety of users of the Airport or the Terminal, including persons employed thereat or members of the public, the Port Authority shall have the right at any time during the continuance thereof to take such actions as the Port Authority may deem appropriate including, without limitation, terminating this Agreement and the letting on five (5) days' written notice to the Lessee. In the event of termination by the Port Authority hereunder this Agreement and the letting hereunder shall cease and expire on the effective date of termination stated in the notice with the same force and effect as if such date were the original expiration date of the letting hereunder.

(b) Labor Peace Agreement. The Lessee represents that, prior to or upon entering into this Agreement, it has delivered to the Port Authority evidence of a signed labor peace agreement, in the form attached hereto as **Exhibit X**, or in the event **Exhibit X** is inapplicable, then a signed officer's certification to such effect in the form required by the Port Authority.

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

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

(e) Suspension of Lessee Operations. In the event of suspension of Lessee's operations pursuant to paragraph (a), above, the Lessee shall cease its activities and operations in the Premises and shall take such steps to secure and protect the Premises as shall be necessary or desirable. The exercise by the Port Authority of the right of suspension hereunder shall not affect or in any way limit the Port Authority's rights of termination as set forth elsewhere in this Agreement.

Section 51. Finishes and Decorating by the Lessee

(a) The Port Authority shall deliver each area of the Premises to the Lessee in their presently existing "**AS IS**" condition. The Lessee acknowledges that prior to the execution of this Agreement, it has thoroughly examined and inspected the existing Premises and has found the same to be in good order and repair and has determined the Premises to be suitable for the Lessee's operations hereunder. The Lessee agrees to and shall take the Premises in their "**AS IS**" condition and the Port Authority shall have no obligation hereunder for finishing work or preparation of any portion of the Premises for the Lessee's use. Nothing contained herein shall be construed to relieve the Lessee of its obligations under the provisions of the Section of this Agreement entitled "*Sales and Services by the Lessee*" to install in the Premises all necessary or proper equipment or fixtures required for its operations in the Premises. Subject to the provisions of this Section and those of the

Section of this Agreement entitled "*Construction by the Lessee*", the Lessee agrees to and shall perform at its sole cost and expense all construction and installation work necessary or proper for its initial occupancy in, and operations at, the Premises, which work is hereinafter sometimes called the "**Lessee's Work**".

(b) The Lessee agrees that in performing the Lessee's Work it will incur costs subject to the limitations and restrictions contained in Item 6 of **Exhibit B**. Lessee shall submit on a timely basis to the Port Authority for its approval an Alteration Application in the form supplied by the Port Authority, and containing such terms and conditions as the Port Authority may include, setting forth in detail and by appropriate plans and specifications the construction and installation work proposed by the Lessee to modernize, refurbish and prepare the Premises for operations hereunder and the manner of and time periods for performing the same. The data to be supplied by the Lessee shall describe in detail the fixtures and equipment to be installed by the Lessee. The Lessee shall be responsible at its sole expense for retaining all architectural, engineering and other technical consultants and services as may be directed by the Port Authority and for developing, completing and submitting detailed plans and specifications for the Lessee's Work. The plans and specifications to be submitted by the Lessee to the Port Authority shall bear the seal of a qualified architect or professional engineer and shall be in sufficient detail for a contractor to perform the Lessee's Work. The Lessee shall not engage in any such contractor or permit the use of any subcontractor unless and until each such contractor or subcontractor has been approved by the Port Authority. The Lessee shall include in any such contract or subcontract such provisions as the Port Authority may approve or require, including, without limitation thereto, provisions regarding labor harmony. The Lessee shall cause each such contractor and subcontractor to obtain and maintain in force such insurance coverage and performance bonds as the Port Authority shall specify. All the Lessee's Work shall be done in accordance with the said Alteration Application and final plans and specifications approved by the Port Authority shall be subject to inspection by the Port Authority during the progress of the Lessee's Work and after the completion thereof and the Lessee shall redo or replace at its own expense any of the Lessee's Work not done in accordance therewith. Upon completion of the Lessee's Work, the Lessee shall supply the Port Authority with a certificate signed by the architect or engineer who sealed the Lessee's plans and specifications pursuant to the provisions of this paragraph certifying that all of the Lessee's Work has been performed in accordance with the approved plans and specifications covering such work and in accordance with the provisions of this Agreement, and the Lessee shall supply the Port Authority with as-built drawings in form and number requested by the Port Authority.

(c) The Lessee shall not commence any portion of the Lessee's Work until the Alteration Application and plans and specifications covering such work have been finally approved by the Port Authority. In the event of any inconsistency between the provisions of this Agreement and those of the Alteration Application, the provisions of this Agreement shall control. The Lessee recognizes that its obligation to pay the rentals for the Premises stated in Item 1 of **Exhibit B** shall commence as established pursuant to Item 1 of **Exhibit B** whether or not the Lessee's Work is then completed or whether the Lessee is then conducting public operations in the Premises. The Lessee shall conduct no public operations in the Premises until the Port Authority shall have notified the Lessee in writing that the Lessee's Work has been completed to its satisfaction.

(d) The Lessee shall be solely responsible for the plans and specifications used by it, and for the adequacy or sufficiency of such plans, specifications and all the improvements depicted thereon or covered thereby, regardless of the consent thereto or approval thereof by the Port Authority or the incorporation therein of any Port Authority requirements or recommendations. The Port Authority shall have no obligations or liabilities in connection with the performance of the Lessee's Work or the contracts for the performance thereof entered into by the Lessee. Any warranties extended or available to the Lessee in connection with the Lessee's Work shall be for the benefit of the Port Authority as well as the Lessee.

(e) Without limiting or affecting any other term or provision of this Agreement, the Lessee shall be solely responsible for the design, adequacy and operation of all utility, mechanical, electrical, communications and other systems installed in the Premises either by the Port Authority or by the Lessee and shall do all preventive maintenance and make all repairs, replacements, rebuilding (ordinary or extraordinary, structural or non-structural) and painting necessary to keep such systems and all other improvements, additions and fixtures, finishes and decorations made or installed by the Lessee (whether the same involves structural or non-structural work) in the condition they were in when made or installed except for reasonable wear which does not adversely affect the watertight condition or structural integrity of the building or adversely affect the efficient or proper utilization or appearance of any part of the Premises.

(f) The Lessee's refurbishment investment obligation, which shall be performed in accordance with this Section in the same manner as applies to the Lessee's Work, shall be in the amount of Twenty-Thousand Dollars and No Cents (\$20,000.00), subject to the limitations and restrictions contained in Item 6 of **Exhibit B**.

The Lessee shall be obligated to complete its refurbishment by the fifth (5th) anniversary date of this Agreement, which date shall refer to the anniversary of the date on which the subject space is operated for any permitted use under this Agreement. No later than 270 days prior to the end of the fifth (5th) anniversary, Lessee shall propose to the Port Authority the proposed refurbishment of the fixed improvements in Lessee's Premises. Following the Port Authority's approval (and in accordance with the Port Authority's TAA process), Lessee shall make any such required refurbishment to the fixed improvement in the Premises pursuant to the specific scope of work required by the Port Authority and provided by the Port Authority to Lessee.

The capital investment in the subject space shall be undertaken in such amounts and at such times, in addition to the minimum amounts and on earlier dates than the deadline dates listed above, if necessary, in order to prevent the Premises from appearing worn or shabby to its patrons. The determination as to whether the Premises appear worn and shabby shall be made by the Port Authority in its sole and absolute discretion and such determination shall be final and binding upon the Lessee.

(g) (1) Without limiting any of the terms and conditions of this Agreement, the Lessee understands and agrees that it shall put into effect prior to the commencement of any of the Lessee's Work an affirmative action program and minority business enterprise ("MBE") program and Women-owned Business enterprises ("WBE") program in accordance with the provisions of the schedule annexed hereto, hereby made a part hereof and marked **Schedule E**. The provisions of **Schedule E** of this Agreement shall be applicable to the Lessee's contractor or contractors and subcontractors at any tier of construction as well as to the Lessee and the Lessee agrees to include the provisions of **Schedule E** within all of its construction contracts so as to make such provisions and undertakings the direct obligation of the construction contractor or contractors and subcontractors at any tier of construction. The Lessee agrees to furnish and agrees to require its contractor, contractors and subcontractors to furnish the Port Authority such data, including but not limited to compliance reports relating to the operation and implementation of the affirmative action, MBE and WBE programs called for hereunder as the Port Authority may request at any time and from time to time regarding the affirmative action, minority business enterprises, and women-owned business enterprises programs of the Lessee and its contractor, contractors and subcontractors at any tier of construction, and the Lessee agrees to make and put in effect and agrees to require that its contractor, contractors and subcontractors at any tier of construction make and put into effect such modifications and additions thereto as may be agreed to by and between the Port Authority and the Lessee pursuant to the provisions hereof and those of **Schedule E** to effectuate the goals of affirmative action and minority business enterprise and women-owned business enterprise programs. The obligations imposed on the Lessee under this paragraph and **Schedule E** shall not be construed to impose any

greater requirements on the Lessee than those which may be imposed on the Lessee under applicable law.

(2) In addition to and without limiting any of the terms and conditions of this Agreement, the Lessee agrees to provide in its contracts and all subcontracts covering the Lessee's Work, or any portion thereof, that:

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

(ii) At the request of either the Port Authority or the Lessee, the contractor shall request such employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding and which is involved in the performance of the contract with the Lessee to furnish a written statement that such employment agency, labor union or representative shall not discriminate because of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will cooperate in the implementation of the contractor's obligations hereunder;

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

(iv) The contractor will include the provisions of (f)(2)(i) through (f)(2)(iii) of this Section in every subcontract or purchase order in such a manner that such provisions will be binding upon each subcontractor or vendor as to its work in connection with the contract.

(3) The term "contractor", as used herein, shall include each contractor and subcontractor at any tier of construction.

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

(i) (1) In addition to and without limiting any of the foregoing provisions of this Section, and without limiting any other provision of this Agreement, or the provisions of **Schedule E** hereof, the Lessee agrees, in connection with its continuing operation, maintenance and repair of the Premises, or any portion thereof, and in connection with every award or agreement for concessions or consumer services at the Facility to commit itself to and use good faith efforts throughout the term of the letting hereunder to implement an extensive program of Affirmative Action, including specific affirmative action steps to be taken by the Lessee, to ensure maximum opportunities for employment and contracting by minorities and women. In meeting such commitment the Lessee agrees to submit its said extensive Affirmative Action program, including the specific affirmative action steps to be taken by the Lessee to meet its aforesaid commitment, within

sixty (60) days after the commencement of the term of the letting hereof to the Port Authority for its review and approval. The Lessee shall incorporate in such program such revisions and changes as the Port Authority and the Lessee may agree upon from time to time. The Lessee agrees throughout the term of the letting hereunder to document its efforts in implementing such program, and agrees to keep the Port Authority fully advised of the Lessee's progress in implementing the program and to supply to the Port Authority such information, data and documentation with respect thereto as the Port Authority may from time to time and at any time request, including but not limited to annual reports.

(2) "Minority" as used herein shall mean those persons described in paragraph 1 (c) of Part 1 of Schedule E.

(3) In the implementation of the provisions of this Section, the Port Authority may consider compliance by the Lessee with the provisions of any federal, state or local law concerning affirmative action, and equal employment opportunity, which are at least equal to the requirements of this Section, as effectuating the provisions of this Section. If the Port Authority determines that by virtue of such compliance with the provisions of any such federal, state or local law that the provisions hereof duplicate or conflict with such law the Port Authority may waive the applicability of the provisions of this Section to the extent that such duplication or conflict exists.

(j) Nothing herein provided shall be construed as a limitation upon the application of any laws which establish different standards of compliance or upon the application of requirements for the hiring of local or other area residents.

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

Section 52. Affirmative Action

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

Section 53. Late Charges

If the Lessee should fail to pay any amount required under this Agreement when due to the Port Authority, including payment of rental, utility fees or charges, or other charges or fees then, in such event, the Port Authority may impose (by statement, bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period herein below described) during the entirety of which such amount remains unpaid, each such late charge not to exceed an amount equal to eight-tenths of one percent (.8%) of such unpaid amount for each late charge period. There shall be twenty-four (24) late charge periods during each calendar year; each late charge period shall be for a period of at least fifteen (15) calendar days except one late charge period each calendar year may be for a period of less than fifteen (15) (but not less than thirteen (13)) calendar days. Without limiting the generality of the foregoing, late charge periods in the case of amounts found to have been owing to the Port Authority as the result of Port Authority audit findings shall consist of each late charge period following the date the unpaid amount should have been paid under this Agreement. Each late charge shall be payable immediately upon demand made at any time therefor by the Port Authority.

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No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid late charge amount shall be deemed a waiver of the right of the Port Authority to payment of any late charge or late charges payable under the provisions of this Section, with respect to such unpaid amount. Each late charge shall be and become additional rent, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the rentals as set forth in Item 1 of Exhibit B hereof. Nothing in this Section is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Agreement, including without limitation the Port Authority's rights set forth in the Section of this Agreement entitled "*Thirty Day Termination*", or (ii) any obligations of the Lessee under this Agreement. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Agreement shall be payable instead at such legal maximum.

Section 54. Ethical Standards

The Lessee for itself and on behalf of any Affiliate of the Lessee and as to each member of the Board of Directors and each officer of the Lessee and/or of such Affiliate hereby certifies under the penalties applicable to perjury, represents warrants and covenants with full knowledge that the Port Authority will rely hereon in entering into this Agreement that at no time hereafter including the term of this Agreement shall the Lessee or any Affiliate thereof (a) take any action with respect to any employee or former employee of the Port Authority or immediate family member of either (i.e., spouse, child, parent or brother or sister) which would constitute a breach of ethical standards under the Code of Ethics and Financial Disclosure dated as of July 18, 1994 promulgated by the Port Authority, a copy of which is available upon request to the Secretary of the Port Authority, (b) offer, give or agree to give anything of value either to a Port Authority employee, agent, job shopper, consultant, construction manager or other person or firm representing the Port Authority, or to a member of the immediate family (i.e., a spouse, child, parent, brother or sister) of any of the foregoing, in connection with the performance by such employee, agent, job shopper, consultant, construction manager or other person or firm representing the Port Authority of duties involving transactions with the Lessee on behalf of the Port Authority, whether or not such duties are related to this Agreement or any other Port Authority contract or matter, or (c) make an offer of employment or use confidential information in a manner prescribed by the said Code of Ethics and Financial Disclosure. Any such conduct shall be deemed a material breach of this Agreement. As used herein "anything of value" shall include but not be limited to any (1) favors, such as meals, entertainment, transportation (other than that contemplated by this Agreement or any other Port Authority contract), etc., which might tend to obligate the Port Authority employee to the Lessee or any parent or Affiliate thereof and (2) gift, gratuity, money, goods, equipment, services, lodging, discounts not available to the general public, offers or promises of employment, loans or the cancellation thereof, preferential treatment or business opportunity. Such term shall not include compensation contemplated by this Agreement or any other Port Authority contract; and (iv) that neither the Lessee nor any Affiliate thereof knows of any action the part of any employee or former employee of the Port Authority which constitutes a breach of said Code of Ethics and Financial Disclosure and that if it or any parent or other Affiliate of the Lessee comes into such knowledge at any time hereafter, including during the term of this Agreement, it shall immediately report the same to the Port Authority in writing, any failure to do so being deemed a material breach of this Agreement.

Section 55. Additional Rent Items and Lessee Obligations

(a) Promotion Fee. The Lessee agrees to participate fully with the marketing and promotional programs for the concession (retail and food and beverage included) area sponsored by the Port Authority in the Terminal. Commencing as of the second full calendar month in which the Lessee conducts its operations hereunder, the Lessee shall pay, as additional rental, a "Promotion Fee" as the Lessee's contribution for marketing, advertising and promotion programs conducted by or

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on behalf of the Port Authority relating to the retail program in the Terminal. The Promotion Fee shall be an amount (i) during the first year of the term which equals one-half of one percent (.5%) of the Lessee's Gross Receipts during the preceding calendar month and (ii) during each subsequent year of the term which equals one-half of one percent (.5%) of the Lessee's annual Gross Receipts for the annual period in which such promotion fee relates. Such amount shall be payable no later than the 15th day following the end of each month. The Promotion Fee shall be prorated, if necessary, in the same manner as Basic Rental is prorated under this Agreement.

The failure of any other lessee or occupant of space within the concession area to participate in advertising for such concession area or make promotional contributions to the Port Authority shall not relieve the Lessee of any of its obligations under this Section. The Port Authority shall not be obligated to expend more for marketing and promotional programs than is actually collected from the Lessee and other concession facility operators in the Terminal. The Port Authority shall have the sole authority to employ and discharge personnel, retain third party independent contractors and to establish all budgets with respect to such marketing and promotional programs. *The Port Authority reserves the right at any time to terminate its activities in this regard and cease collecting Promotion Fee contributions from the Lessee and other concession operators for these activities.* In such event the Port Authority shall so notify the Lessee in writing and, thereafter, the Lessee shall no longer be obligated to make any further Promotion Fee contributions, and any remaining funds previously contributed as Promotion Fees may be used by the Port Authority to promote the overall concession program and facilities.

(b) *Distribution Services and Fee.*

(1) The Lessee shall, at the Lessee's sole cost and expense, make deliveries in a timely manner to a designated area, controlled by the Port Authority or its designee, in accordance with the Port Authority's rules and regulations. The Port Authority may, at its option, provide receiving and delivery services to operators in the concession area. In such event, the Lessee shall use such service for all of its deliveries to the Terminal and the Premises (including, but not limited to, *delivery of goods from the Lessee's off-Airport suppliers to the on-Airport warehouse of the contractor selected by the Port Authority to provide delivery services*) and no deliveries of any items shall be made by any persons or entities directly to the Premises without the prior written authorization of the Port Authority and, if so given, the Port Authority shall have the right to revoke any such authorization at any time in its sole discretion.

(2) The Lessee, in transferring any merchandise, equipment, stock or consumable items within or about the Terminals, shall only do so in full compliance with Port Authority rules, regulations and guidelines. The same may restrict the time and day of delivery or the manner of delivery, method of delivery, areas of delivery or the person or persons by whom delivery may be effected. The Port Authority may deny access or require any vehicle to be removed for failure to follow applicable rules, regulations and guidelines that may be established by the Port Authority from time to time.

(3) If the Port Authority provides such services, the Lessee shall pay as an annual "**Distribution Fee**" the sum of Thirteen Dollars and No Cents (\$13.00) per square foot of the Premises, to the Port Authority for the cost of distribution services, payable in advance as additional rent hereunder in equal, monthly installments commencing as of the Rental Payment Start Date and continuing during the balance of the term of the letting hereunder. Effective each January 1 this amount shall be adjusted to reflect the annual adjustment by the Index as described in *subsection (h) of this Section 55.*

(c) **Trash Removal.** The Lessee shall be solely responsible, at the Lessee's expense, for removal of trash, garbage, debris and other waste material from the Premises, on a daily basis, in a manner approved by the Port Authority, unless the Port Authority elects to provide such

services. The Lessee shall contract with the Port Authority's disposal contractor at the Terminal for the disposal of its trash, garbage, debris and other waste material. In the event the Port Authority elects to provide such services, the Port Authority's costs of providing such services shall be chargeable to, and payable by, the Lessee as additional rent hereunder, on a per square foot basis represented by the square footage of the Premises and such additional rent would be due in equal, monthly installments payable together with the Basic Rental payments to be made hereunder upon prior written notice from the Port Authority.

(d) Intentionally omitted.

(e) No Inspection or Audit Rights. The Lessee shall not have any inspection or audit rights of any of the Port Authority's books and records pertaining to the costs and expenses which support the fees which may be charged pursuant to this Section and the Lessee hereby expressly waives any rights, whether by statute or otherwise, to conduct any such inspection or audit.

(f) Concession Meetings. The Lessee acknowledges the benefit of regular meetings with the Port Authority or its designee to discuss matters relating to the retail plan at the Terminal, including, but not limited to, the business of the Lessee, marketing plans for the Terminals and the Lessee, traffic projections, customer service techniques and other concession-related matters. The Lessee agrees that it shall attend any meetings convened by the Port Authority or its designee to discuss such matters, whether the same be between the Lessee and the Port Authority or among multiple concessionaires and the Port Authority, and that it shall cause a member of its senior management staff to attend any and all such meetings. Similarly, the Lessee agrees to fully participate in and cooperate with the Port Authority or its designee in connection with any customer service surveys which are conducted on-site at the Terminal and not interfere with, obstruct, delay or otherwise hinder the process of taking such surveys, and further, fully participate in and cooperate in connection with training in customer service techniques and other concession-related matters that may be scheduled or arranged by the Port Authority or its designee from time to time. No compensation shall be due or paid to the Lessee for its participation or cooperation in connection with the matters described in this paragraph.

(g) Training. The Lessee covenants that it shall conduct and complete, at least on an annual basis, for itself and its employees, training with respect to customer service techniques and other concession related matters. Similarly, the Lessee agrees that its frontline sales and transaction staff shall be required to attend customer service training at least once annually if such training is offered by the Port Authority or its designee; such training to be in addition to, and not in lieu of, the Lessee's own training programs, requirements and obligations.

(h) In the event escalations are needed to items of Additional Rental during the term of the letting, the following will be the methodology used for such escalation:

(1) (i) "Index" shall mean the Consumer Price Index for All Urban Consumers - New York-Northern New Jersey-Long Island, NY-NJ-CT (All Items, unadjusted 1982-84=100) published by the Bureau of Labor Statistics of the United States Department of Labor.

(ii) "Base Period" shall mean the calendar month of January, 2010.

(iii) "Adjustment Period" shall mean, as the context requires, the calendar month of January, 2011 and the calendar month of January in each calendar year which thereafter occurs during the term of this Agreement.

(iv) **“Anniversary Date”** shall mean, as the context requires, each January 1 following the Rental Payment Start Date (the “First Anniversary Date”) and each anniversary of such date which thereafter occurs during the term of this Agreement.

(v) **“Annual Index Increase”** shall mean the percentage of increase in the Index on each Anniversary Date, equal to: (x) with respect to the First Anniversary Date, a fraction of which the numerator shall be the Index for the Adjustment Period immediately preceding such Anniversary Date less the Index for the Base Period, and the denominator shall be the Index for the Base Period, and (y) with respect to each Anniversary Date thereafter, a fraction of which the numerator shall be the Index for the Adjustment Period immediately preceding such Anniversary Date less the Index for the next preceding Adjustment Period, and the denominator shall be the Index for such next preceding Adjustment Period (for example, the Annual Index Increase for the Anniversary Date that is January 1, 2011 would be a fraction of which the numerator is the Index for November, 2010 less the Index for November, 2009 and the denominator is the Index for November, 2009).

(vi) **“Percentage Increase”** shall mean, with respect to each Anniversary Date, a percentage equal to the Annual Index Increase for that Anniversary Date.

(2) Commencing on each Anniversary Date and for the period commencing with such Anniversary Date and continuing through to the day preceding the next Anniversary Date, or the expiration date of the term of the letting under this Agreement as herein amended, as the case may be, both dates inclusive, in lieu of the Additional Rental set forth herein, the Lessee shall pay escalated Additional Rental as follows:

(i) the sum obtained by adding to the item of Additional Rental set forth herein the product obtained by multiplying such Additional Rental by the Percentage Increase for such Anniversary Date, or

(ii) the item of Additional Rental payable immediately prior to such Anniversary Date including all amounts included therein as a result of prior adjustments thereof pursuant to the provisions of this paragraph.

(3) In the event the Index to be used in computing any adjustment referred to in this paragraph is not available on the effective date of such adjustment, the Lessee shall continue to pay the Additional Rental at the amount then in effect subject to retroactive adjustment at such time as the specified Index becomes available, provided, however, that the Port Authority may at its option substitute for such Index the Index for the latest preceding month then published to constitute the specified Index. In the event the United States Consumer Price Index for All Urban Consumers - New York-Northern New Jersey-Long Island, NY-NJ-CT (All Items, unadjusted 1982-84=100) shall hereafter be converted to a different standard reference base or otherwise revised or the United States Department of Labor shall cease to publish the United States Consumer Price Index for All Urban Consumers - New York-Northern New Jersey-Long Island, NY-NJ-CT (All Items, unadjusted 1982-84=100), then for the purposes hereof there shall be substituted for the Index such other appropriate index or indices properly reflecting changes in the value of current United States money in a manner similar to that established in the Index used in the latest adjustment as the Port Authority in its discretion determine.

If after an adjustment in Additional Rental shall have been fixed for any period, the Index used for computing such adjustment shall be changed or adjusted, then the rental adjustment for that period shall be recomputed and from and after notification of the change or adjustment, the Lessee shall make payments based upon the recomputed rental and upon demand shall pay any excess in the basic rental due for such period as recomputed over amounts theretofore actually paid on account of the Additional Rental for such period. If such change or adjustment

results in a reduction in the Additional Rental due for any period prior to notification, the Port Authority will credit the Lessee with the difference between the Additional Rental as recomputed for that period and amounts of Additional Rental actually paid.

If any adjustment of Additional Rental referred to in this paragraph is effective on a day other than the first day of a calendar month, there shall be payable in advance on the effective date of rental adjustment an installment of Additional Rental equal to one-twelfth (1/12th) of the increment of annual Additional Rental as adjusted multiplied by a fraction, the numerator of which shall be the number of days from the effective date of the rental adjustment to the end of the calendar month in which the rental adjustment was effective and the denominator of which shall be the number of days in that calendar month.

Section 56. Lessee's OFAC Certification

(a) The Lessee hereby represents and warrants to the Port Authority (which representations and warranties shall be deemed to be continuing and re-made at all times during the Term) that Lessee is not, and shall not become, a person or entity with whom the Port Authority is restricted from doing business under the regulations of the Office of Foreign Asset Control ("OFAC") of the United States Department of the Treasury (including, but not limited to, those named on OFAC's Specially Designated and Blocked Persons list) or under any statute, executive order (including, but not limited to, the September 24, 2001 Executive Order on Terrorist Financing Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit or Support Terrorism), or other governmental action and is not engaging, and shall not engage, in any dealings or transactions or be otherwise associated with such persons or entities. The Lessee acknowledges that the Port Authority is entering into this Agreement in reliance on the foregoing representations and warranties and that such representations and warranties are a material element of the consideration inducing the Port Authority to enter into and execute this Agreement. In the event of any breach of any of the foregoing representations and warranties by the Lessee, the Port Authority shall have the right, in addition to any and all other remedies provided under this Agreement or at law or in equity, to immediately terminate this Agreement upon written notice to the Lessee. The Lessee further acknowledges that there shall be no cure for such a breach. In the event of any such termination by the Port Authority, the Lessee shall, immediately on receipt of the Port Authority's termination notice, cease all use of and operations permitted under this Agreement and surrender possession of the Premises to the Port Authority without the Port Authority being required to resort to any other legal process. Termination on the *aforedescribed* basis shall be deemed a termination for cause.

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

(c) The provisions of this Section shall survive the expiration or earlier termination of this Agreement.

Section 57. Holdover

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

Section 58. Waiver of Trial by Jury

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

Section 59. Liquidated Damages

The Port Authority may assess, in its sole discretion, and Lessee shall pay within ten (10) days of written demand therefor as liquidated damages, and not as a penalty, the amounts described below for each of the events described below:

(a) If Lessee shall fail to open the Premises for business after and including the Rental Payment Start Date, then Lessee shall pay the amount of Two Hundred Fifty Dollars (\$250.00) per day for each day Lessee is not open for business. If such failure shall continue for in excess of sixty (60) days, the amount of such liquidated damages may be increased up to a maximum of Five Hundred Dollars (\$500.00) per day.

(b) If Lessee shall fail to furnish to the Port Authority any Monthly Statement or Annual Statement within the time required by this Lease, then Lessee shall pay the amount of One Hundred Dollars (\$100.00) per statement per day until such statement is properly delivered to the Port Authority for the first (1st) such failure to furnish a statement in any rolling

twelve (12) month period, Two Hundred Fifty Dollars (\$250.00) per statement per day until such statement is delivered to the Port Authority for the second (2nd) such failure to furnish a statement in any rolling twelve (12) month period, and Five Hundred Dollars (\$500.00) per statement per day until such statement is delivered to the Port Authority for the third (3rd) and all subsequent failures to furnish any such statement in any rolling twelve (12) month period.

(c) If Lessee shall fail to provide the required certificate signed by the architect or engineer who sealed the Lessee's plans certifying that all of Lessee's Work, if any, has been performed in accordance with the approved plans and specifications and/or if Lessee shall fail to provide the as-built drawings in form and number requested by the Port Authority, as required by *Section 51(b)*, within ninety (90) days of the completion of Lessee's Work, then Lessee shall pay the amount of Three Hundred Dollars (\$300.00) per day for each day that it is not delivered to the Port Authority. If such failure shall continue for a period exceeding one hundred eighty (180) days after the completion of Lessee's Work, such shall be a material default by Lessee hereunder entitling the Port Authority to all remedies available to it hereunder or at law.

(d) If Lessee shall fail to operate its business as provided in the Section of this Agreement entitled "*Various Obligations of the Lessee*", and in accordance with any other operating standards implemented by the Port Authority, then Lessee shall pay the amount of One Hundred Dollars (\$100.00) per instance per day that Lessee fails to operate its business in accordance with the terms hereof for the first (1st) violation in any rolling twelve (12) month period, and the amount of Two Hundred Dollars (\$200.00) per instance that Lessee fails to operate its business in accordance with the terms hereof for the second (2nd) and any subsequent violations in any rolling twelve (12) month period.

(e) If Lessee shall fail to adjust its prices to comply with any criteria or policies for "Street Prices" in accordance with *Sections 13(c), (d) and (e)* of the Section of this Agreement entitled "*Sales and Services by the Lessee*", then Lessee shall pay the amount of One Hundred Dollars (\$100.00) per day for each day that Lessee is not in compliance with such criteria and policies for the first (1st) violation in any rolling twelve (12) month period, and the amount of Two Hundred Dollars (\$200.00) per day for each day that Lessee is not in compliance with such criteria and policies for the second (2nd) and any subsequent violations in any rolling twelve (12) month period.

(f) If Lessee shall fail to operate its business as provided in *Section 13(f)* of the Section of this Agreement entitled "*Sales and Services by the Lessee*", then Lessee shall pay the amount of One Hundred Dollars (\$100.00) per hour for each hour Lessee fails to operate its business during any required operating hours for the first (1st) violation in any rolling twelve (12) month period, and the amount of Two Hundred Dollars (\$200.00) per hour for each hour Lessee fails to operate its business during any required operating hours for the second (2nd) and any subsequent violations in any rolling twelve (12) month period.

(g) If Lessee shall be in default of the Section of this Agreement entitled "*Signs*" relating to Lessee's use and placement of signs, then Lessee shall pay the amount of One Hundred Fifty Dollars (\$150.00) for each day of default in order to reimburse the Port Authority for the additional administrative expenses resulting therefrom.

Section 60. Amendments/Modifications

(a) Notwithstanding the provisions of paragraph (a) of the Section of this Agreement entitled "*Prohibited Acts*", paragraph (c) of the Section of this Agreement entitled "*Construction by the Lessee*" or the Section of this Agreement entitled "*Surrender*", and without limiting the generality thereof, the Lessee on the expiration or earlier termination of this Agreement shall not be required (nor permitted to remove the walls, floors or ceilings (including any heating, [AMS BW Newark JV/Hudson Booksellers/Lease No ANC-011])

ventilating, air conditioning, electrical, plumbing or sprinkling equipment or systems, or kitchen exhaust flue, if any) in the Premises constructed or installed prior to the commencement of the letting, or as part of any finishing work in the Premises performed by the Lessee pursuant to the provisions of the Sections of this Agreement entitled "*Construction by the Lessee*" and "*Finishes and Decorating by the Lessee*", respectively, but the Lessee shall be required to cap all electrical and plumbing lines flush with the walls, floors and ceilings. Nothing herein shall be deemed to affect or impair the Lessee's maintenance and repair obligations during the term of the letting with respect to any of the foregoing. The Lessee on the expiration or earlier termination of the letting, including a termination pursuant to the Section of this Agreement entitled "*Thirty Day Termination*", shall be required to remove from the Premises leasehold trade fixtures and leasehold equipment, including without limitation, shelving, display cases, floor counters, items displaying the Lessee's trademark, trade name, trademark, trade dress, copyright or service mark, and similar installations installed by the Lessee in the Premises and to restore the Premises to the condition thereof prior to the construction or installation of such leasehold trade fixtures and equipment. In the event of a failure on the part of the Lessee to so remove and restore all or a portion of such leasehold trade fixtures and leasehold equipment, the Port Authority may do so, and the Lessee shall pay the cost thereof to the Port Authority on demand.

(b) Notwithstanding the provisions of paragraph (1)(3) of the Section of this Agreement entitled "*Definitions*" with respect to the definition of "*Gross Receipts*", the exclusions from Gross Receipts shall not only include volume discounts received from Lessee's vendors, suppliers and manufacturers but shall also include rebates that reduce Lessee's cost of goods; provided, however, all RDAs shall be included in Lessee's Gross Receipts.

(c) Notwithstanding the provisions of paragraph (j) of the Section of this Agreement entitled "*Various Obligations of the Lessee*", the first three sentences of such paragraph (j) deleted and are replaced with the following: "Airport Concession. Disadvantaged Business Enterprises ("**ACDBE**"). If any member of AMS-BW Newark is required to apply as an ACDBE with the Port Authority, please check here (X). Such member shall immediately take all steps necessary to obtain such certification from the Port Authority on or before the Rental Payment Start Date."

(d) Notwithstanding the provisions of paragraph (i) of the Section of this Agreement entitled "*Various Obligations of the Lessee*" and further notwithstanding the provisions of paragraph (a) of the Section of this Agreement entitled "*Finishes and Decorations by the Lessee*", Lessee shall not be required to remediate any Hazardous Substances that were present in or adjacent to any portion of the Premises on or before the date such portion of the Premises was initially delivered by the Authority to Lessee.

Section 61. Miscellaneous

(a) **Relationship of the Parties.** Notwithstanding any other term or provision hereof, this Agreement does not constitute the Lessee as the agent or representative of the Port Authority for any purpose whatsoever. Neither a partnership nor any joint venture is hereby created.

(b) **Lessee's Rights Non-Exclusive.** Except as expressly provided herein with respect to the Premises, neither the execution of this Agreement by the Port Authority nor anything contained herein shall grant or be deemed to grant to the Lessee any exclusive rights or privileges.

(c) **Updating of Federal Requirements.** The Lessee specifically acknowledges and agrees that the Federal requirements set forth in **Schedule E** may be revised or updated from time to time and that, accordingly, the Port Authority may from time to time, by notice to the Lessee, provide to the Lessee revised or updated forms of **Schedule E** to replace the **Schedule E** currently attached to and forming a part of this Agreement. Such replacement **Schedule E** shall, from the

[AMS BW Newark JV/Hudson Booksellers/Lease No. ANC-011]

effective date of such notice, be deemed to constitute an integral part of this Agreement. The Lessee further specifically acknowledges that the same revision or updating of Federal requirements may occur from time to time with respect to the regulations set forth in 49 CFR Part 23 of the Department of Transportation Office of the Secretary and that the provisions of this paragraph relating to **Schedule E** shall apply equally to those set forth in **Schedule G**.

Section 62. Entire Agreement

This Agreement consists of the following: Sections 1 through 62 inclusive, plus Exhibits A-1, A-2, B, C, R, U, X, Schedule A, Schedule E and Schedule G.

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

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

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

ATTEST:

By: [Signature]
Secretary

By: [Signature]
Name: Ronald DeRose
(Please Print Clearly)

Title: Asst Director, CCAS
(Seal)

LESSEE:

ATTEST:

AMS-BW NEWARK JV
By: Airport Management Services, LLC, a joint venturer
By: Hudson News Company, Its Managing Member

By: [Signature]
Secretary

By: [Signature]
Name: Michael R. Mullaney
(Please Print Clearly)

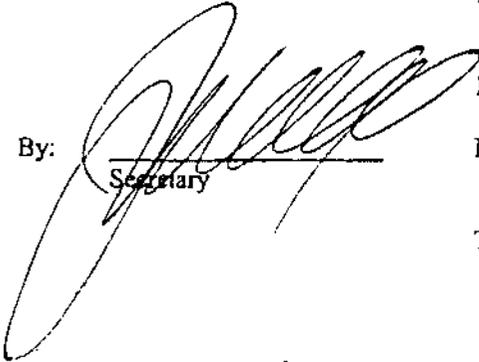
Title: Executive Vice President
(Seal)

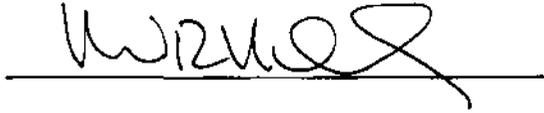
[remaining signature blocks on following page]



ATTEST:

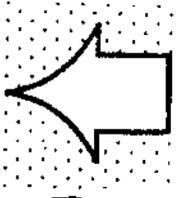
AIRPORT MANAGEMENT SERVICES, LLC,
a Delaware limited liability company
By: Hudson News Company, its Managing Member

By: 
Secretary

By: 

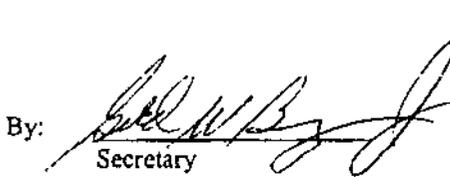
Name: Michael R. Mullaney
(Please Print Clearly)

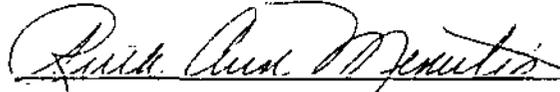
Title: Executive Vice President
(Seal)



ATTEST:

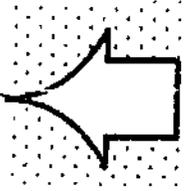
BRANDED WORKS, INC.,
a Louisiana corporation

By: 
Secretary

By: 

Name: RUTH ANN MENUTIS
(Please Print Clearly)

Title: PRESIDENT
(Seal)



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

OAC

EXHIBIT B

Rental, Abatement, Insurance Limits and Other Terms

Item I: Rental Provisions:

(a) Basic Rental and Additional Rental:

(1) The Lessee shall pay to the Port Authority a basic rental (sometimes referred to herein as "**Basic Rental**" or "**MAG**") at the annual rate of Eighty-Eight Thousand Four Hundred Dollars and No Cents (\$88,400.00), payable in equal monthly installments in advance on the Rental Payment Start Date and on the first day of each and every calendar month thereafter occurring during the **first Annual Period of the term** of the letting hereunder, provided, however, that if the Rental Payment Start Date shall occur on a day other than the first day of a calendar month, the monthly installment of the applicable Basic Rental, i.e., MAG, payable for the portion of the calendar month in which such respective event occurs following such date shall be an amount equal to the monthly installment set forth in this subparagraph multiplied by a fraction, the numerator of which shall be the number of days from such respective event to the end of the calendar month in which such respective event occurs, and the denominator of which shall be the full number of days in that calendar month. If the date of expiration or termination of the letting hereunder occurs on other than the last day of the month, the applicable Basic Rental payable for the portion of the month in which the date of such expiration or termination shall occur during which the letting thereof remains effective shall be the amount of the monthly installment of such applicable Basic Rental set forth in this subparagraph prorated on a daily basis.

(2) The Basic Rental shall be adjusted for each subsequent Annual Period as follows: Eighty-five percent (85%) of the prior Annual Period's total Effective Rental, but in no event less than Eighty-Eight Thousand Four Hundred Dollars and No Cents (\$88,400.00). "**Effective Rental**" means the annual aggregate of Basic Rental plus Percentage Rental (based on actual Gross Receipts for the prior Annual Period) required to be paid hereunder.

(b) Percentage Rental

In addition to the Basic Rental payable under paragraph (a) above, the Lessee shall pay to the Port Authority an annual "**Percentage Rental**" equivalent to the excess, over the applicable annual Basic Rental established for such Annual Period under paragraph (a) above, of the sum of the following for the same Annual Period.

(1) Eight percent (8%) of all Gross Receipts up to Eight Hundred Thousand Dollars (\$800,000.00) per Annual Period, payable monthly, inclusive of amounts payable, if any, with respect to RDAs arising during each Annual Period; plus

(2) Ten percent (10%) of all Gross Receipts between Eight Hundred Thousand Dollars and 01/100 (\$800,000.01) up to One Million Two Hundred Thousand Dollars (\$1,200,000.00) per Annual Period, payable monthly; inclusive of amounts payable, if any, with respect to RDAs arising during each Annual Period; plus

(3) Fourteen percent (14%) of Gross Receipts in excess of One Million Two Hundred Thousand Dollars (\$1,200,000.00) per Annual Period, payable monthly; inclusive of amounts payable, if any, with respect to RDAs arising during each Annual Period.

The computation of Percentage Rental for each Annual Period, or a portion of an Annual Period as hereinafter provided, shall be individual to such Annual Period or such portion of an Annual Period and without relation to any other Annual Period or any other portion of any Annual Period. The time for making payment and the method of calculation of Percentage Rental shall be as set forth in paragraph (d) of this Item 1.

(c) For any Annual Period which contains more or less than 365 days, the Basic Rental shall be the amount obtained by multiplying the item by a fraction, the numerator of which shall be the number of days from the commencement of such Annual Period through the last day thereof, both dates inclusive, and the denominator of which shall be 365.

(d) Time of Payment of Percentage Rental Computations of Amounts and Accounting

(1) The Gross Receipts shall be reported and the Percentage Rental shall be paid as follows: on the 15th day of the first calendar month following the commencement of each Annual Period and on the 15th day of each and every calendar month thereafter without notice or demand, including the month following the end of each Annual Period and the calendar month following the expiration of the letting hereunder, the Lessee shall render to the Port Authority a sworn statement showing separately (by type of Gross Receipts and by sales location, if there be more than one sales location, or, if applicable, the amounts of the Percentage Rental rates applicable to the categories stated above of Gross Receipts referred to paragraph (b) of this Item 1 arising from its operations at the sales area(s) (including any interim space) of the Premises in the preceding month, or, if applicable, the Lessee shall specify separately the percentages and the results of applying each of the percentages, as provided in said provisions) and also showing such information on a cumulative basis from the date of the commencement of the same Annual Period as that for the month for which the report is made through the last day of the preceding month. Whenever any monthly statement shall show that the results of applying the provisions of paragraph (b) of this Item 1 indicate Percentage Rental on such cumulative basis to be in excess of the Basic Rental for the Annual Period for which the report is made, the Lessee shall pay to the Port Authority at the time of rendering the statement an amount equal to such excess. Further, the Lessee shall thereafter on the 15th day of each subsequent month during that Annual Period, and the month following the end of that Annual Period, including the month following the expiration of the letting hereunder, pay to the Port Authority for each such month during that Annual Period a sum equal to the amounts yielded by applying the percentages set forth in paragraph (b) of Item 1 of Exhibit B and without reference to the monthly installment of the Basic Rental.

(2) Upon any termination of the letting hereunder (even if stated to have the same effect as expiration), Gross Receipts shall be reported and Percentage Rental shall be paid on the 15th day of the first month following the month in which the effective date of such termination occurs, as follows. The Lessee shall render to the Port Authority a sworn statement of all Gross Receipts for the Annual Period in which the effective date of termination falls showing separately (by type of Gross Receipts and by sales location, if there be more than one sales location) the cumulative amount of the different types of Gross Receipts set forth in paragraph (b) of this Item 1 and separately showing the percentages and the results of applying the percentages as stated in said provisions applicable to each of such different types and amounts of Gross Receipts. The payment then due on account of Percentage Rental for the Annual Period in which the effective date of termination falls shall be the excess of the Percentage Rental computed as set forth in the following sentence, over the total of all Percentage Rental payments previously made for such Annual Period. The Percentage Rental due for any such Annual Period in which the effective date of termination falls shall be equal to the excess, over the prorated Basic Rental established for such Annual Period pursuant to the proration provisions set forth in paragraph (c) of this Item 1, of the amount resulting from applying the provisions of paragraph (b) of this Item 1 to the cumulative amount of the different types of Gross

Receipts arising during such Annual Period in accordance with the formula set forth in paragraph (b) of this Item 1, adjusted pursuant to the proration provisions set forth in paragraph (c) of this Item 1.

(c) Abatement

(1) For every calendar day or major fraction thereof that the Lessee shall be entitled to abatement during the period commencing on the commencement date of the term of the letting hereunder and continuing through the expiration of said term of the letting hereunder, the Basic Rental established for such period shall be reduced (abated) by the product of the MAG multiplied by a fraction the numerator of which shall be the number of square feet of floor space as to which the abatement applies and the denominator of which shall be the total number of square feet in the Premises.

(2) For the purpose of abatement, the ascertainment of the number of square feet contained in the Premises to be measured shall be in accordance with the following: Areas of the Premises and parts thereof will be computed by measuring from the inside plaster surface of outer building walls to the plaster surface of the corridor side of corridor partitions and to the center of partitions that separate the Premises from adjoining rentable area: no deduction will be made for columns, pilasters, or projections necessary to the building or for toilets, porter's closets, and slop sinks used exclusively by the Lessee and contained within the Premises. Permanent partitions enclosing elevator shafts, stairs, fire towers, vents, pipe shafts, meter closets, flues, stacks, and any vertical shafts have the same relation to rentable area, as do outer building walls.

(3) Nothing contained in this Item 1 shall affect the survival of the obligations of the Lessee as set forth in the Section of this Agreement entitled "*Survival of the Obligations of the Lessee*".

Item 2: Liability Insurance Limits:

The Lessee in its own name as insured with the Protected Indemnities as additional insureds shall maintain liability insurance coverage referred to in paragraph (b) of the Section of this Agreement entitled "*Indemnity; Liability Insurance*" in not less than the following minimum limits:

| | <u>Minimum Limits</u> |
|--|-----------------------|
| Commercial General Liability: Combined single limit per occurrence for death, bodily injury and property damage liability (including premises operations, completed operations, and products liability) | \$2,000,000 |
| Commercial Automobile Liability: Combined single limit per occurrence for death, bodily injury and property damage liability | Not Applicable |
| Liquor Liability | \$2,000,000 |

Item 3: Not Applicable

Item 4: Construction:

Per Section of this Agreement entitled "*Finishing and Decorating by the Lessee*"

Item 5: Construction Liability Limits:

The limits of liability insurance shall not be lower than those set forth in the Alteration Application referred to in the Section of this Agreement entitled "*Finishing and Decorating by the Lessee*".

Item 6: Cost and Proration Thereof:

(a) The sum of the following items of cost incurred by the Lessee in connection with the performance of the Lessee's Work shall constitute the "cost" under the Section of this Agreement entitled "*Finishes and Decorating by the Lessee*" and under subdivisions (b), (c), (d), (e), (f), and (g) hereof, to the extent that such characterization is consistent with sound accounting practice and to the extent that such sum does not exceed the amount of Five Hundred Fifteen Thousand Seven Hundred Dollars and No Cents (\$515,700.00) in the aggregate with respect to both the initial and refurbishment capital investments.

(1) Direct labor and material costs;

(2) Contract costs for purchase and installation of improvements, fixtures and equipment, excluding those of the types mentioned in the following subdivision (3);

(3) Engineering, architectural, planning, designing, financing, interest, insurance, and other overhead or carrying charges which are due for a period ending not later than the date of completion of installation of any such initial equipment, fixtures, or improvements for which they are incurred, and not to exceed twenty percent (20%) of the total of the amounts covered by subdivisions (1) and (2) above.

(b) A statement of the cost detailing all of the foregoing, including copies of invoices and contracts and certified by a responsible officer of the Lessee shall be delivered by the Lessee to the Port Authority not later than ninety (90) days after the complete supplying and installing of all such initial fixtures or equipment and the making of all such initial improvements, and the Lessee shall permit the Port Authority, by its agents, employees, and representatives, at all reasonable times prior to a final settlement or determination of cost, to examine and audit the records and books of the Lessee and any Affiliate thereof which pertain to the cost; the Lessee agrees to keep and to cause its Affiliates to keep such records and books of account within the Port of New York District during such time.

(c) If the Lessee includes in cost any item as having been incurred, but which, in the opinion of the Port Authority, was not so incurred or which, in the opinion of the Port Authority, if so incurred is not an item properly chargeable to cost under sound accounting practice, then the Port Authority, within ninety (90) days after receipt of the said statement of cost as mentioned in subdivision (b) above, shall give written notice to the Lessee stating its objection to any such item and the grounds therefor. If such notice is given and if the dispute is not settled within thirty (30) days by agreement between the parties, then such dispute shall be disposed of by arbitration in accordance with the then existing rules of the American Arbitration Association or any successor organization. Costs of said arbitration shall be borne equally by the Port Authority and the Lessee.

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

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

(e) Any such arbitration as to whether any item included by the Lessee in its computation of cost is properly chargeable thereunder under sound accounting practice, the question to be submitted to the arbitrators for decision shall be as follows:

"Can it reasonably be held that all or any part of such cost is properly chargeable under sound accounting practice; and if part, but not all of such cost can be reasonably held to be so chargeable, then what amount can reasonably be held to be so chargeable?"

The arbitrators to whom such question(s) shall be submitted (under the preceding paragraphs (d) and (e)) shall be accountants or auditors.

(f) The proration of cost as referred to in the Section entitled "*Finishes and Decorating by the Lessee*" shall be ascertained by multiplying the cost by a fraction, the numerator of which shall be the number of whole calendar months (in the term of the letting as originally set forth) subsequent to the effective date of termination, and the denominator of which shall be the total number of months in the term of the letting as originally set forth.

(g) Notwithstanding any other provision of the Section of this Agreement entitled "*Finishes and Decorating by the Lessee*", in ascertaining the amount that the Port Authority shall be obligated to pay to the Lessee under said Section, the cost computed as heretofore stated in this Item shall be diminished by the amount that any part of the components of cost as stated in subdivisions (1), (2), and (3) of paragraph (a) above are secured by liens, mortgages, other encumbrances, or conditional bills of sale on such equipment, fixtures, and improvements and less any other amounts whatsoever due under this Agreement from the Lessee to the Port Authority. In no event whatsoever shall cost, as defined and computed in accordance with this Item and as used in the above-cited Section and in this Item, include any expenses, outlays, or charges whatsoever by or for the account of the Lessee for or in connection with any equipment or fixtures or the making of any improvements mentioned in said Section or in this Item unless said equipment, fixtures, and/or improvements are actually and completely installed in and/or made to the Premises and, in accordance with law unaffected by any act or statement of the Lessee, are considered part of the Premises.

Item 7: Performance Bond: Not applicable.

Item 8: Letting Postponed: Notwithstanding anything to the contrary set forth in this Agreement, in the event the Lessee is delayed in the performance of Lessee's Work following the initial delivery of any portion of the Premises due to: (a) the remediation by the Port Authority of any pre-existing Hazardous Substances which were present in or about the Premises, then Lessee shall have a day for day extension to complete Lessee's Work equal to the number of days that Lessee was so delayed; or (b) the failure of the Port Authority to issue all permits for the performance of Lessee's Work in accordance with the TAA process within a reasonable period of time following submission of fully satisfactory and complete Tenant Alteration Application(s) (inclusive, by way of example, of drawings and specifications and any and all revisions of same required by the Port Authority) by Lessee or the failure of the Port Authority to inspect within a reasonable period of time the Premises following receipt by the Port Authority of notice of the completion of Lessee's Work, and such actual completion, in accordance with the TAA process and neither of which was due to any fault on the part of Lessee, then Lessee shall have a day for day extension to complete Lessee's Work equal to the number of days that Lessee was so delayed. The period of delay with respect to Item 8(a) shall be

calculated from the day in which Lessee is instructed to cease Lessee's Work by the Port Authority to the day in which Lessee is given the clearance to resume Lessee's Work by the Port Authority following the Port Authority's receipt of the proper certification from the certified abatement contractor in accordance with standard policies and procedures in effect for the Terminal. The period of delay with respect to Item 8(b) shall be calculated to include any days which Lessee is prevented from starting Lessee's Work due to delays by the Port Authority in issuing permits in accordance with the TAA process as well as any days in which Lessee is prevented from opening any portion of the Premises for business to the public due to delays by the Port Authority in completing any inspections of the Premises in accordance with the TAA process. In the event of any such delays, the Port Authority shall send Lessee a confirmation letter setting the actual Rental Payment Start Date making due allowance for such delays and expiration of the Term of this Agreement.

Initialed:

For the Port Authority: DTC

For Airport Management Services, LLC: AM

For AMS-BW Newark JV: AM

For Branded Works, Inc.: AM

EXHIBIT X

EVIDENCE OF SIGNED LABOR PEACE AGREEMENT

[Insert Name of Company] (the "Company") has complied with board Resolution "All airports – Labor Harmony Policy" passed October 18, 2007, which stipulates that the Company must sign a Labor Peace Agreement with a labor organization that seeks to represent the Company's employees and that contains provisions under which the labor organization and its members agree to refrain from engaging in any picketing, work stoppages, boycotts or any other economic interference with the Company's operations.

FOR THE COMPANY:

[Insert Name of Company]

BY: _____

DATE: _____

FOR THE UNION:

[Insert Name of Labor Organization]

BY: _____

DATE: _____

SCHEDULE A

Hudson Booksellers

Book/Product List

Hudson Group is proposing upwards of 6,000 to 8,000 of paperback and hardback books in all categories. Our book selection places great emphasis on regional authors and titles. Unlike most bookstores that tend to use their own "in house" bestseller list, Hudson Booksellers uses the New York Times Best Seller and New Release list, as we believe it produces maximum sales. Categories include:

| | | |
|-------------|----------------|-----------|
| Biography | Home | Reference |
| Business | Health | Travel |
| Child Care | History | Religion |
| Children's | Hobby | Romance |
| Classics | Language | Nature |
| Computer | Maps | Sci-Fi |
| Cooking | Music | Sports |
| Fiction | Mystery/Horror | Regional |
| Games | Psychology | Humor |
| Young Adult | Crafts | Science |

A large selection of hardcover and paperback books, children's books, book on tape, downloadable books, digital books, games, book accessories.

Other reading materials include: maps, travel books, bargain books, children's books, baseball cards, cook books, calendars, software and audio books, DVDs, CDs, music.

Please note that all reading materials are sold at the manufacturer's pre-printed prices.

SCHEDULE E

AFFIRMATIVE ACTION – EQUAL OPPORTUNITY – MINORITY BUSINESS ENTERPRISES – WOMEN-OWNED BUSINESS ENTERPRISES REQUIREMENTS

Part I. Affirmative Action Guidelines – Equal Employment Opportunity

I. As a matter of policy, the Port Authority hereby requires the Lessee and the Contractor shall require the Contractor, as hereinafter defined, to comply with the provisions set forth hereinafter in this Schedule E with the Lessee (as defined in the Agreement to which this Schedule E is attached). The provisions set forth in this Part I are similar to the conditions for bidding on federal government contract adopted by the Office of Federal Contract Compliance and effective May 8, 1978.

The Lessee, as well as each bidder, contractor, and subcontractor of the Lessee and each subcontractor of a contractor at any tier of construction (herein collectively referred to as the "Contractor") must fully comply with the following conditions set forth herein as to each construction trade to be used on the construction work or any portion thereof (said conditions being herein called "Bid Conditions"). The Lessee hereby commits itself to the goals for minority and female utilization set forth below and all other requirements, terms, and conditions of the Bid Conditions. The Lessee shall likewise require the Contractor to commit itself to the said goals for minority and female utilization set forth below and all other requirements, terms, and conditions of the Bid Conditions by submitting a properly signed bid.

II. The Lessee and the Contractor shall each appoint an executive of its company to assume the responsibility for the implementation of the requirements, terms, and conditions of the following Bid Conditions:

(a) The goals for minority and female participation expressed in percentage terms for the Contractor's aggregate workforce in each trade on all construction work are as follows:

(1) Minority participation

| | |
|---------------------------|-----|
| Minority, except laborers | 30% |
| Minority, laborers | 40% |

(2) Female participation

| | |
|-------------------------|------|
| Female, except laborers | 6.9% |
| Female, laborers | 6.9% |

These goals are applicable to all the Contractor's construction work performed in and for the Premises.

The Contractor's specific affirmative action obligations required herein of minority and female employment and training must be substantially uniform throughout the length of the contract, and in each trade, and the Contractor shall make good faith efforts to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from contractor to contractor or from project to project for the sole purpose of meeting the Contractor's goals shall be a violation of the contract. Compliance with the goals will be measured against the total work hours performed.

(b) The Contractor shall provide written notification to the Lessee and the Lessee shall provide written notification to the Manager of the Office of Business and Job Opportunity of the Port Authority within ten (10) working days of award of any construction subcontract in excess of \$10,000 at any tier for construction work. The notification shall list the name, address, and telephone number of the subcontractor; employer identification number; estimated starting and completion dates of the subcontract; and the geographical area in which the subcontract is to be performed.

(c) As used in these specifications:

(1) "Employer identification number" means the Federal Social Security number used on the Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941;

(2) "Minority" includes:

(i) Black (all persons having origins in any of the Black African racial groups, not of Hispanic origin);

(ii) Hispanic (all persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American culture or origin, regardless of race);

(iii) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands); and

(iv) American Indian or Alaskan Native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).

(d) Whenever the Contractor, or any subcontractor at any tier, subcontracts a portion of the construction work involving any construction trade, it shall physically include in each subcontract in excess of \$10,000 those provisions which include the applicable goals for minority and *female participation*.

(e) The Contractor shall implement the specific affirmative action standards provided in subparagraphs (1) through (16) of Paragraph (h) hereof. The goals set forth above are expressed as percentages of the total hours of employment and training of minority and female utilization the Contractor should reasonably be able to achieve in each construction trade in which it has employees in the Premises. The Contractor is expected to make substantially uniform progress toward its goals in each craft during the period specified.

(f) Neither the provisions of any collective bargaining agreement, nor the failure by a union with whom the Contractor has a collective bargaining agreement, to refer either minorities or women shall excuse the Contractor's obligations hereunder.

(g) In order for the non-working training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees must be employed by the Contractor during the training period, and the Contractor must have made a commitment to employ the apprentices and trainees at the completion of their training subject to the availability of employment opportunities. Trainees must be trained pursuant to training programs approved by the U.S. Department of Labor.

(h) The Contractor shall take specific affirmative actions to ensure equal employment opportunity ("EEO").

The evaluation of the Contractor's compliance with these provisions shall be based upon its good faith efforts to achieve maximum results from its actions. The Contractor shall document these efforts fully, and shall implement affirmative action steps at least as extensive as the following:

(1) Ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which the Contractor's employees are assigned to work. The Contractor, where possible, will assign two or more women to each Phase of the construction project. The Contractor shall specifically ensure that all foremen, superintendents,

and other supervisory personnel at the Premises are aware of and carry out the Contractor's obligation to maintain such a working environment, with specific attention to minority or female individuals working at the Premises.

(2) Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the Contractor or its unions have employment opportunities available, and maintain a record of the organizations' responses.

(3) Maintain a current file of the names, addresses, and telephone numbers of each minority and female off-the-street applicant and minority or female referral from a union, a recruitment source, or community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the Contractor by union or, if referred, not employed by the Contractor, this shall be documented in the file with the reason therefor, along with whatever additional actions the Contractor may have taken.

(4) Provide immediate written notification to the Lessee when the union or unions with which the Contractor has a collective bargaining agreement has not referred to the Contractor a minority person or woman sent by the Contractor, or when the Contractor has other information that the union referral process has impeded the Contractor's efforts to meet its obligations.

(5) Develop on-the-job training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and training programs relevant to the Contractor's employment needs, especially those programs funded or approved by the Department of Labor. The Contractor shall provide notice of these programs to the sources compiled under subparagraph (2) above.

(6) Disseminate the Contractor's EEO policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the Contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the Contractor's newspaper, annual report, etc.; by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and by posting the Contractor's EEO policy on bulletin boards accessible to all employees at each location where construction work is performed.

(7) Review, at least every six months, the Contractor's EEO policy and affirmative action obligations hereunder with all employees having any responsibility for hiring, assignment, layoff, termination, or other employment decision, including specific review of these items with on-Premises supervisory personnel such as Superintendents, General Foremen, etc., prior to the initiation of construction work at the Premises. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.

(8) Disseminate the Contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the Contractor's EEO policy with other Contractors and Subcontractors with whom the Contractor does or anticipates doing business.

(9) Direct its recruitment efforts, both oral and written, to minority, female, and community organizations, to schools with minority and female students and to minority and female recruitment and training organizations and to State-certified minority referral agencies serving the Contractor's recruitment area and employment needs. Not later than one month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the Contractor shall send written notification to organizations such as the above, describing the openings, screening procedures, and tests to be used in the selection process.

(10) Encourage present minority and female employees to recruit other minority persons and women and, where reasonable, provide after school, summer, and vacation employment to minority and female youth both on the Premises and in areas of a Contractor's workforce.

(11) Tests and other selecting requirements shall comply with 41 CFR Part 60-3.

(12) Conduct, at least every six months, an inventory and evaluation at least of all minority and female personnel for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.

(13) Ensure that seniority practices, job classifications, work assignments, and other personnel practices do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the Contractor's obligations hereunder are being carried out.

(14) Ensure that all facilities and company activities are non-segregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.

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

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

(i) Contractors are encouraged to participate in voluntary associations which assist in fulfilling one or more of their affirmative action obligations (subparagraphs (1)-(16) of Paragraph (h) above). The efforts of a contractor association, joint contractor-union, contractor-community, or other similar group of which the Contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under Paragraph (h) hereof provided that: the Contractor actively participates in the group, makes good faith efforts to assure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the Contractor's minority and female workforce participation, makes good faith efforts to meet its individual goals and timetables, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the Contractor. The obligation to comply, however, is the Contractor's and failure of such a group to fulfill an obligation shall not be a defense for the Contractor's non-compliance.

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

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

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

(m) The Contractor shall carry out such sanctions and penalties for violation of this clause including suspension, termination and cancellation of existing subcontracts as

may be imposed or ordered by the Lessee. Any Contractor who fails to carry out such sanctions and penalties shall be in violation hereof.

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

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

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

(q) Without limiting any other obligation, term or provision under the Agreement, the Contractor shall cooperate with all federal, state or local agencies established for the purpose of implementing affirmative action compliance programs and shall comply with all procedures and guidelines established or which may be established by the Port Authority.

PART II.

MINORITY BUSINESS ENTERPRISES/WOMEN-OWNED BUSINESS ENTERPRISES

As a matter of policy the Port Authority requires that Lessee and the Lessee shall itself and shall require the general contractor or other construction supervisor and each of the Lessee's contractors to use every good faith effort to provide for meaningful participation by Minority Business Enterprises (MBEs) and Women-owned Business Enterprises (WBEs) in the construction work pursuant to the provisions of this Schedule E. For purposes hereof, "Minority Business Enterprise" "(MBE)" shall mean any business enterprise which is at least fifty-one percentum owned by, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by citizens or permanent resident aliens who are minorities and such ownership is real, substantial and continuing. For the purpose hereof, "Women-owned Business Enterprise" "(WBE)" shall mean any business enterprise which is at least fifty-one percentum owned by, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by women and such ownership is real, substantial and continuing. A minority shall be as defined in paragraph II(c) of Part I of this Schedule E. "Meaningful participation" shall mean that at least seventeen percent (17%) of the total dollar value of the construction contracts (including subcontracts) covering the construction work are for the participation of Minority Business Enterprises and Women-owned Business Enterprises, of which at least twelve percent (12%) are for the participation of Minority Business Enterprises. Good faith efforts to include meaningful participation by MBEs and WBEs shall include at least the following:

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

(b) Actively and affirmatively soliciting bids for subcontracts from MBEs and WBEs, including circulation of solicitations to minority and female contractor associations. The Contractor shall maintain records detailing the efforts made to provide for meaningful MBE and WBE participation in the work, including the names and addresses of all MBEs and WBEs contacted and, if any such MBE or WBE is not selected as a joint venturer or subcontractor, the reason for such decision.

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

(d) Utilizing the list of eligible MBEs and WBEs maintained by the Port Authority or seeking minorities and women from other sources for the purpose of soliciting bids for subcontractors.

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

(f) Insuring that provision is made to provide progress payments to MBEs and WBEs on a timely basis.

(g) Not requiring bonds from and/or providing bonds and insurance for MBEs and WBEs, where appropriate.

Certification of MBEs and WBEs hereunder shall be made by the Office of Business and Job Opportunity of the Port Authority. If the Contractor wishes to utilize a firm not already certified by the Port Authority, it shall submit to the Port Authority a written request for a determination that the proposed firm is eligible for certification. This shall be done by completing and forwarding such form as may be then required by the Port Authority. All such requests shall be in writing addressed to the Office of Business and Job Opportunity, the Port Authority of New York and New Jersey, One World Trade Center, 63 East, New York, New York 10048 or such other address as the Port Authority may specify by notice to the Lessee. Certification shall be effective only if made in writing the Director in charge of the Office of Business and Job Opportunity of the Port Authority. The determination of the Port Authority shall be final and binding.

The Port Authority has compiled a list of the firms that the Port Authority has determined satisfy the criteria for MBE and WBE certification. This list may be supplemented and revised from time to time by the Port Authority. Such list shall be made available to the Contractor upon request. The Port Authority makes no representation as the financial responsibility or such, firms, their technical competence to perform, or any other performance-related qualifications.

Only MBE's and WBE's certified by the Port Authority will count toward the MBE and WBE goals.

Please note that only sixty percent (60%) of expenditures to MBE or WBE suppliers will count towards meeting the MBE and WBE goals. However, expenditures to MBE or WBE manufacturer's (i.e., suppliers that produce goods from raw materials or substantially alter them before resale) are counted dollar for dollar.

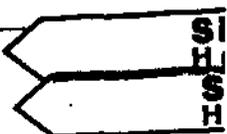
Initialed:

For the Port Authority: *OMC*

For Airport Management Services, LLC: *[Signature]*

For AMS-BW Newark JV: *[Signature]*

For Branded Works, Inc.: *[Signature]*



SCHEDULE G

Airport Concession Disadvantaged Business Enterprise ("ACDBE") Participation

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

The overall ACDBE goal is a key element of the Port Authority's concession program and Lessee shall take all necessary and reasonable steps to comply with the requirements of the Port Authority's ACDBE program. The Concessionaire commits to making good faith efforts to achieve the ACDBE goal. Pursuant to 49 CFR 23.25(f), ACDBE participation must be, to the greatest extent practicable, in the form of direct ownership, management and operation of the concession or the ownership, management and operation of specific concession locations through subleases. The Port Authority will also consider participation through (1) joint venture in which ACDBEs control a distinct portion of the joint venture business and/or purchase of goods and services from ACDBEs. In connection with the aforesaid good faith efforts, as to those matters contracted out by the Concessionaire in its performance of this agreement, the Concessionaire shall use, to the maximum extent feasible and consistent with the Concessionaire's exercise of good business judgment including without limit the consideration of cost competitiveness, a good faith effort to meet the Port Authority's goals. Information regarding specific good faith steps can be found in the Port Authority's ACDBE Program located on its above-referenced website. In addition, the Concessionaire shall keep such records as shall enable the Port Authority to comply with its obligations under 49 CFR Part 23 regarding efforts to offer opportunities to ACDBEs.

Qualification as an ACDBE

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

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

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

- a. Women;
- b. Black Americans which includes persons having origins in any of the Black racial groups of Africa;

c. Hispanic Americans which includes persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;

d. Native Americans which includes persons who are American Indians, Eskimos, Aleuts or Native Hawaiians;

e. Asian-Pacific Americans which includes persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea), Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands (Republic of Palau), the Commonwealth Northern Marianas Islands, Macao, Fiji, Tonga, Kiribati, Juvalu, Nauru, Federated States of Micronesia or Hong Kong;

f. Asian-Indian Americans which includes persons whose origins are from India, Pakistan, Bangladesh, Bhutan, Maldives Islands, Nepal and Sri Lanka; and

g. Members of other groups, or other individuals, found to be economically and socially disadvantaged by the Small Business Administration under Section 8(a) of the Small Business Act, as amended (15 U.S.C. Section 637(a)).

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

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

General

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

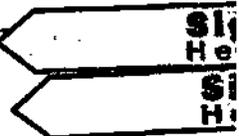
Initialed:

For the Port Authority: 

For Airport Management Services, LLC: 

For AMS-BW Newark JV: 

For Branded Works, Inc.: 



For the Port Authority

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

On the 15TH day of FEBRUARY in the year 2011, before me, the undersigned, a Notary Public in and for said state, personally appeared RONALD DE ROSE personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Gail E. Mitchell
(notary seal and stamp)

For the Lessee
(AMS-BW Newark JV)

GAIL E. MITCHELL
NOTARY PUBLIC-STATE OF NEW YORK
No. 012116026210
Qualified in Queens County
My Commission Expires June 14, 2011

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

On the 7th day of JANUARY in the year 2010, before me, the undersigned, a Notary Public in and for said state, personally appeared Michael R. Millaney personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

J Blount
(notary seal and stamp)

For the Lessee
(Airport Management Services, LLC)

JENNY BLOUNT
Notary Public, State of New Jersey
My Commission Expires
July 18, 2011

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

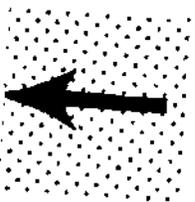
On the 7th day of JANUARY in the year 2010, before me, the undersigned, a Notary Public in and for said state, personally appeared Michael R. Millaney personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

J Blount
(notary seal and stamp)

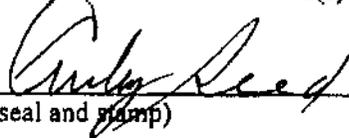
JENNY BLOUNT
Notary Public, State of New Jersey
My Commission Expires
July 18, 2011

For the Lessee
(Branded Works, Inc.)

STATE OF LOUISIANA)
PARISH OF LAFAYETTE)ss.:



On the 5th day of JANUARY in the year 20 10, before me, the undersigned, a Notary Public in and for said state, personally appeared RUTH ANN HENUTIS personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.



(notary seal and stamp)

AUBREY REED
NOTARY PUBLIC,
LAFAYETTE PARISH COUNTY, LA
My Commission is for Life
#80119

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

AGREEMENT OF LEASE

Between

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

And

**AMS-BW NEWARK JV
AIRPORT MANAGEMENT SERVICES, LLC
BRANDED WORKS, INC.**

Dated as of November 11, 2009



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AGREEMENT OF LEASE

THIS AGREEMENT OF LEASE ("**Agreement**"), dated as of November 11, 2009, by and between the PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "**Port Authority**") a body corporate and politic, created by Compact between the States of New York and New Jersey with the consent of the Congress of the United States of America, and having an office at 225 Park Avenue South, in the Borough of Manhattan, City, County and State of New York, and **AMS-BW NEWARK JV**, a joint venture between Airport Management Services, LLC, a limited liability company organized and existing under and by virtue of the laws of the State of Delaware and Branded Works, Inc., a corporation organized and existing under and by virtue of the laws of the State of Louisiana and having an office for the transaction of business at c/o The Hudson Group, One Meadowlands Plaza, Suite 902, East Rutherford, New Jersey 07073 whose representative is Michael R. Mullaney; **AIRPORT MANAGEMENT SERVICES, LLC**, a limited liability company organized and existing under and by virtue of the laws of the State of Delaware and having an office for the transaction of business at c/o The Hudson Group, One Meadowlands Plaza, Suite 902, East Rutherford, New Jersey 07073 whose representative is Michael R. Mullaney; and **BRANDED WORKS, INC.**, a corporation organized and existing under and by virtue of the laws of the State of Louisiana and having an office for the transaction of business at 110 Travis Street, Lafayette, Louisiana 70503 whose representative is Ruth Ann Menutis (AMS-BW Newark JV, Airport Management Services, LLC and Branded Works, Inc. being jointly and severally liable hereunder and such joint venture, limited liability company and corporation being hereinafter collectively called the "**Lessee**").

WITNESSETH, THAT, the Port Authority and the Lessee, for and in consideration of the rents, covenants and agreements hereinafter contained, mutually covenant and agree as follows:

Section 1. Definitions

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

(a) "**Adjustment Period**" shall have the meaning set forth in the Section of this Agreement entitled "*Additional Rent Items and Lessee Obligations*".

(b) "**Affiliate**" shall mean any person that directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the Lessee and any entity in which the Lessee or a shareholder of the Lessee has an ownership, licensor/licensee or franchiser/franchisee interest or relationship, but if the Lessee shall be a corporation whose voting securities shall be registered with the Securities and Exchange Commission and publicly traded on a regular basis then only such shareholder of the Lessee having an ownership interest greater than five percent (5%). The term "**control**" (including the terms controlling, controlled by and under common control with) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise.

(c) "**Airline Leases**" shall mean those leases in effect at the Terminal(s) between the Port Authority, as lessor, and various airlines, as lessees, from time to time during the term of this Agreement, as the same have been or shall be supplemented or amended including, without limitation, all letter agreements entered into between the Port Authority and the relevant airline lessee(s). For purposes of this Agreement, the aforementioned airlines shall be referred to as "airline lessees".

(d) "**Airport**" shall mean Newark Liberty International Airport.

(e) **“Airport Concession Disadvantaged Business Enterprise (“ACDBE)”** shall have the meaning set forth in Schedule G.

(f) **“Anniversary Date”** shall have the meaning set forth in the Section of this Agreement entitled *“Additional Rent Items and Lessee Obligations”*.

(g) **“Annual Index Increase”** shall have the meaning set forth in the Section of this Agreement entitled *“Additional Rent Items and Lessee Obligations”*.

(h) **“Annual Period”** shall mean the following: The first annual period shall be the period commencing with the Rental Payment Start Date and ending on December 31 next following, and thereafter Annual Period shall mean each twelve (12) month consecutive, calendar month period thereafter occurring during the term of the letting under this Agreement commencing on each anniversary of January 1, provided, however, that the last Annual Period shall expire in any event on the expiration date of the term of the letting under this Agreement.

(i) **“Anything of value”** shall have the meaning set forth in the Section of this Agreement entitled *“Ethical Standards”*.

(j) **“Assignment”** shall have the meaning set forth in the Section of this Agreement entitled *“Assignment and Subletting”*.

(k) **“Base Period”** shall have the meaning set forth in the Section of this Agreement entitled *“Additional Rent Items and Lessee Obligations”*.

(l) The terms **“Basic Rental”** and **“MAG”** shall have the meaning set forth in Item 1 of **Exhibit B** hereof.

(m) **“Bid conditions”** shall have the meaning set forth in Part I of **Schedule E** hereof.

(n) **“Causes or conditions beyond the control of the Port Authority”** shall mean and include acts of God, the elements, weather conditions, tides, earthquakes, settlements, fire, acts of any governmental authority, war, terrorism, shortage of labor or materials, acts of third parties for which the Port Authority is not responsible, injunctions, labor troubles or disputes of every kind (including all those affecting the Port Authority, its contractors, suppliers or subcontractors) or any other conditions or circumstances, whether similar to or different from the foregoing (it being agreed that the foregoing enumeration shall not limit or be characteristic of such condition or circumstance which is beyond the control of the Port Authority) or which could not be prevented or remedied by reasonable effort and at reasonable expense.

(o) **“Cost”** shall have the meaning set forth in Item 6 of **Exhibit B** hereof.

(p) **“Date of Beneficial Occupancy”** shall have the meaning set forth in this Section under the definition of **“Rental Payment Start Date”**.

(q) **“Distribution Fee”** shall have the meaning set forth in the Section of this Agreement entitled *“Additional Rent Items and Lessee Obligations”*.

(r) **“Employer identification number”** shall have the meaning set forth in Part I of **Schedule E** hereof.

(s) **“Environmental Damages”** shall mean any one or more of the following: (i) the presence in, on, or under the Premises of any Hazardous Substance whether such presence

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occurred prior to or during the term of the letting under this Agreement or resulted from any act or omission of the Lessee or others, and/or (ii) the disposal, discharge, release or threatened release of any Hazardous Substance from the Premises or of any Hazardous Substance from under the Premises and/or (iii) the presence of any Hazardous Substance in, on or under other property at the Airport as a result of (x) the Lessee's use and occupancy of the Premises or the performance of the construction work or any other work or activities at the Premises or (y) a migration of a Hazardous Substance from the Premises or from under the Premises or (z) the Lessee's operations at the Airport, and/or (iv) any personal injury, including wrongful death, or property damage, arising out of or related to any Hazardous Substance described in (i), (ii) or (iii) above, and/or (v) the violation of any Environmental Requirement pertaining to any Hazardous Substance described in (i), (ii) or (iii) above, the Premises and/or the activities thereon.

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

(1) 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;

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

(3) The Atomic Energy Act of 1954, 42 U.S.C. Section 2011 *et seq.*; the Clean Water Act also known as the Federal Water Pollution Control Act, 33 U.S.C. Section 1251 *et seq.*; the Clean Air Act, 42 U.S.C. Section 7401 *et seq.*; the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. Section 136 *et seq.*; the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 *et seq.*; the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), Section 2701 *et seq.*; the Emergency Planning and Community Right to Know Act, 42 U.S.C. Section 11001 *et seq.*; the Occupational Safety and Health Act, 29 U.S.C. Section 651 *et seq.*; the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101 *et seq.*; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 *et seq.*; the Toxic Substances Control Act, 15 U.S.C. Section 2601 *et seq.*; the Safe Drinking Water Act of 1974, 42 U.S.C. Sections 300f-300h-11 *et seq.*; the New Jersey Spill Compensation and Control Act (N.J.S.A. 58:10-23.11 *et seq.*) ("Spill Act"); the Industrial Site Recovery Act ("ISRA")(N.J.S.A. 13:1K and N.J.A.C. 7:26B); Solid Waste Management Act (N.J.S.A. 13:1E-1 to 48); and Water Pollution Control Act (N.J.S.A. 58:10A-1 to 60); together, in each case, with any amendment thereto, and

the regulations adopted, guidances, memoranda and publications promulgated thereunder and all substitutions thereof.

(u) "Food Court Maintenance Fee" shall have the meaning set forth in the Section of this Agreement entitled "*Additional Rent Items and Lessee Obligations*".

(v) "Gross Receipts" shall include all monies paid or payable to the Lessee for sales made or services rendered at or from the Premises, regardless of when or where the order therefor is received, and outside the Premises, if the order therefor is received at the Premises, and any other revenues of any type arising out of or in connection with the Lessee's operations at the Premises; provided, however, there shall be excluded from Gross Receipts the following: (1) any sums collected for any federal, state, county and municipal sales taxes, so-called luxury taxes, use taxes, consumer excise taxes, gross receipts taxes and other similar taxes now or hereafter imposed by law upon the sale of merchandise, food & beverage products or services which are separately stated to and paid by a customer and directly payable to the taxing authority by the Lessee, (2) any receipts of the Lessee which arise from its operations under any other agreement with the Port Authority at the Premises and which are subject to a percentage fee or percentage rental under that agreement, (3) receipts in the form of refunds from, or the value of merchandise (including food & beverage products), services, supplies or equipment returned to, vendors, shippers, suppliers or manufacturers, including volume discounts received from Lessee's vendors, suppliers or manufacturers, (4) gratuities for services performed by employees of Lessee which are paid or given by Lessee's customers to such employees at or serving at the Premises, (5) the sale or transfer in bulk of the inventory of the Lessee to a purchaser of all or substantially all of the assets of the Lessee in a transaction not in the ordinary course of Lessee's business, (6) except with respect to proceeds received for business interruptions paid on a gross earnings business interruption insurance policy, proceeds from all other insurance received by Lessee as a result of a loss or casualty, (7) rebates, exchanges or allowance made to customers of the Lessee at the Premises, (8) the exchange of merchandise between the stores or warehouses owned by or affiliated with Lessee, if any, where such exchanges of goods or merchandise are made solely for the convenient operation of the business of Lessee and not for the purpose of consummating a sale which has theretofore been made at, in, from or upon the Premises or for the purpose of depriving the Port Authority of the benefit of the sale which otherwise would be made at, in, from or upon the Premises, (9) income actually received by Lessee from manufacturers of goods (e.g., cosmetics, perfume) displayed for sale at the Premises if the conditions set forth in the succeeding sentence are fully and strictly satisfied with respect to such income; the conditions with respect to this clause (9) are as follows: (i) the manufacturer specifically identifies the time period to which the income relates, (ii) reimbursement from the manufacturer to Lessee occurs in connection with employees (1) who are on Lessee's payroll for the operations permitted under this Agreement and (2) who are on such payroll during the time period to which the reimbursement relates, (iii) the manufacturer and Lessee have previously entered into a written agreement that sets forth the material terms of their arrangement with regard to the reimbursement that is the subject of this clause (9), and (iv) Lessee provides to the Port Authority written documents and records substantiating the matters listed in sub-clauses (i) through (iii), (10) proceeds from the sale of gift certificates or like vouchers until such time as the gift certificates or like vouchers have been treated as a sale in or from the Premises pursuant to Lessee's record keeping system and (11) sale of trade fixtures, equipment or property which are not stock in trade and not in the ordinary course of business.

For the purpose of determining the Percentage Rental payable by the Lessee hereunder, Gross Receipts shall include all orders including, but not limited to, all orders by means of mail, catalogue, closed circuit television, electronic, telephonic, video, computer or other technology-based system, whether now existing or developed in the future, all deposits not refunded to or otherwise forfeited by customers, all orders taken in and from the Premises, whether or not such orders are filled elsewhere, the entire amount of the actual sales price and all other receipts for sales and services rendered, all insurance proceeds received due to loss of gross earnings paid under

Lessee's business interruption insurance policy because of business interruptions, and the spread earned on any exchange or foreign currency transaction whether for an exchange service or for merchandise, products and/or services. A "sale" shall be deemed to have been consummated for purposes hereof, and the entire amount of the sales price shall be included in Gross Receipts and deemed received at the time of determination of the amount due for each transaction, whether for cash, credit or otherwise, and not at the time of billing or payment. Each sale made upon installment or credit shall be treated as a sale for the full price in the month during which such sale shall be made, irrespective of the time when any payment is received. No deduction from Gross Receipts shall be allowed for uncollected or uncollectible credit amounts or "bad" checks. Gross Receipts shall include retail display allowances, slotting fees, on-Premises advertising and other promotional incentives (collectively referred to as "RDAs"). Gross Receipts shall include all such sales, revenues or receipts generated by Lessee's concessionaires, if any, or anyone else conducting business pursuant to an arrangement with Lessee and shall also include the full amount of all insurance proceeds paid on a gross earnings business interruption insurance policy to Lessee.

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

(x) "**Index**" shall have the meaning set forth in the Section of this Agreement entitled "*Additional Rent Items and Lessee Obligations*".

(y) "**Lessee**" shall have the meaning set forth in the first paragraph on the first page of this Agreement.

(z) "**Lessee's Work**" shall have the meaning set forth in the Section of this Agreement entitled "*Finishes and Decorating by the Lessee*".

(aa) "**Letting**" shall mean the letting under this Agreement for the original term stated herein, and shall include any extensions thereof which may be made pursuant to the provisions of this Agreement or otherwise.

(bb) "**Meaningful participation**" shall have the meaning set forth in Part II of **Schedule E** hereof.

(cc) "**Metro Area**" shall have the meaning set forth in the Section of this Agreement entitled "*Sales and Services by the Lessee*".

(dd) "**Minority**" shall mean those persons described in paragraph II (c) of Part I of **Schedule E** annexed hereto.

(ee) The terms "**Minority Business Enterprise**" and "**MBE**" shall have the meaning set forth in Part II of **Schedule E** hereof.

(ff) The terms "**Office of Foreign Asset Control**" and "**OFAC**" shall have the meaning set forth in the Section of this Agreement entitled "*Lessee's OFAC Certification*".

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(gg) **"Percentage Increase"** shall have the meaning set forth in the Section of this Agreement entitled *"Additional Rent Items and Lessee Obligations"*.

(hh) **"Port Authority"** shall have the meaning set forth in the first paragraph on the first page of this Agreement.

(ii) **"Port of New York District"** shall have the meaning set forth in the Port Compact of 1921 authorized by C. 154 Laws of N.Y. 1921 and C. 151 Laws of N.J. 1921, approved by Public Resolution No. 17 of the 67th Congress, First Session.

(jj) **"Predecessor Concession"** shall have the meaning set forth in the Section of this Agreement entitled *"Labor Disturbances and Labor Harmony"*.

(kk) **"Premises"** shall have the meaning set forth in the Section of this Agreement entitled *"Letting"*.

(ll) **"Promotion Fee"** shall have the meaning set forth in the Section of this Agreement entitled *"Additional Rent Items and Lessee Obligations"*.

(mm) The terms **"Records"**, **"Lessee's Records"** and **"Other Relevant Records"** shall have the meanings set forth in the Section of this Agreement entitled *"Obligations in Connection with any Percentage Rental"*.

(nn) The term **"Reserved Uses"** shall mean the following uses, operations or installations which the Port Authority reserves to itself and its designees exclusively in the Terminal: VIP lounges; airline clubs; airtrain/monorail facilities; advertising (including, without limitation, static display, broadcast and other); pay telephones, pre-paid phone cards, facsimile transmission machines and other public communications services including, without limitation, all Port Authority-owned or operated information and communications technology infrastructure for common Airport use; rental of cellular phones; concierge services (i.e., a center or location which offers a variety of services for passengers (including, but not limited to, hotel reservations, sale of entertainment events tickets and lottery tickets, luggage storage and delivery, sightseeing tours, business services and provision of touring information)); ground transportation (including vehicle rentals); hotel and other lodging reservations; vending machines dispensing anything (including, but not limited to, catalog and electronic sales) other than products specifically permitted to be sold on the Premises pursuant to a sublease with a specific concessionaire and if approved in advance by the Port Authority; on-airport baggage carts (other than shopping carts made available free of charge to shoppers within the concession areas of the Terminal) or other on-airport baggage-moving devices; and electronic amusements.

(oo) **"Rental Payment Start Date"** shall mean the earliest to occur of the following: (a) the date Gross Receipts are first generated in or from the Premises by the Lessee; or (b) ninety (90) days from the date the Port Authority makes available the Premises to the Lessee for its occupancy, such date being referred to herein as the **"Date of Beneficial Occupancy"**.

(pp) The terms **"Terminal Building"** and **"Terminal"** shall have the meaning set forth in the Section of this Agreement entitled *"Letting"*.

(qq) The term **"Transfer"** shall have the meaning set forth in the Section of this Agreement entitled *"Assignment and Subletting"*.

(rr) The terms **"Street Prices"** and **"Street Pricing Policy"** shall have the meanings set forth in the Section of this Agreement entitled *"Sales and Services by the Lessee"*.

(ss) The terms "**Women-owned Business Enterprise**" and "**WBE**" shall have the meanings set forth in Part II of Schedule E hereof.

Section 2. Letting

The Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority, at Newark Liberty International Airport in Passenger Terminal Building B (hereinafter sometimes called the "**Terminal Building**" or "**Terminal**") the area(s) as shown on the sketch annexed hereto, hereby made a part hereof, and marked **Exhibit A-2** containing approximately 5,751 square feet, together with the fixtures, improvements and other property of the Port Authority located or to be located therein or thereon, all said space(s), fixtures, improvements and other property of the Port Authority hereinafter collectively referred to as the "**Premises**". **Exhibit A-1** is a general site plan of the Airport including the location of the Terminal. The Premises may include storage space on the operations level of the Terminal, if available, to be designated from time to time by the Port Authority in its sole discretion, which storage space may be shared with other tenants of the Port Authority and with respect to which there shall be no separate rental or fee imposed, nor shall any abatement to which the Lessee may be entitled under this Agreement apply to such storage space.

Section 3. Term

The term of the letting under this Agreement shall commence as of Date of Beneficial Occupancy and shall continue to and include eighty-four (84) months after the Rental Payment Start Date unless sooner terminated as provided herein. In the event that the Premises constitute more than one space to be operated under this Agreement, the term of this Agreement shall be determined based on eighty-four (84) months from the Rental Payment Start Date for the last of the spaces to be delivered, unless sooner terminated as provided herein (but in no event shall the term begin later than 90 days from the date the last space is delivered to Lessee for a retail concession space). The Term of this Lease will not extend beyond eighty-four (84) months from the Rental Payment Start Date for the Premises identified in Exhibit A-2 to this Lease, and the Term shall be unaffected by any other, additional or substituted space which may be described in an amendment to or modification of this Lease (unless such amendment or modification agreement expressly provides otherwise) or described in any other written communication which does not meet the requirements set forth in the first sentence of the second paragraph of the Section of this Agreement entitled "*Entire Agreement*".

Section 4. Rights of Use by the Lessee

The Lessee shall use the Premises for the following purpose only and for no other purpose whatsoever: for the operation of news & gift concessions limited to the sale at retail of newspapers, books, magazines, sundries, souvenirs, gifts, pre-packaged foods and non-alcoholic beverages, and for no other use or purpose. The Lessee's initial list of products, as approved by the Port Authority, is set forth in **Schedule A** attached hereto and hereby made a part hereof, and such **Schedule A** may be amended from time to time with the written consent of the Port Authority, determined in its sole and absolute discretion.

The rights of the Lessee under this Section shall not be exclusive.

Section 5. Rental

(a) The Lessee agrees to pay the Port Authority a Basic Rental for the Premises at the rates and otherwise as provided in Item 1 of **Exhibit B** to this Agreement.

(b) The Lessee agrees to pay the Port Authority the Percentage Rental, if any, stated in Item 1 of **Exhibit B** to this Agreement.

(c) The time for making payments of rental and the method of computation and abatement thereof are set forth in Item 1 of **Exhibit B** to this Agreement.

(d) The Port Authority shall have the right to all revenues derived for or from all Reserved Uses.

Section 6. Obligations in Connection with any Percentage Rental

(a) If any rental hereunder is measured by a percentage of the Lessee's Gross Receipts, the Lessee shall:

(1) Take all reasonable measures in every proper manner to maintain, develop and increase the business conducted by it hereunder;

(2) Not divert or cause or allow to be diverted any business from the Terminal;

(3) Maintain, in accordance with accepted accounting practice, during the term of this Agreement, for one (1) year after the expiration or earlier termination thereof, and for a further period extending until the Lessee shall receive written permission from the Port Authority to do otherwise, records and books of account recording all transactions of the Lessee, at, through, or in any way connected with the Airport (which records and books of account are hereinafter to be called the "**Lessee's Records**"). The Lessee's Records shall be kept at all times within the Port of New York District;

(4) Allow in ordinary business hours during the term of this Agreement, for one (1) year thereafter, and during such further period as is mentioned in the preceding subparagraph (3), above, the examination and audit by the officers, employees and representatives of the Port Authority of (i) the Lessee's Records and (ii) also any records and books of account of any Affiliate of the Lessee if said entity performs services, similar to those performed by the Lessee, anywhere in the Port of New York District. The Lessee shall make available to the Port Authority within the Port of New York District for examination and audit by the Port Authority pursuant to this paragraph those records and books of account described in (i) which are not required by subparagraph (3) above to be kept at all times in the Port of New York District and those records and books of account described in (ii) above (all of the foregoing being hereinafter called the "**Other Relevant Records**" and the Lessee's Records and the Other Relevant Records being hereinafter collectively referred to as the "**Records**");

(5) Allow the inspection by the officers, employees and representatives of the Port Authority of any equipment used by the Lessee, including but not limited to cash registers and other point of sale systems;

(6) Furnish on or before the fifteenth (15th) day of each month following the commencement date of the letting, and on or before the fifteenth (15th) day of April of each calendar year, the statements described in Item 1 of **Exhibit B** hereto;

(7) Install and use such cash registers and other point of sale systems, sales slips, invoicing machines and any other equipment or devices for recording orders taken, or services rendered, as may be appropriate to the Lessee's business and necessary or desirable to keep accurate records of Gross Receipts;

(b) Without implying any limitation on the right of the Port Authority to terminate this Agreement for the breach of any term or condition thereof, the Lessee understands that compliance by the Lessee with the provisions of subparagraphs (3) and (4) of paragraph (a) above are of the utmost importance to the Port Authority in having entered into the Percentage Rental arrangement under this Agreement and in the event of the failure of the Lessee to maintain, keep within the Port of New York District or make available for examination and audit the Lessee's Records in the manner and at the times or location as provided in this Section then, in addition to all and without limiting any other rights and remedies of the Port Authority, the Port Authority may:

(1) Estimate the Gross Receipts of the Lessee on any basis that the Port Authority, in its sole discretion, shall deem appropriate, such estimation to be final and binding on the Lessee and the Lessee's Percentage Rental based thereon to be payable to the Port Authority when billed; or

(2) If any such Records have been maintained outside of the Port of New York District, but within the Continental United States then the Port Authority in its sole discretion may (i) require such Records to be produced within the Port of New York District or (ii) examine such Records at the location at which they have been maintained and in such event the Lessee 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, or

(3) If any such Records have been maintained outside the continental United States then, in addition to the costs specified in subdivision (2)(ii) above, the Lessee shall pay to the Port Authority when billed all other costs of the examination and audit of such Records including without limitation salaries, benefits, travel costs and related expenses, overhead costs and fees and charges of third party auditors retained by the Port Authority for the purpose of conducting such audit and examination.

(c) The foregoing auditing costs, expenses and amounts set forth in subparagraphs (2) and (3) of paragraph (b) above shall be deemed fees and charges under this Agreement payable to the Port Authority with the same force and effect as all other fees and charges thereunder.

(d) 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 Lessee, the Lessee, shall be obligated, and hereby agrees, to pay to the Port Authority a service charge in the amount of five percent (5%) of each amount determined by the Port Authority audit findings to be unpaid. Each such service charge shall be payable immediately upon demand (by notice, bill or otherwise) made at any time therefore by the Port Authority. Such service charge(s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority by the Lessee under this Agreement or otherwise. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid service charge shall be deemed a waiver of the right of the Port Authority of payment of any late charge or late charges or other service charges payable under the provisions of this Section with respect to such unpaid amount. Each such service charge shall be and become additional rent, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the rental. Nothing in this paragraph is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Agreement, including, without limitation, the Port Authority's rights to terminate set forth in the Section of this Agreement entitled "Termination" or (ii) any obligations of the Lessee under this Agreement.

Section 7. Government Requirements

(a) The Lessee shall procure at its own cost and expense from all governmental authorities having jurisdiction over the operations of the Lessee at the Premises all licenses, certificates, permits or other authorization which may be necessary for the conduct of its operations, and shall maintain in full force and effect throughout the term hereof all the foregoing licenses, certificates, permits and authorizations.

(b) The Lessee 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.

(c) The Lessee shall promptly observe, comply with and execute the provisions of any and all present and future governmental laws, rules, regulations, requirements, orders and directions, including without limitation all Environmental Requirements, which now or at any time during the term hereof may pertain or apply to the operations of the Lessee or the Premises or its occupancy thereof, and the Lessee shall, in accordance with and subject to the provisions of the Section of this Agreement entitled "*Construction by the Lessee*", make any and all structural and nonstructural improvements, alterations or repairs of the Premises that may be required at any time hereafter by any such present or future law, rule, regulation, requirement, order or direction. This paragraph (c) shall not require Lessee to make structural improvements, alterations, or repairs to the Premises which are also required to be made generally throughout the Terminal, unless the requirement to make such structural improvements, alterations, and repairs generally throughout the Terminal results from the particular operations of the Lessee in the Premises which are not common to other tenants at the Terminal.

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

Section 8. Rules and Regulations

The Lessee covenants and agrees to observe and obey (and to compel its officers, members, employees, agents, representatives, contractors, customers, guests, invitees and those doing business with it to observe and obey) the existing rules and regulations of the Port Authority for the government of the conduct and operations of the Lessee and others on the Premises (see **Exhibit R**), and such further reasonable rules and regulations as may from time to time during the letting be promulgated by the Port Authority for reasons of safety, health, preservation of property, noise, sanitation, good order, and the economic and efficient operation of the Airport. If a copy of **Exhibit R** is not attached, then the Port Authority will either deliver a copy thereof to Lessee upon receipt of its request therefor or will make a copy available at the office of the Secretary of the Port Authority. The obligation of the Lessee to require such observance and obedience on the part of its guests, invitees and business visitors shall obtain only while such persons are on the Premises.

The Port Authority agrees that, except in cases of emergency, it will give notice to the Lessee of every such further rule or regulation adopted by it at least ten (10) days before the Lessee shall be required to comply herewith.

Section 9. Various Obligations of the Lessee

(a) **Conduct of Operations.** The Lessee shall conduct its operations in an orderly and proper manner so as not to unreasonably annoy, disturb or be offensive to others at the Terminal. The Lessee shall take all reasonable measures to eliminate vibrations originating on the Premises tending to damage the Premises, or any equipment or structure or portion of the Terminal of which the Premises is a part, and to keep the sound level of its operations as low as possible. The Lessee shall use its best efforts to conduct all its operations at the Premises in a safe and careful manner, following in all respects the best practices of the Lessee's industry in the United States.

(b) **Lessee's Employees.** The Port Authority shall have the right to object to the Lessee regarding the conduct and demeanor of the employees of the Lessee whereupon the Lessee will immediately take all steps reasonably necessary to remove the cause of the objection.

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

(d) **Employee Identification.** If requested by the Port Authority, the Lessee shall supply and shall require its employees to wear or carry badges or other suitable means of identification, which shall be subject to the prior and continuing approval of the General Manager of the Airport.

(e) **Food and Beverage Operations.** If the Lessee is permitted under this Agreement to sell food and/or beverages, it shall, in connection with any preparation, packaging, handling, storage, delivery and dispensing of such food and/or beverages, comply with the following:

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

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

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

(4) All packing materials, including but not limited to wrappers, stoppers, caps, enclosures and containers, shall be clean and sterile and shall be so stored as to be protected at all times from dust, dirt, flies and other insects, rodents, vermin, unsanitary handling and unclear materials.

It is intended that the standards and obligations imposed by this paragraph (e) shall be maintained or complied with by the Lessee in addition to its compliance with all applicable governmental laws, ordinances and regulations, and in the event that any of said laws, ordinances and regulations shall be more stringent than such standards and obligations, the Lessee agrees that it will comply with such laws, ordinances and regulations in its operations hereunder.

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

(g) Minimization of Pollution. In addition to compliance by the Lessee with all laws, ordinances, governmental rules, regulations and orders now or at any time in effect during the term which as a matter of law are applicable to the operation, use or maintenance by the Lessee of the Premises or the operations of the Lessee under this Agreement (the foregoing not to be construed as a submission by the Port Authority to the application to itself of such requirements or any of them), the Lessee agrees that it shall exercise the highest degree of safety and care and shall conduct all its operations under this Agreement and shall operate and maintain the Premises and shall use the Premises in accordance with the highest standards and in such manner that there will be at all times a minimum of air pollution, water pollution or any other type of pollution and a minimum of noise emanating from, arising out of or resulting from the operation, use or maintenance of the Premises by the Lessee and from the operations of the Lessee under this Agreement. The Port Authority hereby reserves the right from time to time and at any time during the term of this Agreement to require the Lessee, and the Lessee agrees, to design and construct at its sole cost and expense such reasonable equipment, devices and other facilities as may be necessary or appropriate to accomplish the objectives as set forth in the first sentence of this paragraph. The manner, type and method of construction and the size and location of any of the foregoing shall be determined by the Port Authority. The Lessee shall submit for Port Authority approval its plans and specifications covering the required work and upon receiving such approval shall proceed diligently to construct the same. The obligations assumed by the Lessee under this paragraph shall not be relieved or diminished by the fact that the Port Authority shall have approved any construction application and supporting plans, specifications and contracts covering construction work, or that the Port Authority's recommendations or requirements have been incorporated therein. The Lessee's agreement to assume the obligations under this paragraph is a special inducement and consideration to the Port Authority in entering into this Agreement with the Lessee.

(h) Without limiting any other of the Lessee's obligations under this Agreement, the Lessee shall provide the General Manager of the Airport at the cost and expense of the Lessee with such information, documentation, records, correspondence, notices, reports, tests, results, and certifications and any other information as the Port Authority shall request in connection with any Environmental Requirements or Environmental Damages, and the Lessee shall promptly acknowledge, swear to, sign or otherwise fully execute the same. The Lessee agrees that any of the foregoing may be filed by the Port Authority with the appropriate governmental authority on behalf of the Lessee at the Lessee's cost and expense. Further, the Lessee agrees unless directed otherwise by

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the Port Authority, to provide the General Manager of the Airport with copies of all information, documentation, records, correspondence, notices, certifications, reports, test results and all other submissions provided by the Lessee to a governmental authority and by a governmental authority to the Lessee within two (2) business days that the same are made available to or received by the Lessee with respect to any Environmental Requirements.

(i) In addition to and without limiting the generality of the obligations of the Lessee set forth above and elsewhere in the Agreement, the Lessee shall at its sole cost and expense, upon notice from the Port Authority, promptly take all actions to completely remove and remediate all Hazardous Substances on the Premises or the Airport which result from the Lessee's use and occupancy of the Premises, or which have been disposed of, released, discharged or otherwise placed on, under or about the Premises by or on behalf of the Lessee or as a result of its acts or omissions, during the term of the letting hereunder, and to cleanup and remediate all other Hazardous Substances on, about or under the Premises or which have migrated from the Premises to any adjoining property, which any federal, state or local governmental agency or political subdivision or any Environmental Requirement or any violation thereof require to be remediated, and to cleanup and remediate all Hazardous Substances necessary to mitigate Environmental Damages.

Lessee is required to apply as an ACDBE with the Port Authority, please check here (X). Lessee shall immediately take all steps necessary to obtain such certification from the Port Authority on or before the Rental Payment Start Date. If the ACDBE participant is an individual or the individual is the sole owner of Lessee, the participating ACDBE percentage, as so certified, shall not be less than one hundred percent (100%) at all times during the Term hereof. If the ACDBE participant is a member/partner of a partnership with Lessee or joint venturer of a joint venture with Lessee, the participating ACDBE percentage, as so certified, shall not be less than thirty percent (30%) at all times during the Term hereof. Any change in the ownership structure involving the certified ACDBE participant must be reported in writing to the Port Authority immediately and in no event later than 30 days following any such change in ACDBE ownership status.

Section 10. Prohibited Acts

The Lessee shall not (a) commit any nuisance on the Premises, or do or permit to be done anything which may result in the creation or commission of a nuisance on the Premises; (b) cause or produce or allow to be caused or produced upon the Premises, or to emanate therefrom, any obnoxious odors or smokes, or noxious gases or vapors; (c) use the Premises for lodgings or sleeping purposes or for any immoral purposes; (d) install window shades or venetian blinds on the windows of the Premises unless and until the type, size and color of same shall have been previously approved in writing by the Port Authority; (e) do or allow to be done anything which may interfere with the effectiveness or accessibility of existing and future utilities systems or portions thereof on the Premises or elsewhere at the Terminal, including therein without limitation thereto systems for the supply of heat, water hot and cold, gas, electricity and fuel and for the furnishing of fire-alarm, fire-protection, sprinkler, sewage, drainage, air-conditioning, telephone, telegraph, tele-register, pneumatic-tube dispatch and inter-communications services, including lines, pipes, mains, wires, conduits and equipment connected with or appurtenant to all such systems, nor do or permit to be done anything which may interfere with free access and passage in the Premises, elsewhere in the Terminal or in the streets and sidewalk adjacent to the Terminal; (f) do or allow to be done anything which may interfere with the effectiveness or accessibility of elevators at the Terminal, including lines, pipes, wires, conduits and equipment connected with or appurtenant thereto; (g) overload any floor in the Premises; (h) place any furniture, machine or equipment over any expansion or contraction joint unless one end of such furniture, machine or equipment is free to allow expansion or contraction; (i) place any additional lock of any kind upon any window or interior or exterior door in the Premises unless a key therefor is delivered to the Port Authority, nor make any change in any existing door or window lock or the mechanism thereof, except with the prior written approval of the Port Authority, and upon the expiration or sooner termination of the letting hereof, the Lessee shall

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surrender to the Port Authority any and all keys to interior and exterior doors on the Premises, whether said keys were furnished to or were otherwise procured by the Lessee, and in the event of the loss of any keys furnished by the Port Authority to the Lessee, the Lessee shall pay to the Port Authority on demand the cost of replacement thereof; (j) do or allow to be done any act or thing upon the Premises which (i) will invalidate or conflict with any fire insurance, extended coverage or rental insurance policies covering the Premises or any part thereof, or the Terminal, or any part thereof, or (ii) in the opinion of the Port Authority, may constitute an extra-hazardous condition, so as to increase the risks normally attendant upon the operations contemplated by the Section of this Agreement entitled "*Rights of Use by the Lessee*". The Lessee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of the National Board of Fire Underwriters, the Fire Insurance Rating Organization of New Jersey, or of any other board or organization exercising or which may exercise similar functions, which may pertain or apply to the operations of the Lessee on the Premises, and the Lessee shall, subject to and in accordance with the provisions of the Section of this Agreement entitled "*Construction by the Lessee*", make any and all non-structural improvements, alterations or repairs of the Premises that may be required at any time hereafter by any such present or future rule, regulation, requirement, order or direction. If, by reason of any failure on the part of the Lessee to comply with the provisions of this subdivision, any fire insurance rate, extended coverage or rental insurance rate on the Premises or any part thereof, or on the Terminal or any part thereof, shall at any time be higher than it otherwise would be, then the Lessee shall pay to the Port Authority as an item of additional rental, on demand, that part of all insurance premiums paid by the Port Authority which shall have been charged because of such violation or failure by the Lessee; (k) unless the Port Authority provides its prior written consent, install, maintain or operate, or permit the installation, maintenance or operation on the Premises of any vending machine or device designed to dispense or sell food, beverages, tobacco products or merchandise of any kind, whether or not included in the above categories, or of any restaurant, cafeteria, kitchen, stand or other establishment of any type for the preparation, dispensing or sale of food, beverage, tobacco or tobacco products, or of any telephone pay-stations.

Section 11. Care, Maintenance, Rebuilding and Repair by the Lessee

(a) **Damage or Destruction of Premises by Lessee.** The Lessee shall repair, replace, rebuild and paint all or any part of the Terminal and the Premises, including therein, without limitation thereto, walls, partitions, floors, ceilings, columns, windows, doors, glass of every kind, fixtures, systems for the supply of heat, water hot and cold, gas, electricity and fuel and for the furnishing of fire-alarm fire-protection, sprinkler, sewerage, drainage, air-conditioning, telephone, tele-register, pneumatic-tube dispatch and intercommunication services, including lines, pipes, mains, wires, conduits and equipment connected with or appurtenant to all such systems, which may be damaged or destroyed by the acts or omissions of the Lessee, its officers or employees or of other persons on or at the Premises with the Lessee's consent, and shall pay to the Port Authority on demand the costs and expenses of the Port Authority to repair, replace, rebuild and paint all or any part of the Terminal and the Premises which may be damaged or destroyed by the acts or omissions of the Lessee or of its officers or employees or of other persons on or at the Premises with the Lessee's consent. All non-structural repair, replacement, rebuilding and painting shall be made or done by the Lessee and structural repair, replacement and rebuilding may be made or done by the Port Authority.

(b) **Lessee's Other Repair and Maintenance Obligations.** Except as expressly provided to the contrary herein with respect to structural repairs, the Lessee shall, throughout the term of this Agreement, assume the entire responsibility and shall relieve the Port Authority from all responsibility for repair, rebuilding and maintenance whatsoever in the Premises, whether such repair, rebuilding or maintenance be ordinary or extraordinary, partial or entire, inside or outside, foreseen or unforeseen, and without limiting the generality of the foregoing, the Lessee shall:

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

(2) Take good care of the Premises, including therein, without limitation thereto, walls, partitions, floors, ceilings, columns, windows, doors, glass of every kind, fixtures and shall make or do all non-structural repairs, replacements, rebuilding and painting (the exterior of the Premises, if applicable, and areas visible to the general public to be painted only in colors which have been approved by the Port Authority) necessary to keep the Premises in the condition existing as of the commencement date of the letting and to keep all improvements and fixtures made or installed subsequent to the commencement date of the letting in the condition existing as of the date such improvements are made and such fixtures installed. All such repairs and replacements and other work to be done by the Lessee shall be done in quality and class not inferior to the original in materials and workmanship.

(3) Not lay any linoleum, asphalt tile or other such affixed floor covering in direct contact with the floor of the Premises. If the Lessee lays any linoleum, asphalt tile or other such affixed covering on the floor of the Premises, an interlining of builder's deadening felt shall first be affixed to the floor with water-soluble paste or other water-soluble material, the use of cement or other adhesive non-soluble paste or other water-soluble material, the use of cement or other adhesive non-soluble in water being expressly prohibited.

(4) Maintain and pay the premiums on a policy of plate and mirror glass insurance covering all plate and mirror glass which is a part of or located on or in the Premises.

The provisions of this paragraph (b) shall not be deemed to require the Lessee to make or do any repairs, replacements, rebuilding or painting to any portion of the Terminal other than the Premises where such portion of the Terminal is damaged or destroyed by the acts or omissions of persons other than the Lessee, its officers, directors, members (in their capacity of the limited liability entity), managers (in their capacity as managers of, and if, Lessee is a limited liability entity), partners (if Lessee is a partnership), employees, agents, representatives or contractors.

(c) Port Authority Right to Perform at Lessee's Cost. In the event the Lessee fails to commence so to make or do non-structural repair, replacements, rebuilding or painting within a period of ten (10) days after notice from the Port Authority so to do or fails diligently to continue to completion the repair, replacement, rebuilding or painting of all the Premises required to be repaired, replaced, rebuilt or painted by the Lessee under the terms of this Agreement, the Port Authority may, at its option, and in addition to any other remedies which may be available to it, repair, replace, rebuild or paint all or any part of the Premises included in the said notice, the cost thereof to be paid by the Lessee on demand.

(d) Damage to or Destruction of the Premises. If the Premises or any part thereof shall be destroyed or damaged as a result of any casualty, without the fault of the Lessee, its officers, members, employees, agents, representatives, contractors, or other persons at the Premises with the consent of the Lessee, so as to render it untenable in whole or part, then:

(1) If in the opinion of the Port Authority the necessary repairs or rebuilding can be completed within ninety (90) days after the occurrence of the damage, the Port Authority shall repair or rebuild with due diligence, and the rental hereunder shall, if so provided in Item 1 of **Exhibit B**, be abated only for the period from the occurrence of the damage to the completion of the repairs or rebuilding, whether or not the work or repair or rebuilding is actually completed within the said ninety (90) days; or

(2) If in the opinion of the Port Authority such repairs or rebuilding cannot be completed within ninety (90) days after the occurrence of the damage or if the entire Premises require rebuilding, then the Port Authority shall have options:

(i) to proceed with due diligence to repair or to rebuild as necessary; or

(ii) to terminate the letting as to the damaged portion of the Premises only, or

(iii) to cancel this Agreement and terminate the letting as to the entire Premises; and the rental hereunder shall, if so provided in Item 1 of **Exhibit B**, be abated, either, as the case may require, for the period from the occurrence of the damage to the completion of repairs and rebuilding or for the period from the occurrence of the damage to the effective date of termination.

(e) **Removal of Property and/or Debris.** In the event of a partial or total destruction of the Premises, the Lessee shall immediately remove any and all of its property and/or debris from the Premises or the portion thereof destroyed and if the Lessee does not promptly so remove, the Port Authority may remove such property to a public warehouse for deposit or retain the same in its own possession and sell the same at public auction, the proceeds of which shall be applied first to the expenses of removal, storage and sale, second to any sums owed by the Lessee to the Port Authority, with any balance remaining to be paid to the Lessee; if the expenses of such removal, storage and sale shall exceed the proceeds of sale, the Lessee shall pay such excess to the Port Authority upon demand.

(f) The parties hereby stipulate that if the Premises are in the State of New Jersey neither the provisions of Titles 46:8-6 and 46:8-7 of the Revised Statutes of New Jersey nor those of any other similar statute shall extend or apply to this Agreement.

Section 12. Indemnity; Liability Insurance

(a) (1) The Lessee shall indemnify and hold harmless the (i) Port Authority and its Commissioners, officers, agents and employees (individually and collectively, "**PA Indemnitees**") and (ii) Westfield Concession Management, LLC (or any concession manager at the Terminal as designated by the Port Authority, if any) and its officers, directors, agents, affiliates, parent corporations, employees, members (in their capacity of the limited liability entity) (individually and collectively, "**Concession Manager Indemnitees**") (PA Indemnitees and Concession Manager Indemnitees being collectively referred to as "**Protected Indemnitees**") from and against (and shall reimburse the Protected Indemnitees for the Protected Indemnitees' costs and expenses including, without limitation, legal expenses incurred in connection with the defense of) all claims and demands of third persons including but not limited to claims and demands for death, for personal injuries, or for property damages, arising out of any default of the Lessee in performance or observance of any term or provision of this Agreement, or out of the use or occupancy of the Premises by the Lessee or by others with its consent, or out of any of the acts or omissions of the Lessee, its officers, directors, members (in their capacity of the limited liability entity), managers (in their capacity as managers of, and if, Lessee is a limited liability entity), partners (if Lessee is a partnership), employees, agents, representatives, contractors, subcontractors, customers, guests, invitees and other persons doing business with it where such acts or omissions are on the Premises or arising out of any acts or omissions of the Lessee, its officers, directors, members (in their capacity of the limited liability entity), managers (in their capacity as managers of, and if, Lessee is a limited liability entity), partners (if Lessee is a partnership), employees, agents, contractors, subcontractors and representatives where such acts or omissions are elsewhere at the Airport, including claims and demands of the City of Newark from which the Port Authority derives its rights in the Airport for

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indemnification arising by operation of law or through agreement of the Port Authority with said City.

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

(b) (1) In addition to the obligations set forth in paragraph (a) of this Section and all other insurance required under this Agreement, during the term of this Agreement, the Lessee, in its own name as insured and including the Protected Indemnitees as additional insureds, shall maintain 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 not less than the limits set forth in Item 2 of **Exhibit B** hereof. Further, the Lessee shall maintain Workers' Compensation and Employers Liability Insurance in accordance with applicable State law for those employees of the Lessee employed in operations conducted pursuant to this Agreement at or from the Airport.

(2) In the event the Lessee maintains the foregoing insurance in limits greater than set forth in Item 2 of **Exhibit B** hereof, the Protected Indemnitees shall be included therein as an additional insured to the full extent of all such insurance in accordance with all terms and provisions of this Agreement.

(3) 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 Lessee thereunder with respect to any claim or action against the Lessee by a third person shall pertain and apply with like effect with respect to any claim or action against the Lessee by the Port Authority Indemnitees or the Concession Manager Indemnitees and any claim or action against the Port Authority Indemnitees or Concession Manager Indemnitees, by the Lessee, as if the Port Authority Indemnitees or Concession Manager Indemnitees, as applicable, were the named insured thereunder, but such clause or endorsement shall not limit, vary, change or affect the protections afforded the Protected Indemnitees thereunder as additional insureds. Each policy of insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Lessee under the provisions of this Agreement, including without limitation this Section.

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

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

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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 subparagraph (6).

(6) 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 Agreement by the Lessee to the Port Authority, with a photocopy to be delivered to Westfield Concession Management, LLC (or any concession manager at the Terminal as designated by the Port Authority, if any). In the event any binder is delivered it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate of insurance. Any renewal policy shall be evidenced by a renewal certificate of insurance delivered to the Port Authority at least seven (7) days prior to the expiration of each expiring policy, except for any policy expiring after the date of expiration of this Agreement, with a photocopy to be delivered to Westfield Concession Management, LLC (or any concession manager at the Terminal as designated by the Port Authority, if any). 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 Lessee 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.

(7) 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 Lessee under this Agreement. The foregoing insurance requirements shall not constitute a representation or warranty as to the adequacy of the required coverage to protect the Lessee with respect to the obligations imposed on the Lessee by this Agreement or any other agreement or by law.

(8) The Lessee shall include in each of its insurance policies covering loss, damage or destruction by fire or other casualty a waiver of the insurer's right of subrogation against the Port Authority or, if such waiver should be obtainable or unenforceable, (i) an express agreement that such policy shall not be invalidated if the insured waives before the casualty right of recovery against any party responsible for a casualty covered by such policies, or (ii) any other form of permission for the release of the Port Authority.

(9) The Lessee hereby releases the Protected Indemnitees with respect to any claim which it might otherwise have against any of them for loss, damage or destruction with respect to its property (including business interruption) occurring during the term of the letting under this Agreement and with respect and to the extent to which it is insured under a policy or policies containing a waiver of subrogation or permission to release liability as provided in subparagraph (8), above.

Section 13. Sales and Services by the Lessee

(a) A principal purpose of the Port Authority in entering into this Agreement is to have available for travelers and other users of the Terminal, all other members of the public, and persons employed at the Terminal, the merchandise and/or services which the Lessee 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 obligations to operate facilities for the use and benefit of the public, and the Lessee agrees that it will conduct a first class operation and will furnish and install all necessary or proper equipment, fixtures, improvements (subject to the provisions of the Section of this Agreement entitled "*Construction by the Lessee*"), personnel, supplies, materials and other facilities and replacements therefor and all such fixtures and improvements (except trade fixtures removable without injury to the Premises) shall on installation become the property of the Port Authority and a part of the Premises, provided, however, that the Port Authority shall have the

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option, exercisable by notice delivered to the Lessee on or before a date sixty (60) days after expiration or termination hereof, to require the Lessee to remove any or all such fixtures, equipment and improvements and to restore the Premises to the condition thereof prior to any installation and in the event of a failure on the part of the Lessee so to remove and restore, the Port Authority may do so, and the Lessee shall pay the cost thereof to the Port Authority on demand. All equipment, fixtures and improvements to be used in the Premises and the installation thereof shall be subject to the prior written approval of the Port Authority as to type and quality. The Port Authority may by written authorization allow the Lessee to enter and occupy the Premises, prior to the commencement date of the letting stated or referred to in the Sections of this Agreement entitled "*Term*" and "*Letting Postponed*", respectively, solely for the purpose of installing fixtures and making improvements. In the event that the Lessee receives such written authorization the Lessee shall use and occupy the Premises in accordance with and shall be subject to all the provisions of this Agreement other than those relating to the conducting of a business and the payment of rental.

(b) The Lessee shall furnish good, prompt and efficient service hereunder, adequate to meet all demands therefor at the terminal; shall furnish said service on a fair, equal and non-discriminatory basis to all users thereof; and shall charge fair, reasonable and non-discriminatory prices for all items and/or services which it is permitted to sell and/or render hereunder.

(c) The Lessee shall comply with the Port Authority Aviation Department Street Pricing Policy. In connection therewith, the Lessee shall not charge prices to its customers in excess of "**Street Prices**", which for purposes of this Agreement is defined as follows:

(1) If the Lessee conducts a similar business to the business operation permitted under this Agreement in off-Airport location(s) in the Greater New York City – Northern New Jersey Metropolitan Area (herein referred to as the "**Metro Area**"), "**Street Prices**" shall mean the average price regularly charged by the Lessee for the same or similar item in such Metro Area location;

(2) If the Lessee does not conduct a similar business to the business operation permitted under this Agreement in off-Airport location(s) in the Metro Area, "**Street Prices**" shall mean the average price regularly charged in the Metro Area by similar retailers for the same or similar item; and

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

(4) If the Lessee is engaged in the business of selling duty-free goods, "**Street Prices**" shall mean the price regularly charged by the Lessee or similar retailer for the same or similar duty-free item at other urban airports in the Northeast region of the United States, including but not limited to John F. Kennedy International Airport, New York, New York.

For purposes of clarification, for purposes of this *Section 13(c)*, Metro Area shall have the same meaning as "**Port of New York District**".

The Lessee's breach of the aforesaid Street Pricing policy shall be deemed a material breach of the Lessee's obligations under this Agreement.

(d) The Lessee shall post in each sales area (including any temporary sales space) a notice in form and substance satisfactory to the Port Authority notifying the public that the Lessee subscribes to a "**Street Pricing Policy**", such notice to be clearly visible and unobstructed. If the Lessee charges any price to a customer in excess of the price which would satisfy the "**Street**

Pricing Policy” in violation of its obligations under this Agreement, the amount of such excess shall constitute an overcharge which shall, upon demand by the Port Authority or the Lessee’s customer, be promptly refunded to the customer.

(e) The Lessee shall submit to the Port Authority from time to time (and not less than annually), a current pricing survey and report demonstrating compliance by the Lessee with the aforementioned pricing requirements. For purposes of establishing the Street Price of an item, any difference in the size or quality of a product or service shall constitute a price differential.

(f) The Lessee shall be open for and shall conduct business and furnish services seven (7) days a week, or for such other hours and days as the General Manager of the Airport, from time to time by notice to the Lessee, may determine in his/her sole and absolute discretion shall properly serve the needs of the public. The determination of proper business hours and days made by the Port Authority shall be controlling. At the time of execution of this Agreement, required operating hours at the Terminal shall be as follows:

- (1) Food and beverage – 6:30 a.m. to thirty (30) minutes after the last flight departs from the Terminal; all coffee operations to be open 5:30 a.m. to 10:00 p.m.;
- (2) News – 6:00 a.m. to 10:00 p.m.;
- (3) Retail – 6:30 a.m. to 10:00 p.m.;
- (4) Duty free – 6:00 a.m. to thirty (30) minutes after the last international flight departs from the Terminal; and
- (5) Services – 6:30 a.m. to 10:00 p.m.

Section 14. Signs

(a) Except with the prior written consent of the Port Authority, the Lessee shall not erect, maintain or display any signs or any advertising at or on the exterior parts of the Premises or in the Premises so as to be visible through the windows or exterior doors thereof. Interior and exterior signs affecting public safety and security shall be in accordance with established Port Authority standards.

(b) Upon the expiration or termination of the letting, the Lessee shall remove, obliterate or paint out, as the Port Authority may direct, any and all signs and advertising on the Premises or elsewhere at the Terminal if pertaining to the Lessee, and in connection therewith shall restore the Premises and the Terminal to the same condition as existing prior to the installation of any such signs or advertising. In the event that there is a failure by the Lessee so to remove, obliterate or paint out each and every sign or advertising and so to restore the Premises and the Terminal, the Port Authority may, at its option, perform the necessary work at the expense of the Lessee, and the charge therefor shall be paid by the Lessee to the Port Authority on demand.

Section 15. Services and Utilities

(a) General

(1) Except as provided in this Section, the Port Authority shall not be obligated to perform or furnish any services or utilities whatsoever in connection with this Agreement or the use and occupancy of the Premises. Further, the Lessee acknowledges and agrees that reference in this Section to services and utilities shall not include telephone or any form of data or information transmission service, which shall be the responsibility of Lessee to obtain at its sole cost and expense.

(2) The Port Authority's obligation to provide or continue any service or utility hereunder shall be limited by the safe and efficient operating capacity of the existing equipment, systems, piping systems, tie-ins, wires and conduits serving the Terminal and no approval given by the Port Authority to the erection by the Lessee of any improvement or to the installation of any fixtures or equipment shall be deemed to impose upon the Port Authority any obligation to increase the said operating capacity of any existing or presently contemplated equipment, systems, piping systems, tie-ins, wires or conduits.

(3) The Lessee understands that the Port Authority and the airline lessees (as defined in the Section of this Agreement entitled "*Definitions*") by its and their respective officers, employees, agents, representatives or contractors or by the furnishers of utilities or other services to the Premises or to others at the Airport shall have the right to temporarily discontinue the supply of any of the services described herein in order to allow repair, alterations, changes or improvements in the Premises or elsewhere at the Airport including all systems for the supply of services for the benefit of the Lessee or for the benefit of others than the Lessee at the Airport.

(4) The Port Authority shall be under no obligation to supply services if and to the extent and during any period that the supplying of any such service or the use of any component necessary therefor shall be prohibited or rationed by any federal, state or municipal law, rule, regulation, requirement, order or direction and if the Port Authority deems it in the public interest to comply therewith even though such law, rule, regulation, requirement, order or direction may not be mandatory on the Port Authority as a public agency. The Port Authority shall not be obligated to perform or furnish any service whatsoever in connection with the Premises at any time while the Lessee wastes any of the said services or shall be in default under this Agreement after the period, if any, herein granted to cure such default shall have expired, or has breached any of the provisions of this Agreement after the period, if any, herein granted to cure such default shall have expired and the Port Authority may cease performance. If by operation of this Section any service for which the Lessee has agreed to pay a flat sum is discontinued for any period of the letting, the Lessee shall be relieved of its obligation to pay for such service for any such period or if any such service is supplied during fewer hours or in lesser amounts than agreed during any period of the letting, the Lessee shall be relieved proportionately of its obligation to pay for any such service for any such period.

(5) No failure, delay, interruption or curtailment in supplying agreed services (whether or not a separate charge is made therefor) shall be or be construed to be an eviction (actual or constructive) of the Lessee or grounds for any diminution or abatement of rental, or shall be grounds for any claims by the Lessee for damages, consequential or otherwise, against the Port Authority, or its officers, employees or agents. The Lessee shall not be entitled to receive any of the above services during any period during which the Lessee wastes any of the said services or is in default under any of the provisions of this Agreement.

(b) Electricity and Gas. The Lessee shall receive electricity and gas to the extent of the capability of existing or upgraded facilities, and the Lessee agrees to take electricity and gas, as follows.

(1) For use on and in the Premises, electricity and gas shall be provided to the Lessee either from the Port Authority, or the relevant airline lessee pursuant to the relevant Airline Leases, as the case may be. However, the Port Authority anticipates a modernization program to the facilities for electricity and gas. In connection with the modernization of the facilities, the Port Authority reserves the right to either check meter such utilities or arrange for the appropriate utility company to directly invoice the Lessee for such electricity and gas consumed by Lessee in the Premises, if that option becomes available with such modernization.

(2) The Lessee shall take electricity of the same voltage, phase and cycle as supplied by the public utility through existing wires, conduits and outlets at the Premises. The Lessee shall be solely responsible for transforming the electricity supplied to such voltage, phase and frequency as it desires, for the distribution and handling of such electricity within its Premises and for making all connections and tie-ins to the point or points in the Premises designated by the Port Authority or relevant airline lessee.

(c) **Extermination Service.** In the event the Port Authority shall provide extermination service for the enclosed areas of the Premises, the Lessee agrees to utilize the same and to pay its pro rata share of the cost thereof upon demand. This paragraph does not impose any obligation on the Port Authority to furnish such service. If the Port Authority does not provide such service, Lessee, at its sole cost and expense, shall, at such intervals as the Port Authority may require, contract directly with such service designated by the Port Authority that performs the service for the Port Authority in the Terminal in order to provide continuity and consistency in such service.

(d) **High Temperature Water.**

(1) For use on and in the Premises (as applicable), the Lessee shall be provided high temperature water at no additional charge from either the Port Authority, or the relevant airline lessee pursuant to the relevant Airlines Leases, as the case may be, and the Lessee shall take, as needed for Lessee's operations, the following: (i) high temperature water for heating purposes in reasonable quantities at a temperature of approximately 130 degrees F.; and (ii) high temperature water for domestic hot water purposes.

(2) The Lessee's obligation to distribute and handle the high temperature water provided hereunder within its Premises, and for making all connections and tie-ins to the point or points in the Premises designated by the Port Authority or the relevant airline lessee shall fully apply in the same way as it applies for electricity and gas, as hereinabove described.

(e) **Chilled Water.**

(1) For use on and in the Premises (as applicable), the Lessee shall be provided chilled water at no additional charge from either the Port Authority, or the relevant airline lessee pursuant to the relevant Airlines Leases, as the case may be, and the Lessee shall take, as needed for Lessee's operations, through existing pipes, mains and fittings, for the following purposes: (i) for air cooling purposes, at a temperature and with other characteristics as determined by the Port Authority; and (ii) for domestic cold water purposes only.

(2) The Lessee's obligation to distribute and handle the chilled water provided hereunder within its Premises, and for making a connections and tie-ins to the point or points in the Premises designated by the Port Authority or the relevant airline lessee shall fully apply in the same way as it applies for electricity and gas, as hereinabove described.

(3) Without limiting the generality of rights of entry upon the Premises elsewhere in this Agreement reserved to the Port Authority (or the relevant airline lessee, as the case may be, in accordance with the relevant Airline Lease), the Port Authority (and the relevant airline lessee, as the case may be, in accordance with the relevant Airline Lease) shall have, for itself, its officers, employees, agents, representatives, contractors and subcontractors, the right to enter upon the Premises at all times to construct, install, maintain, replace, repair or improve the air-cooling system or any part thereof. Such air-cooling shall be furnished subject to all the provisions of this Agreement (including the remaining provisions of this Section) and in accordance with the following:

(4) If the air-cooling on the Premises can be controlled by mechanisms within the Premises or portions thereof, the Lessee shall shut off the air-cooling before closing and

leaving any particular portion of the Premises at any time for any period. The Port Authority shall have the right to enter the Premises for the purpose of observing the Lessee's compliance with the provisions hereof and the Port Authority may lock, seal or install any timing device on or in connection with any air-cooling control mechanism so as to provide that each portion of the Premises shall only be air-cooled during the hours and days stipulated hereunder.

(5) If the Lessee in accordance with this Agreement erects any partitions or makes any improvements, which partitions or improvements stop, hinder, obstruct or interfere with the cooling of the air or the heating of the Premises, then no such action by the Lessee shall impose any obligation on the Port Authority to install facilities, fixtures or equipment for air-cooling or for heating additional to those presently existing or presently contemplated or to increase the capacity or output of existing or presently contemplated facilities, equipment or fixtures and the Lessee shall not in any such event be relieved of any of its obligations hereunder because a comfortable temperature is not maintained. No approval given by the Port Authority to the erection of partitions or the making of any improvements shall be or be deemed to be a representation that the work approved of will not stop, hinder, obstruct or interfere with either the cooling of the air or the heating of the Premises or any portion thereof.

(6) The Lessee shall not waste or dissipate the air-cooling or heating service by any act or omission including but not limited to the permitting of outside doors or windows to remain open. Without otherwise affecting the Port Authority's rights or remedies in the event of any breach by the Lessee of its obligations under this subdivision, the Port Authority shall have the right to discontinue the said heating or air-cooling service during any period of such waste or dissipation and any failure of the Port Authority to supply any such service under such conditions shall not affect any of the Lessee's obligations under this Agreement. It is hereby understood further that the installation by the Lessee of any equipment which itself requires air-cooling or which requires additional quantities of air-cooling at the portion of the Premises where such equipment is installed, or the concentration in any portion of the Premises of such a number of people so as to require additional quantities of air-cooling, shall not impose any obligation on the Port Authority to increase the capacity or output of initially existing facilities, equipment or fixtures for the supply of chilled water and the Lessee shall not in any such event be relieved of any of its obligations hereunder.

(f) **Obligation to Maintain Systems.** Without limiting or affecting any other term or provision of this Agreement, the Lessee shall be solely responsible for the operation of all equipment, systems, piping systems, tie-ins, utilities, lines and connections, mechanical, electrical, communications and other systems operating or located in the Premises and shall do all preventative maintenance and make all repairs, replacements, rebuilding and painting necessary to keep such systems (whether same involves structural or non-structural work) in the condition they were in when made or installed except for reasonable wear which does not adversely affect the watertight condition or structural integrity of the Terminals or adversely affect the efficient or proper utilization or appearance of any part of the Premises. In the event the Lessee retains a maintenance contractor for such work it shall secure the Port Authority's prior approval for said proposed contractor. Notwithstanding the foregoing and without otherwise limiting the generality thereof, the Lessee's obligations hereunder shall extend to and include cleaning of the supply and exhaust louvers on the Premises. To the extent necessary for the Lessee to have the benefit of any warranties and guarantees under existing contracts covering items and systems identified in this paragraph in fulfilling its obligations hereunder and on condition that such contracts permit it and the Port Authority's interests are not adversely affected in any way and to any extent, the Port Authority shall enable the Lessee to have recourse to such warranties and guarantees.

(g) **Drainage and Exhaust.** Without in any way limiting the Lessee's other obligations under this Agreement, the Lessee shall supply, replace, install, repair, maintain and keep clean all grease traps in all drainage pipes exclusively used in operations at the Premises whether such pipes are located on the Premises or elsewhere at the Terminal. The Lessee shall also keep clean,

repair and maintain (other than structurally) all kitchen exhaust ducts including the replacement of all filters where such ducts are exclusively used by it in such operations and whether such ducts are located on the Premises or elsewhere at the Terminal. As part of the Lessee's maintenance responsibilities, the hood and ventilation system servicing the Premises shall be cleaned and maintained, from inside the unit through the ductwork to the roof top fan, on a monthly basis and at the Lessee's sole cost and expense. Written documentation of this work shall be supplied to the Port Authority on or before the seventh (7th) day of each calendar month, relating to servicing during the preceding calendar month. In addition, should any corrective work be necessary for any portion of the hood and ventilation system, the Lessee shall be responsible for the immediate repair and costs therefor, whether such repair is required inside the unit or outside the unit.

(h) Other Governmental Actions. If any federal, state, municipal or other governmental body, authority or agency or any public utility assesses, levies, imposes, makes or increases any charge, fee or rent on the Port Authority for any service, system or utility now or in the future supplied to or available to the Premises or to any occupants or users thereof or to the structure or building of which the Premises form a part (including but not limited to any rent or charge for the use of the sewer systems), the Lessee shall, at the option of the Port Authority exercised at any time and from time to time by notice to the Lessee, pay in accordance with the said notice, such charge, fee or rent or increase thereof (or the portion thereof allocated by the Port Authority to the Premises or the operations therein) either directly to the governmental body, authority or agency or to the public utility or directly to the Port Authority or the airline lessee, as required.

(i) Washrooms. The Lessee shall be furnished, without additional charge, non-exclusive toilet and washroom facilities for the employees of the Lessee if toilet and washroom facilities are not a part of the Premises.

Section 16. Construction by the Lessee

(a) Except as hereinafter expressly provided, the Lessee shall not erect any structures, make any improvements or do any other construction work on the Premises or elsewhere at the Terminal, or alter, modify or make additions, improvements or repairs to or replacements of any structure now existing or built at any time during the letting, or install any fixtures (other than trade fixtures, removable without material injury to the freehold, any such damage to be immediately repaired by the Lessee) without the prior written consent of the Port Authority. In the event any construction, improvement, alteration, modification, addition, repair or replacement is made without such written approval of the Port Authority, then, upon notice given at any time during the letting or within sixty (60) days after expiration or termination of the term of the letting, the Lessee will remove the same, or, at the option of the Port Authority, cause the same to be changed to the satisfaction of the Port Authority. In case of any failure on the part of the Lessee to comply with such notice, the Port Authority may effect the removal or change, and the Lessee shall pay the cost thereof to the Port Authority on demand.

(b) In the event that Item 4 of **Exhibit B** provides that the Lessee is required (or is permitted to) build a structure or make repairs, alterations, improvements or additions to the Premises, the structure, repairs, alterations improvements or additions described in the said Item 4 shall be built or made strictly in accordance with the following terms and conditions:

(1) The Lessee shall, to the extent allowed under the law, be the insurer of the Port Authority, its Commissioners, officers, agents and employees, against the following distinct and several risks, whether they arise from the acts or omissions of the Lessee, of the Port Authority, its Commissioners, officers, agents and employees or of third persons, or from acts of God or of the public enemy, or otherwise, excepting only risks which result solely from affirmative, willful acts done by the Port Authority subsequent to the commencement of the work of construction, repair, alteration, improvement or addition.

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(i) The risk or loss or damage to all such required repairs, alterations, additions, improvements, or structures prior to the completion thereof. In the event of such loss or damage, the Lessee shall forthwith repair, replace and make good the work without cost to the Port Authority.

(ii) The risk of death, injury or damage, direct or consequential, to the Port Authority, its Commissioners, officers, agents and employees, and to its or their property, arising out of or in connection with the performance of the work. The Lessee shall indemnify the Port Authority, its Commissioners, officers, agents and employees, for all such deaths, injuries and damages, and for all loss suffered by reason thereof.

(iii) The risk of claims and demands, just or unjust, by third persons against the Port Authority, its Commissioners, officers, agents and employees, arising or alleged to arise out of the performance of the work. The Lessee shall indemnify the Port Authority, its Commissioners, officers, agents and employees against and from, and shall reimburse the Port Authority for, costs or expenses incurred by it in connection with the defense, settlement or satisfaction of all such claims and demands.

(2) All work done pursuant to this Section shall be done in accordance with drawings and specifications to be submitted to and approved by the Chief Engineer of the Port Authority prior to the commencement of the work, shall be done to his satisfaction and shall be subject to his inspection during the progress of such work and after completion thereof; and the Lessee shall re-do or replace at its own expense any work not approved by the said Chief Engineer. Unless otherwise expressly provided herein, all workmanship and materials are required to be first class.

(3) The Lessee shall pay all claims lawfully made against it by its contractors, subcontractors, materialmen and workmen and all claims lawfully made against it by other third persons arising out of or in connection with or because of the performance of the work and shall cause its contractors and subcontractors to pay all such claims lawfully made against them.

(4) The Lessee shall procure and maintain comprehensive public liability insurance, or, if the work is to be done by an independent contractor, the Lessee shall require such contractor to procure and maintain such insurance in the name of the contractor, in either case, in limits not lower than those set forth for such categories of insurance in Item 5 of **Exhibit B**.

(5) As soon as such structure, repair, alteration, improvement or addition shall have been completed to the satisfaction of the Chief Engineer of Port Authority, then (subject to the provisions of the following subdivision (c)) title thereto shall immediately and without execution of any further instrument vest in the Port Authority, and every said structure and all such repairs, alterations, improvements or additions, shall thereupon become and thereafter be part of the Premises (said vesting of title does not apply to Lessee's movable trade fixtures and other items of Lessee's personal property).

(c) The Port Authority shall have the option, exercisable by notice delivered on or before a date sixty (60) days after expiration, cancellation or termination hereof, to require the Lessee to remove any or all such structures, alterations, improvements or additions, and to restore the Premises to the condition thereof prior to the construction or installation thereof. In the event of a failure on the part of the Lessee so to remove and restore, the Port Authority may do so, and the Lessee shall pay the cost thereof to the Port Authority on demand.

Section 17. Injury and Damage to Person or Property

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

Section 18. Additional Rent and Charges

(a) If the Port Authority has paid any sum or sums or has incurred any obligation or expense (including, without limitation, payments to third persons and internal Port Authority costs and expenses) which the Lessee has agreed to pay or reimburse the Port Authority for, or if the Port Authority is required or elects to pay any sum or sums or incurs any obligation or expense (including, without limitation, payments to third persons and internal Port Authority costs and expenses) by reason of the failure, neglect or refusal of the Lessee to perform or fulfill any one or more of the conditions, covenants or agreements contained in this Agreement or as a result of an act or omission of the Lessee contrary to the said conditions, covenants and agreements, the Lessee agrees to pay the sum or sums so paid or the expense so incurred, including all interest, costs, damages and penalties, and the same may be added to any installment of rent thereafter due hereunder, and each and every part of the same shall and become additional rent, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the Basic Rental, or if there is no Basic Rental as a part of the Percentage Rental, all as set forth in the Section of this Agreement entitled "*Rental*".

(b) For all purposes under this Section and in any suit, action or proceeding of any kind between the parties hereto, any receipt showing any payment of sum or sums by the Port Authority for any work done or material furnished shall be prima facie evidence against the Lessee that the amount of such payment was necessary and reasonable. Should the Port Authority elect to use its own operating and maintenance staff in making any repairs, replacements and/or alterations and to charge the Lessee with the cost of same, any time report of any employee of the Port Authority showing hours of labor or work allocated to any such repair, replacement and/or alteration, or any stock requisition of the Port Authority showing the issuance of materials for use in the performance thereof, shall likewise be prima facie evidence against the Lessee that the amount of such charge was necessary and reasonable.

Section 19. Application of Payments; Accord and Satisfaction

All payments received by the Port Authority shall be credited and be deemed to be on account of the rentals and other charges then first due. No statements or endorsements on any check or any letter accompanying any check or payment of rentals or other charges shall be deemed an accord and satisfaction of any debt or obligation of the Lessee hereunder. The Port Authority reserves the right to accept any check or payment without prejudicing in any way the Port Authority's right to recover the balance of any and all rentals and other charges due from the Lessee after receipt of any such check or payment or to pursue any other remedy provided herein or by law.

Section 20. Rights of Entry Reserved

(a) The Port Authority by its officers, employees, agents, representatives and contractors shall have the right at all reasonable times to enter upon the Premises for the purpose of inspecting the same for observing the performance by the Lessee of its obligations under this

Agreement, and for the doing of any act or thing which the Port Authority may be obligated or have the right to do under this Agreement or otherwise.

(b) Without limiting the generality of the foregoing, the Port Authority, by its officers, employees, representatives, and contractors, shall have the right, for the benefit of the Lessee or for the benefit of others at the Terminal, to maintain existing and future utilities systems or portions thereof on the Premises, including therein without limitation thereto systems for the supply of heat, water hot and cold, gas, electricity and fuel and for the furnishing of fire-protection, sprinkler, sewerage, drainage, air-conditioning, telephone, telegraph, tele-register, pneumatic-tube dispatch and intercommunication services, and to maintain elevator and escalator systems, including lines, pipes, mains, wires, conduits and equipment connected with or appurtenant to all such systems, and to enter upon the Premises at all reasonable times to make such repairs, alterations and replacements as may, in the opinion of the Port Authority, be deemed necessary or advisable and, from time to time, to construct or install over, in, under or through the Premises new lines, pipes, mains, wires, conduits and equipment; provided, however, that such repair, alteration, replacement or construction shall not unreasonably interfere with the use of the Premises by the Lessee.

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

(d) At any time and from time to time during ordinary business hours within the six (6) months next preceding the expiration of the letting, the Port Authority, by its agents and employees, whether or not accompanied by prospective lessees, occupiers or users of the Premises, shall have the right to enter thereon for the purpose of exhibiting and viewing all parts of the same and during such six-month period for Port Authority may place and maintain on the Premises, the usual "To Let" signs, which signs the Lessee shall permit to remain without molestation.

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

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

Section 21. Condemnation

(a) In any action or proceeding instituted by any governmental agency or agencies for the taking for a public use of any interest in all or any part of the Premises, the Lessee shall not be entitled to assert any claim to any award or part thereof made or to be made therein, or to institute any action or proceeding or to assert any claim against such agency or agencies or against the Port Authority, for or on account of any such taking, except the possible claim to an award for loss of fixtures furnished and installed by the Lessee (and for the purpose of such possible claim alone, title to such fixtures shall revert to the Lessee), it being understood and agreed between the Port Authority and the Lessee that, except for the possible claim to an award for loss of fixtures, the Port Authority shall be entitled to all the compensation or awards made or to be made or paid for any such taking, free of any claim or right of the Lessee.

(b) In the event of a taking of the entire Premises by any governmental agency or agencies, then this Agreement shall be cancelled and the letting shall, as of the date possession is taken from the Port Authority by such agency or agencies, cease and determine in the same manner and with the same effect as if the term of the letting had on that date expired.

(c) In the event of a taking by any governmental agency or agencies of a part of the Premises, then the letting as to such part only shall, as of the date possession thereof is taken from the Port Authority by such agency or agencies, cease and determine, and the rentals thereafter to be paid by the Lessee to the Port Authority shall, if so provided in Item 1 of **Exhibit B**, be abated from and after the date of such taking.

(d) Notwithstanding the provisions of this Section 21, the Lessee shall not be prevented thereby from making a possible claim against the condemning party for an award for moving expenses or for trade fixtures owned or installed by Lessee, if (i) such claim is then allowed by law, (ii) such claim is then allowed by the Port Authority's lease with the City of Newark, described in the Section of this Agreement entitled "*Basic Lease*", if applicable, and (iii) such award is made separately from the award to the Port Authority and will not reduce the amount thereof; this provision shall not be deemed a representation by the Port Authority of the validity or legality of any such claim.

Section 22. Assignment and Subleasing

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

(1) "**Assignment**" shall mean any sale, conveyance, transfer, exchange, mortgage, assignment or other disposition of all or any portion of the Lessee's interest in this Agreement or the leasehold estate created hereby, whether directly or indirectly or by operation of law or otherwise.

(2) "**Sublease**" shall mean any sublease (including a sub-sublease or any further level of subletting) and any occupancy, license, franchise or concession agreement applicable to the Premises or any portion thereof.

(3) "**Transfer**" shall mean the transfer, sale, assignment, pledge, hypothecation or other disposition of any interest in the Lessee or in any direct or indirect constituent entity of the Lessee, where such disposition (whether by itself or cumulatively with other transactions) directly or indirectly produces any change in the direct or indirect Control (as defined in the definition of Affiliate) of the Lessee, and shall include but not be limited to (1) the sale, assignment, redemption or transfer of outstanding stock of or membership interest in, respectively, any corporation or any limited liability company that is the Lessee or that is the general partner of any partnership that is the Lessee, (2) the issuance of additional stock or membership interest in, respectively, any corporation or limited liability company that is the Lessee or that is the general partner of any partnership that is the Lessee, and (3) the sale, assignment, redemption or transfer of any general or limited partner's interest in, or the admission of a new partner to, a partnership that is the Lessee or that is a general or limited partner of any partnership that is the Lessee.

(b) No Assignment, Transfer or Sublease without Consent. The Lessee shall not effect or permit any Assignment, Transfer or Sublease without the prior written consent of the Port Authority.

(c) Unauthorized Transactions Null and Void. Any Sublease, Assignment or Transfer, including without limitation any sale, assignment, transfer, mortgage, pledge, hypothecation, encumbrance or disposition of the Premises or of the rents, revenues or any other income from the Premises, or this Agreement or any part hereof, or any license or other interest of the Lessee herein not made in accordance with the provisions of this Agreement shall be null and void *ab initio* and of no force or effect.

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(d) **Port Authority's Right to Collect Rent.** If without the prior written consent of the Port Authority, the Lessee effects any Assignment, Transfer or Sublease, or if the Premises are occupied by anybody other than the Lessee, the Port Authority may collect rent from any assignee, sublessee or anyone who claims a right under this Agreement or letting or who occupies the Premises, and the Port Authority shall apply the net amount collected to the rental herein reserved; but no such collection shall be deemed a waiver by the Port Authority of the covenants contained in paragraphs (a) and (b) of this Section or an acceptance by the Port Authority of any such assignee, sublessee, claimant or occupant as Lessee, nor a release of the Lessee by the Port Authority from the further performance by the Lessee of the covenants contained herein.

(e) **Continuing Application of Consent Requirement.** Any consent granted by the Port Authority to any Assignment, Transfer or Sublease pursuant to the provisions hereof shall not be construed or deemed to release, relieve or discharge the Lessee or any other person claiming any right, title or interest in this Agreement from the requirement of obtaining the prior written consent of the Port Authority with respect to any other Assignment, Transfer or Sublease.

(f) **Use of Premises.** The Lessee shall not use or permit any person to use the Premises or any portion thereof for any purpose other than the purposes stated in the Section hereof entitled "*Rights of Use by the Lessee*". Except as provided in this Agreement or otherwise permitted in writing by the Port Authority, the Lessee shall not permit the Premises to be used or occupied by any person other than its own officers, employees, contractors and representatives.

Section 23. Termination

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

(1) The Lessee shall fail duly and punctually to pay the rentals or to make any other payment required hereunder when due to the Port Authority.

(2) The Lessee shall become insolvent, or shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy or a petition or answer seeking an arrangement or its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any other law or statute of the United States or of any State thereof, or consent to the appointment of a receiver, trustee, or liquidator of all or substantially all its property; or

(3) By order or decree of a court the Lessee shall be adjudged bankrupt or an order shall be made approving a petition filed by any of the creditors or, if the Lessee is a corporation, by any of the stockholders of the Lessee, seeking its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any law or statute of the United States or of any State thereof; or

(4) A petition under any part of the federal bankruptcy laws or an action under any present or future insolvency law or statute shall be filed against the Lessee and shall not be dismissed within thirty (30) days after the filing thereof; or

(5) The letting hereunder or the interest or estate of the Lessee under this Agreement shall be transferred to, pass to or devolve upon, by operation of law or otherwise, any other person, firm or corporation; or

(6) The Lessee, if a corporation, shall, without the prior written approval of the Port Authority, become a possessor or merged corporation in a merger, a constituent corporation in a consolidation, or a corporation in dissolution; or

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(7) The Lessee is, or the Lessees collectively are doing business as, or constitute a co-partnership, and the said co-partnership shall be dissolved as the result of any act or omission of its co-partners or any of them, or by operation of law or the order or decree of any court having jurisdiction, or for any other reason whatsoever; or

(8) By or pursuant to, or under authority of any legislative act, resolution or rule, or any order or decree of any court or governmental board, agency or officer having jurisdiction, a receiver, trustee, or liquidator shall take possession or control of all or substantially all of the property of the Lessee, and such possession or control shall continue in effect for a period of fifteen (15) days; or

(9) Any type of strike or other labor activity is directed against the Lessee at the Terminal 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 Terminal or the operations of other Lessees or licensees thereat, whether or not the same is due to the fault of the Lessee, and whether caused by the employees of the Lessee or by others; or

(10) Any lien is filed against the Premises because of any act or omission of the Lessee and is not removed within ten (10) days; or

(11) The Lessee shall voluntarily abandon, desert, vacate or discontinue its operations in the Premises; or

(12) The Lessee shall fail to keep, perform and observe each and every other promise, covenant and agreement set forth in this Agreement on its part to be kept, performed or observed, within ten (10) days after receipt of notice of default thereunder from the Port Authority (except where fulfillment of its obligation requires activity over a period of time, and the Lessee shall have commenced to perform whatever may be required for fulfillment within ten (10) days after receipt of notice and continues such performance without interruption except for causes beyond its control);

then upon the occurrence of any such event or at any time thereafter the continuance thereof, the Port Authority may by five (5) days' notice terminate the letting and the rights of the Lessee hereunder, such termination to be effective upon the date specified in such notice. Such right of termination and the exercise thereof may be and operate as a conditional limitation.

(b) If any of the events enumerated in subdivision (a) of this Section shall occur prior to the letting, the Lessee shall not be entitled to enter into possession of the Premises and the Port Authority upon the occurrence of any such event or at any time thereafter during the continuance thereof by twenty-four hours' notice may cancel the interest of the Lessee under this Agreement, such cancellation to be effective upon the date specified in such notice.

(c) No acceptance by the Port Authority of rentals, fees, charges or other payments in whole or in part for any period or periods after or during the continuance of a breach or default of any of the terms, covenants and conditions to be performed, kept or observed by the Lessee shall be deemed a waiver of any right on the part of the Port Authority to terminate the letting, nor shall the same constitute a waiver of any such breach or default.

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

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the Port Authority to insist upon the strict performance of terms, covenants or conditions of this Agreement or to exercise any right or remedy consequent upon a breach or default thereof, and no extension, supplement or amendment of this Agreement during or after a breach thereof, unless expressly stated to be a waiver, shall constitute a waiver of any such breach or default of the said terms, covenants or conditions. No terms, covenant or condition of this Agreement to be performed or complied with by the Lessee, and no breach or default thereof, shall be waived, altered or modified except by a written instrument executed by the Port Authority.

(e) The rights of termination described above shall be in addition to any other rights of termination provided in this Agreement and in addition to any rights and remedies that the Port Authority would have at law or in equity consequent upon any breach of this Agreement by the Lessee, and the exercise by the Port Authority of any right of termination shall be without prejudice to any other such rights and remedies. The Lessee particularly acknowledges that as part of said equitable rights and remedies the Port Authority shall be entitled to restrain by injunction any violation or attempted or threatened violation of any covenants, conditions or other provisions of this Agreement.

Section 24. Right of Re-entry

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

Section 25. Waiver of Redemption

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

Section 26. Survival of the Obligations of the Lessee

(a) In the event that the letting shall have been terminated in accordance with a notice of termination as provided in the Section of this Agreement entitled "*Termination*", or the interest of the Lessee cancelled pursuant thereto, or in the event that the Port Authority has re-entered, regained or resumed possession of the Premises in accordance with the provisions of the Section of this Agreement entitled "*Right of Re-entry*", all the obligations of the Lessee under this Agreement shall survive such termination or cancellation, re-entry, regaining or resumption of possession and shall remain in full force and effect for the full term of this Agreement, and the amount or amounts of damages or deficiency shall become due and payable to the Port Authority to the same extent, at the same time or times and in the same manner as if no termination, cancellation, re-entry, regaining or resumption of possession had taken place. The Port Authority may maintain separate actions each month to recover the damage or deficiency then due or at its option and at any time may sue to recover the full deficiency less the proper discount, for the entire unexpired term.

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

(1) on account of the Lessee's basic rental obligation, the amount of the total of all annual basic rentals, less the installments thereof payable prior to the effective date of termination except that the credit to be allowed for the installment payable on the first day of the month in which the termination is effective shall be prorated for the part of the month the letting remains in effect, on the basis of a 30-day month;

(2) on account of the Lessee's percentage rental obligation in the event that a basic rental is also reserved under this Agreement, an amount equal to the percentage stated in Item 1 of **Exhibit B** applied to the amount of Gross Receipts in excess of the annual exemption amount or amounts, which Gross Receipts would have been received by the Lessee during the balance of the term if there had been no termination or cancellation (or re-entry, regaining or resumption of possession), and for the purpose of calculation hereunder (i) the said amount of Gross Receipts shall be derived by multiplying the number of days in the balance of the term originally fixed, by the Lessee's average daily Gross Receipts; (ii) the average daily Gross Receipts shall be the total actual Gross Receipts of the Lessee during that part of the effective period of the letting (including all annual periods falling within the effective period) in which the abatement was in effect, divided by the number of days included in such part of the effective period; (iii) the annual exemption amount for any period of less than a year shall be the product of the original annual exemption amount multiplied by a fraction, the numerator of which shall be the number of days from the effective date of termination to the end of the annual period and the denominator shall be 365;

(3) on account of the Lessee's percentage rental obligation in the event that no basic rental is reserved under this Agreement, an amount equal to the percentage stated in Item 1 of **Exhibit B** applied to the amount of Gross Receipts which would have been received by the Lessee during the balance of the term if there had been no termination or cancellation (or re-entry, regaining or resumption of possession), and for the purpose of calculation hereunder (i) the said amount of Gross Receipts shall be derived by multiplying the number of days in the balance of the term originally fixed, by the Lessee's average daily Gross Receipts; and (ii) the average daily Gross Receipts shall be the total actual Gross Receipts of the Lessee during that part of the effective period of the letting (including all annual periods falling within the effective period) divided by the number of days included in such part of the effective period;

(4) the amount of all other unfulfilled monetary obligations of the Lessee under this Agreement, including without limitation thereto, all sums constituting additional rental hereunder and the cost to and expenses of the Port Authority for fulfilling all other obligations of the Lessee which would have accrued or matured during the balance of the term on the expiration date originally fixed or within a stated time after expiration or termination; and

(5) an amount equal to the cost to and the expenses of the Port Authority in connection with the termination, cancellation, regaining possession and restoring (on failure of the Lessee to restore) and reletting the Premises, the Port Authority's legal expenses (including but not limited to the cost to the Port Authority of in-house legal services) and costs, and the Port Authority's costs and expenses for the care and maintenance of the Premises during any period of vacancy, and any brokerage fees and commissions in connection with any reletting.

(c) It is understood and agreed that the statement of damages under the preceding subdivision (b) shall not affect or be construed to affect the Port Authority's right to damages in the event of termination or cancellation (or re-entry, regaining or resumption of possession) where the Lessee has not received any actual Gross Receipts under this Agreement.

Section 27. Reletting by the Port Authority

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

Section 28. Thirty Day Termination

(a) The Port Authority shall have the right to terminate this Agreement and the letting hereunder, without cause, at any time, on thirty (30) days' notice to the Lessee. In the event of termination pursuant to this Section, this Agreement and the letting hereunder shall cease and expire as if the effective date of termination stated in the notice were the date originally stated herein for the expiration of this Agreement.

(b) The Lessee is obligated by this Agreement to furnish and install all fixtures and equipment and make all improvements in the Premises, necessary or proper for its operations hereunder. In the event of termination by the Port Authority under this Section, the Port Authority shall pay the Lessee a pro rata share of the Lessee's cost in supplying and installing such fixtures and equipment and making all such improvements excluding any replacements thereof. The cost and the pro rata share thereof shall be ascertained as stated in Item 6 of **Exhibit B**; provided, however, that tender of payment of said prorated cost by the Port Authority to the Lessee shall not be prerequisite to the exercise of the right of termination under this Section. On the payment by the Port Authority of said prorated cost and any interest due thereon, all fixtures, equipment and improvements including replacements furnished by the Lessee in the Premises and all interest of the Lessee therein which have not already become the property of the Port Authority shall be and become the property of the Port Authority and the Lessee shall execute any and all instruments necessary to transfer title to any such interest; provided, however, that the Port Authority may by notice relinquish its right to any such fixtures, equipment or improvements and the provisions of the Sections of this Agreement "*Sales and Services by the Lessee*" and "*Surrender*", respectively.

Section 29. Remedies to Be Non-exclusive

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

Section 30. Surrender

(a) The Lessee covenants and agrees to yield and deliver peaceably to the Port Authority possession of the Premises on the date of the cessation of the letting, whether such cessation be by termination, expiration or otherwise, promptly and in good condition, and all of the Premises shall be free and clear of all liens, encumbrances, and security interests and of any rights of any sublessees or other occupants of the Premises.

(b) Subject to the provisions of the Sections of this Agreement entitled "*Sales and Services by the Lessee*" and "*Thirty Day Termination*", respectively, the Lessee shall have the right at any time during the letting to remove its equipment, inventories, removable fixtures and other personal property from the Premises. If the Lessee shall fail to remove its property on or before the termination or expiration of the letting, the Port Authority may remove such property to a public warehouse for deposit or retain the same in its own possession, and sell the same at public auction, the proceeds of which shall be applied first to the expenses of removal, storage and sale, second to any sums owed by the Lessee to the Port Authority, with any balance remaining to be paid to the Lessee; if the expenses of such removal, storage and sale shall exceed the proceeds of sale, the Lessee shall pay such excess to the Port Authority upon demand.

Section 31. Acceptance of Surrender of Lease

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

Section 32. Requirement of Security Deposit

(a) Upon the execution of this Agreement by the Lessee and delivery thereof to the Port Authority, the Lessee shall deliver to the Port Authority, as security for the full, faithful and prompt performance of and compliance with, on the part of the Lessee, all of the terms, provisions, covenants and conditions of this Agreement on its part to be fulfilled, kept, performed or observed, a clean irrevocable letter of credit issued by a banking institution satisfactory to the Port Authority and having its main office within the Port of New York District and acceptable to the Port Authority, in favor of the Port Authority ; and payable in the Port of New York District in the amount of Six Hundred Seventy-Five Thousand Dollars and No Cents (\$675,000.00). The form and terms of such letter of credit, as well as the institution issuing it, shall be subject to the prior and continuing approval of the Port Authority. Such letter of credit shall provide that it shall continue throughout the effective period of the permission under this Agreement and for a period of not less than six (6) months thereafter; such continuance may be by provision for automatic renewal or by substitution of a subsequent clean and irrevocable satisfactory letter of credit. If requested by the Port Authority, said letter of credit shall be accompanied by a letter explaining the opinion of counsel for the banking institution that the issuance of said clean, irrevocable letter of credit is an appropriate and valid exercise by the banking institution of the corporate power conferred upon it by law. Upon notice of cancellation of a letter of credit, the Lessee agrees that unless, by a date twenty (20) days prior to the effective date of cancellation, the letter of credit is replaced by another letter of credit satisfactory to the Port Authority, the Port Authority may draw down the full amount thereof and thereafter the Port Authority will hold the same as security. Failure to provide such a letter of credit at any time during the effective period of the permission, under this Agreement, valid and available to the Port Authority, including any failure of any banking institution issuing any such letter of credit previously accepted by the Port Authority to make one or more payments as may be provided in such letter of

credit shall be deemed to be a breach of this Agreement on the part of the Lessee. Upon acceptance of such letter of credit by the Port Authority, and upon request by the Lessee made thereafter, the Port Authority will return the security deposit, if any, theretofore made. The Lessee 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 Agreement and fulfillment of the obligations of the Lessee hereunder. If the Port Authority shall make any drawing under a letter of credit held by the Port Authority hereunder, the Lessee on demand of the Port Authority and within two (2) days thereafter, shall bring the letter of credit back up to its full amount. No action by the Port Authority pursuant to the terms of any letter of credit, or any receipt by the Port Authority of funds from any bank issuing such letter of credit, shall be or be deemed to be a waiver of any default by the Lessee under the terms of this Agreement and all remedies of the Lessee and of the Port Authority consequent upon such default shall not be affected by the existence of a recourse to any such letter of credit.

(b) For purposes of the provisions set forth in this Section, the Lessee hereby certifies that the I.R.S. Employer Identification No. for: (i) AMS-BW Newark JV is (EX. 1) (ii) Airport Management Services, LLC is (EX. 1) . . . and (iii) Branded Works, Inc is . . .

(c) Unless Item 7 of Exhibit B indicates that no performance bond is required, the Lessee shall furnish and pay the premium for a bond in the sum stated in the said Item 7, conditioned upon the full, faithful and prompt performance of and compliance with, on the part of the Lessee, all the covenants, terms and conditions of this Agreement on its part to be fulfilled, kept, performed and observed. The bond so furnished shall be in the form attached hereto, hereby made a part hereof and marked Exhibit U, and shall be effective throughout the performance of Lessee's Work for the Premises and through the later of either (i) a period of six (6) months following the completion of all punch list items issued by the Port Authority or (ii) the opening of the Premises for business to the public. Further, such bond shall be made either by a surety company or companies qualified to carry on a surety business in the State of New Jersey if the Premises are in New Jersey or in the State of New York if the Premises are in New York, and satisfactory to the Port Authority or by an individual or individuals satisfactory to the Port Authority.

Section 33. Brokerage

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

Section 34. Limitation of Rights and Privileges Granted

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

Section 35. Letting Postponed

The Lessee recognizes that, at the time of execution of this Agreement, the Premises may be occupied by another or may be under construction, alteration or improvement by the Port Authority or that the Port Authority may intend to do or make such construction, alteration or improvement and that as a result the Premises may not be ready for occupancy on the commencement date stated in the Section of this Agreement entitled "Term". In the event that the Premises are not

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ready for occupancy on said commencement date, the term of the letting under this Agreement shall commence on a date designated by the Port Authority on ten (10) days' notice to the Lessee, but not later than the date stated in Item 8 of **Exhibit B**; and, in the event that the commencement date shall be postponed hereunder, then the expiration date as stated in said Section shall also be postponed by a period of time equivalent to the period intervening between the commencement date stated in said Section and the actual commencement date as designated pursuant to this Section. In the event that the Premises are not ready for occupancy on or before the date stated in Item 8 of **Exhibit B**, then this Agreement shall be cancelled and each party shall release and does hereby release the other party of and from any and all claims or demands based on this Agreement or any breach or alleged breach thereof. Nothing contained in this Section shall impose or shall be construed to impose on the Port Authority any obligation to perform construction or make alterations or improvements.

Section 36. Changes in the Terminal

The Port Authority shall have the right at any time and from time to time prior to and during the letting, in the interest of the efficient operation of the Terminal, to close, move or alter any common way in the Terminal, including but not limited to entrances, exits, passages, halls, corridors, aisles, stairways, elevators or escalators, or to restrict or change the traffic on or through any such common way; and no such action by the Port Authority shall release the Lessee from any of its obligations under this Agreement.

Section 37. Notices

(a) Except where expressly required or permitted herein to be oral, all notices, directions, requests, consents and approvals required to be given to or by either party shall be in writing, and all such notices and requests shall be (i) personally delivered to the duly designated officer or representative of such party or delivered to the office of such officer or representative during regular business hours, or (ii) forwarded to him or to the party at such address by certified or registered United States mail, postage prepaid, return receipt requested, or (iii) forwarded to him or to the party at such address by expedited prepaid delivery service, either commercial or United States Postal Service, with proof of delivery or attempted delivery required in the case of (i), (ii) or (iii) above. Said designated officer or representative of the Port Authority and the Lessee and their respective officers shall be as set forth in this Agreement.

(b) The Lessee shall from time to time designate in writing an office within the Port of New York District and an officer or representative whose regular place of business is at such office upon whom notices and requests may be served. Until further notice, the Lessee designates its representative named on the first page of this Agreement as its representative upon whom notices and requests may be served and its address given on the first page of this Agreement as its office where notices and request may be served. The Port Authority hereby designates its Executive Director, as its representative upon whom notices and requests may be served, and its office at 225 Park Avenue South, New York, New York 10003.

(c) A notice shall be deemed to have been given: in the case of hand delivery, at the time of delivery or refusal to accept delivery; in the case of registered or certified mail or expedited prepaid delivery, upon delivery or refusal to accept delivery; or in the event of failure to delivery by reason of changed address of which no notice was given or refusal to accept delivery, as of the date of such failure or refusal. A party receiving a notice which does not comply with the technical requirements for notice under this Section may elect to waive any deficiencies and treat the notice as having been properly given.

(d) Wherever a notice or request is required to be given by the Lessee to the Port Authority pursuant to this Agreement, a copy of such notice or request shall also be given simultaneously by the Lessee to Westfield Concession Management, LLC (or any successor

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concession manager thereto designated by the Port Authority, if any), in accordance with the requirements of this Section, to the following address:

Westfield Concession Management, LLC
11601 Wilshire Blvd., 11th Floor
Los Angeles, California 90025
Attention: Office of Legal Counsel

Westfield Concession Management, LLC
Newark Liberty International Airport
35 Terminal B, Bldg. #74
Newark, New Jersey 07114
Attention: General Manager

Section 38. Place of Payments

All payments required of the Lessee by this Agreement shall be made by mail to the Port Authority of New York and New Jersey, c/o P.O. Box 51065, Los Angeles, CA 90074-1065 or via the following wire transfer instructions:

| | |
|------------------|--|
| Bank: | Bank of America, 555 S. Flower Street, 6 th Floor, Los Angeles, CA 90071 |
| Bank ABA Number: | 122 000 661 |
| Account Name: | Westfield Concession Mgmt., LLC As Agent for Newark Airport Terminal A&B/Blocked Acct. |
| Account Number: | (Ex. 1) |
| Instructions: | Lessee is required to send an email with EFT confirmation to the following individuals when payments are made: jgarraway@us.westfield.com (Airport Accountant) and nholder@us.westfield.com (Senior Accountant) |

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

Section 39. Quiet Enjoyment

The Port Authority covenants and agrees that as long as the Port Authority remains the lessee (if the Premises are located in the City of Newark) or the owner (if the Premises are located in the City of Elizabeth) of the Terminal, the Lessee, upon paying all rentals hereunder and performing all the covenants, conditions and provisions of this Agreement on its part to be performed, shall and may peaceably and quietly have, hold and enjoy the Premises free of any act or acts of the Port Authority except as expressly permitted in this Agreement.

Section 40. Headings

The section headings and the paragraph headings, if any, 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.

Section 41. Construction and Application of Terms

(a) Wherever in this Agreement a third person singular neuter pronoun or adjective is used, referring to the Lessee, the same shall be taken and understood to refer to the Lessee, regardless of the actual gender or number thereof.

(b) Whenever in this Agreement the Lessee is placed under an obligation or covenants to do or to refrain from or is prohibited from doing, or is entitled or privileged to do, any act or thing, the following shall apply:

(1) If the Lessee is a corporation, its obligations shall be performed or its rights or privileges shall be exercised only by its officers and employees; or

(2) If the Lessee is an unincorporated association or a business or "Massachusetts" trust, the obligation shall be that of its members or trustees, as well as of itself, and shall be performed only by its members or trustees, and officers and employees, and the rights or privileges shall be exercised only by its members or trustees, and its officers and employees; or

(3) If the Lessee is a co-partnership, the obligation shall be that of its partners and shall be performed only by its partners and employees and the rights or privileges shall be exercised only by its partners and employees; or

(4) If the Lessee is an individual, the obligations shall be that of himself (or herself) and shall be performed only by himself (or herself) and his (or her) employees and the rights or privileges shall be exercised only by himself (or herself) and his (or her) employees; or

(5) if the Lessee is a limited liability company, by the Lessee acting only through the medium of its members, managers, and employees.

(c) None of the privileges of paragraph (b) above shall be taken to alter, amend or diminish any obligation of the Lessee assumed in relation to its invitees, customers, agents, representatives, contractors or other persons, firms or corporations doing business with it.

(d) In the event that more than one individual or other legal entity are the Lessee under this Agreement, then and in that event each and every obligation under this Agreement shall be the joint and several obligation of each such individual or other legal entity.

(e) The Lessee's representative, hereinbefore specified (or such substitute as the Lessee may hereafter designate in writing) shall have full authority to act for the Lessee in connection with this Agreement and any things done or to be done hereunder, and to execute on the Lessee's behalf any amendments or supplements to this Agreement or any extension thereof.

(f) The Lessee agrees that any rule of construction to the effect that any ambiguities in this Agreement are to be resolved against the drafting party shall not be applicable to the interpretation or construction of this Agreement or any amendments, addendums, supplements, Exhibits or Schedules hereto.

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

(h) Unless otherwise expressly specified, the terms, provisions and obligations contained in the Exhibits and Schedules attached hereto, whether there set out in full or as

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amendments of, or supplements to provisions elsewhere in the Agreement stated, shall have the same force and effect as if herein set forth in full.

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

(j) The fact that certain of the terms and provisions hereunder are expressly stated to survive the expiration or termination of the letting hereunder shall not mean that those provisions hereunder which are not expressly stated to survive shall terminate or expire on the expiration or termination of the letting hereunder and do not survive such termination or expiration.

(k) Time is of the essence in the Lessee's performance of this Agreement. Notwithstanding the fact that certain references elsewhere in this Agreement to acts required to be performed by the Lessee hereunder, or to breaches or defaults of this Agreement by the Lessee, omit to state that such acts shall be performed at the Lessee's sole cost and expense, or omit to state that such breaches or defaults by the Lessee are material, unless the context clearly implies to the contrary, each and every act to be performed or obligation to be fulfilled by the Lessee pursuant hereto shall be performed or fulfilled at the Lessee's sole cost and expense, and all breaches or defaults by the Lessee hereunder shall be deemed material. The Lessee shall be fully responsible and liable for the observance and compliance by concessionaires, franchisees and licensees of the Lessee and with all the terms and conditions of this Agreement, which terms and conditions shall be applicable to concessionaires, franchisees and licensees as fully as if they were the Lessee hereunder; and failure by a concessionaire, franchisee or licensee fully to observe and comply with the terms and conditions of this Agreement shall constitute a default by the Lessee. Nothing contained in the preceding sentence shall constitute consent by the Port Authority to any concession, subletting or other arrangement.

Section 42. Non-Discrimination

(a) Without limiting the generality of any of the provisions of this Agreement, the Lessee in its operations at the Airport, the use of any space or Premises and the exercise of any privileges under this Agreement, shall not on the grounds of race, creed, color or national origin discriminate or permit discrimination against any person or group of persons in any manner whatsoever and shall comply with Part 21 to the Regulations of the Office of the Secretary of Transportation, as it may be amended and any other present or future laws, rules, regulations, orders or directions of the United States of America with respect thereto which from time to time may be applicable to the Lessee's operations at the Airport, whether by reason of agreement between the Port Authority and the United States Government or otherwise.

(b) The Lessee shall include the provisions of paragraph (1) of this Section in every agreement or concession pursuant to which any person or persons, other than the Lessee, operates any facility at the Airport providing services to the public and shall also include therein a provision granting the Port Authority a right to take such action as the United States may direct to enforce any such covenant. Nothing herein shall be or be deemed to grant to the Lessee the right to make any such agreement or concession.

(c) The Lessee's noncompliance with the provisions of this Section shall constitute a material breach of this Agreement. In the event of such noncompliance, the Port Authority may take any appropriate action to enforce compliance; or by giving twenty-four (24) hours' notice, may terminate this Agreement and the letting hereunder with the same force and effect as a termination under the Section of this Agreement providing for termination for default by the Lessee in the performance or observance of any other term or provision of this Agreement; or may

pursue such other remedies as may be provided by law; and as to any or all of the foregoing, the Port Authority may take such action as the United States may direct.

(d) This Agreement is subject to the requirements of the United States Department of Transportation's regulations, 49 CFR Part 23. The Lessee agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement or any management contract, or subcontract, purchase or lease agreement or other agreement covered by 49 CFR Part 23. The Lessee agrees to include the above statements in any subsequent concession agreement or contract covered by 49 CFR Part 23 that it enters and cause those businesses to similarly include the statements in further agreement.

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

Section 43. Basic Lease

If the Premises are located in the City of Newark, the following shall apply:

(a) Notwithstanding any other provision of this Agreement, this Agreement shall in any event expire with the expiration or termination of the lease of the Facility from the City of Newark to the Port Authority under the agreement of lease 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 the Book E-110 of Deeds at pages 242, et seq, no greater rights or privileges are hereby granted to the Lessee than the Port Authority has the power to grant under said agreement as supplemented or amended as aforesaid.

(b) The Port Authority has agreed by a provision in its said agreement with the City covering the Facility 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 Lessee 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 said agreement of lease provision thereto. Unless otherwise directed in writing by the Port Authority, the Lessee shall conform to such enactments, ordinances, resolutions and regulations insofar as they relate to the operations of the Lessee at the Facility. In the event of compliance with any such enactment, ordinance, resolution or regulation on the part of the Lessee, acting in good faith, commenced after such delivery to the Port Authority but prior to the receipt by the Lessee of a written direction from the Port Authority, such compliance shall not constitute a breach of this Agreement, although the Port Authority thereafter notifies the Lessee to refrain from such compliance. Nothing herein contained shall release or discharge the Lessee from compliance with any other provision hereof respecting governmental requirements.

Section 44. Governmental Compliance

In the event that all or any portion of the Premises is required by the Port Authority to comply with any present or future governmental law, rule, regulation, requirement, order or direction, the Port Authority shall give the Lessee notice that all or any such portion of the Premises is so required and the Lessee shall deliver all or any such portion of the Premises so required on the date [AMS BW Newark JV/Hudson News/Lease No. ANC-047]

specified in such notice, and if the Lessee does not so deliver, the Port Authority may take the same. No such taking or delivery shall be or be construed to be an eviction of the Lessee or a breach of this Agreement. In the event that the Lessee has received a notice hereunder it shall deliver all or any such portion of the Premises so required in the same condition as that required hereunder for the delivery of the Premises on the cessation of the letting. In the event of the taking or delivery of all the Premises, this Agreement and the letting hereunder shall on the day of such taking or delivery cease and expire as if that day were the date originally stated herein for the expiration of this Agreement; and, in the event of the taking or delivery of any portion of the Premises, then, from and after such taking or delivery, such portion of the Premises shall cease to be a part of the Premises hereunder. There shall be an abatement of the rental in the event of any such taking or delivery of a portion of the Premises if so provided in Item 1 of **Exhibit B**.

The Lessee understands the Port Authority by its officers, employees, agents, representatives or contractors or by the Airlines or their contractors or by the furnishers of utilities or other services to the Premises or to others at the Facility shall have the right to temporarily discontinue the supply of any of the above services in order to allow repairs, alterations, changes or improvements in the Premises or elsewhere at the Facility including all systems for the supply of services for the benefit of the Lessee or for the benefit of others than the Lessee at the Facility. Nothing contained herein shall be or be deemed construed to impose upon the Port Authority any obligations to supply any utility or service or to repair, alter or make changes or improvements or shall create any liability upon the Port Authority for any failure to do so.

Section 45. Force Majeure

(a) Neither the Port Authority nor the Lessee shall be deemed to be in violation of this Agreement if it is prevented from performing any of its obligations hereunder by reason of strikes, boycotts, labor disputes, embargoes, shortages of material, acts of God, acts of the public enemy, acts of superior governmental authority, acts of terrorism, weather conditions, tides, riots, rebellion, sabotage or any other circumstances for which it is not responsible and which are not within its control; provided, however, that this provision shall not apply to failures by the Lessee to pay the rentals specified in the Section of this Agreement entitled "*Rental*" and Item 1 of **Exhibit B** annexed to this Agreement and shall not apply to any other charges or money payments specified in this Agreement; and provided further, that except by virtue of the circumstances specifically set forth hereinabove in this Section, this provision shall not prevent either party from exercising any of its rights to terminate this Agreement.

(b) No abatement, diminution or reduction of the rental or other charges payable by the Lessee, shall be claimed by or allowed to the Lessee for any inconvenience, interruption, cessation or loss of business or other loss caused, directly or indirectly, by any present or future law, rule, requirement, order, direction, ordinance or regulation of the United States of America, or of the state, county or city government, or of any other municipal, governmental or lawful authority whatsoever, or by priorities, rationing or curtailment of labor or materials, or by war or any matter or thing resulting therefrom, or by any other cause or causes beyond the control of the Port Authority, nor shall this Agreement be affected by any such causes or conditions.

Section 46. Rules and Regulations Amendment

If a copy of the Rule and Regulations referred to in the Section of this Agreement entitled "*Rules and Regulations*" is not attached to this Agreement, then the Port Authority will notify the Lessee thereof either by delivery of a copy, or by publication in a newspaper published in the Port of New York District or by making a copy available at the office of the Secretary of the Port Authority. No statement or provision in the said Rules and Regulations shall be deemed a representation or promise by the Port Authority that the services or privileges described shall be or remain available, or that the charges, prices, rates or fees stated therein shall be or remain in effect

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throughout the letting, all of the same being subject to change by the Port Authority from time to time whenever it deems a change advisable.

Section 47. Non-Liability of Individuals

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

Section 48. Other Agreements

The Lessee shall not, by virtue of the execution of this Agreement, be released or discharged from any obligations or liabilities whatsoever under any other agreement it has with the Port Authority.

Section 49. Operating Names

(a) Any name, designation or any service mark proposed to be used or displayed at the Premises or at the Terminal or for the Lessee's operations therein shall be approved in advance in writing by the Port Authority and the Lessee shall have the right to use and display the name, designation or mark only so long as this Agreement is in force and effect. If for any reason the Lessee ceases its operations in the Premises, the Lessee's right to use such name, designation or service mark shall immediately cease and come to an end and the Port Authority or its designee shall have the sole right to use such name, designation or service mark and the Lessee hereby consents to such use thereof. Any registration or filing by the Lessee with respect to such name, designation or service mark shall indicate the Port Authority's interest therein and the form thereof shall be approved in advance by the Port Authority in writing. The Lessee agrees to assign and transfer to the Port Authority any such registration or filing and any other rights in or to the use of such name, designation or service mark promptly upon written request therefor from the Port Authority. Nothing herein contained is intended to apply to the continuing use by the Lessee of its customary name, designation or service mark, if any, used elsewhere in its operations prior to the making of this Agreement.

(b) The Lessee shall not use or make any reference, by advertising or otherwise, to the names "The Port Authority of New York and New Jersey", "Port Authority" or any simulation or abbreviation of any such names, or any emblem, picture or reproduction of the Facility, for any purpose whatsoever. Furthermore, the Lessee shall not make use of or originate any material intended for publication or visual or oral presentation which uses the name "Newark Liberty International Airport" without the consent of the Port Authority.

Section 50. Labor Disturbances and Labor Harmony

(a) General. In connection with its operations at the Airport under this Agreement, the Lessee shall serve the public interest by promoting labor harmony, it being acknowledged that strikes, picketing, or boycotts may disrupt the efficient operation of the Terminal. The Lessee recognizes the essential benefit to have continued and full operation of the Airport as a whole and the Terminal as a transportation center. The Lessee shall immediately give oral notice to the Port Authority (to be followed reasonably promptly by written notices and reports) of any and all impending or existing labor-related disruptions and the progress thereof.

If any type of strike, picketing, boycott or other labor-related disruption is directed against the Lessee at the Terminal, or against its operations thereat pursuant to this Agreement, which

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in the opinion of the Port Authority (i) physically interferes with the operation of the Airport, the Terminal or the Premises, or (ii) physically interferes with public access between the Premises and any portion of the Terminal or the Airport, or (iii) physically interferes with the operations of other operators at the Airport or the Terminal, or (iv) presents a danger to the health and safety of users of the Airport or the Terminal, including persons employed thereat or members of the public, the Port Authority shall have the right at any time during the continuance thereof to take such actions as the Port Authority may deem appropriate including, without limitation, terminating this Agreement and the letting on five (5) days' written notice to the Lessee. In the event of termination by the Port Authority hereunder this Agreement and the letting hereunder shall cease and expire on the effective date of termination stated in the notice with the same force and effect as if such date were the original expiration date of the letting hereunder.

(b) Labor Peace Agreement. The Lessee represents that, prior to or upon entering into this Agreement, it has delivered to the Port Authority evidence of a signed labor peace agreement, in the form attached hereto as **Exhibit X**, or in the event **Exhibit X** is inapplicable, then a signed officer's certification to such effect in the form required by the Port Authority.

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

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

(e) Suspension of Lessee Operations. In the event of suspension of Lessee's operations pursuant to paragraph (a), above, the Lessee shall cease its activities and operations in the Premises and shall take such steps to secure and protect the Premises as shall be necessary or desirable. The exercise by the Port Authority of the right of suspension hereunder shall not affect or in any way limit the Port Authority's rights of termination as set forth elsewhere in this Agreement.

Section 51. Finishes and Decorating by the Lessee

(a) The Port Authority shall deliver each area of the Premises to the Lessee in their presently existing "**AS IS**" condition. The Lessee acknowledges that prior to the execution of this Agreement, it has thoroughly examined and inspected the existing Premises and has found the same to be in good order and repair and has determined the Premises to be suitable for the Lessee's operations hereunder. The Lessee agrees to and shall take the Premises in their "**AS IS**" condition and the Port Authority shall have no obligation hereunder for finishing work or preparation of any portion of the Premises for the Lessee's use. Nothing contained herein shall be construed to relieve the Lessee of its obligations under the provisions of the Section of this Agreement entitled "*Sales and Services by the Lessee*" to install in the Premises all necessary or proper equipment or fixtures required for its operations in the Premises. Subject to the provisions of this Section and those of the

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Section of this Agreement entitled "*Construction by the Lessee*", the Lessee agrees to and shall perform at its sole cost and expense all construction and installation work necessary or proper for its initial occupancy in, and operations at, the Premises, which work is hereinafter sometimes called the "**Lessee's Work**".

(b) The Lessee agrees that in performing the Lessee's Work it will incur costs subject to the limitations and restrictions contained in Item 6 of **Exhibit B**. Lessee shall submit on a timely basis to the Port Authority for its approval an Alteration Application in the form supplied by the Port Authority, and containing such terms and conditions as the Port Authority may include, setting forth in detail and by appropriate plans and specifications the construction and installation work proposed by the Lessee to modernize, refurbish and prepare the Premises for operations hereunder and the manner of and time periods for performing the same. The data to be supplied by the Lessee shall describe in detail the fixtures and equipment to be installed by the Lessee. The Lessee shall be responsible at its sole expense for retaining all architectural, engineering and other technical consultants and services as may be directed by the Port Authority and for developing, completing and submitting detailed plans and specifications for the Lessee's Work. The plans and specifications to be submitted by the Lessee to the Port Authority shall bear the seal of a qualified architect or professional engineer and shall be in sufficient detail for a contractor to perform the Lessee's Work. The Lessee shall not engage in any such contractor or permit the use of any subcontractor unless and until each such contractor or subcontractor has been approved by the Port Authority. The Lessee shall include in any such contract or subcontract such provisions as the Port Authority may approve or require, including, without limitation thereto, provisions regarding labor harmony. The Lessee shall cause each such contractor and subcontractor to obtain and maintain in force such insurance coverage and performance bonds as the Port Authority shall specify. All the Lessee's Work shall be done in accordance with the said Alteration Application and final plans and specifications approved by the Port Authority shall be subject to inspection by the Port Authority during the progress of the Lessee's Work and after the completion thereof and the Lessee shall redo or replace at its own expense any of the Lessee's Work not done in accordance therewith. Upon completion of the Lessee's Work, the Lessee shall supply the Port Authority with a certificate signed by the architect or engineer who sealed the Lessee's plans and specifications pursuant to the provisions of this paragraph certifying that all of the Lessee's Work has been performed in accordance with the approved plans and specifications covering such work and in accordance with the provisions of this Agreement, and the Lessee shall supply the Port Authority with as-built drawings in form and number requested by the Port Authority.

(c) The Lessee shall not commence any portion of the Lessee's Work until the Alteration Application and plans and specifications covering such work have been finally approved by the Port Authority. In the event of any inconsistency between the provisions of this Agreement and those of the Alteration Application, the provisions of this Agreement shall control. The Lessee recognizes that its obligation to pay the rentals for the Premises stated in Item 1 of **Exhibit B** shall commence as established pursuant to Item 1 of **Exhibit B** whether or not the Lessee's Work is then completed or whether the Lessee is then conducting public operations in the Premises. The Lessee shall conduct no public operations in the Premises until the Port Authority shall have notified the Lessee in writing that the Lessee's Work has been completed to its satisfaction.

(d) The Lessee shall be solely responsible for the plans and specifications used by it, and for the adequacy or sufficiency of such plans, specifications and all the improvements depicted thereon or covered thereby, regardless of the consent thereto or approval thereof by the Port Authority or the incorporation therein of any Port Authority requirements or recommendations. The Port Authority shall have no obligations or liabilities in connection with the performance of the Lessee's Work or the contracts for the performance thereof entered into by the Lessee. Any warranties extended or available to the Lessee in connection with the Lessee's Work shall be for the benefit of the Port Authority as well as the Lessee.

(e) Without limiting or affecting any other term or provision of this Agreement, the Lessee shall be solely responsible for the design, adequacy and operation of all utility, mechanical, electrical, communications and other systems installed in the Premises either by the Port Authority or by the Lessee and shall do all preventive maintenance and make all repairs, replacements, rebuilding (ordinary or extraordinary, structural or non-structural) and painting necessary to keep such systems and all other improvements, additions and fixtures, finishes and decorations made or installed by the Lessee (whether the same involves structural or non-structural work) in the condition they were in when made or installed except for reasonable wear which does not adversely affect the watertight condition or structural integrity of the building or adversely affect the efficient or proper utilization or appearance of any part of the Premises.

(f) The Lessee's refurbishment investment obligation, which shall be performed in accordance with this Section in the same manner as applies to the Lessee's Work, shall be in the minimum amount of Twenty-Thousand Dollars and No Cents (\$20,000.00) per location for each of the locations comprising part of the Premises, subject to the limitations and restrictions contained in Item 6 of **Exhibit B**.

The Lessee shall be obligated to complete its refurbishment by the fifth (5th) anniversary date of this Agreement, which date shall refer to the anniversary of the date on which the subject space is operated for any permitted use under this Agreement. No later than 270 days prior to the end of the fifth (5th) anniversary, Lessee shall propose to the Port Authority the proposed refurbishment of the fixed improvements in Lessee's Premises. Following the Port Authority's approval (and in accordance with the Port Authority's TAA process), Lessee shall make any such required refurbishment to the fixed improvement in the Premises pursuant to the specific scope of work required by the Port Authority and provided by the Port Authority to Lessee.

The capital investment in the subject space shall be undertaken in such amounts and at such times, in addition to the minimum amounts and on earlier dates than the deadline dates listed above, if necessary, in order to prevent the Premises from appearing worn or shabby to its patrons. The determination as to whether the Premises appear worn and shabby shall be made by the Port Authority in its sole and absolute discretion and such determination shall be final and binding upon the Lessee.

(g) (1) Without limiting any of the terms and conditions of this Agreement, the Lessee understands and agrees that it shall put into effect prior to the commencement of any of the Lessee's Work an affirmative action program and minority business enterprise ("MBE") program and Women-owned Business enterprises ("WBE") program in accordance with the provisions of the schedule annexed hereto, hereby made a part hereof and marked **Schedule E**. The provisions of **Schedule E** of this Agreement shall be applicable to the Lessee's contractor or contractors and subcontractors at any tier of construction as well as to the Lessee and the Lessee agrees to include the provisions of **Schedule E** within all of its construction contracts so as to make such provisions and undertakings the direct obligation of the construction contractor or contractors and subcontractors at any tier of construction. The Lessee agrees to furnish and agrees to require its contractor, contractors and subcontractors to furnish the Port Authority such data, including but not limited to compliance reports relating to the operation and implementation of the affirmative action, MBE and WBE programs called for hereunder as the Port Authority may request at any time and from time to time regarding the affirmative action, minority business enterprises, and women-owned business enterprises programs of the Lessee and its contractor, contractors and subcontractors at any tier of construction, and the Lessee agrees to make and put in effect and agrees to require that its contractor, contractors and subcontractors at any tier of construction make and put into effect such modifications and additions thereto as may be agreed to by and between the Port Authority and the Lessee pursuant to the provisions hereof and those of **Schedule E** to effectuate the goals of affirmative action and minority business enterprise and women-owned business enterprise programs. The obligations imposed on the Lessee under this paragraph and **Schedule E** shall not be construed to impose any

greater requirements on the Lessee than those which may be imposed on the Lessee under applicable law.

(2) In addition to and without limiting any of the terms and conditions of this Agreement, the Lessee agrees to provide in its contracts and all subcontracts covering the Lessee's Work, or any portion thereof, that:

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

(ii) At the request of either the Port Authority or the Lessee, the contractor shall request such employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding and which is involved in the performance of the contract with the Lessee to furnish a written statement that such employment agency, labor union or representative shall not discriminate because of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will cooperate in the implementation of the contractor's obligations hereunder;

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

(iv) The contractor will include the provisions of (f)(2)(i) through (f)(2)(iii) of this Section in every subcontract or purchase order in such a manner that such provisions will be binding upon each subcontractor or vendor as to its work in connection with the contract.

(3) The term "contractor", as used herein, shall include each contractor and subcontractor at any tier of construction.

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

(i) (1) In addition to and without limiting any of the foregoing provisions of this Section, and without limiting any other provision of this Agreement, or the provisions of **Schedule E** hereof, the Lessee agrees, in connection with its continuing operation, maintenance and repair of the Premises, or any portion thereof, and in connection with every award or agreement for concessions or consumer services at the Facility to commit itself to and use good faith efforts throughout the term of the letting hereunder to implement an extensive program of Affirmative Action, including specific affirmative action steps to be taken by the Lessee, to ensure maximum opportunities for employment and contracting by minorities and women. In meeting such commitment the Lessee agrees to submit its said extensive Affirmative Action program, including the specific affirmative action steps to be taken by the Lessee to meet its aforesaid commitment, within

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sixty (60) days after the commencement of the term of the letting hereof to the Port Authority for its review and approval. The Lessee shall incorporate in such program such revisions and changes as the Port Authority and the Lessee may agree upon from time to time. The Lessee agrees throughout the term of the letting hereunder to document its efforts in implementing such program, and agrees to keep the Port Authority fully advised of the Lessee's progress in implementing the program and to supply to the Port Authority such information, data and documentation with respect thereto as the Port Authority may from time to time and at any time request, including but not limited to annual reports.

(2) "Minority" as used herein shall mean those persons described in paragraph 1 (c) of Part 1 of **Schedule E**.

(3) In the implementation of the provisions of this Section, the Port Authority may consider compliance by the Lessee with the provisions of any federal, state or local law concerning affirmative action, and equal employment opportunity, which are at least equal to the requirements of this Section, as effectuating the provisions of this Section. If the Port Authority determines that by virtue of such compliance with the provisions of any such federal, state or local law that the provisions hereof duplicate or conflict with such law the Port Authority may waive the applicability of the provisions of this Section to the extent that such duplication or conflict exists.

(j) Nothing herein provided shall be construed as a limitation upon the application of any laws which establish different standards of compliance or upon the application of requirements for the hiring of local or other area residents.

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

Section 52. Affirmative Action

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

Section 53. Late Charges

If the Lessee should fail to pay any amount required under this Agreement when due to the Port Authority, including payment of rental, utility fees or charges, or other charges or fees then, in such event, the Port Authority may impose (by statement, bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period herein below described) during the entirety of which such amount remains unpaid, each such late charge not to exceed an amount equal to eight-tenths of one percent (.8%) of such unpaid amount for each late charge period. There shall be twenty-four (24) late charge periods during each calendar year; each late charge period shall be for a period of at least fifteen (15) calendar days except one late charge period each calendar year may be for a period of less than fifteen (15) (but not less than thirteen (13)) calendar days. Without limiting the generality of the foregoing, late charge periods in the case of amounts found to have been owing to the Port Authority as the result of Port Authority audit findings shall consist of each late charge period following the date the unpaid amount should have been paid under this Agreement. Each late charge shall be payable immediately upon demand made at any time therefor by the Port Authority.

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No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid late charge amount shall be deemed a waiver of the right of the Port Authority to payment of any late charge or late charges payable under the provisions of this Section, with respect to such unpaid amount. Each late charge shall be and become additional rent, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the rentals as set forth in Item 1 of Exhibit B hereof. Nothing in this Section is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Agreement, including without limitation the Port Authority's rights set forth in the Section of this Agreement entitled "*Thirty Day Termination*", or (ii) any obligations of the Lessee under this Agreement. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Agreement shall be payable instead at such legal maximum.

Section 54. Ethical Standards

The Lessee for itself and on behalf of any Affiliate of the Lessee and as to each member of the Board of Directors and each officer of the Lessee and/or of such Affiliate hereby certifies under the penalties applicable to perjury, represents warrants and covenants with full knowledge that the Port Authority will rely hereon in entering into this Agreement that at no time hereafter including the term of this Agreement shall the Lessee or any Affiliate thereof (a) take any action with respect to any employee or former employee of the Port Authority or immediate family member of either (i.e., spouse, child, parent or brother or sister) which would constitute a breach of ethical standards under the Code of Ethics and Financial Disclosure dated as of July 18, 1994 promulgated by the Port Authority, a copy of which is available upon request to the Secretary of the Port Authority, (b) offer, give or agree to give anything of value either to a Port Authority employee, agent, job shopper, consultant, construction manager or other person or firm representing the Port Authority, or to a member of the immediate family (i.e., a spouse, child, parent, brother or sister) of any of the foregoing, in connection with the performance by such employee, agent, job shopper, consultant, construction manager or other person or firm representing the Port Authority of duties involving transactions with the Lessee on behalf of the Port Authority, whether or not such duties are related to this Agreement or any other Port Authority contract or matter, or (c) make an offer of employment or use confidential information in a manner prescribed by the said Code of Ethics and Financial Disclosure. Any such conduct shall be deemed a material breach of this Agreement. As used herein "anything of value" shall include but not be limited to any (1) favors, such as meals, entertainment, transportation (other than that contemplated by this Agreement or any other Port Authority contract), etc., which might tend to obligate the Port Authority employee to the Lessee or any parent or Affiliate thereof and (2) gift, gratuity, money, goods, equipment, services, lodging, discounts not available to the general public, offers or promises of employment, loans or the cancellation thereof, preferential treatment or business opportunity. Such term shall not include compensation contemplated by this Agreement or any other Port Authority contract; and (iv) that neither the Lessee nor any Affiliate thereof knows of any action the part of any employee or former employee of the Port Authority which constitutes a breach of said Code of Ethics and Financial Disclosure and that if it or any parent or other Affiliate of the Lessee comes into such knowledge at any time hereafter, including during the term of this Agreement, it shall immediately report the same to the Port Authority in writing, any failure to do so being deemed a material breach of this Agreement.

Section 55. Additional Rent Items and Lessee Obligations

(a) **Promotion Fee.** The Lessee agrees to participate fully with the marketing and promotional programs for the concession (retail and food and beverage included) area sponsored by the Port Authority in the Terminal. Commencing as of the second full calendar month in which the Lessee conducts its operations hereunder, the Lessee shall pay, as additional rental, a "Promotion Fee" as the Lessee's contribution for marketing, advertising and promotion programs conducted by or [AMS BW Newark JV/Hudson News/Lease No. ANC-047]

on behalf of the Port Authority relating to the retail program in the Terminal. The Promotion Fee shall be an amount (i) during the first year of the term which equals one-half of one percent (.5%) of the Lessee's Gross Receipts during the preceding calendar month and (ii) during each subsequent year of the term which equals one-half of one percent (.5%) of the Lessee's annual Gross Receipts for the annual period in which such promotion fee relates. Such amount shall be payable no later than the 15th day following the end of each month. The Promotion Fee shall be prorated, if necessary, in the same manner as Basic Rental is prorated under this Agreement.

The failure of any other lessee or occupant of space within the concession area to participate in advertising for such concession area or make promotional contributions to the Port Authority shall not relieve the Lessee of any of its obligations under this Section. The Port Authority shall not be obligated to expend more for marketing and promotional programs than is actually collected from the Lessee and other concession facility operators in the Terminal. The Port Authority shall have the sole authority to employ and discharge personnel, retain third party independent contractors and to establish all budgets with respect to such marketing and promotional programs. The Port Authority reserves the right at any time to terminate its activities in this regard and cease collecting Promotion Fee contributions from the Lessee and other concession operators for these activities. In such event the Port Authority shall so notify the Lessee in writing and, thereafter, the Lessee shall no longer be obligated to make any further Promotion Fee contributions, and any remaining funds previously contributed as Promotion Fees may be used by the Port Authority to promote the overall concession program and facilities.

(b) Distribution Services and Fee.

(1) The Lessee shall, at the Lessee's sole cost and expense, make deliveries in a timely manner to a designated area, controlled by the Port Authority or its designee, in accordance with the Port Authority's rules and regulations. The Port Authority may, at its option, provide receiving and delivery services to operators in the concession area. In such event, the Lessee shall use such service for all of its deliveries to the Terminal and the Premises (including, but not limited to, delivery of goods from the Lessee's off-Airport suppliers to the on-Airport warehouse of the contractor selected by the Port Authority to provide delivery services) and no deliveries of any items shall be made by any persons or entities directly to the Premises without the prior written authorization of the Port Authority and, if so given, the Port Authority shall have the right to revoke any such authorization at any time in its sole discretion.

(2) The Lessee, in transferring any merchandise, equipment, stock or consumable items within or about the Terminals, shall only do so in full compliance with Port Authority rules, regulations and guidelines. The same may restrict the time and day of delivery or the manner of delivery, method of delivery, areas of delivery or the person or persons by whom delivery may be effected. The Port Authority may deny access or require any vehicle to be removed for failure to follow applicable rules, regulations and guidelines that may be established by the Port Authority from time to time.

(3) If the Port Authority provides such services, the Lessee shall pay as an annual "**Distribution Fee**" the sum of Thirteen Dollars and No Cents (\$13.00) per square foot of the Premises, to the Port Authority for the cost of distribution services, payable in advance as additional rent hereunder in equal, monthly installments commencing as of the Rental Payment Start Date and continuing during the balance of the term of the letting hereunder. Effective each January 1 this amount shall be adjusted to reflect the annual adjustment by the Index as described in *subsection (h)* of this *Section 55*.

(c) Trash Removal. The Lessee shall be solely responsible, at the Lessee's expense, for removal of trash, garbage, debris and other waste material from the Premises, on a daily basis, in a manner approved by the Port Authority, unless the Port Authority elects to provide such

services. The Lessee shall contract with the Port Authority's disposal contractor at the Terminal for the disposal of its trash, garbage, debris and other waste material. In the event the Port Authority elects to provide such services, the Port Authority's costs of providing such services shall be chargeable to, and payable by, the Lessee as additional rent hereunder, on a per square foot basis represented by the square footage of the Premises and such additional rent would be due in equal, monthly installments payable together with the Basic Rental payments to be made hereunder upon prior written notice from the Port Authority.

(d) Food Court Maintenance Fee. Not applicable.

(e) No Inspection or Audit Rights. The Lessee shall not have any inspection or audit rights of any of the Port Authority's books and records pertaining to the costs and expenses which support the fees which may be charged pursuant to this Section and the Lessee hereby expressly waives any rights, whether by statute or otherwise, to conduct any such inspection or audit.

(f) Concession Meetings. The Lessee acknowledges the benefit of regular meetings with the Port Authority or its designee to discuss matters relating to the retail plan at the Terminal, including, but not limited to, the business of the Lessee, marketing plans for the Terminals and the Lessee, traffic projections, customer service techniques and other concession-related matters. The Lessee agrees that it shall attend any meetings convened by the Port Authority or its designee to discuss such matters, whether the same be between the Lessee and the Port Authority or among multiple concessionaires and the Port Authority, and that it shall cause a member of its senior management staff to attend any and all such meetings. Similarly, the Lessee agrees to fully participate in and cooperate with the Port Authority or its designee in connection with any customer service surveys which are conducted on-site at the Terminal and not interfere with, obstruct, delay or otherwise hinder the process of taking such surveys, and further, fully participate in and cooperate in connection with training in customer service techniques and other concession-related matters that may be scheduled or arranged by the Port Authority or its designee from time to time. No compensation shall be due or paid to the Lessee for its participation or cooperation in connection with the matters described in this paragraph.

(g) Training. The Lessee covenants that it shall conduct and complete, at least on an annual basis, for itself and its employees, training with respect to customer service techniques and other concession related matters. Similarly, the Lessee agrees that its frontline sales and transaction staff shall be required to attend customer service training at least once annually if such training is offered by the Port Authority or its designee; such training to be in addition to, and not in lieu of, the Lessee's own training programs, requirements and obligations.

(h) In the event escalations are needed to items of Additional Rental during the term of the letting, the following will be the methodology used for such escalation:

(i) "Index" shall mean the Consumer Price Index for All Urban Consumers - New York-Northern New Jersey-Long Island, NY-NJ-CT (All Items, unadjusted 1982-84=100) published by the Bureau of Labor Statistics of the United States Department of Labor.

(ii) "Base Period" shall mean the calendar month of January, 2010.

(iii) "Adjustment Period" shall mean, as the context requires, the calendar month of January, 2011 and the calendar month of January in each calendar year which thereafter occurs during the term of this Agreement.

(iv) "Anniversary Date" shall mean, as the context requires, each January 1 following the Rental Payment Start Date (the "First Anniversary Date") and each anniversary of such date which thereafter occurs during the term of this Agreement.

(v) "Annual Index Increase" shall mean the percentage of increase in the Index on each Anniversary Date, equal to: (x) with respect to the First Anniversary Date, a fraction of which the numerator shall be the Index for the Adjustment Period immediately preceding such Anniversary Date less the Index for the Base Period, and the denominator shall be the Index for the Base Period, and (y) with respect to each Anniversary Date thereafter, a fraction of which the numerator shall be the Index for the Adjustment Period immediately preceding such Anniversary Date less the Index for the next preceding Adjustment Period, and the denominator shall be the Index for such next preceding Adjustment Period (for example, the Annual Index Increase for the Anniversary Date that is January 1, 2011 would be a fraction of which the numerator is the Index for November, 2010 less the Index for November, 2009 and the denominator is the Index for November, 2009).

(vi) "Percentage Increase" shall mean, with respect to each Anniversary Date, a percentage equal to the Annual Index Increase for that Anniversary Date.

(2) Commencing on each Anniversary Date and for the period commencing with such Anniversary Date and continuing through to the day preceding the next Anniversary Date, or the expiration date of the term of the letting under this Agreement as herein amended, as the case may be, both dates inclusive, in lieu of the Additional Rental set forth herein, the Lessee shall pay escalated Additional Rental as follows:

(i) the sum obtained by adding to the item of Additional Rental set forth herein the product obtained by multiplying such Additional Rental by the Percentage Increase for such Anniversary Date, or

(ii) the item of Additional Rental payable immediately prior to such Anniversary Date including all amounts included therein as a result of prior adjustments thereof pursuant to the provisions of this paragraph.

(3) In the event the Index to be used in computing any adjustment referred to in this paragraph is not available on the effective date of such adjustment, the Lessee shall continue to pay the Additional Rental at the amount then in effect subject to retroactive adjustment at such time as the specified Index becomes available, provided, however, that the Port Authority may at its option substitute for such Index the Index for the latest preceding month then published to constitute the specified Index. In the event the United States Consumer Price Index for All Urban Consumers - New York-Northern New Jersey-Long Island, NY-NJ-CT (All Items, unadjusted 1982-84=100) shall hereafter be converted to a different standard reference base or otherwise revised or the United States Department of Labor shall cease to publish the United States Consumer Price Index for All Urban Consumers - New York-Northern New Jersey-Long Island, NY-NJ-CT (All Items, unadjusted 1982-84=100), then for the purposes hereof there shall be substituted for the Index such other appropriate index or indices properly reflecting changes in the value of current United States money in a manner similar to that established in the Index used in the latest adjustment as the Port Authority in its discretion determine.

If after an adjustment in Additional Rental shall have been fixed for any period, the Index used for computing such adjustment shall be changed or adjusted, then the rental adjustment for that period shall be recomputed and from and after notification of the change or adjustment, the Lessee shall make payments based upon the recomputed rental and upon demand shall pay any excess in the basic rental due for such period as recomputed over amounts theretofore actually paid on account of the Additional Rental for such period. If such change or adjustment

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results in a reduction in the Additional Rental due for any period prior to notification, the Port Authority will credit the Lessee with the difference between the Additional Rental as recomputed for that period and amounts of Additional Rental actually paid.

If any adjustment of Additional Rental referred to in this paragraph is effective on a day other than the first day of a calendar month, there shall be payable in advance on the effective date of rental adjustment an installment of Additional Rental equal to one-twelfth (1/12th) of the increment of annual Additional Rental as adjusted multiplied by a fraction, the numerator of which shall be the number of days from the effective date of the rental adjustment to the end of the calendar month in which the rental adjustment was effective and the denominator of which shall be the number of days in that calendar month.

Section 56. Lessee's OFAC Certification

(a) The Lessee hereby represents and warrants to the Port Authority (which representations and warranties shall be deemed to be continuing and re-made at all times during the Term) that Lessee is not, and shall not become, a person or entity with whom the Port Authority is restricted from doing business under the regulations of the Office of Foreign Asset Control ("OFAC") of the United States Department of the Treasury (including, but not limited to, those named on OFAC's Specially Designated and Blocked Persons list) or under any statute, executive order (including, but not limited to, the September 24, 2001 Executive Order on Terrorist Financing Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit or Support Terrorism), or other governmental action and is not engaging, and shall not engage, in any dealings or transactions or be otherwise associated with such persons or entities. The Lessee acknowledges that the Port Authority is entering into this Agreement in reliance on the foregoing representations and warranties and that such representations and warranties are a material element of the consideration inducing the Port Authority to enter into and execute this Agreement. In the event of any breach of any of the foregoing representations and warranties by the Lessee, the Port Authority shall have the right, in addition to any and all other remedies provided under this Agreement or at law or in equity, to immediately terminate this Agreement upon written notice to the Lessee. The Lessee further acknowledges that there shall be no cure for such a breach. In the event of any such termination by the Port Authority, the Lessee shall, immediately on receipt of the Port Authority's termination notice, cease all use of and operations permitted under this Agreement and surrender possession of the Premises to the Port Authority without the Port Authority being required to resort to any other legal process. Termination on the aforescribed basis shall be deemed a termination for cause.

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

(c) The provisions of this Section shall survive the expiration or earlier termination of this Agreement.

Section 57. Holdover

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

Section 58. Waiver of Trial by Jury

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

Section 59. Liquidated Damages

The Port Authority may assess, in its sole discretion, and Lessee shall pay within ten (10) days of written demand therefor as liquidated damages, and not as a penalty, the amounts described below for each of the events described below:

(a) If Lessee shall fail to open the Premises for business after and including the Rental Payment Start Date, then Lessee shall pay the amount of Two Hundred Fifty Dollars (\$250.00) per day for each day Lessee is not open for business. If such failure shall continue for in excess of sixty (60) days, the amount of such liquidated damages may be increased up to a maximum of Five Hundred Dollars (\$500.00) per day.

(b) If Lessee shall fail to furnish to the Port Authority any Monthly Statement or Annual Statement within the time required by this Lease, then Lessee shall pay the amount of One Hundred Dollars (\$100.00) per statement per day until such statement is properly delivered to the Port Authority for the first (1st) such failure to furnish a statement in any rolling

twelve (12) month period, Two Hundred Fifty Dollars (\$250.00) per statement per day until such statement is delivered to the Port Authority for the second (2nd) such failure to furnish a statement in any rolling twelve (12) month period, and Five Hundred Dollars (\$500.00) per statement per day until such statement is delivered to the Port Authority for the third (3rd) and all subsequent failures to furnish any such statement in any rolling twelve (12) month period.

(c) If Lessee shall fail to provide the required certificate signed by the architect or engineer who sealed the Lessee's plans certifying that all of Lessee's Work, if any, has been performed in accordance with the approved plans and specifications and/or if Lessee shall fail to provide the as-built drawings in form and number requested by the Port Authority, as required by *Section 51(b)*, within ninety (90) days of the completion of Lessee's Work, then Lessee shall pay the amount of Three Hundred Dollars (\$300.00) per day for each day that it is not delivered to the Port Authority. If such failure shall continue for a period exceeding one hundred eighty (180) days after the completion of Lessee's Work, such shall be a material default by Lessee hereunder entitling the Port Authority to all remedies available to it hereunder or at law.

(d) If Lessee shall fail to operate its business as provided in the Section of this Agreement entitled "*Various Obligations of the Lessee*", and in accordance with any other operating standards implemented by the Port Authority, then Lessee shall pay the amount of One Hundred Dollars (\$100.00) per instance per day that Lessee fails to operate its business in accordance with the terms hereof for the first (1st) violation in any rolling twelve (12) month period, and the amount of Two Hundred Dollars (\$200.00) per instance that Lessee fails to operate its business in accordance with the terms hereof for the second (2nd) and any subsequent violations in any rolling twelve (12) month period.

(e) If Lessee shall fail to adjust its prices to comply with any criteria or policies for "Street Prices" in accordance with *Sections 13(c), (d) and (e)* of the Section of this Agreement entitled "*Sales and Services by the Lessee*", then Lessee shall pay the amount of One Hundred Dollars (\$100.00) per day for each day that Lessee is not in compliance with such criteria and policies for the first (1st) violation in any rolling twelve (12) month period, and the amount of Two Hundred Dollars (\$200.00) per day for each day that Lessee is not in compliance with such criteria and policies for the second (2nd) and any subsequent violations in any rolling twelve (12) month period.

(f) If Lessee shall fail to operate its business as provided in *Section 13(f)* of the Section of this Agreement entitled "*Sales and Services by the Lessee*", then Lessee shall pay the amount of One Hundred Dollars (\$100.00) per hour for each hour Lessee fails to operate its business during any required operating hours for the first (1st) violation in any rolling twelve (12) month period, and the amount of Two Hundred Dollars (\$200.00) per hour for each hour Lessee fails to operate its business during any required operating hours for the second (2nd) and any subsequent violations in any rolling twelve (12) month period.

(g) If Lessee shall be in default of the Section of this Agreement entitled "*Signs*" relating to Lessee's use and placement of signs, then Lessee shall pay the amount of One Hundred Fifty Dollars (\$150.00) for each day of default in order to reimburse the Port Authority for the additional administrative expenses resulting therefrom.

Section 60. Amendments/Modifications

(a) Notwithstanding the provisions of paragraph (a) of the Section of this Agreement entitled "*Prohibited Acts*", paragraph (c) of the Section of this Agreement entitled "*Construction by the Lessee*" or the Section of this Agreement entitled "*Surrender*", and without limiting the generality thereof, the Lessee on the expiration or earlier termination of this Agreement shall not be required (nor permitted to remove the walls, floors or ceilings (including any heating, [AMS BW Newark JV/Hudson News/Lease No. ANC-047]

ventilating, air conditioning, electrical, plumbing or sprinkling equipment or systems, or kitchen exhaust flue, if any) in the Premises constructed or installed prior to the commencement of the letting, or as part of any finishing work in the Premises performed by the Lessee pursuant to the provisions of the Sections of this Agreement entitled "*Construction by the Lessee*" and "*Finishes and Decorating by the Lessee*", respectively, but the Lessee shall be required to cap all electrical and plumbing lines flush with the walls, floors and ceilings. Nothing herein shall be deemed to affect or impair the Lessee's maintenance and repair obligations during the term of the letting with respect to any of the foregoing. The Lessee on the expiration or earlier termination of the letting, including a termination pursuant to the Section of this Agreement entitled "*Thirty Day Termination*", shall be required to remove from the Premises leasehold trade fixtures and leasehold equipment, including without limitation, shelving, display cases, floor counters, items displaying the Lessee's trademark, trade name, trademark, trade dress, copyright or service mark, and similar installations installed by the Lessee in the Premises and to restore the Premises to the condition thereof prior to the construction or installation of such leasehold trade fixtures and equipment. In the event of a failure on the part of the Lessee to so remove and restore all or a portion of such leasehold trade fixtures and leasehold equipment, the Port Authority may do so, and the Lessee shall pay the cost thereof to the Port Authority on demand.

(b) Notwithstanding the provisions of paragraph (t)(3) of the Section of this Agreement entitled "*Definitions*" with respect to the definition of "*Gross Receipts*", the exclusions from Gross Receipts shall not only include volume discounts received from Lessee's vendors, suppliers and manufacturers but shall also include rebates that reduce Lessee's cost of goods; provided, however, all RDAs shall be included in Lessee's Gross Receipts.

(c) Notwithstanding the provisions of paragraph (oo) of the Section of this Agreement entitled "*Definitions*" with respect to the definition of "*Rental Payment Start Date*", the Rental Payment Start Date shall mean the earliest to occur of the following: (a) the date Gross Receipts are first generated in or from all of the spaces comprising the Premises by the Lessee; or (b) ninety (90) days from the date the Port Authority makes available the last of the spaces comprising the Premises identified on Exhibit A-2 to the Lessee for its occupancy, such date being referred to herein as the "*Date of Beneficial Occupancy*"; provided, that the Rental Payment Start Date may be extended on a day for day basis equal to the actual number of days that Lessee is delayed in the performance of Lessee's Work as specified in Item 8 of Exhibit B.

(d) Notwithstanding the definition of "*Rental Payment Start Date*" and notwithstanding the provisions of paragraphs (a) and (b)(3) of the Section of this Agreement entitled "*Additional Rent Items and Lessee Obligations*", paragraphs Item 1(a)(1) and (b) of "*Exhibit B*", from the date when Gross Receipts are first generated from the spaces comprising the Premises identified on Exhibit A-2 until the date when Gross Receipts are first generated from the last of the spaces comprising the Premises identified on Exhibit A-2, Lessee shall not be obligated to remit any installments of the MAG during such period (but in no event shall the payment of MAG begin later than 90 days from the date the last space for the Premises identified in Exhibit A-2 to this Lease is delivered to Lessee) and in lieu thereof, Lessee shall pay to the Port Authority an interim Percentage Rental equal to twenty-four percent (24%) of all Gross Receipts during each month, inclusive of amounts payable, if any, with respect to RDAs arising during each month, together with monthly installments of the Promotion Fee and Distribution Fee. The Distribution Fee shall be adjusted on the opening of each of the spaces comprising the Premises as identified on Exhibit A-2 for the generation of Gross Receipts during this Period. On the Rental Payment Start Date, Lessee shall pay to the Port Authority the MAG and Percentage Rental as set forth in Exhibit B together with monthly installments of all Additional Rent Items, including, but not limited to, the Promotion Fee and the Distribution Fee.

(e) Notwithstanding the provisions of paragraph (j) of the Section of this Agreement entitled "*Various Obligations of the Lessee*", the first three sentences of such paragraph (j) deleted

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and are replaced with the following: "Airport Concession Disadvantaged Business Enterprises ("ACDBE"). If any member of AMS-BW Newark is required to apply as an ACDBE with the Port Authority, please check here (X). Such member shall immediately take all steps necessary to obtain such certification from the Port Authority on or before the Rental Payment Start Date."

(f) Notwithstanding the provisions of paragraph (i) of the Section of this Agreement entitled "*Various Obligations of the Lessee*" and further notwithstanding the provisions of paragraph (a) of the Section of this Agreement entitled "*Finishes and Decorations by the Lessee*", Lessee shall not be required to remediate any Hazardous Substances that were present in or adjacent to any portion of the Premises on or before the date such portion of the Premises was initially delivered by the Authority to Lessee.

(g) The provisions of the Section of this Agreement entitled "*Thirty Day Termination*" are hereby deleted in their entirety and the following is substituted therefore:

"Section 28. Thirty Day Termination

(a) The Port Authority shall have the right to terminate this Agreement, and the letting hereunder, as to all or a portion of the Premises, without cause, at any time, on thirty (30) days' notice to the Lessee. In the event of termination pursuant to this Section, this Agreement and the letting hereunder shall, as to all or as to such portion of the Premises that are identified in such notice, cease and expire as if the effective date of termination stated in the notice were the date originally stated herein for the expiration of this Agreement.

(b) The Lessee is obligated by this Agreement to furnish and install all fixtures and equipment and make all improvements in the Premises, necessary or proper for its operations hereunder. In the event of termination by the Port Authority under this Section, the Port Authority shall pay the Lessee a pro rata share of the Lessee's cost in supplying and installing such fixtures and equipment and making all such improvements, excluding any replacements thereof, to the portion of the Premises that are identified in such thirty (30) day notice. The cost and the pro rata share thereof shall be ascertained as stated in Item 6 of **Exhibit B**; provided, however, that tender of payment of said prorated cost by the Port Authority to the Lessee shall not be prerequisite to the exercise of the right of termination under this Section. On the payment by the Port Authority of said prorated cost and any interest due thereon, all fixtures, equipment and improvements including replacements furnished by the Lessee in the Premises and all interest of the Lessee therein which have not already become the property of the Port Authority shall be and become the property of the Port Authority and the Lessee shall execute any and all instruments necessary to transfer title to any such interest; provided, however, that the Port Authority may by notice relinquish its right to any such fixtures, equipment or improvements and the provisions of the Sections of this Agreement "*Sales and Services by the Lessee*" and "*Surrender*", respectively."

(h) Notwithstanding the provisions of the Section of this Agreement entitled "*Governmental Compliance*", the following shall be added to the end of such Section, "If a portion of the Premises is so taken by the Port Authority, the Port Authority shall take such into consideration to determine whether Tenant shall be granted an equitable adjustment to the Basic Rental otherwise due hereunder. The Port Authority shall consider the size and location of the portion of the Premises so taken and the historical sales generated therefrom in proportion to the remaining portion of the Premises which Lessee continues to operate among other matters. The Port Authority shall notify Lessee of its determination on the amount of the equitable adjustment, if any, which shall be final and binding on Lessee."

Section 61. Miscellaneous

(a) Relationship of the Parties. Notwithstanding any other term or provision hereof, this Agreement does not constitute the Lessee as the agent or representative of the Port Authority for any purpose whatsoever. Neither a partnership nor any joint venture is hereby created.

(b) Lessee's Rights Non-Exclusive. Except as expressly provided herein with respect to the Premises, neither the execution of this Agreement by the Port Authority nor anything contained herein shall grant or be deemed to grant to the Lessee any exclusive rights or privileges.

(c) Updating of Federal Requirements. The Lessee specifically acknowledges and agrees that the Federal requirements set forth in **Schedule E** may be revised or updated from time to time and that, accordingly, the Port Authority may from time to time, by notice to the Lessee, provide to the Lessee revised or updated forms of **Schedule E** to replace the **Schedule E** currently attached to and forming a part of this Agreement. Such replacement **Schedule E** shall, from the effective date of such notice, be deemed to constitute an integral part of this Agreement. The Lessee further specifically acknowledges that the same revision or updating of Federal requirements may occur from time to time with respect to the regulations set forth in 49 CFR Part 23 of the Department of Transportation Office of the Secretary and that the provisions of this paragraph relating to **Schedule E** shall apply equally to those set forth in **Schedule G**.

Section 62. Entire Agreement

This Agreement consists of the following: Sections 1 through 62 inclusive, plus Exhibits A-1, A-2, B, C, R, U, X, Schedule A, Schedule E and Schedule G.

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

[signature blocks on following page]

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

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

ATTEST:

By: [Signature] Name: Ronald DeRose
Secretary
Title: Asst Director, CCAS
(Seal)

LESSEE:

ATTEST:

AMS-BW NEWARK JV

By: Airport Management Services, LLC, a joint venturer

By: Hudson News Company, Its Managing Member

By: [Signature] Name: Michael R. Mullaney
Secretary
(Please Print Clearly)

Title: Executive Vice President
(Seal)



ATTEST:

AIRPORT MANAGEMENT SERVICES, LLC,

a Delaware limited liability company

By: Hudson News Company, Its Managing Member

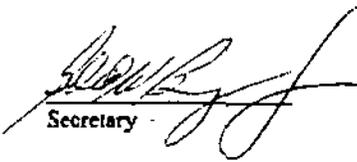
By: [Signature] Name: Michael R. Mullaney
Secretary
(Please Print Clearly)

Title: Executive Vice President
(Seal)



ATTEST:

BRANDED WORKS, INC.,
a Louisiana corporation

By: 
Secretary

By: Ruth Ann Menutis

Name: Ruth Ann Menutis
(Please Print Clearly)

Title: President
(Seal)

| Port Authority Use Only: | |
|---|---|
| Approval as to Terms: | Approval as to Form: |
| <i>OK</i>  |  |

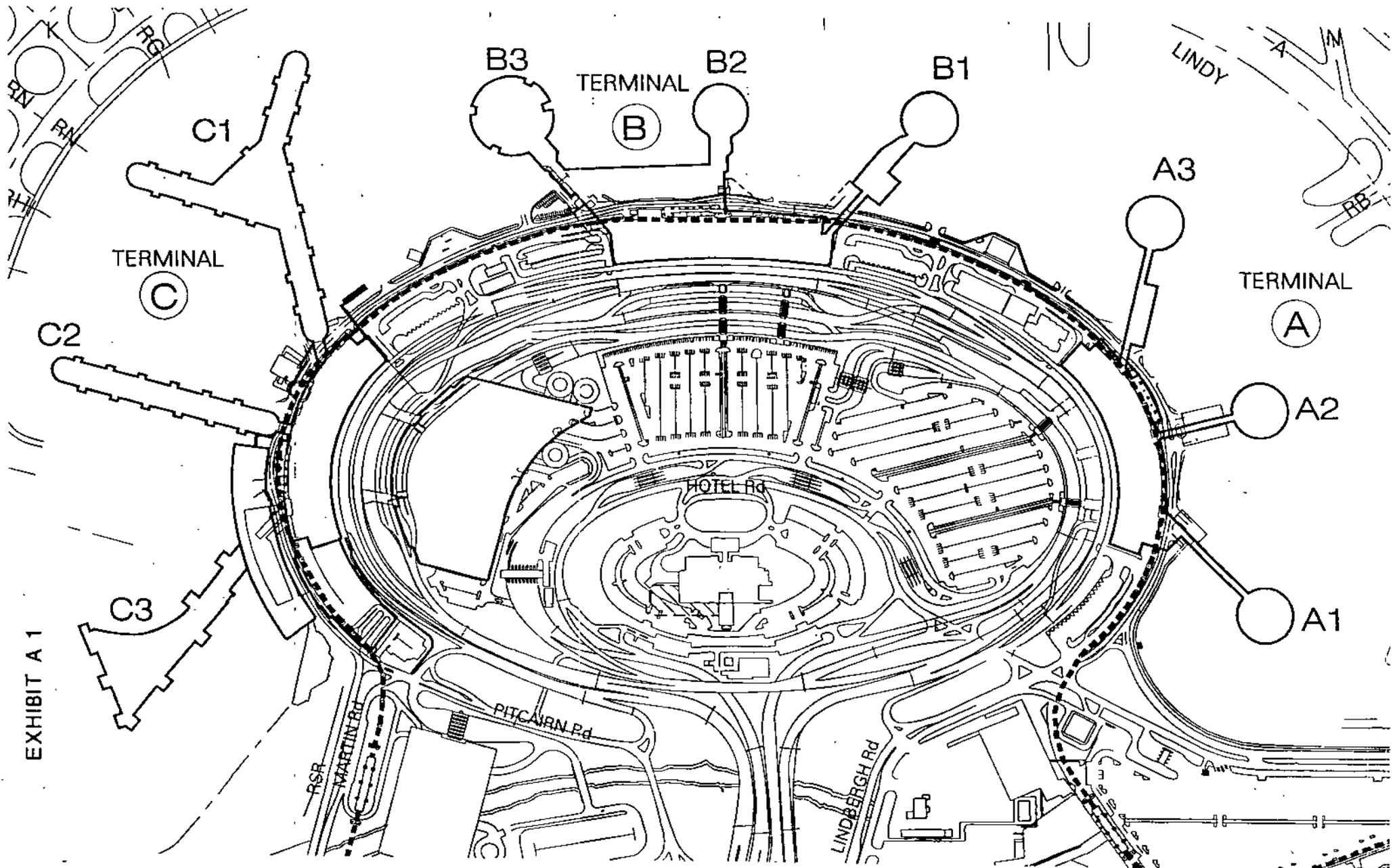
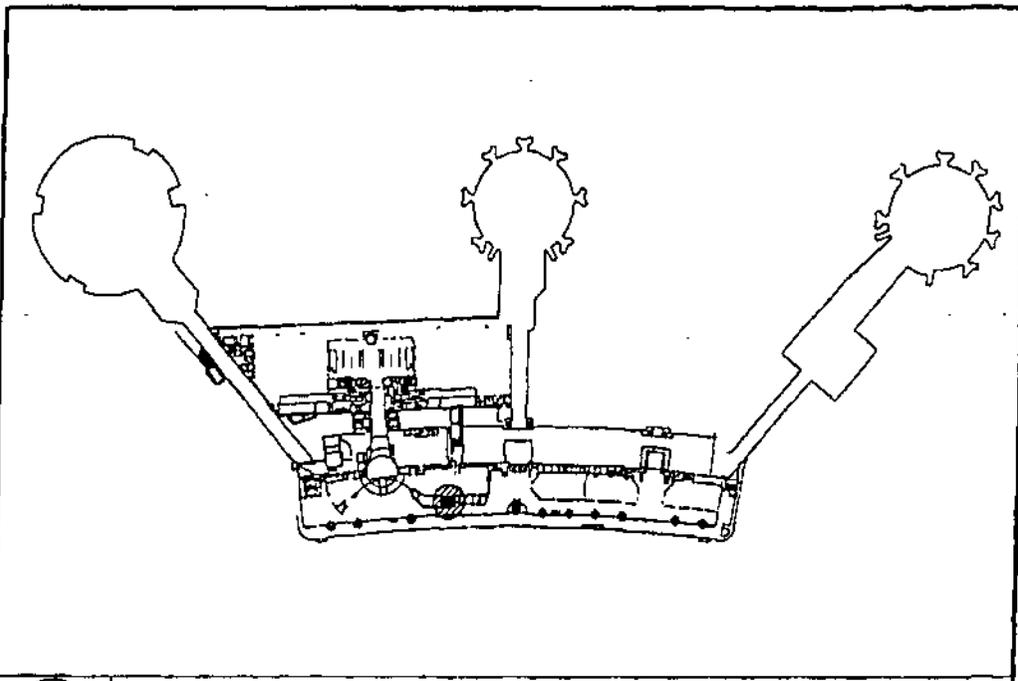
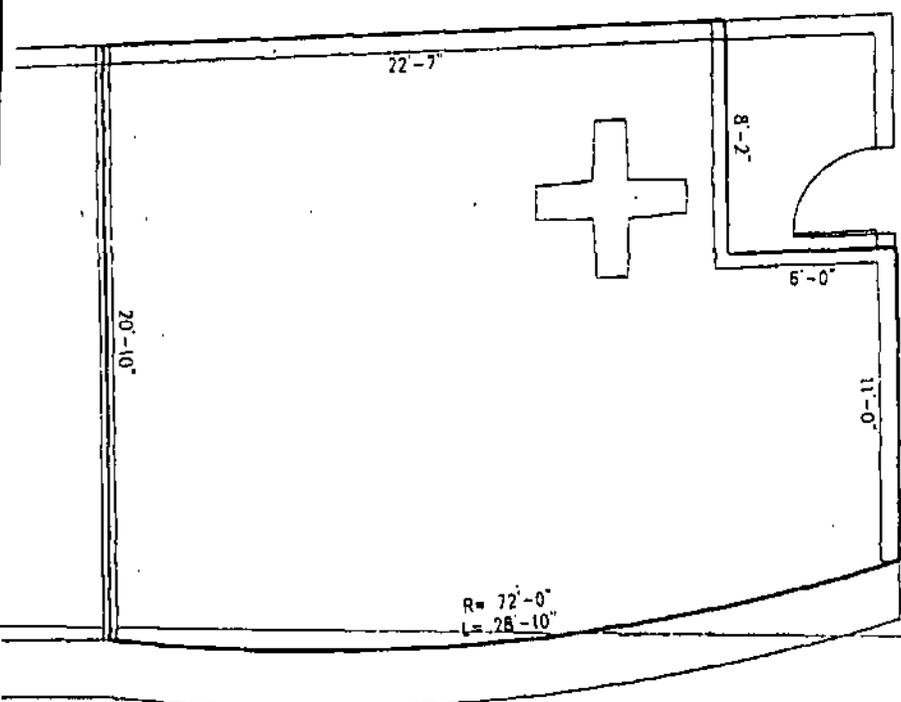


EXHIBIT A 1



The document is diagrammatic and is intended only to show the desired premises of the project (Dashed area). It does not purport to show exact dimensions nor the final location of any mechanical, electrical, structural or architectural element. Further, the landlord reserves the right to add, eliminate or modify any such element as

may be required from time to time. Tenant space dimensions unless otherwise noted are to the centerline of tenant partitions and column grids, face of exterior walls and to the outside face of service area partitions adjacent to the tenant space (i.e. corridors, closets, and stairs).



NEWARK LIBERTY INTL AIRPORT - TERMINAL B

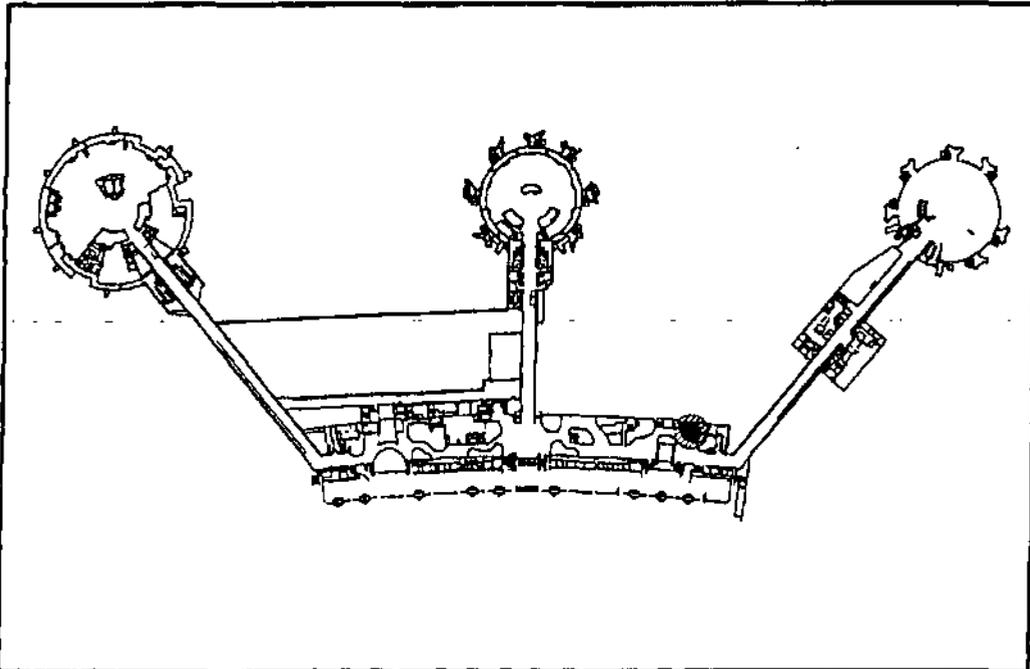


EXHIBIT
A2

Level 1
7/21/09

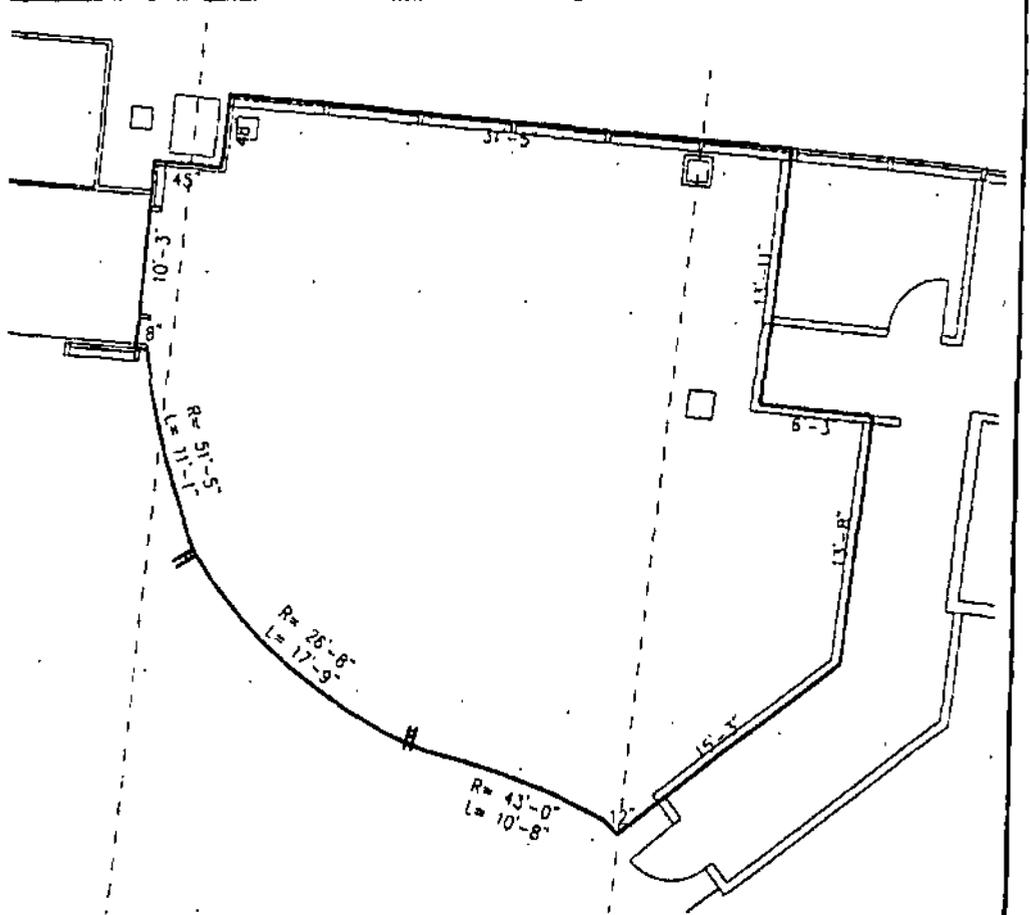
BA3 HUDSON NEWS

APPROXIMATELY
551 S.F.



The document is diagrammatic and is intended only to show the damaged premises of the project (hatched area). It does not purport to show exact dimensions nor the final location of any mechanical, electrical, structural or architectural elements. Further, the landlord reserves the right to add, eliminate or modify any such element, as

may be required from time to time. Tenant space dimensions unless otherwise noted are to the centerline of tenant partitions and column grids, face of exterior walls and to the outside face of service area partitions adjacent to the tenant space (i.e. corridors, closets, and stairs).



NEWARK LIBERTY INTL AIRPORT - TERMINAL B

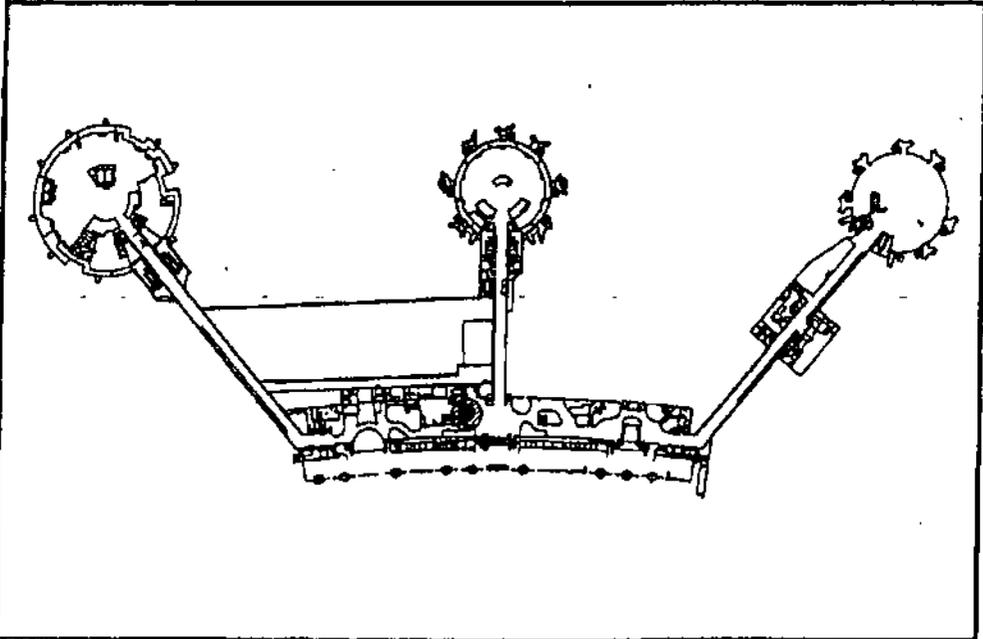


EXHIBIT
A2

Level 4
7/21/09

B2A HUDSON NEWS

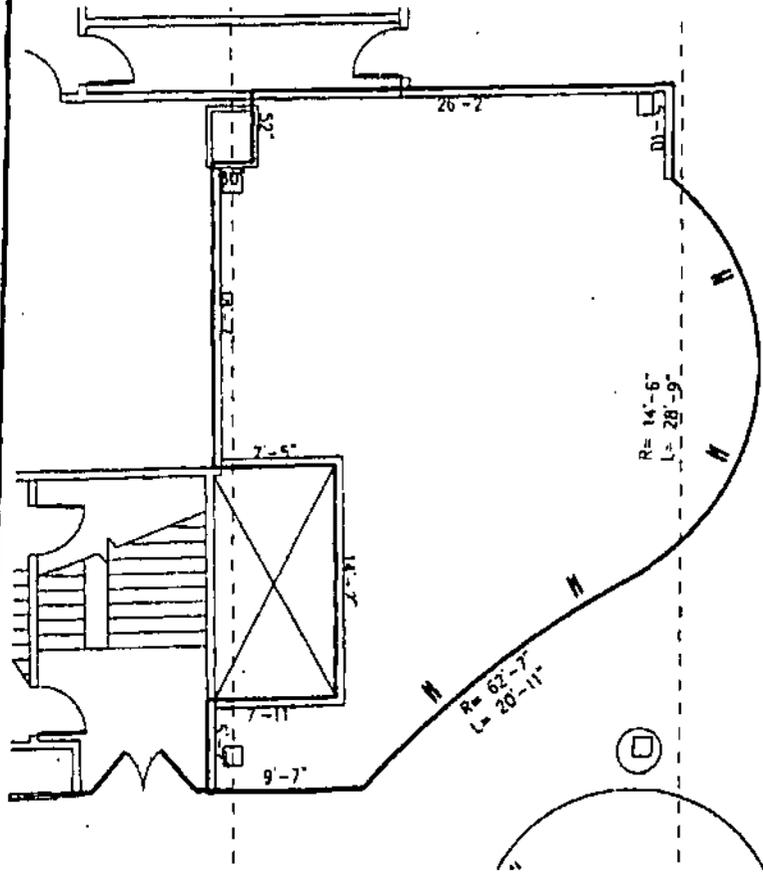
APPROXIMATELY
1,190 S.F.



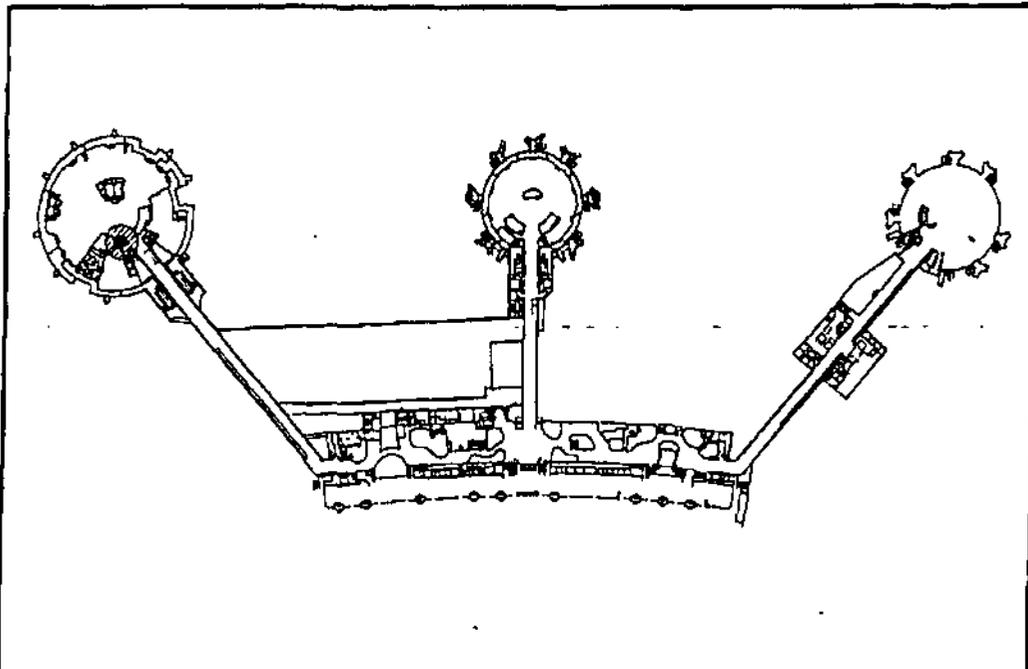
The document is diagrammatic and is intended only to show the damaged premises of the project (hatched area). It does not purport to show exact dimensions nor the final location of any mechanical, electrical, structural or architectural element. Further, the landlord reserves the right to add, delete or modify any such element, as

may be required from time to time. Tenant space dimensions, unless otherwise noted are to the centerlines of tenant partitions and column grids, face of exterior walls and to the outside face of service area partitions adjacent to the tenant space (all corridors, closets and stairs).

MTRSON B

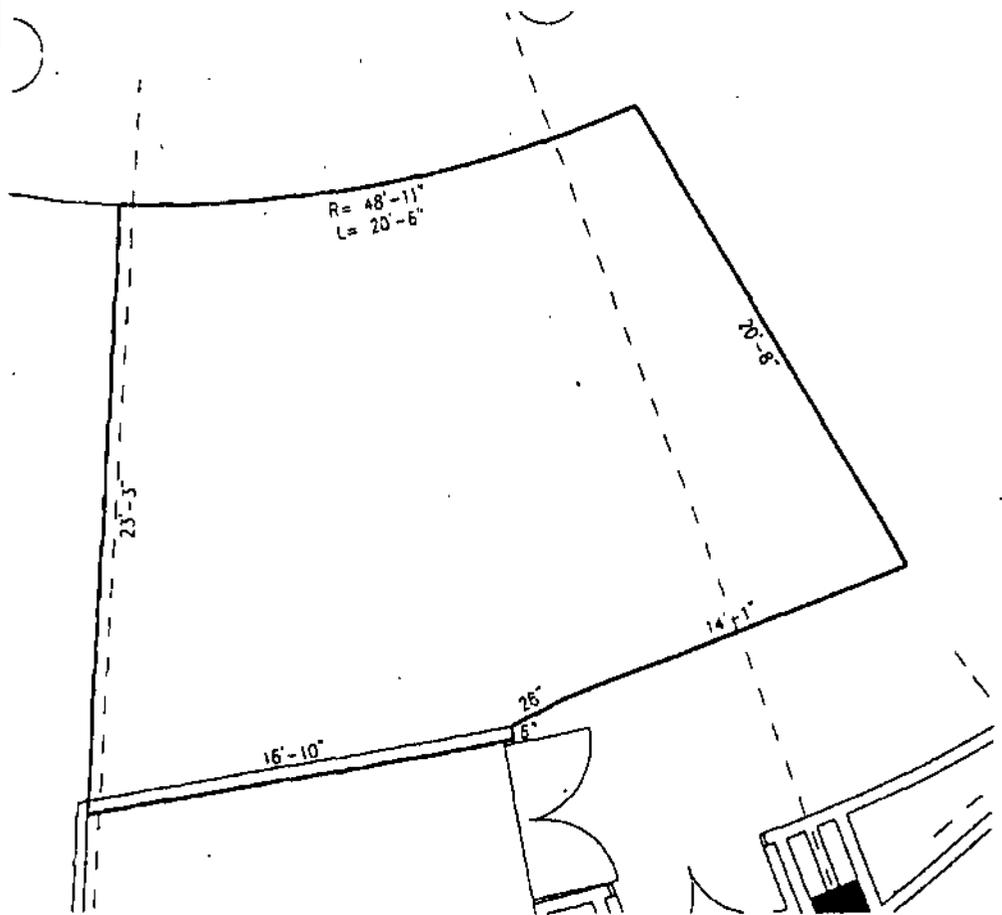


| | | | |
|--|-----------------|-----------------------------|--|
| NEWARK LIBERTY INTL AIRPORT - TERMINAL B | | | EXHIBIT A2 |
| Level 4 | B12 HUDDON NEWS | APPROXIMATELY 1,030 S.F. | |
| 01/20/10 | | | PAGE 3 OF 6 |

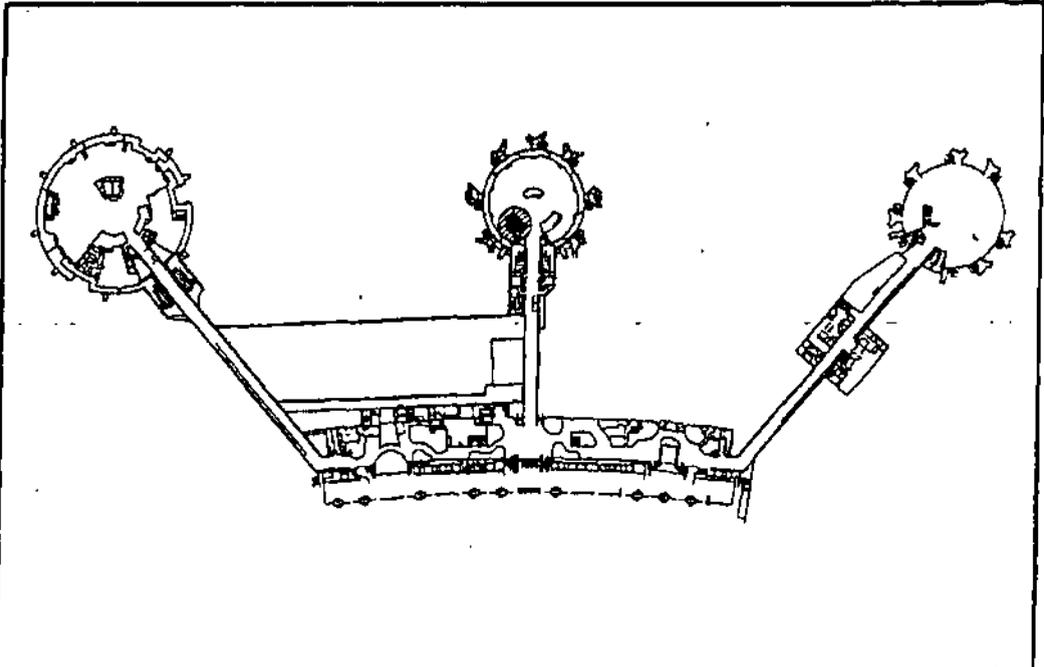


The document is diagrammatic and is intended only to show the demised premises of the project (hatched area). It does not purport to show exact dimensions nor the final location of any mechanical, electrical, structural or architectural element. Further, the landlord reserves the right to add, eliminate or modify any such element, as

may be required from time to time. Tenant space dimensions, unless otherwise noted are to the centerlines of tenant partitions and column grids. Face of exterior walls and to the outside face of service area partitions adjacent to the tenant space (i.e. corridors, closets, and stairs.)

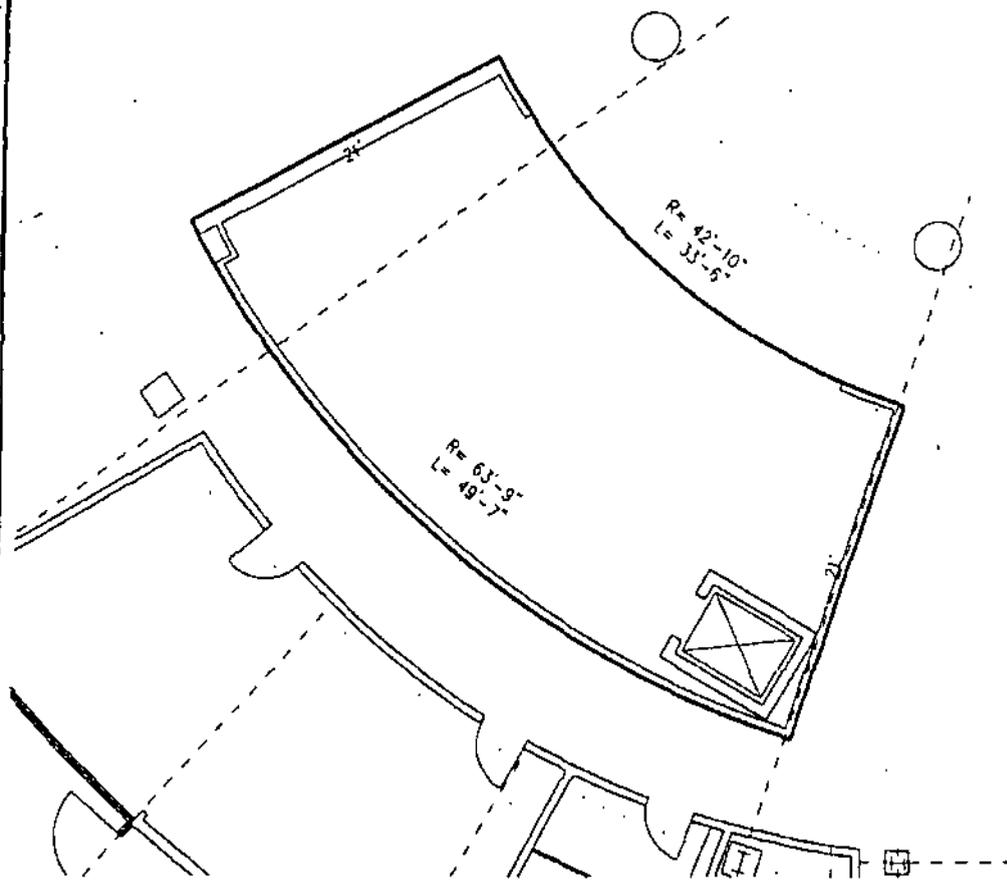


| | | | |
|--|-------------|---------------|---------|
| NEWARK LIBERTY INTL AIRPORT - TERMINAL B | | EXHIBIT A2 | |
| Level 2 | B16A | APPROXIMATELY | 572 SF. |
| 07/23/09 | MUDSON NEWS | | |



The document is schematic and is intended only to show the general premises of the project (hatched area). It does not purport to show exact dimensions for the free location of any mechanics, electrical, structural or architectural element. Further, the landlord reserves the right to add, eliminate or modify any such element as

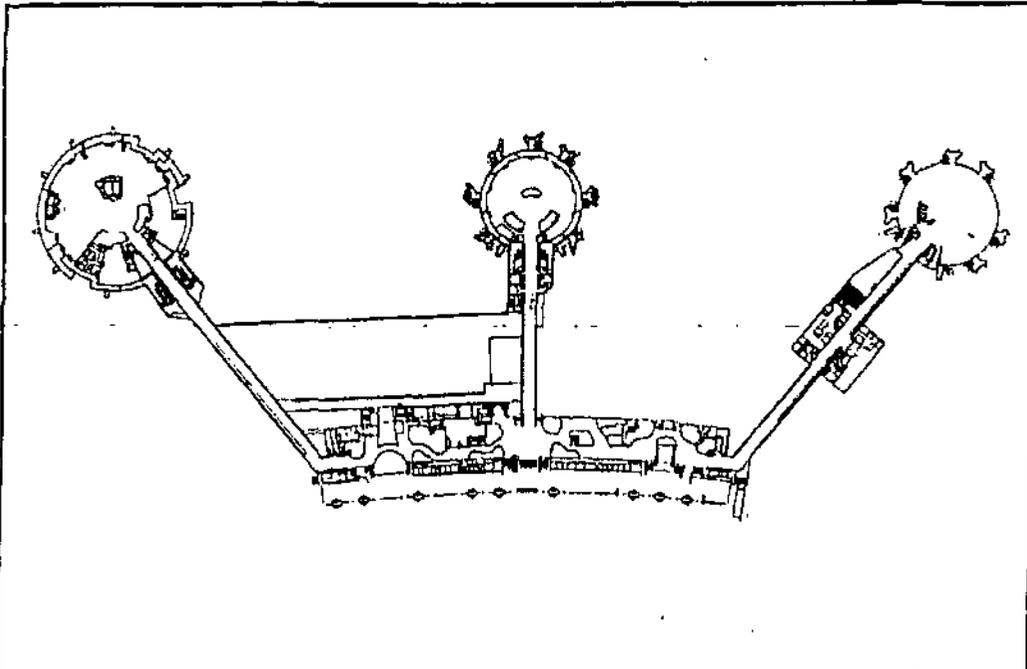
may be required from time to time. Tenant space dimensions, unless otherwise noted are to the centerlines of tenant partitions and ceiling grids, face of riser walls and to the outside face of service area partitions adjacent to the tenant space (i.e. corridors, closets and stairs).



NEWARK LIBERTY INTL AIRPORT - TERMINAL B

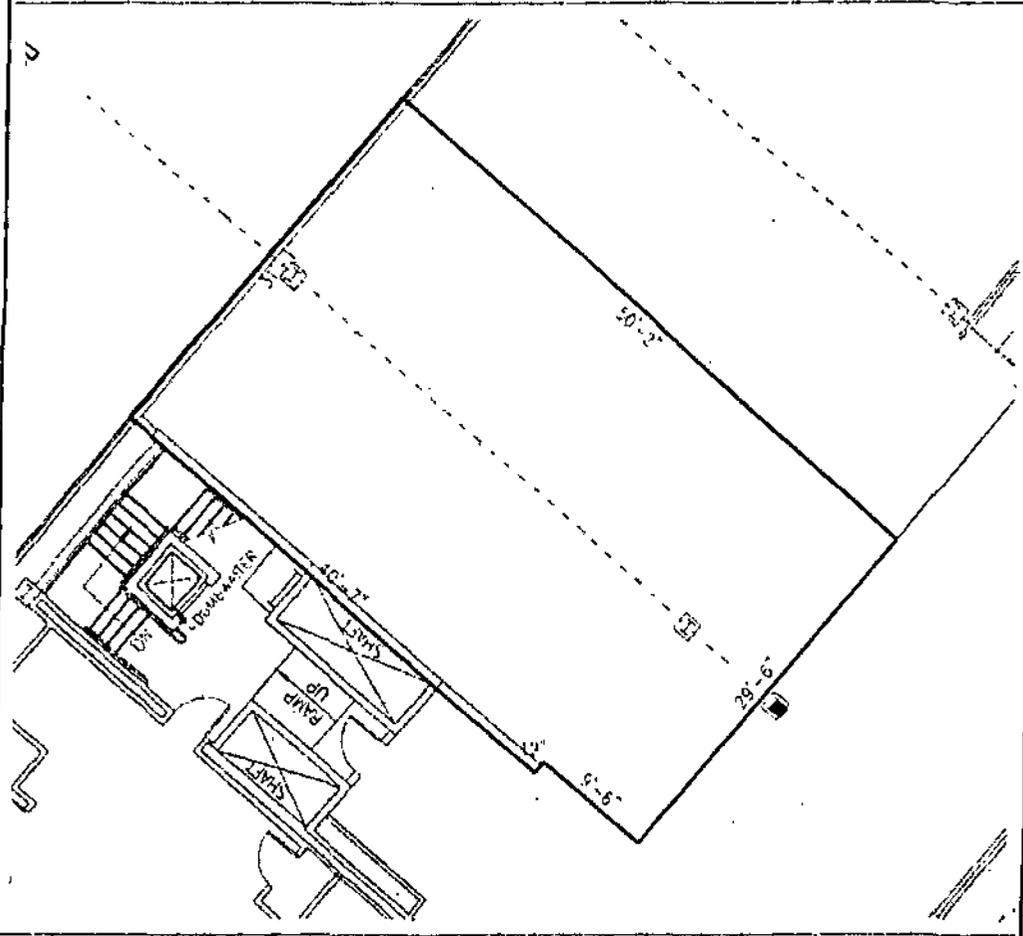
| | | |
|---------|-----------------|------------------------|
| Level 4 | 819 HUDSON NEWS | APPROXIMATELY 871 S.F. |
| 7/21/09 | | |

EXHIBIT
A2



This document is schematic and is intended only to show the general layout of the project (historic area). It does not purport to show all dimensions and the exact location of any existing or architectural structural or architectural element. Further, the drafter reserves the right, in whole or in part, to modify any such element, as

may be required from time to time. Tenant space dimensions shown are based on the centerlines of layout (partitions and column grids, face of exterior walls and face of bulk or face of service area partitions adjacent to the tenant space (i.e. corridors, closets, and stairs).



NEWARK LIBERTY INTL AIRPORT - TERMINAL B

Level 4
7/21/09

B21 HUDSON NEWS

APPROXIMATELY
1,537 S.F.

EXHIBIT
A2

INITIAL:

FOR THE PORT AUTHORITY: *OTC*

FOR AIRPORT MANAGEMENT SERVICES, LLC: *MS*

FOR AMS-BW NEWARK JV: *MS*

FOR BRANDED WORKS, INC.: *AWM*

EXHIBIT B

Rental, Abatement, Insurance Limits and Other Terms

Item 1: Rental Provisions:

(a) Basic Rental and Additional Rental:

(1) The Lessee shall pay to the Port Authority a basic rental (sometimes referred to herein as "**Basic Rental**" or "**MAG**") at the annual rate of Two Million Seven Hundred Thousand Dollars and No Cents (\$2,700,000.00), payable in equal monthly installments in advance on the Rental Payment Start Date and on the first day of each and every calendar month thereafter occurring during the **first Annual Period** of the term of the letting hereunder, provided, however, that if the Rental Payment Start Date shall occur on a day other than the first day of a calendar month, the monthly installment of the applicable Basic Rental, i.e., MAG, payable for the portion of the calendar month in which such respective event occurs following such date shall be an amount equal to the monthly installment set forth in this subparagraph multiplied by a fraction, the numerator of which shall be the number of days from such respective event to the end of the calendar month in which such respective event occurs, and the denominator of which shall be the full number of days in that calendar month. If the date of expiration or termination of the letting hereunder occurs on other than the last day of the month, the applicable Basic Rental payable for the portion of the month in which the date of such expiration or termination shall occur during which the letting thereof remains effective shall be the amount of the monthly installment of such applicable Basic Rental set forth in this subparagraph prorated on a daily basis.

(2) The Basic Rental shall be adjusted for each subsequent Annual Period as follows: Eighty-five percent (85%) of the prior Annual Period's total Effective Rental, but in no event less than Two Million Seven Hundred Thousand Dollars and No Cents (\$2,700,000.00). "**Effective Rental**" means the annual aggregate of Basic Rental plus Percentage Rental (based on actual Gross Receipts for the prior Annual Period) required to be paid hereunder.

(b) Percentage Rental

In addition to the Basic Rental payable under paragraph (a) above, the Lessee shall pay to the Port Authority an annual "**Percentage Rental**" equivalent to the excess, over the applicable annual Basic Rental established for such Annual Period under paragraph (a) above, of the sum of the following for the same Annual Period.

Twenty-Four percent (24%) on all Gross Receipts during each Annual Period, inclusive of amounts payable, if any, with respect to RDAs arising during each Annual Period.

The computation of Percentage Rental for each Annual Period, or a portion of an Annual Period as hereinafter provided, shall be individual to such Annual Period or such portion of an Annual Period and without relation to any other Annual Period or any other portion of any Annual Period. The time for making payment and the method of calculation of Percentage Rental shall be as set forth in paragraph (d) of this Item 1.

(c) For any Annual Period which contains more or less than 365 days, the Basic Rental shall be the amount obtained by multiplying the item by a fraction, the numerator of which shall be the number of days from the commencement of such Annual Period through the last day thereof, both dates inclusive, and the denominator of which shall be 365.

(d) Time of Payment of Percentage Rental Computations of Amounts and Accounting

(1) The Gross Receipts shall be reported and the Percentage Rental shall be paid as follows: on the 15th day of the first calendar month following the commencement of each Annual Period and on the 15th day of each and every calendar month thereafter without notice or demand, including the month following the end of each Annual Period and the calendar month following the expiration of the letting hereunder, the Lessee shall render to the Port Authority a sworn statement showing separately (by type of Gross Receipts and by sales location, if there be more than one sales location, or, if applicable, the amounts of the Percentage Rental rates applicable to the categories stated above of Gross Receipts referred to paragraph (b) of this Item 1 arising from its operations at the sales area(s) (including any interim space) of the Premises in the preceding month, or, if applicable, the Lessee shall specify separately the percentages and the results of applying each of the percentages, as provided in said provisions) and also showing such information on a cumulative basis from the date of the commencement of the same Annual Period as that for the month for which the report is made through the last day of the preceding month. Whenever any monthly statement shall show that the results of applying the provisions of paragraph (b) of this Item 1 indicate Percentage Rental on such cumulative basis to be in excess of the Basic Rental for the Annual Period for which the report is made, the Lessee shall pay to the Port Authority at the time of rendering the statement an amount equal to such excess. Further, the Lessee shall thereafter on the 15th day of each subsequent month during that Annual Period, and the month following the end of that Annual Period, including the month following the expiration of the letting hereunder, pay to the Port Authority for each such month during that Annual Period a sum equal to the amounts yielded by applying the percentages set forth in paragraph (b) of Item 1 of Exhibit B and without reference to the monthly installment of the Basic Rental.

(2) Upon any termination of the letting hereunder (even if stated to have the same effect as expiration), Gross Receipts shall be reported and Percentage Rental shall be paid on the 15th day of the first month following the month in which the effective date of such termination occurs, as follows. The Lessee shall render to the Port Authority a sworn statement of all Gross Receipts for the Annual Period in which the effective date of termination falls showing separately (by type of Gross Receipts and by sales location, if there be more than one sales location) the cumulative amount of the different types of Gross Receipts set forth in paragraph (b) of this Item 1 and separately showing the percentages and the results of applying the percentages as stated in said provisions applicable to each of such different types and amounts of Gross Receipts. The payment then due on account of Percentage Rental for the Annual Period in which the effective date of termination falls shall be the excess of the Percentage Rental computed as set forth in the following sentence, over the total of all Percentage Rental payments previously made for such Annual Period. The Percentage Rental due for any such Annual Period in which the effective date of termination falls shall be equal to the excess, over the prorated Basic Rental established for such Annual Period pursuant to the proration provisions set forth in paragraph (c) of this Item 1, of the amount resulting from applying the provisions of paragraph (b) of this Item 1 to the cumulative amount of the different types of Gross Receipts arising during such Annual Period in accordance with the formula set forth in paragraph (b) of this Item 1, adjusted pursuant to the proration provisions set forth in paragraph (c) of this Item 1.

(e) Abatement

(1) For every calendar day or major fraction thereof that the Lessee shall be entitled to abatement during the period commencing on the commencement date of the term of the letting hereunder and continuing through the expiration of said term of the letting hereunder, the Basic Rental established for such period shall be reduced (abated) by the product of the MAG multiplied by a fraction the numerator of which shall be the number of square feet of floor space as to

which the abatement applies and the denominator of which shall be the total number of square feet in the Premises.

(2) For the purpose of abatement, the ascertainment of the number of square feet contained in the Premises to be measured shall be in accordance with the following: Areas of the Premises and parts thereof will be computed by measuring from the inside plaster surface of outer building walls to the plaster surface of the corridor side of corridor partitions and to the center of partitions that separate the Premises from adjoining rentable area: no deduction will be made for columns, pilasters, or projections necessary to the building or for toilets, porter's closets, and slop sinks used exclusively by the Lessee and contained within the Premises. Permanent partitions enclosing elevator shafts, stairs, fire towers, vents, pipe shafts, meter closets, flues, stacks, and any vertical shafts have the same relation to rentable area, as do outer building walls.

(3) Nothing contained in this Item 1 shall affect the survival of the obligations of the Lessee as set forth in the Section of this Agreement entitled "*Survival of the Obligations of the Lessee*".

Item 2: Liability Insurance Limits:

The Lessee in its own name as insured with the Protected Indemnitees as additional insureds shall maintain liability insurance coverage referred to in paragraph (b) of the Section of this Agreement entitled "*Indemnity; Liability Insurance*" in not less than the following minimum limits:

| | <u>Minimum Limits</u> |
|--|-----------------------|
| Commercial General Liability: Combined single limit per occurrence for death, bodily injury and property damage liability (including premises operations, completed operations, and products liability) | \$2,000,000 |
| Commercial Automobile Liability: Combined single limit per occurrence for death, bodily injury and property damage liability | Not Applicable |
| Liquor Liability | Not Applicable |

Item 3: Not Applicable

Item 4: Construction:

Per Section of this Agreement entitled "*Finishing and Decorating by the Lessee*"

Item 5: Construction Liability Limits:

The limits of liability insurance shall not be lower than those set forth in the Alteration Application referred to in the Section of this Agreement entitled "*Finishing and Decorating by the Lessee*".

Item 6: Cost and Proration Thereof:

(a) The sum of the following items of cost incurred by the Lessee in connection with the performance of the Lessee's Work shall constitute the "cost" under the Section of this Agreement entitled "*Finishes and Decorating by the Lessee*" and under subdivisions (b), (c), (d), (e), (f), and (g) hereof, to the extent that such characterization is consistent with sound accounting practice and to the extent that such sum does not exceed the amount of Two Million Eight Hundred Seventy-Nine Thousand Five Hundred Dollars and No Cents (\$2,879,500.00) in the aggregate with respect to both the initial and refurbishment capital investments.

(1) Direct labor and material costs;

(2) Contract costs for purchase and installation of improvements, fixtures and equipment, excluding those of the types mentioned in the following subdivision (3);

(3) Engineering, architectural, planning, designing, financing, interest, insurance, and other overhead or carrying charges which are due for a period ending not later than the date of completion of installation of any such initial equipment, fixtures, or improvements for which they are incurred, and not to exceed twenty percent (20%) of the total of the amounts covered by subdivisions (1) and (2) above.

(b) A separate statement of the cost detailing all of the foregoing for each portion of the Premises, including copies of invoices and contracts and certified by a responsible officer of the Lessee shall be delivered by the Lessee to the Port Authority not later than ninety (90) days after the complete supplying and installing of all such initial fixtures or equipment and the making of all such initial improvements, and the Lessee shall permit the Port Authority, by its agents, employees, and representatives, at all reasonable times prior to a final settlement or determination of cost, to examine and audit the records and books of the Lessee and any Affiliate thereof which pertain to the cost; the Lessee agrees to keep and to cause its Affiliates to keep such records and books of account within the Port of New York District during such time.

(c) If the Lessee includes in cost any item as having been incurred, but which, in the opinion of the Port Authority, was not so incurred or which, in the opinion of the Port Authority, if so incurred is not an item properly chargeable to cost under sound accounting practice, then the Port Authority, within ninety (90) days after receipt of the said statement of cost as mentioned in subdivision (b) above, shall give written notice to the Lessee stating its objection to any such item and the grounds therefor. If such notice is given and if the dispute is not settled within thirty (30) days by agreement between the parties, then such dispute shall be disposed of by arbitration in accordance with the then existing rules of the American Arbitration Association or any successor organization. Costs of said arbitration shall be borne equally by the Port Authority and the Lessee.

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

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

(e) Any such arbitration as to whether any item included by the Lessee in its computation of cost is properly chargeable thereunder under sound accounting practice, the question to be submitted to the arbitrators for decision shall be as follows:

"Can it reasonably be held that all or any part of such cost is properly chargeable under sound accounting practice; and if part, but not all of such cost can be reasonably held to be so chargeable, then what amount can reasonably be held to be so chargeable?"

The arbitrators to whom such question(s) shall be submitted (under the preceding paragraphs (d) and (e)) shall be accountants or auditors.

(f) The proration of cost as referred to in the Section entitled "*Finishes and Decorating by the Lessee*" shall be ascertained by multiplying the cost by a fraction, the numerator of which shall be the number of whole calendar-months (in the term of the letting as originally set forth) subsequent to the effective date of termination, and the denominator of which shall be the total number of months in the term of the letting as originally set forth.

(g) Notwithstanding any other provision of the Section of this Agreement entitled "*Finishes and Decorating by the Lessee*", in ascertaining the amount that the Port Authority shall be obligated to pay to the Lessee under said Section, the cost computed as heretofore stated in this Item shall be diminished by the amount that any part of the components of cost as stated in subdivisions (1), (2), and (3) of paragraph (a) above are secured by liens, mortgages, other encumbrances, or conditional bills of sale on such equipment, fixtures, and improvements and less any other amounts whatsoever due under this Agreement from the Lessee to the Port Authority. In no event whatsoever shall cost, as defined and computed in accordance with this Item and as used in the above-cited Section and in this Item, include any expenses, outlays, or charges whatsoever by or for the account of the Lessee for or in connection with any equipment or fixtures or the making of any improvements mentioned in said Section or in this Item unless said equipment, fixtures, and/or improvements are actually and completely installed in and/or made to the Premises and, in accordance with law unaffected by any act or statement of the Lessee, are considered part of the Premises.

Item 7: Performance Bond: Not applicable.

Item 8: Letting Postponed: Notwithstanding anything to the contrary set forth in this Agreement, in the event the Lessee is delayed in the performance of Lessee's Work following the initial delivery of any portion of the Premises due to: (a) the remediation by the Port Authority of any pre-existing Hazardous Substances which were present in or about the Premises, then Lessee shall have a day for day extension to complete Lessee's Work equal to the number of days that Lessee was so delayed; or (b) the failure of the Port Authority to issue all permits for the performance of Lessee's Work in accordance with the TAA process within a reasonable period of time following submission of fully satisfactory and complete Tenant Alteration Application(s) (inclusive, by way of example, of drawings and specifications and any and all revisions of same required by the Port Authority) by Lessee or the failure of the Port Authority to inspect within a reasonable period of time the Premises following receipt by the Port Authority of notice of the completion of Lessee's Work, and such actual completion, in accordance with the TAA process and neither of which was due to any fault on the part of Lessee, then Lessee shall have a day for day extension to complete Lessee's Work equal to the number of days that Lessee was so delayed. The period of delay with respect to Item 8(a) shall be calculated from the day in which Lessee is instructed to cease Lessee's Work by the Port Authority to the day in which Lessee is given the clearance to resume Lessee's Work by the Port Authority following the Port Authority's receipt of the proper certification from the certified abatement contractor in accordance with standard policies and procedures in effect for the Terminal. The period of delay with respect to Item 8(b) shall be calculated to include any days which Lessee is prevented from starting Lessee's Work due to delays by the Port Authority in issuing permits in accordance with

the TAA process as well as any days in which Lessee is prevented from opening any portion of the Premises for business to the public due to delays by the Port Authority in completing any inspections of the Premises in accordance with the TAA process. In the event of any such delays, the Port Authority shall send Lessee a confirmation letter setting the actual Rental Payment Start Date making due allowance for such delays and expiration of the Term of this Agreement.

Initialed:

For the Port Authority: OA

For AMS-BW Newark JV [Signature]

For Airport Management Services, LLC: [Signature]

For Branded Works, Inc.: _____

the TAA process as well as any days in which Lessee is prevented from opening any portion of the Premises for business to the public due to delays by the Port Authority in completing any inspections of the Premises in accordance with the TAA process. In the event of any such delays, the Port Authority shall send Lessee a confirmation letter setting the actual Rental Payment Start Date making due allowance for such delays and expiration of the Term of this Agreement.

Initialed:

For the Port Authority: *PH*

For AMS-BW Newark JV: _____

For Airport Management Services, LLC: _____

For Branded Works, Inc.: *BAM*

SCHEDULE A

Initial list of products

Hudson News

CNN Newsstand

SCHEDULE A Merchandise Categories

Newspapers/Magazines/Periodicals/ Books (a minimum of 40% of the sales area)

Wide range of local, regional and national papers and a wide assortment of magazines and periodical in the following categories:

General Interest-Boating-Food-Regional
Humor -Soap Opera

Weeklies/bi-weeklies/tabloids

Bridal-Antique/Art-Health/Beauty

Business-Comics -Guides-Teens

Travel -Sports-Aviation

Hunting-Women's Fashion-Wrestling

Home/Garden -Video-Children

Photo-Crossword Puzzle-Music-Golf

Fishing-Audio-Computer/PC-Games

Science-Men's General-Outdoors

Automobile -International-Biking

Motorcycle

Books: Hardcover, Trade-Paper,

Paperback, audio books,

Hudson "best seller" and popular author

lists, regional titles:

HBA:

Allergy Care

Air Filtration, oral medications, topical medications

Baby Products

Baby/Child health, bath/skin/health care, diapering, feeding and accessories., nursing, pregnancy

Bath Products/Accessories

Bath products, bath accessories, shampoo, soaps, Q-Tips

Cosmetics/Perfumes/Toiletries

Eyes, Face, Lips; Nails and accessories

Health and Wellness

Alertness

Allergy, Sinus and Asthma

Analgesics

Antacids

Cough and Cold

Diabetes

Diet/Sport Nutrition

Ear and Eye care

First Aid Supplies

Headache and Pain

Indigestion

Low Carb Diet

Lip Balm

Non-Prescription Drugs

Non-Prescription Sedatives

Nasal Sprays/Medications

Pain Relievers

Travel Sickness

Sinus

Smoking Cessation

Stomach

Home Health Care

Bathroom safety

Diabetes care

Cosmetic Accessories

Exercise and fitness

Home testing

Hosiery

Mobility

Men's Products

Pain relief

Personal Care

Bath and Soaps

Breath Mints and Strips

Deodorants

Facial Moisturizers

Family planning

Feminine hygiene

Foot care

Hand and Body

Hair care

Hair Accessories

Incontinence

Oral care/hygiene

Facial tissues

Facial Cleansers

Paper products

Personal appliances

Disposable Razors

Reading Glasses

Sexual Health

Condoms

Female contraceptives

Lubricants

Hudson News- CNN Newsstand

Skin Care
Acne treatments
Eye treatments
Hair removal
Scar therapy
Spa appliances
Suncare (burn and lotion) and Outdoor
Lotions
**Vitamins/Supplements and Natural
Products**
Aromatherapy
Diet and nutrition
Herbs
Minerals
Remedies and therapies
Supplements
Vitamins
SUNDRIES
Computer Software/Accessories/Supplies
– excluding games or music
Travel Aids / Accessories / Luggage
DVD's
Bags
Converters
Guides
Luggage
Locks
Luggage Carts
Maps
Neck Rest
Travel Blankets
Travel Socks
Shoe Care, Polishes and Accessories
Tour Books
Umbrellas
Travel Electronics
Accessories
Headphones
Music Players
Personal Electronic Devices
Recordable Media
Exercise and Sports
Games and Toys
Activity Books
Board/Dice/Electronic Games
Cards
Playsets
Pens, Crayons, Markers

Plush
Models
Action Figures
Optical Supplies
Sunglasses less than \$50/pair
Non-prescription reading glasses
Non-prescription fashion glasses
Cases
Cleaning Products for glasses
Accessories
Office/Work/School Supplies
Greeting Cards
Paper Products
Prepaid Phone Cards
Rulers
Calculators
School Supplies
Stationery/Office Supplies
Tape, glue, rubber bands, fasteners,
etc...
Writing Instruments
Photo Center
Batteries
Camera's (disposable, digital and film)
Camera supplies and accessories
Digital Camera memory
Digital Photo Solutions
Film
Tobacco Products and accessories
Ashtrays
Cigarettes
Cigars
Chewing Tobacco
Matches
Rolling Papers
Pipe Tobacco
FOOD AND BEVERAGES
Beverages
Refrigerated beverages in a wide range of
categories including; Energy, nutritional,
sports and diet drinks; Soft drinks; Juices
and teas; Bottled water and Dairy drinks.
Food to Go
Candy (Bars, Peg Pack, Bulk)
Gum
Mints
Nutrition Bars
Pre-packaged food (cookies, crackers,
peanuts, Ice Cream, nuts, trail mix)
Snacks
Gift Food

Hudson News

CNN Newsstand

Boxed Chocolate
Gourmet Food
Regional Food

REGIONAL APPAREL

Men's/Women's/Children's/Teen
Apparel
Outerwear
Belts
Swimwear
T-Shirts
Sweatshirts
Knit Shirts
Fleece Products
Shorts
Pants
Hats/Caps
Professional and College sports apparel
Rain Coats/Hats
Undershorts, Undershirts
Men's Ties
Hosiery
Socks

REGIONAL GIFTS / SOUVENIRS

Gifts for him
Gifts for her
Gifts for children
Souvenir Hard Goods (cups, mugs, shot
glasses, key chains, plates, bells,
spoons, etc.)
Candles
Stickers
Magnets
Water Balls
Postcards
Pet care
Regional Gifts
Cosmetic Jewelry
Watches/Clocks
Leather Goods
Seasonal Items
Giftwrap, giftbags, bows and ribbon
Posters, pictures, prints, paintings, art
objects and other "collectables"
Jewelry

SCHEDULE E

AFFIRMATIVE ACTION – EQUAL OPPORTUNITY – MINORITY BUSINESS ENTERPRISES – WOMEN-OWNED BUSINESS ENTERPRISES REQUIREMENTS

Part I. Affirmative Action Guidelines – Equal Employment Opportunity

I. As a matter of policy, the Port Authority hereby requires the Lessee and the Contractor shall require the Contractor, as hereinafter defined, to comply with the provisions set forth hereinafter in this Schedule E with the Lessee (as defined in the Agreement to which this Schedule E is attached). The provisions set forth in this Part I are similar to the conditions for bidding on federal government contract adopted by the Office of Federal Contract Compliance and effective May 8, 1978.

The Lessee, as well as each bidder, contractor, and subcontractor of the Lessee and each subcontractor of a contractor at any tier of construction (herein collectively referred to as the "Contractor") must fully comply with the following conditions set forth herein as to each construction trade to be used on the construction work or any portion thereof (said conditions being herein called "Bid Conditions"). The Lessee hereby commits itself to the goals for minority and female utilization set forth below and all other requirements, terms, and conditions of the Bid Conditions. The Lessee shall likewise require the Contractor to commit itself to the said goals for minority and female utilization set forth below and all other requirements, terms, and conditions of the Bid Conditions by submitting a properly signed bid.

II. The Lessee and the Contractor shall each appoint an executive of its company to assume the responsibility for the implementation of the requirements, terms, and conditions of the following Bid Conditions:

(a) The goals for minority and female participation expressed in percentage terms for the Contractor's aggregate workforce in each trade on all construction work are as follows:

(1) Minority participation

| | |
|---------------------------|-----|
| Minority, except laborers | 30% |
| Minority, laborers | 40% |

(2) Female participation

| | |
|-------------------------|------|
| Female, except laborers | 6.9% |
| Female, laborers | 6.9% |

These goals are applicable to all the Contractor's construction work performed in and for the Premises.

The Contractor's specific affirmative action obligations required herein of minority and female employment and training must be substantially uniform throughout the length of the contract, and in each trade, and the Contractor shall make good faith efforts to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from contractor to contractor or from project to project for the sole purpose of meeting the Contractor's goals shall be a violation of the contract. Compliance with the goals will be measured against the total work hours performed.

(b) The Contractor shall provide written notification to the Lessee and the Lessee shall provide written notification to the Manager of the Office of Business and Job Opportunity of the Port Authority within ten (10) working days of award of any construction subcontract in excess of \$10,000 at any tier for construction work. The notification shall list the name, address, and telephone number of the subcontractor; employer identification number; estimated starting and completion dates of the subcontract; and the geographical area in which the subcontract is to be performed.

(c) As used in these specifications:

(1) "Employer identification number" means the Federal Social Security number used on the Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941;

(2) "Minority" includes:

(i) Black (all persons having origins in any of the Black African racial groups, not of Hispanic origin);

(ii) Hispanic (all persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American culture or origin, regardless of race);

(iii) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands); and

(iv) American Indian or Alaskan Native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).

(d) Whenever the Contractor, or any subcontractor at any tier, subcontracts a portion of the construction work involving any construction trade, it shall physically include in each subcontract in excess of \$10,000 those provisions which include the applicable goals for minority and female participation.

(e) The Contractor shall implement the specific affirmative action standards provided in subparagraphs (1) through (16) of Paragraph (h) hereof. The goals set forth above are expressed as percentages of the total hours of employment and training of minority and female utilization the Contractor should reasonably be able to achieve in each construction trade in which it has employees in the Premises. The Contractor is expected to make substantially uniform progress toward its goals in each craft during the period specified.

(f) Neither the provisions of any collective bargaining agreement, nor the failure by a union with whom the Contractor has a collective bargaining agreement, to refer either minorities or women shall excuse the Contractor's obligations hereunder.

(g) In order for the non-working training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees must be employed by the Contractor during the training period, and the Contractor must have made a commitment to employ the apprentices and trainees at the completion of their training subject to the availability of employment opportunities. Trainees must be trained pursuant to training programs approved by the U.S. Department of Labor.

(h) The Contractor shall take specific affirmative actions to ensure equal employment opportunity ("EEO").

The evaluation of the Contractor's compliance with these provisions shall be based upon its good faith efforts to achieve maximum results from its actions. The Contractor shall document these efforts fully, and shall implement affirmative action steps at least as extensive as the following:

(1) Ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which the Contractor's employees are assigned to work. The Contractor, where possible, will assign two or more women to each Phase of the construction project. The Contractor shall specifically ensure that all foremen, superintendents,

and other supervisory personnel at the Premises are aware of and carry out the Contractor's obligation to maintain such a working environment, with specific attention to minority or female individuals working at the Premises.

(2) Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the Contractor or its unions have employment opportunities available, and maintain a record of the organizations' responses.

(3) Maintain a current file of the names, addresses, and telephone numbers of each minority and female off-the-street applicant and minority or female referral from a union, a recruitment source, or community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the Contractor by union or, if referred, not employed by the Contractor, this shall be documented in the file with the reason therefor, along with whatever additional actions the Contractor may have taken.

(4) Provide immediate written notification to the Lessee when the union or unions with which the Contractor has a collective bargaining agreement has not referred to the Contractor a minority person or woman sent by the Contractor, or when the Contractor has other information that the union referral process has impeded the Contractor's efforts to meet its obligations.

(5) Develop on-the-job training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and training programs relevant to the Contractor's employment needs, especially those programs funded or approved by the Department of Labor. The Contractor shall provide notice of these programs to the sources compiled under subparagraph (2) above.

(6) Disseminate the Contractor's EEO policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the Contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the Contractor's newspaper, annual report, etc.; by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and by posting the Contractor's EEO policy on bulletin boards accessible to all employees at each location where construction work is performed.

(7) Review, at least every six months, the Contractor's EEO policy and affirmative action obligations hereunder with all employees having any responsibility for hiring, assignment, layoff, termination, or other employment decision, including specific review of these items with on-Premises supervisory personnel such as Superintendents, General Foremen, etc., prior to the initiation of construction work at the Premises. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.

(8) Disseminate the Contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the Contractor's EEO policy with other Contractors and Subcontractors with whom the Contractor does or anticipates doing business.

(9) Direct its recruitment efforts, both oral and written, to minority, female, and community organizations, to schools with minority and female students and to minority and female recruitment and training organizations and to State-certified minority referral agencies serving the Contractor's recruitment area and employment needs. Not later than one month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the Contractor shall send written notification to organizations such as the above, describing the openings, screening procedures, and tests to be used in the selection process.

(10) Encourage present minority and female employees to recruit other minority persons and women and, where reasonable, provide after school, summer, and vacation employment to minority and female youth both on the Premises and in areas of a Contractor's workforce.

(11) Tests and other selecting requirements shall comply with 41 CFR Part 60-3.

(12) Conduct, at least every six months, an inventory and evaluation at least of all minority and female personnel for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.

(13) Ensure that seniority practices, job classifications, work assignments, and other personnel practices do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the Contractor's obligations hereunder are being carried out.

(14) Ensure that all facilities and company activities are non-segregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.

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

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

(i) Contractors are encouraged to participate in voluntary associations which assist in fulfilling one or more of their affirmative action obligations (subparagraphs (1)-(16) of Paragraph (h) above). The efforts of a contractor association, joint contractor-union, contractor-community, or other similar group of which the Contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under Paragraph (h) hereof provided that: the Contractor actively participates in the group, makes good faith efforts to assure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the Contractor's minority and female workforce participation, makes good faith efforts to meet its individual goals and timetables, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the Contractor. The obligation to comply, however, is the Contractor's and failure of such a group to fulfill an obligation shall not be a defense for the Contractor's non-compliance.

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

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

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

(m) The Contractor shall carry out such sanctions and penalties for violation of this clause including suspension, termination and cancellation of existing subcontracts as

may be imposed or ordered by the Lessee. Any Contractor who fails to carry out such sanctions and penalties shall be in violation hereof.

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

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

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

(q) Without limiting any other obligation, term or provision under the Agreement, the Contractor shall cooperate with all federal, state or local agencies established for the purpose of implementing affirmative action compliance programs and shall comply with all procedures and guidelines established or which may be established by the Port Authority.

PART II.

MINORITY BUSINESS ENTERPRISES/WOMEN-OWNED BUSINESS ENTERPRISES

As a matter of policy the Port Authority requires that Lessee and the Lessee shall itself and shall require the general contractor or other construction supervisor and each of the Lessee's contractors to use every good faith effort to provide for meaningful participation by Minority Business Enterprises (MBEs) and Women-owned Business Enterprises (WBEs) in the construction work pursuant to the provisions of this Schedule E. For purposes hereof, "Minority Business Enterprise" "(MBE)" shall mean any business enterprise which is at least fifty-one percentum owned by, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by citizens or permanent resident aliens who are minorities and such ownership is real, substantial and continuing. For the purpose hereof, "Women-owned Business Enterprise" "(WBE)" shall mean any business enterprise which is at least fifty-one percentum owned by, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by women and such ownership is real, substantial and continuing. A minority shall be as defined in paragraph II(c) of Part I of this Schedule E. "Meaningful participation" shall mean that at least seventeen percent (17%) of the total dollar value of the construction contracts (including subcontracts) covering the construction work are for the participation of Minority Business Enterprises and Women-owned Business Enterprises, of which at least twelve percent (12%) are for the participation of Minority Business Enterprises. Good faith efforts to include meaningful participation by MBEs and WBEs shall include at least the following:

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

(b) Actively and affirmatively soliciting bids for subcontracts from MBEs and WBEs, including circulation of solicitations to minority and female contractor associations. The Contractor shall maintain records detailing the efforts made to provide for meaningful MBE and WBE participation in the work, including the names and addresses of all MBEs and WBEs contacted and, if any such MBE or WBE is not selected as a joint venturer or subcontractor, the reason for such decision.

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

(d) Utilizing the list of eligible MBEs and WBEs maintained by the Port Authority or seeking minorities and women from other sources for the purpose of soliciting bids for subcontractors.

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

(f) Insuring that provision is made to provide progress payments to MBEs and WBEs on a timely basis.

(g) Not requiring bonds from and/or providing bonds and insurance for MBEs and WBEs, where appropriate.

Certification of MBEs and WBEs hereunder shall be made by the Office of Business and Job Opportunity of the Port Authority. If the Contractor wishes to utilize a firm not already certified by the Port Authority, it shall submit to the Port Authority a written request for a determination that the proposed firm is eligible for certification. This shall be done by completing and forwarding such form as may be then required by the Port Authority. All such requests shall be in writing addressed to the Office of Business and Job Opportunity, the Port Authority of New York and New Jersey, One World Trade Center, 63 East, New York, New York 10048 or such other address as the Port Authority may specify by notice to the Lessee. Certification shall be effective only if made in writing the Director in charge of the Office of Business and Job Opportunity of the Port Authority. The determination of the Port Authority shall be final and binding.

The Port Authority has compiled a list of the firms that the Port Authority has determined satisfy the criteria for MBE and WBE certification. This list may be supplemented and revised from time to time by the Port Authority. Such list shall be made available to the Contractor upon request. The Port Authority makes no representation as the financial responsibility or such, firms, their technical competence to perform, or any other performance-related qualifications.

Only MBE's and WBE's certified by the Port Authority will count toward the MBE and WBE goals.

Please note that only sixty percent (60%) of expenditures to MBE or WBE suppliers will count towards meeting the MBE and WBE goals. However, expenditures to MBE or WBE manufacturer's (i.e., suppliers that produce goods from raw materials or substantially alter them before resale) are counted dollar for dollar.

Initialed:

For the Port Authority: OTC

For Airport Management Services, LLC: [Signature]

For AMS-BW Newark JV: [Signature]

For Branded Works, Inc.: _____

(b) Actively and affirmatively soliciting bids for subcontracts from MBEs and WBEs, including circulation of solicitations to minority and female contractor associations. The Contractor shall maintain records detailing the efforts made to provide for meaningful MBE and WBE participation in the work, including the names and addresses of all MBEs and WBEs contacted and, if any such MBE or WBE is not selected as a joint venturer or subcontractor, the reason for such decision.

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

(d) Utilizing the list of eligible MBEs and WBEs maintained by the Port Authority or seeking minorities and women from other sources for the purpose of soliciting bids for subcontractors.

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

(f) Insuring that provision is made to provide progress payments to MBEs and WBEs on a timely basis.

(g) Not requiring bonds from and/or providing bonds and insurance for MBEs and WBEs, where appropriate.

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Initialed:

For the Port Authority: OTC

For AMS-BW Newark JV: _____

For Airport Management Services, LLC: _____

For Branded Works, Inc.: BAW

SCHEDULE G

Airport Concession Disadvantaged Business Enterprise ("ACDBE") Participation

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

The overall ACDBE goal is a key element of the Port Authority's concession program and Lessee shall take all necessary and reasonable steps to comply with the requirements of the Port Authority's ACDBE program. The Concessionaire commits to making good faith efforts to achieve the ACDBE goal. Pursuant to 49 CFR 23.25(f), ACDBE participation must be, to the greatest extent practicable, in the form of direct ownership, management and operation of the concession or the ownership, management and operation of specific concession locations through subleases. The Port Authority will also consider participation through (1) joint venture in which ACDBEs control a distinct portion of the joint venture business and/or purchase of goods and services from ACDBEs. In connection with the aforesaid good faith efforts, as to those matters contracted out by the Concessionaire in its performance of this agreement, the Concessionaire shall use, to the maximum extent feasible and consistent with the Concessionaire's exercise of good business judgment including without limit the consideration of cost competitiveness, a good faith effort to meet the Port Authority's goals. Information regarding specific good faith steps can be found in the Port Authority's ACDBE Program located on its above-referenced website. In addition, the Concessionaire shall keep such records as shall enable the Port Authority to comply with its obligations under 49 CFR Part 23 regarding efforts to offer opportunities to ACDBEs.

Qualification as an ACDBE

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

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

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

- a. Women;
- b. Black Americans which includes persons having origins in any of the Black racial groups of Africa;

c. Hispanic Americans which includes persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;

d. Native Americans which includes persons who are American Indians, Eskimos, Aleuts or Native Hawaiians;

e. Asian-Pacific Americans which includes persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea), Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands (Republic of Palau), the Commonwealth Northern Marianas Islands, Macao, Fiji, Tonga, Kiribati, Juvalu, Nauru, Federated States of Micronesia or Hong Kong;

f. Asian-Indian Americans which includes persons whose origins are from India, Pakistan, Bangladesh, Bhutan, Maldives Islands, Nepal and Sri Lanka; and

g. Members of other groups, or other individuals, found to be economically and socially disadvantaged by the Small Business Administration under Section 8(a) of the Small Business Act, as amended (15 U.S.C. Section 637(a)).

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

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

General

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

Initialed:

For the Port Authority: 

For AMS-BW Newark JV: 

For Airport Management Services, LLC: 

For Branded Works, Inc.: _____

c. Hispanic Americans which includes persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;

d. Native Americans which includes persons who are American Indians, Eskimos, Aleuts or Native Hawaiians;

e. Asian-Pacific Americans which includes persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea), Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands (Republic of Palau), the Commonwealth Northern Marianas Islands, Macao, Fiji, Tonga, Kiribati, Juvalu, Nauru, Federated States of Micronesia or Hong Kong;

f. Asian-Indian Americans which includes persons whose origins are from India, Pakistan, Bangladesh, Bhutan, Maldives Islands, Nepal and Sri Lanka; and

g. Members of other groups, or other individuals, found to be economically and socially disadvantaged by the Small Business Administration under Section 8(a) of the Small Business Act, as amended (15 U.S.C. Section 637(a)).

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General

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Initialed:

For the Port Authority: ORC

For AMS-BW Newark JV: _____

For Airport Management Services, LLC: _____

For Branded Works, Inc.: BAW

For the Port Authority

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

On the 15TH day of FEBRUARY in the year 2011, before me, the undersigned, a Notary Public in and for said state, personally appeared KARLA DE ROSE personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Gail E. Mitchell
(notary seal and stamp)

For the Lessee
(AMS-BW Newark JV)

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

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

On the 4th day of February in the year 2010, before me, the undersigned, a Notary Public in and for said state, personally appeared MICHAEL R. MULLANEY personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

J Blount
(notary seal and stamp)

For the Lessee
(Airport Management Services, LLC)

JENNY BLOUNT
Notary Public, State of New Jersey
My Commission Expires
July 18, 2011

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

On the 4th day of February in the year 2010, before me, the undersigned, a Notary Public in and for said state, personally appeared MICHAEL R. MULLANEY personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

J Blount
(notary seal and stamp)

JENNY BLOUNT
Notary Public, State of New Jersey
My Commission Expires
July 18, 2011

: For Port Authority Use Only :

: ANC-080 :

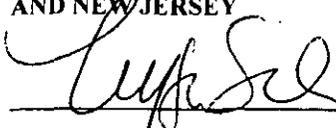
THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
225 Park Avenue South
New York, New York 10003

NEWARK LIBERTY INTERNATIONAL AIRPORT
PRIVILEGE PERMIT

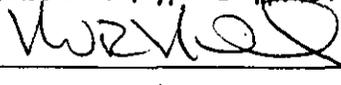
The Port Authority of New York and New Jersey (herein called the "Port Authority") hereby grants to the Permittee hereinafter named the hereinafter described non-exclusive privilege at Newark Liberty International Airport, County of Essex, City of Newark, State of New Jersey, in accordance with the Terms and Conditions 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:** AMS-BW Newark, JV, Airport Management Services, LLC and Branded Works, Inc., each such entity being jointly and severally liable under this Permit.
2. **PERMITTEE'S ADDRESS:** c/o The Hudson Group, One Meadowlands Plaza, Suite 902, East Rutherford, New Jersey 07073
3. **PERMITTEE'S REPRESENTATIVES:** Michael R. Mullaney for AMS-BW Newark, JV and Airport Management Services, LLC and Ruth Ann Menutis for Branded Works, Inc.
4. **PRIVILEGE:** To provide such Permitted Use described in Special Endorsement No. 1(b) hereof (the "Authorized Service"), and for no other purpose or purposes whatsoever.
5. **FEES:** As set forth in Special Endorsement 2 hereof.
6. **EFFECTIVE DATE:** August 30, 2009.
7. **EXPIRATION DATE:** The earlier of February 28, 2010 (such date not to be later than six (6) months from the Effective Date) or on date of the execution of a proposed new lease (Lease No. ANC-047) between the Port Authority and the Permittee for the Premises set forth in Lease No. ANC-047, unless sooner revoked or terminated as provided herein.
8. **REQUIRED SECURITY DEPOSIT:** \$675,000.00 as described in Paragraph 5 of Terms and Conditions.
9. **INSURANCE REQUIREMENTS:** \$2,000,000.00 minimum limit per occurrence Commercial General Liability.
10. **ENDORSEMENTS:** Specials, Schedule G and Exhibit X.
11. **LEASE NO. ANC-047:** The parties intend to enter into new proposed Lease No. ANC-047 on the rental and other business terms as to be set forth therein for a term to expire eighty-four (84) months from the Date of Beneficial Occupancy (as such term is to be defined in Lease No. ANC-047). Upon the full execution of Lease No. ANC-047, said Lease shall supersede this Permit.

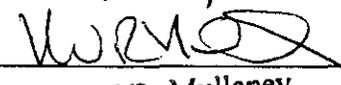
THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

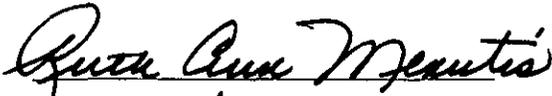
By 
 Name Lysa C. Scully
(Please Print Clearly)
 Title ASST. Dir., CCCAS

AMS-BW NEWARK JV, Permittee
 By: Airport Management Services, LLC, a joint venturer
 BY: HUDSON NEWS COMPANY, ITS MANAGING MEMBER

By 
 Name Michael R. Mullaney
(Please Print Clearly)
 Title Corporate Strategy & Development Member

AIRPORT MANAGEMENT
 SERVICES, LLC, Permittee
 BY: HUDSON NEWS COMPANY, ITS MANAGING MEMBER

By 
 Name Michael R. Mullaney
(Please Print Clearly)
 Title Executive Vice President
 Corporate Strategy & Development Member

BRANDED WORKS, INC., Permittee
 By 
 Name RUTH ANN MENUTIS
(Please Print Clearly)
 Title President President

| Port Authority Use Only | |
|-------------------------|----------------------|
| Approval as to Terms: | Approval as to Form: |
| <u>OK</u> <u>SB</u> | <u>WJ</u> |

TERMS AND CONDITIONS

1. Definitions:

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

(a) "**Airport**" or "**Facility**" shall mean Newark Liberty International Airport, Newark, New Jersey, 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.

(b) "**City**" shall mean the City of Newark.

(c) "**City Lease**" shall mean the lease of the air terminal 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.

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

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

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

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

(f) "**Executive Director**" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the Executive Director by this Permit; but until further notice from the Port Authority to the Permittee it shall mean the Executive Director of the

Port Authority for the time being or his duly designated representative or representatives.

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

(h) “*Gross Receipts*” shall include all monies paid or payable to the Permittee for sales made and for services rendered at or from the Airport, regardless of when or where the order therefor is received, and outside the Airport, if the order therefor is received at the Airport, and any other revenues of any type arising out of or in connection with the Permittee’s operations at the Airport, provided, however, that any taxes imposed by law which are separately stated to and paid by the customer and directly payable to the taxing authority by the Permittee, shall be excluded therefrom.

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

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

(k) “*Post-Termination Period*” shall have the meaning ascribed to it in paragraph (a) of Section 28 hereof.

2. **Effective Date, Termination and Revocation:**

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

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

(c) In the event the Port Authority exercises its right to revoke this Permit for any reason other than "without cause", the Permittee shall be obligated to pay to the Port Authority an amount equal to all costs and expenses reasonably incurred by the Port Authority in connection with such revocation, including without limitation any and all personnel and legal costs (including but not limited to the cost to the Port Authority of in-house legal services) and disbursements incurred by it arising out of, relating to, or in connection with the enforcement or 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" business trust, by the Permittee acting only through the medium of its members, trustees, officers, and employees,

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

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

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

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

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

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

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

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

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

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

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

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

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

4. **Fees:**

(a) The Permittee agrees to pay to the Port Authority, in accordance with Item 5 appearing on the first page of this Permit, Basic Fee or MAG and a Percentage Fee.

(b) Unless and until notified in writing otherwise by the Port Authority, the Port Authority hereby directs that all statements to be submitted to the Port Authority pursuant to this Section and any payments to be made to the Port Authority under this Permit (whether of basic fee, percentage fees, fines, or other concession operator payments) be remitted on its behalf directly, and payable, to "Westfield Concession Management, LLC", which shall serve as the Port Authority's agent for this purpose, and such payments shall be made by mail as follows:

**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
C/O BANK OF AMERICA
P.O. BOX 51065
LOS ANGELES, CA 90074-1065**

or via the following wire transfer instructions:

Bank: Bank of America, 555 S. Flower Street, 6th Floor, Los Angeles, CA 90071
Bank ABA Number: 122 000 661
Account Name: Westfield Concession Mgmt., LLC, As Agent for Newark Airport Terminal A&B/Blocked Acct.
Account Number: (Ex. 1)
Instructions: Notify via e-mail: jgarraway@us.westfield.com (Airport Accountant) and nholder@us.westfield.com (Senior Accountant)

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

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

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

ascribed to the performance of such service by the Permittee shall be the fair and reasonable value thereof as determined by the Port Authority.

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

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

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

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

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

5. Security Deposit:

(a) (i) Provided that an amount is set forth in Item 8 on the first page of this Permit (the "*Required Security Deposit*"), and, provided, further, the amount of said Required Security Deposit is less than \$20,000.00, upon the execution of this Permit by the Permittee and delivery thereof to the Port Authority, the Permittee shall deposit with the Port Authority (and shall keep deposited throughout the effective period of the permission under this Permit) the Required Security Deposit, either in cash, or bonds of the United States of America, or of the State of New Jersey, or of the State of New York, or of the Port Authority of New York and New Jersey, having a market value of that amount, as security for the full, faithful and prompt performance of and compliance with, on the part of the Permittee, all of the terms, provisions, covenants and conditions of this Permit on its part to be fulfilled, kept, performed or observed. Bonds qualifying for deposit hereunder shall be in bearer form but if bonds of that issue were offered only in registered form, then the Permittee may deposit such bonds or bonds in registered form, provided, however, that the Port Authority shall be under no obligation to accept such deposit of a bond

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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

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Authority may draw down the full amount thereof and thereafter the Port Authority will hold the same as security under paragraph (a)(i) of this Section. Failure to provide such a letter of credit at any time during the effective period of the permission granted under this Permit, valid and available to the Port Authority, including any failure of any banking institution issuing any such letter of credit previously accepted by the Port Authority to make one or more payments as may be provided in such letter of credit, shall be deemed to be a breach of this Permit on the part of the Permittee. Upon acceptance of such letter of credit by the Port Authority, and upon request by the Permittee made thereafter, the Port Authority will return the Required Security Deposit, if any, theretofore made under and in accordance with the provisions of paragraph (a)(i) of this Section. The Permittee shall have the same rights to receive such Required Security Deposit during the existence of a valid letter of credit as it would have to receive such sum upon expiration of the effective period of the permission granted under this Permit and fulfillment of the obligations of the Permittee hereunder. If the Port Authority shall make any drawing under a letter of credit held by the Port Authority hereunder, the Permittee on demand of the Port Authority and within two (2) days thereafter, shall bring the letter of credit back up to its full amount.

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

(c) The Permittee acknowledges and agrees that the Port Authority reserves the right, in its sole discretion at any time and from time to time upon fifteen (15) days' notice to the Permittee, to adjust the amount of the Required Security Deposit. Not later than the effective date set forth in said notice by the Port Authority, the Permittee shall furnish additional cash or bonds, as provided for in paragraph (a)

above, or an amendment to, or a replacement of, the letter of credit providing for such adjusted amount of the Required Security Deposit, as the case may be, and such additional cash and/or bonds or adjusted (or replaced) letter of credit shall thereafter constitute the Required Security Deposit required under this Section.

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

(d) 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.

(e) 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.

(f) 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.

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

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

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

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

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

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

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

4. If a Permittee is engaged in the business of selling duty-free goods, "**Street Prices**" shall mean the price regularly charged by the Permittee or similar retailer for the same or similar retailer for the same or similar duty-free item at other urban airports in the Northeast region of the United States, including but not limited to Newark Liberty International Airport, Newark, New Jersey.

The Permittee's breach of the aforesaid Street Pricing Policy shall be deemed a material breach of the Permittee's obligations under this Permit. The Permittee shall post in each sales area (including any temporary sales space) a notice in form and substance satisfactory to the Port Authority notifying the public that the Permittee subscribes to a "Street Pricing Policy," such policy to be clearly visible and unobstructed. If the Permittee charges any price to a customer in excess of the price which would satisfy the "Street Pricing Policy" in violation of its obligations under this Permit, the amount of such excess shall constitute an overcharge which shall, upon demand, by the Port Authority or the Permittee's customer, be promptly refunded to the customer.

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

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

7. **Indemnity:**

(a) The Permittee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, agents, employees and representatives from and against (and shall reimburse the Port Authority for 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) 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. Without limiting the foregoing, the Permittee shall maintain Workers' Compensation and Employers Liability Insurance in accordance with the Permittee's statutory obligations under the applicable State Workers' Compensation Law for those employees of the Permittee employed in operations conducted pursuant to this Permit at or from the Airport. In the event the Permittee maintains the foregoing insurance in limits greater than aforesaid, the Port Authority shall be included therein as an additional insured, except for the Workers' Compensation and Employers Liability Insurance policies, to the full extent of all such insurance in accordance with all terms and provisions of this Permit.

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

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

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

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

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

9. **Special Endorsements:**

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

10. **No Waiver:**

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

Permittee may substitute therefor by notice to the Port Authority, or left at such address, or delivered to the Permittee's representative. Any notice from the Permittee to the Port Authority shall be validly given if sent by registered or certified mail addressed to the Executive Director of the Port Authority at 225 Park Avenue South, New York, New York 10003 or at such other address as the Port Authority shall hereafter designate by notice to the Permittee. If mailed, the notices herein required to be given shall be deemed effective and given as of the date of the certified or registered mailing thereof.

14. **Late Charges:**

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

15. **Non-discrimination:**

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

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

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

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

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

16. **Affirmative Action:**

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

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

17. **Rules and Regulations:**

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

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

18. **Prohibited Acts:**

- (a) The Permittee shall not do or permit to be done any act which
- (i) will invalidate or be in conflict with any fire insurance policies covering the Airport or any part thereof or upon the contents of any building thereon, or
 - (ii) will increase the rate of any fire insurance, extended coverage or rental insurance on the Airport or any part thereof or upon the contents of any building thereon, or
 - (iii) in the opinion of the Port Authority will constitute a hazardous condition, so as to increase the risks normally attendant upon the operations contemplated by this Permit, or
 - (iv) may cause or produce upon the Airport any unusual noxious or objectionable smokes, gases, vapors or odors, or
 - (v) may interfere with the effectiveness or accessibility of any drainage and sewerage system, water system, communications system, fire protection system, sprinkler system, alarm system, fire hydrant and hose, if any, installed or located or to be installed or located in or on the Airport, or
 - (vi) shall constitute a nuisance or injury in or on the Airport or which may result in the creation, commission or maintenance of a nuisance or injury in or on the Airport.

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

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

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

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

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

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

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

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

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

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

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

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

(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. 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 Percentage Fee and all other fees payable to the Port Authority hereunder.

25. **Rates and Charges:**

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

hereunder and the Port Authority shall have all remedies consequent upon such breach which would otherwise be available to it at law, in equity or by reason of this Permit.

26. **Other Agreements:**

(a) 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.

(b) 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.

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

27. **Waiver of Trial by Jury:**

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

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

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

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

SPECIAL ENDORSEMENTS

1. (a) (i) The Port Authority has granted to the Permittee the right to operate a certain consumer service facility(ies) in designated space at Passenger Building B ("*Terminal*") at Newark Liberty International Airport, such operation to consist of either the provision of food and beverage, newsstand, gift shop or other consumer service facilities, as more specifically stated in paragraph (b) of this Special Endorsement for the time period set forth in Items 6 and 7 on the first page of this Permit and at the spaces designated on "**Exhibit A-2**", attached hereto and hereby made a part hereof (collectively, the "*Space*"). The Port Authority and the Permittee agree that this Permit only relates to the temporary units which will be placed in front of the construction barricades for the spaces designated on such "**Exhibit A-2**", and the term "*Space*" as used in this Permit shall be deemed to mean only such temporary units in front of the construction barricades and not the interior of the spaces shown on "**Exhibit A-2**" (such spaces designated on "**Exhibit A-2**" being the proposed spaces for the proposed new lease – Lease No. ANC-047).

(ii) The Permittee may be obligated under this Permit to undertake certain construction. Nothing contained in this Permit shall grant or be deemed to grant to any contractor, architect, supplier, subcontractor or any other person engaged by the Permittee or any of its contractors in the performance of any part of the proposed construction work to be undertaken in connection with this Permit ("*Proposed Work*") any right of action or claim against the Port Authority, its Commissioners, officers, agents and employees with respect to any work any of them may do in connection with the Proposed Work. Nothing contained herein shall create or be deemed to create any relationship between the Port Authority and any such contractor, architect, supplier, subcontractor or any other person engaged by the Permittee or any of its contractors in the performance of any part of the Proposed Work and the Port Authority shall not be responsible to any of the foregoing for any payments due or alleged to be due thereto for any work performed or materials purchased in connection with the Proposed Work.

(iii) The Port Authority shall deliver the Space to the Permittee in their presently existing "**AS IS**" condition. The Permittee acknowledges that prior to the execution of this Permit, it has thoroughly examined and inspected the existing Space and has found the same to be in good order and repair and has determined the Space to be suitable for the Permittee's operations hereunder. The Permittee agrees to and shall take the Space in its "**AS IS**" condition and the Port Authority shall have no obligation hereunder for finishing work or preparation of any portion of the Space for the Permittee's use. Should the Permittee be required to perform any Proposed Work in order to obtain the right to use and occupy the Space for the privilege permitted hereunder, all of such Proposed Work shall be subject to and in accordance with the Port Authority's "*Tenant Alteration Application*" process as required by the Port Authority from time to time. All work done pursuant to this Special Endorsement shall be done in accordance with drawings and specifications to be submitted to and approved by the Chief Engineer of the Port Authority prior to the commencement of the work, shall be done to his satisfaction and shall be subject to his inspection during the progress of such work and after completion thereof; and the Permittee shall re-do or replace at its own expense any work not approved by the said Chief Engineer. Unless otherwise expressly provided herein, all workmanship and materials are required to be first class. The Permittee shall not commence any portion of the Proposed Work until the Tenant Alteration Application and plans and specifications covering such work have been finally approved by the Port Authority.

(b) Notwithstanding Paragraph 4(i) of the Terms and Conditions above and in connection with Paragraph 6 of the Terms and Conditions above, the Permittee may use the Space for the following purpose: for the operation of news & gift concessions limited to the sale at retail of newspapers, books, magazines, sundries, souvenirs, gifts, electronics, pre-packaged foods and non-alcoholic beverages, and for no other use or purpose. The Permittee's initial list of products, as approved by the Port Authority, is

set forth in **Schedule A** attached hereto, and such **Schedule A** may be amended from time to time with the written consent of the Port Authority, determined in its sole and absolute discretion.

(c) The Port Authority makes no representations or warranties as to the location, size, adequacy or suitability of the Space and the facilities therein.

2. (a) As used herein:

(i) "*Affiliate*" shall mean a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Permittee. The term control (including the terms controlling, controlled by and under common control with) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

(ii) "*Fee Commencement Date*" shall mean the date the Permittee commences operations at any portion of the Space.

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

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

(v) Notwithstanding the definition of Gross Receipts set forth in Section 1(h) of the Terms and Conditions, the term "*Gross Receipts*" shall mean and include all monies paid or payable to the Permittee for sales made or services rendered at or from the Airport, regardless of when or where the order therefor is received, and outside the Airport, if the order therefor is received at the Airport, and any other revenues of any type arising out of or in connection with the Permittee's operations at the Airport; provided, however, there shall be excluded from Gross Receipts the following: (1) any sums collected for any federal, state, county and municipal sales taxes, so-called luxury taxes, use taxes,

consumer excise taxes, gross receipts taxes and other similar taxes now or hereafter imposed by law upon the sale of merchandise, food & beverage products or services which are separately stated to and paid by a customer and directly payable to the taxing authority by the Permittee, (2) any receipts of the Permittee which arise from its operations under any other agreement with the Port Authority at the Airport and which are subject to a percentage fee or percentage rental under that agreement, (3) receipts in the form of refunds from, or the value of merchandise (including food & beverage products), services, supplies or equipment returned to, vendors, shippers, suppliers or manufacturers, including volume discounts received from Permittee's vendors, suppliers or manufacturers, (4) gratuities for services performed by employees of Permittee which are paid or given by Permittee's customers to such employees at or serving at the Airport, (5) the sale or transfer in bulk of the inventory of the Permittee to a purchaser of all or substantially all of the assets of the Permittee in a transaction not in the ordinary course of Permittee's business, (6) except with respect to proceeds received for business interruptions paid on a gross earnings business interruption insurance policy, proceeds from all other insurance received by Permittee as a result of a loss or casualty, (7) rebates, exchanges or allowance made to customers of the Permittee at the Airport, (8) the exchange of merchandise between the stores or warehouses owned by or affiliated with Permittee, if any, where such exchanges of goods or merchandise are made solely for the convenient operation of the business of Permittee and not for the purpose of consummating a sale which has theretofore been made at, in, from or upon the Airport or for the purpose of depriving the Port Authority of the benefit of the sale which otherwise would be made at, in, from or upon the Airport, (9) income actually received by Permittee from manufacturers of goods (e.g., cosmetics, perfume) displayed for sale at the Airport if the conditions set forth in the succeeding sentence are fully and strictly satisfied with respect to such income; the conditions with respect to this clause (9) are as follows: (i) the manufacturer specifically identifies the time period to which the income relates, (ii) reimbursement from the manufacturer to Permittee occurs in connection with employees (1) who are on Permittee's payroll for the operations permitted under this Permit and (2) who are on such payroll during the time period to which the reimbursement relates, (iii) the manufacturer and Permittee have previously entered into a written agreement that sets forth the material terms of their arrangement with regard to the reimbursement that is the subject of this clause (9), and (iv) Permittee provides to the Port Authority written documents and records substantiating the matters listed in sub-clauses (i) through (iii), (10) proceeds from the sale of gift certificates or like vouchers until such time as the gift certificates or like vouchers have been treated as a sale in or from the Airport pursuant to Permittee's record keeping system and (11) sale of trade fixtures, equipment or property which are not stock in trade and not in the ordinary course of business.

For the purpose of determining the Percentage Fee payable by the Permittee hereunder, Gross Receipts shall include all orders including, but not limited to, all orders by means of mail, catalogue, closed circuit television, electronic, telephonic, video, computer or other technology-based system, whether now existing or developed in the future, all deposits not refunded to or otherwise forfeited by customers, all orders taken in and from the Airport, whether or not such orders are filled elsewhere, the entire amount of the actual sales price and all other receipts for sales and services rendered, all insurance proceeds received due to loss of gross earnings paid under Permittee's business interruption insurance policy because of business interruptions, and the spread earned on any exchange or foreign currency transaction whether for an exchange service or for merchandise, products and/or services. A "sale" shall be deemed to have been consummated for purposes hereof, and the entire amount of the sales price shall be included in Gross Receipts and deemed received at the time of determination of the amount due for each transaction, whether for cash, credit or otherwise, and not at the time of billing or payment. Each sale made upon installment or credit shall be treated as a sale for the full price in the month during which such sale shall be made, irrespective of the time when any payment is received. No deduction from Gross Receipts shall be allowed for uncollected or uncollectible credit amounts or "bad" checks. Gross Receipts shall include retail display allowances, slotting fees, on-premises advertising and other promotional incentives (collectively referred to as "RDAs"). Gross Receipts shall include all such sales, revenues or receipts generated by Permittee's concessionaires, if any, or anyone else conducting business pursuant to an arrangement with Permittee and shall also include the full amount of all insurance proceeds paid on a gross earnings business interruption insurance policy to Permittee.

(vi) "**Percentage Fee**" shall mean for and during the period commencing on the Fee Commencement Date and continuing throughout the period of permission granted hereunder, both dates inclusive, a monthly percentage fee equivalent to twenty-four percent (24%) of all of the Permittee's Gross Receipts arising hereunder during each Monthly Period and payable by Permittee to the Port Authority as provided in Paragraph 4(b) of the Terms and Conditions.

(b) The Permittee shall pay to the Port Authority a basic fee (sometimes referred to herein as "**Basic Fee**" or "**MAG**" in the amount of No Dollars and No Cents (\$0.00) during each Monthly Period, payable monthly, as of the Effective Date of the Permit and on the first day of each and every Monthly Period thereafter occurring during the term of the permission granted herein, provided, however, that if the Effective Date shall occur on a day other than the first day of a Monthly Period, the monthly installment of the applicable Basic Fee, i.e., MAG, payable for the portion of the Monthly Period in which such respective event occurs following such date shall be an amount equal to the monthly installment set forth in this subparagraph multiplied by a fraction, the numerator of which shall be the number of days from such respective event to the end of the Monthly Period in which such respective event occurs, and the denominator of which shall be the full number of days in that Monthly Period. If the date of expiration or termination of the letting hereunder occurs on other than the last day of the Monthly Period, the applicable Basic Fee payable for the portion of the Monthly Period in which the date of such expiration or termination shall occur during which the letting thereof remains effective shall be the amount of the monthly installment of such applicable Basic Fee set forth in this subparagraph prorated on a daily basis.

(c) The Permittee shall pay to the Port Authority a "**Distribution Fee**" for the cost of distribution services in the sum of Thirteen Dollars and No Cents (\$13.00) per square foot per annum, during each Monthly Period, payable monthly in advance as additional fee hereunder commencing as of the Fee Commencement Date and continuing during the balance of the term of the permission hereunder. The Distribution Fee shall be prorated for any Monthly Period, if necessary, in the same manner as Basic Fee is prorated under this Permit. The cost of trash removal is included in the Distribution Fee.

(d) If the Permittee's Space are part of or adjacent to any food (or other) court area in the Terminal which provides, among other amenities, common seating, then the Permittee shall pay to the Port Authority a monthly "**Food Court Maintenance Fee**" in the sum of No Dollars and No Cents (\$0.00) during each Monthly Period, payable monthly in advance as additional fee hereunder commencing as of the Fee Commencement Date and continuing during the balance of the term of the permission hereunder. The Food Court Maintenance Fee shall be prorated for any Monthly Period, if necessary, in the same manner as Basic Fee is prorated under this Permit.

(e) The Permittee agrees to participate fully with the marketing and promotional programs for the concession (retail, service, news and gifts and food and beverage included) program sponsored by the Port Authority in the Terminal. Commencing as of the second Monthly Period in which the Permittee conducts its operations hereunder, the Permittee shall pay monthly, as additional fee, a "**Promotion Fee**" as the Permittee's contribution for marketing, advertising and promotion programs conducted by or on behalf of the Port Authority relating to the concession program in the Terminal. The Promotion Fee shall be an amount which equals one-half of one percent (.5%) of the Permittee's Gross Receipts during the preceding Monthly Period. Such amount shall be payable no later than the 15th day following the end of each month.

The failure of any lessee or other occupant of space within the Terminal concession area to participate in advertising for such concession area or make promotional contributions to the Port Authority shall not relieve the Permittee of any of its obligations under this Permit. The Port Authority shall not be obligated to expend more for marketing and promotional programs than is actually collected from the Permittee and other concession facility operators in the Terminal. The Port Authority shall have the sole authority to employ and discharge personnel, retain third party independent contractors and to

establish all budgets with respect to such marketing and promotional programs. The Port Authority reserves the right at any time to terminate its activities in this regard and cease collecting Promotion Fee contributions from the Permittee and other concession operators for these activities. In such event the Port Authority shall so notify the Permittee in writing and, thereafter, the Permittee shall no longer be obligated to make any further Promotion Fee contributions, and any remaining funds previously contributed as Promotion Fees may be used by the Port Authority to promote the overall concession program and facilities.

(f) Gross Receipts shall be reported and the Percentage Fee thereon shall be paid as follows: On or before the 15th day of the first month following the Fee Commencement Date and on the 15th day of each and every Monthly Period thereafter, and the Monthly Period following the expiration of the permission granted hereunder, the Permittee shall render to the Port Authority a statement, certified by a responsible officer of the Permittee, showing all Gross Receipts arising from the Permittee's operations hereunder in the preceding Monthly Period, and specifying the percentage fee(s) stated in Special Endorsement Paragraph 2(a)(vi), and also showing its cumulative Gross Receipts from the date of the effective date for which the report is made through the last day of the preceding Monthly Period and the percentages applicable thereto.

3. The Permittee shall be required to make a minimum initial capital investment (excluding furniture, fixtures and equipment) to ready the Space for initial occupancy and operations in an amount equal to - Not applicable -. Nothing herein shall reduce the Permittee's obligations to comply with the Port Authority's Tenant Alteration Application process.

4. The Port Authority shall have the right by its officers, employees, agents, representatives and contractors at all reasonable times to enter upon the Space for the purpose of inspecting the same, for observing the performance by the Permittee of its obligations under this Permit and for the doing of any act or thing which the Port Authority may be obligated or have the right to do under this Permit or otherwise. Westfield Concession Management, LLC, as the Port Authority's representative, shall also have the right to access the Space to inspect the same and observe performance by the Permittee of its obligations under this Permit. Further, the Port Authority shall have the right to enter upon the Space for the purpose of making repairs, alterations or replacements in or to any portion of the Terminal.

5. The Permittee hereby certifies that the Federal Tax Identification Numbers for AMS-BW Newark JV is (Ex. 1) for Airport Management Services, LLC is (Ex. 1) and for Branded Works, Inc is (Ex. 1).

6. (a) The Permittee shall be responsible for the repair, replacement and rebuilding of any and all parts of the Space and any other parts of the Terminal or the Facility which may be damaged or destroyed by the acts or omissions of the Permittee, its officers, employees, agents, representatives, contractors, or other persons doing business with it as set forth in the Terms and Conditions.

(b) The Permittee shall promptly notify the Port Authority if any portion or all of the Space or any of the Permittee's fixtures, equipment, or personal property is destroyed, damaged, or in need of repair regardless of the Permittee's responsibility therefor.

7. A copy of any notice from the Permittee to the Port Authority shall also be sent to Westfield Concession Management, LLC at the following addresses (in the manner provided in Paragraph 13 of the Standard Terms and Conditions):

Westfield Concession Management, LLC
11601 Wilshire Blvd., 11th Floor
Los Angeles, California 90025

Westfield Concession Management, LLC
Newark Liberty International Airport
35 Terminal B, Bldg. #74

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

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

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

11. Labor Harmony At The Airport:

(a) General. In connection with its operations at the Airport under this Permit, the Permittee shall serve the public interest by promoting labor harmony, it being acknowledged that strikes, picketing, or boycotts may disrupt the efficient operation of the Terminal. The Permittee recognizes the essential benefit to have continued and full operation of the Airport as a whole and the Terminal as a transportation center. The Permittee shall immediately give oral notice to the Port Authority (to be followed reasonably promptly by written notices and reports) of any and all impending or existing labor-related disruptions and the progress thereof.

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

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

(c) Employee Retention. If the Permittee's concession at the Space is of the same type (i.e., food, retail, news/gifts or duty-free concession) as that of the immediately preceding concession operator at the Space (the "Predecessor Concession"), the Permittee agrees to offer continued employment for a minimum period of ninety (90) days, unless there is just cause to terminate employment

sooner, to employees of the Predecessor Concession who have been or will be displaced by cessation of the operations of the Predecessor Concession and who wish to work for the Permittee at the Space. The foregoing requirement shall be subject to the Permittee's commercially reasonable determination that fewer employees are required at the Space than were required by the Predecessor Concession; except, however, that the Permittee shall retain such staff as is deemed commercially reasonable on the basis of seniority with the Predecessor Concession at the Space. The Port Authority shall have the right to demand from the Permittee documentation of the name, date of hire, and employment occupation classification of all employees covered by this provision. In the event the Permittee fails to comply with this provision, the Port Authority have the right at any time during the continuance thereof to take such actions as the Port Authority may deem appropriate including, without limitation, revocation of this Permit.

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

12. Services and Utilities:

Notwithstanding Paragraph 29(a) of the Standard Terms and Conditions, services and utilities shall be provided as follows:

(a) General

(1) Except as provided in this section, the Port Authority shall not be obligated to perform or furnish any services or utilities whatsoever in connection with this Permit or the use and occupancy of the Space. Further, the Permittee acknowledges and agrees that reference in this section to services and utilities shall not include telephone or any form of data or information transmission service, which shall be the responsibility of Permittee to obtain at its sole cost and expense.

(2) The Port Authority's obligation to provide or continue any service or utility hereunder shall be limited by the safe and efficient operating capacity of the existing equipment, systems, piping systems, tie-ins, wires and conduits serving the Terminal and no approval given by the Port Authority to the erection by the Permittee of any improvement or to the installation of any fixtures or equipment shall be deemed to impose upon the Port Authority any obligation to increase the said operating capacity of any existing or presently contemplated equipment, systems, piping systems, tie-ins, wires or conduits.

(3) The Permittee understands that the Port Authority and the airline lessees, by its and their respective officers, employees, agents, representatives or contractors or by the furnishers of utilities or other services to the Space or to others at the Airport shall have the right to temporarily discontinue the supply of any of the services described herein in order to allow repair, alterations, changes or improvements in the Space or elsewhere at the Airport including all systems for the supply of services for the benefit of the Permittee or for the benefit of others than the Permittee at the Airport.

(4) The Port Authority shall be under no obligation to supply services if and to the extent and during any period that the supplying of any such service or the use of any component necessary therefor shall be prohibited or rationed by any federal, state or municipal law, rule, regulation, requirement, order or direction and if the Port Authority deems it in the public interest to comply therewith even though such law, rule, regulation, requirement, order or direction may not be mandatory on the Port Authority as a public agency. The Port Authority shall not be obligated to perform or furnish any service whatsoever in connection with the Space at any time while the Permittee wastes any of the said services or shall be in default under this Permit after the period, if any, herein granted to cure such default shall have expired, or has breached any of the provisions of this Permit after the period, if any, herein granted to cure such default shall have expired and the Port Authority may cease performance. If by operation of this section any service for which the Permittee has agreed to pay a flat sum is

discontinued for any period of the letting, the Permittee shall be relieved of its obligation to pay for such service for any such period or if any such service is supplied during fewer hours or in lesser amounts than agreed during any period of the letting, the Permittee shall be relieved proportionately of its obligation to pay for any such service for any such period.

(5) No failure, delay, interruption or curtailment in supplying agreed services (whether or not a separate charge is made therefor) shall be or be construed to be an eviction (actual or constructive) of the Permittee or grounds for any diminution or abatement of fee, or shall be grounds for any claims by the Permittee for damages, consequential or otherwise, against the Port Authority, or its officers, employees or agents. The Permittee shall not be entitled to receive any of the above services during any period during which the Permittee wastes any of the said services or is in default under any of the provisions of this Permit.

(b) Electricity and Gas. The Permittee shall receive electricity and gas to the extent of the capability of existing or upgraded facilities, and the Permittee agrees to take electricity and gas, as follows.

(1) For use on and in the Space, electricity and gas shall be provided to the Permittee either from the Port Authority, or the relevant airline lessee pursuant to the relevant airline lease, as the case may be. However, the Port Authority anticipates a modernization program to the facilities for electricity and gas. In connection with the modernization of the facilities, the Port Authority reserves the right to either check meter such utilities or arrange for the appropriate utility company to directly invoice the Permittee for such electricity and gas consumed by Permittee in the Space, if that option becomes available with such modernization.

(2) The Permittee shall take electricity of the same voltage, phase and cycle as supplied by the public utility through existing wires, conduits and outlets at the Space. The Permittee shall be solely responsible for transforming the electricity supplied to such voltage, phase and frequency as it desires, for the distribution and handling of such electricity within its Space and for making all connections and tie-ins to the point or points in the Space designated by the Port Authority or relevant airline lessee.

(c) Extermination Service. In the event the Port Authority shall provide extermination service for the enclosed areas of the Space, the Permittee agrees to utilize the same and to pay its pro rata share of the cost thereof upon demand. This section does not impose any obligation on the Port Authority to furnish such service. If the Port Authority does not provide such service, Permittee, at its sole cost and expense, shall, at such intervals as the Port Authority may require, contract directly with such service designated by the Port Authority that performs the service for the Port Authority in the Terminal in order to provide continuity and consistency in such service.

(d) High Temperature Water.

(1) For use on and in the Space (as applicable), the Permittee shall be provided high temperature water at no additional charge from either the Port Authority, or the relevant airline lessee pursuant to the relevant airline lease, as the case may be, and the Permittee shall take, as needed for Permittee's operations, the following: (i) high temperature water for heating purposes in reasonable quantities at a temperature of approximately 130 degrees F.; and (ii) high temperature water for domestic hot water purposes.

(2) The Permittee's obligation to distribute and handle the high temperature water provided hereunder within its Space, and for making all connections and tie-ins to the point or points in the Space designated by the Port Authority or the relevant airline Permittee shall fully apply in the same way as it applies for electricity and gas, as hereinabove described.

(e) Chilled Water.

(1) For use on and in the Space (as applicable), the Permittee shall be provided chilled water at no additional charge from either the Port Authority, or the relevant airline lessee pursuant to the relevant airline lease, as the case may be, and the Permittee shall take, as needed for Permittee's operations, through existing pipes, mains and fittings, for the following purposes: (i) for air cooling purposes, at a temperature and with other characteristics as determined by the Port Authority; and (ii) for domestic cold water purposes only.

(2) The Permittee's obligation to distribute and handle the chilled water provided hereunder within its Space, and for making a connections and tie-ins to the point or points in the Space designated by the Port Authority or the relevant airline lessee shall fully apply in the same way as it applies for electricity and gas, as hereinabove described.

(3) Without limiting the generality of rights of entry upon the Space elsewhere in this Permit reserved to the Port Authority (or the relevant airline lessee, as the case may be, in accordance with the relevant airline lease), the Port Authority (and the relevant airline lessee, as the case may be, in accordance with the relevant airline lease) shall have, for itself, its officers, employees, agents, representatives, contractors and subcontractors, the right to enter upon the Space at all times to construct, install, maintain, replace, repair or improve the air-cooling system or any part thereof. Such air-cooling shall be furnished subject to all the provisions of this Permit (including the remaining provisions of this section) and in accordance with the following:

(4) If the air-cooling on the Space can be controlled by mechanisms within the Space or portions thereof, the Permittee shall shut off the air-cooling before closing and leaving any particular portion of the Space at any time for any period. The Port Authority shall have the right to enter the Space for the purpose of observing the Permittee's compliance with the provisions hereof and the Port Authority may lock, seal or install any timing device on or in connection with any air-cooling control mechanism so as to provide that each portion of the Space shall only be air-cooled during the hours and days stipulated hereunder.

(5) If the Permittee in accordance with this Permit erects any partitions or makes any improvements, which partitions or improvements stop, hinder, obstruct or interfere with the cooling of the air or the heating of the Space, then no such action by the Permittee shall impose any obligation on the Port Authority to install facilities, fixtures or equipment for air-cooling or for heating additional to those presently existing or presently contemplated or to increase the capacity or output of existing or presently contemplated facilities, equipment or fixtures and the Permittee shall not in any such event be relieved of any of its obligations hereunder because a comfortable temperature is not maintained. No approval given by the Port Authority to the erection of partitions or the making of any improvements shall be or be deemed to be a representation that the work approved of will not stop, hinder, obstruct or interfere with either the cooling of the air or the heating of the Space or any portion thereof.

(6) The Permittee shall not waste or dissipate the air-cooling or heating service by any act or omission including but not limited to the permitting of outside doors or windows to remain open. Without otherwise affecting the Port Authority's rights or remedies in the event of any breach by the Permittee of its obligations under this subdivision, the Port Authority shall have the right to discontinue the said heating or air-cooling service during any period of such waste or dissipation and any failure of the Port Authority to supply any such service under such conditions shall not affect any of the Permittee's obligations under this Permit. It is hereby understood further that the installation by the Permittee of any equipment which itself requires air-cooling or which requires additional quantities of air-cooling at the portion of the Space where such equipment is installed, or the concentration in any portion of the Space of such a number of people so as to require additional quantities of air-cooling, shall not impose any obligation on the Port Authority to increase the capacity or output of initially existing facilities, equipment or fixtures for the supply of chilled water and the Permittee shall not in any such event be relieved of any of its obligations hereunder.

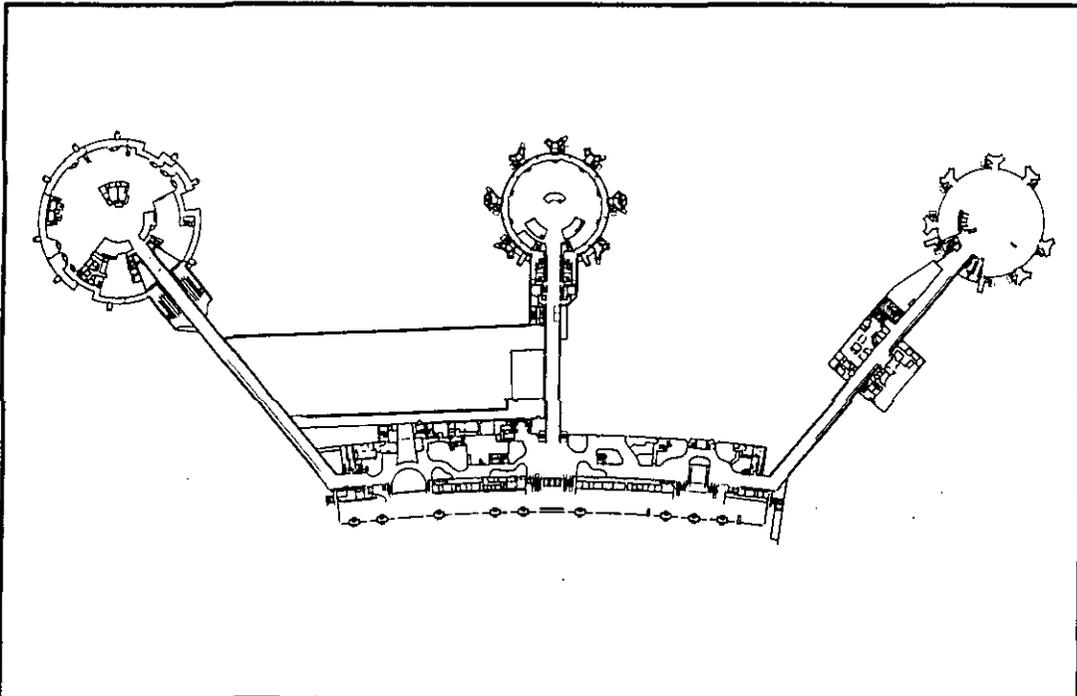
(f) **Obligation to Maintain Systems.** Without limiting or affecting any other term or provision of this Permit, the Permittee shall be solely responsible for the operation of all equipment, systems, piping systems, tie-ins, utilities, lines and connections, mechanical, electrical, communications and other systems operating or located in the Space and shall do all preventative maintenance and make all repairs, replacements, rebuilding and painting necessary to keep such systems (whether same involves structural or non-structural work) in the condition they were in when made or installed except for reasonable wear which does not adversely affect the watertight condition or structural integrity of the Terminals or adversely affect the efficient or proper utilization or appearance of any part of the Space. In the event the Permittee retains a maintenance contractor for such work it shall secure the Port Authority's prior approval for said proposed contractor. Notwithstanding the foregoing and without otherwise limiting the generality thereof, the Permittee's obligations hereunder shall extend to and include cleaning of the supply and exhaust louvers on the Space. To the extent necessary for the Permittee to have the benefit of any warranties and guarantees under existing contracts covering items and systems identified in this section in fulfilling its obligations hereunder and on condition that such contracts permit it and the Port Authority's interests are not adversely affected in any way and to any extent, the Port Authority shall enable the Permittee to have recourse to such warranties and guarantees.

(g) **Drainage and Exhaust.** Without in any way limiting the Permittee's other obligations under this Permit, the Permittee shall supply, replace, install, repair, maintain and keep clean all grease traps in all drainage pipes exclusively used in operations at the Space whether such pipes are located on the Space or elsewhere at the Terminal. The Permittee shall also keep clean, repair and maintain (other than structurally) all kitchen exhaust ducts including the replacement of all filters where such ducts are exclusively used by it in such operations and whether such ducts are located on the Space or elsewhere at the Terminal. As part of the Permittee's maintenance responsibilities, the hood and ventilation system servicing the Space shall be cleaned and maintained, from inside the unit through the ductwork to the roof top fan, on a monthly basis and at the Permittee's sole cost and expense. Written documentation of this work shall be supplied to the Port Authority on or before the seventh (7th) day of each Monthly Period, relating to servicing during the preceding Monthly Period. In addition, should any corrective work be necessary for any portion of the hood and ventilation system, the Permittee shall be responsible for the immediate repair and costs therefor, whether such repair is required inside the unit or outside the unit.

(h) **Other Governmental Actions.** If any federal, state, municipal, or other governmental body, authority or agency or any public utility assesses, levies, imposes, makes or increases any charge, fee or rent on the Port Authority for any service, system or utility now or in the future supplied to or available to the Space or to any occupants or users thereof or to the structure or building of which the Space form a part (including but not limited to any rent or charge for the use of the sewer systems), the Permittee shall, at the option of the Port Authority exercised at any time and from time to time by notice to the Permittee, pay in accordance with the said notice, such charge, fee or increase thereof (or the portion thereof allocated by the Port Authority to the Space or the operations therein) either directly to the governmental body, authority or agency or to the public utility or directly to the Port Authority or the airline Permittee, as required.

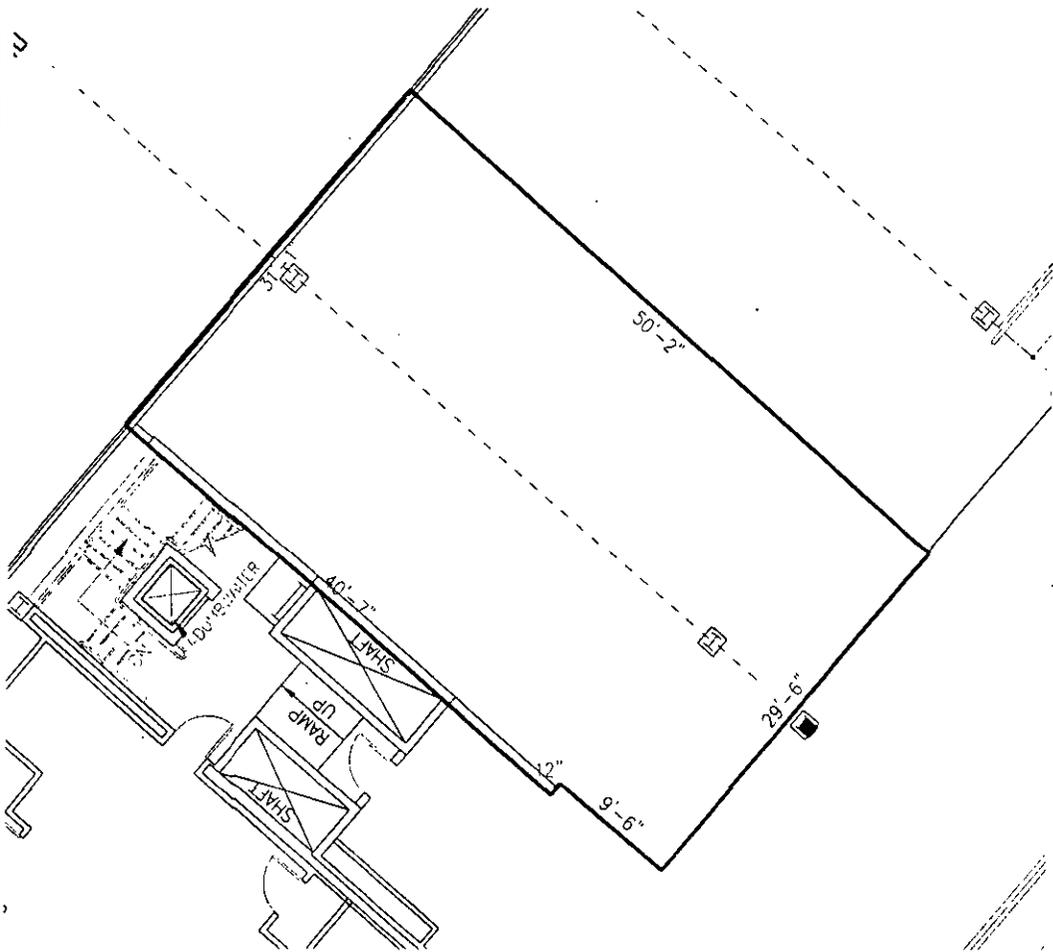
(i) **Washrooms.** The Permittee shall be furnished, without additional charge, non-exclusive toilet and washroom facilities for the employees of the Permittee if toilet and washroom facilities are not a part of the Space.

13. **Trash Removal.** In connection with Paragraph 6(b) of the Standard Terms and Conditions, Permittee shall be solely responsible, at the Permittee's expense, for removal of trash, garbage, debris and other waste material from the Space, on a daily basis, in a manner approved by the Port Authority, unless the Port Authority elects to provide such services. The Permittee shall contract with the Port Authority's disposal contractor at the Terminal for the disposal of its trash, garbage, debris and other waste material. In the event the Port Authority elects to provide such services, the Port Authority's costs of providing such services shall be chargeable to, and payable by, the Permittee as



The document is diagrammatic and is intended only to show the demised premises of the project (hatched area). It does not purport to show exact dimensions nor the final location of any mechanical, electrical, structural or architectural element. Further, the landlord reserves the right to add, eliminate or modify any such element, as

may be required from time to time. Tenant space dimensions, unless otherwise noted are to the centerlines of tenant partitions and column grids, face of exterior walls and to the outside face of service area partitions adjacent to the tenant space (i.e. corridors, closets, and stairs.)



NEWARK LIBERTY INTL AIRPORT - TERMINAL B



**EXHIBIT
A2**

Level 4
7/21/09

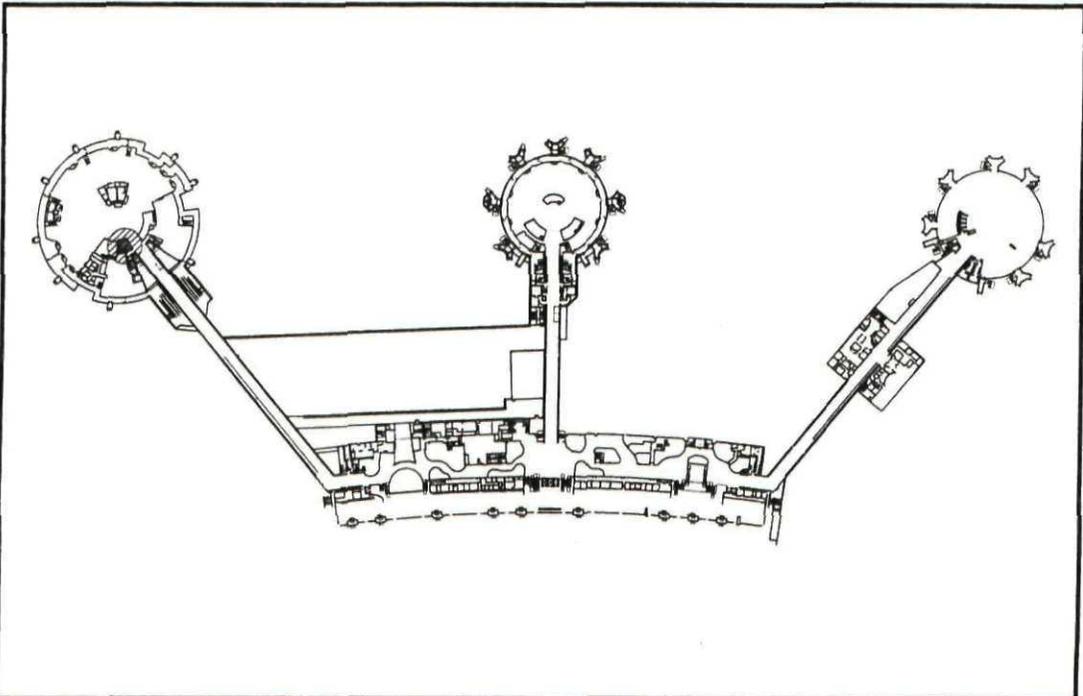
B21 HUDSON NEWS

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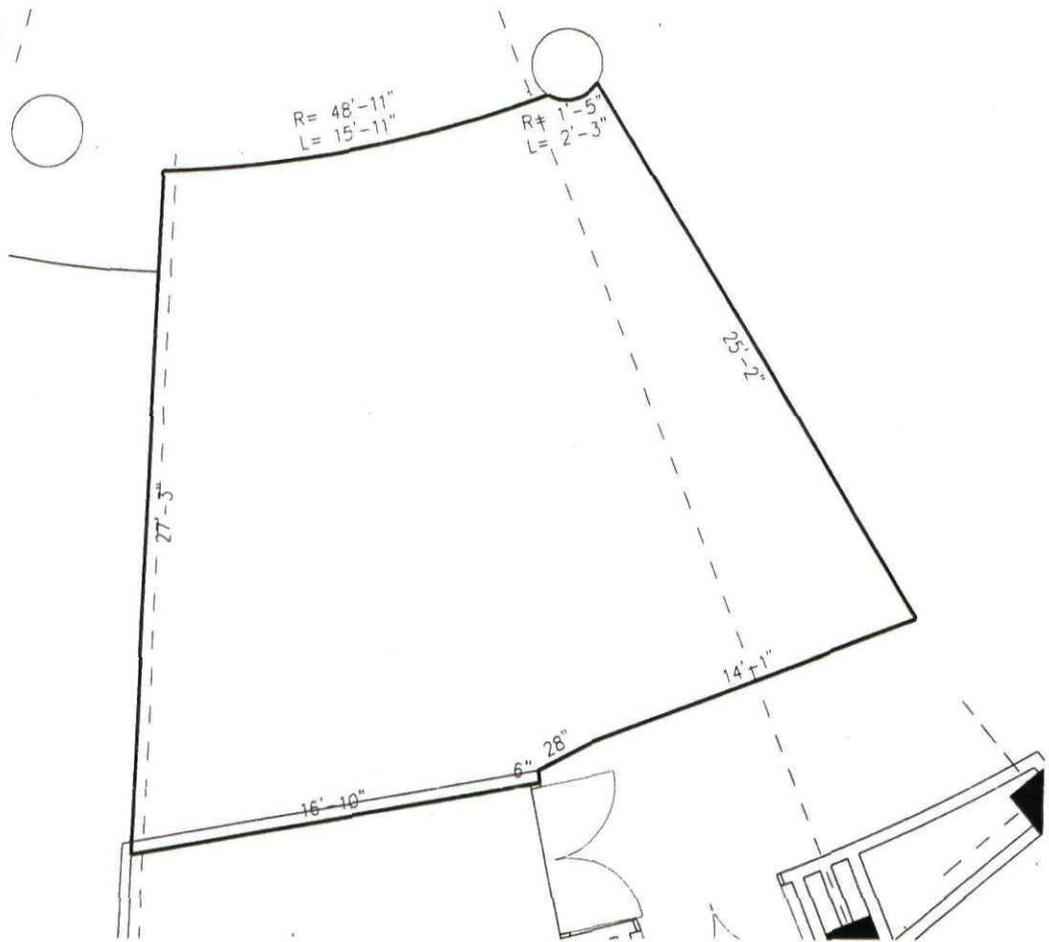
FOR THE: PORT AUTHORITY:

FOR THE: LESSEE:



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NEWARK LIBERTY INTL AIRPORT - TERMINAL B



EXHIBIT
A2

Level 4

7/21/09

B16A HUDSON NEWS

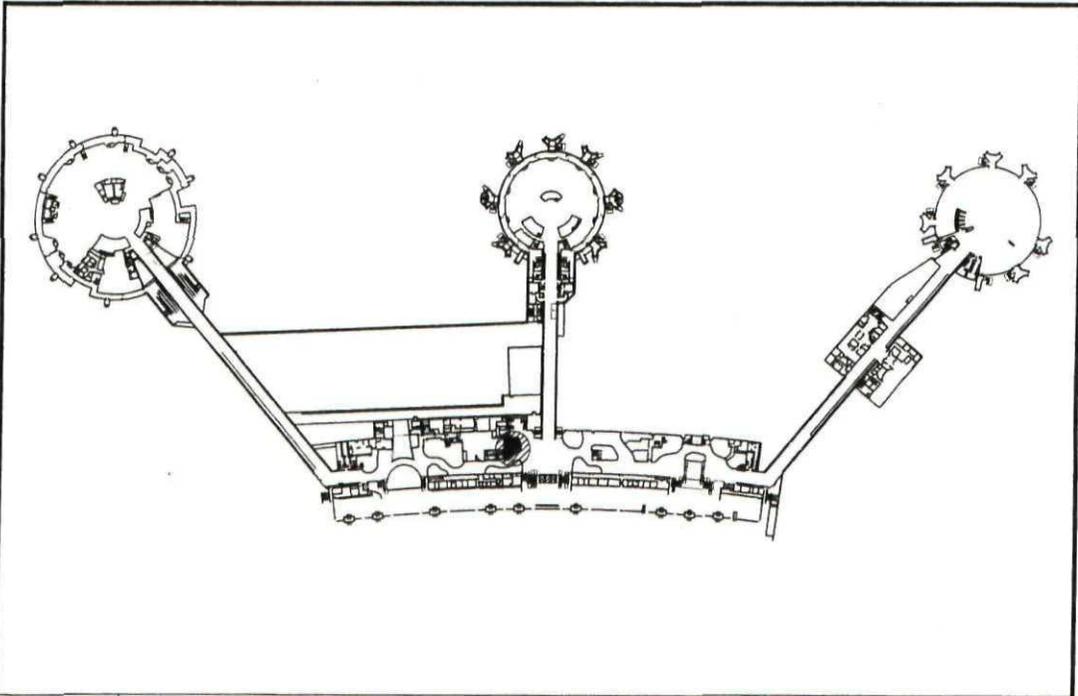
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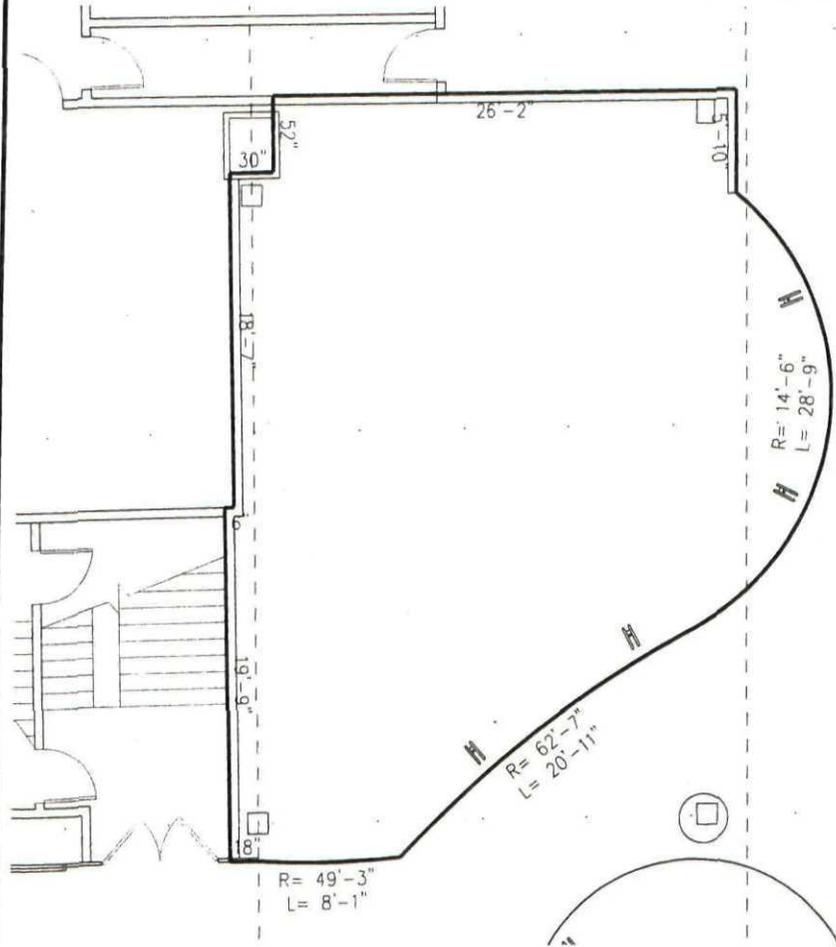
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NEWARK LIBERTY INTL AIRPORT - TERMINAL B



EXHIBIT
A2

Level 4
7/21/09

B12 HUDSON NEWS

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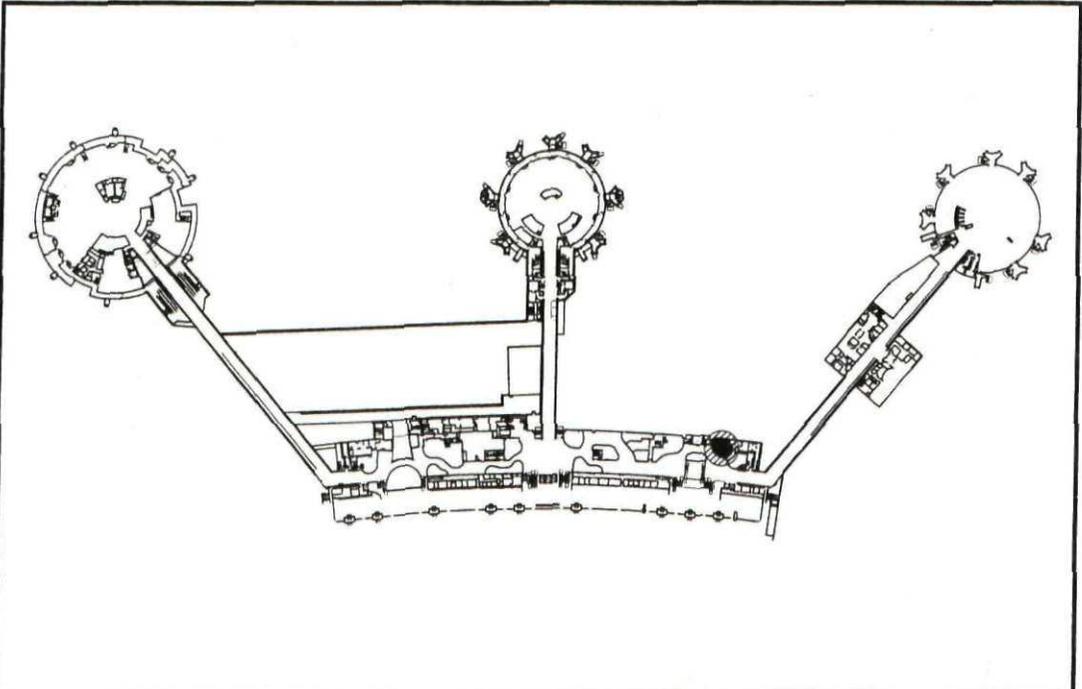
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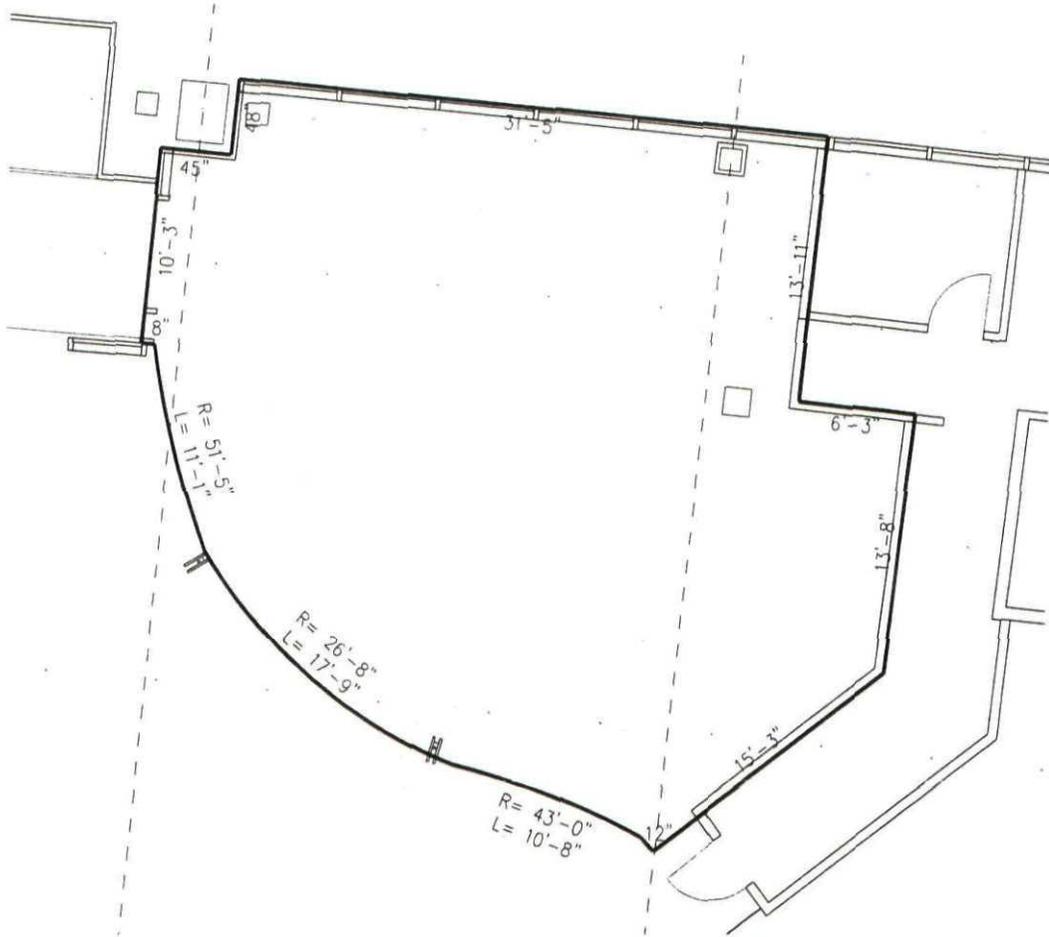
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The document is diagrammatic and is intended only to show the demised premises of the project (hatched area). It does not purport to show exact dimensions nor the final location of any mechanical, electrical, structural or architectural element. Further, the landlord reserves the right to add, eliminate or modify any such element, as

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NEWARK LIBERTY INTL AIRPORT - TERMINAL B



EXHIBIT
A2

Level 4

APPROXIMATELY

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B2A HUDSON NEWS

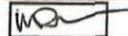
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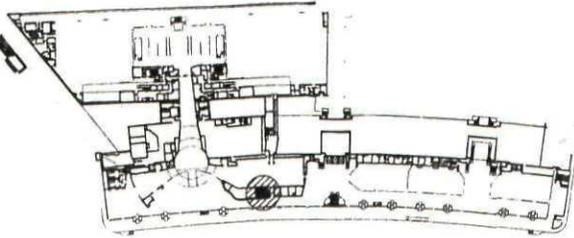
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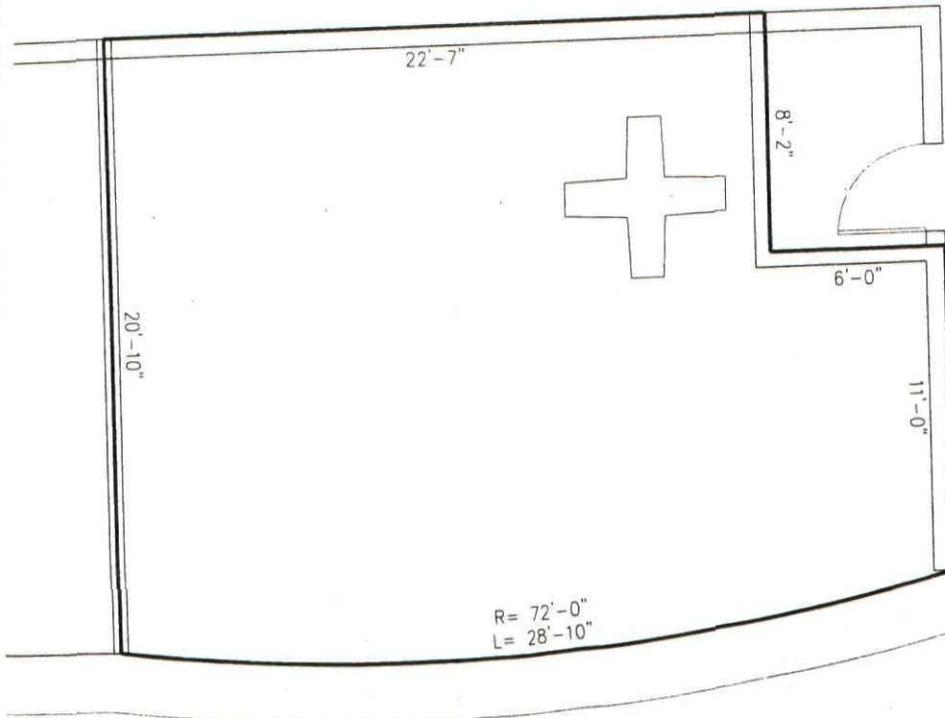
FOR THE: LESSEE:





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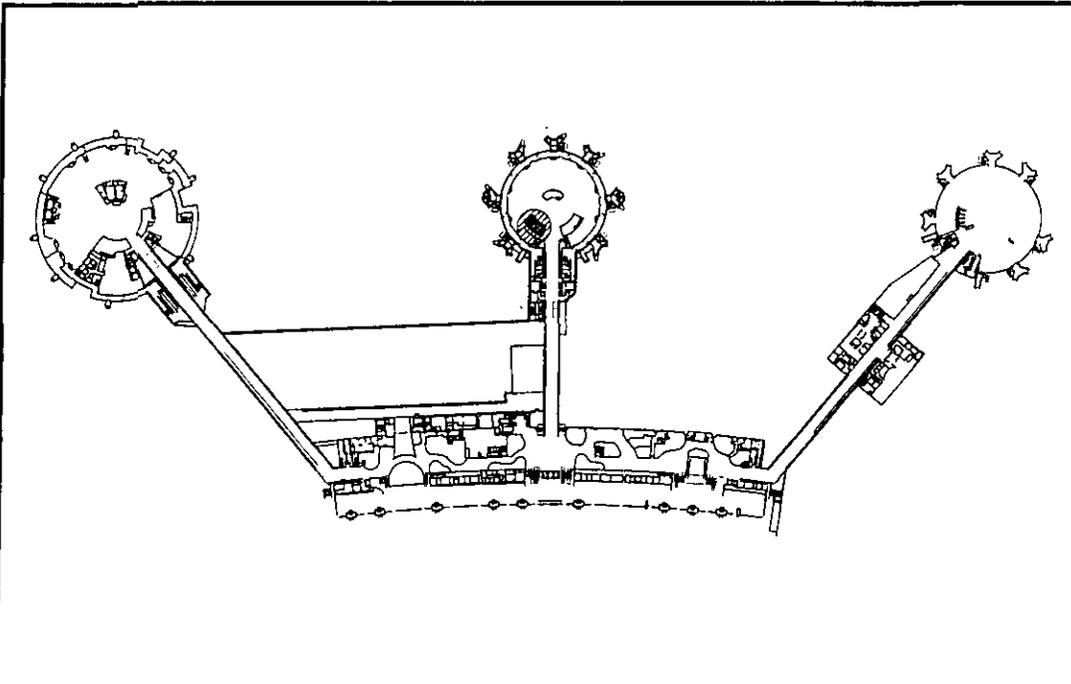
NEWARK LIBERTY INTL AIRPORT - TERMINAL B



EXHIBIT
A2

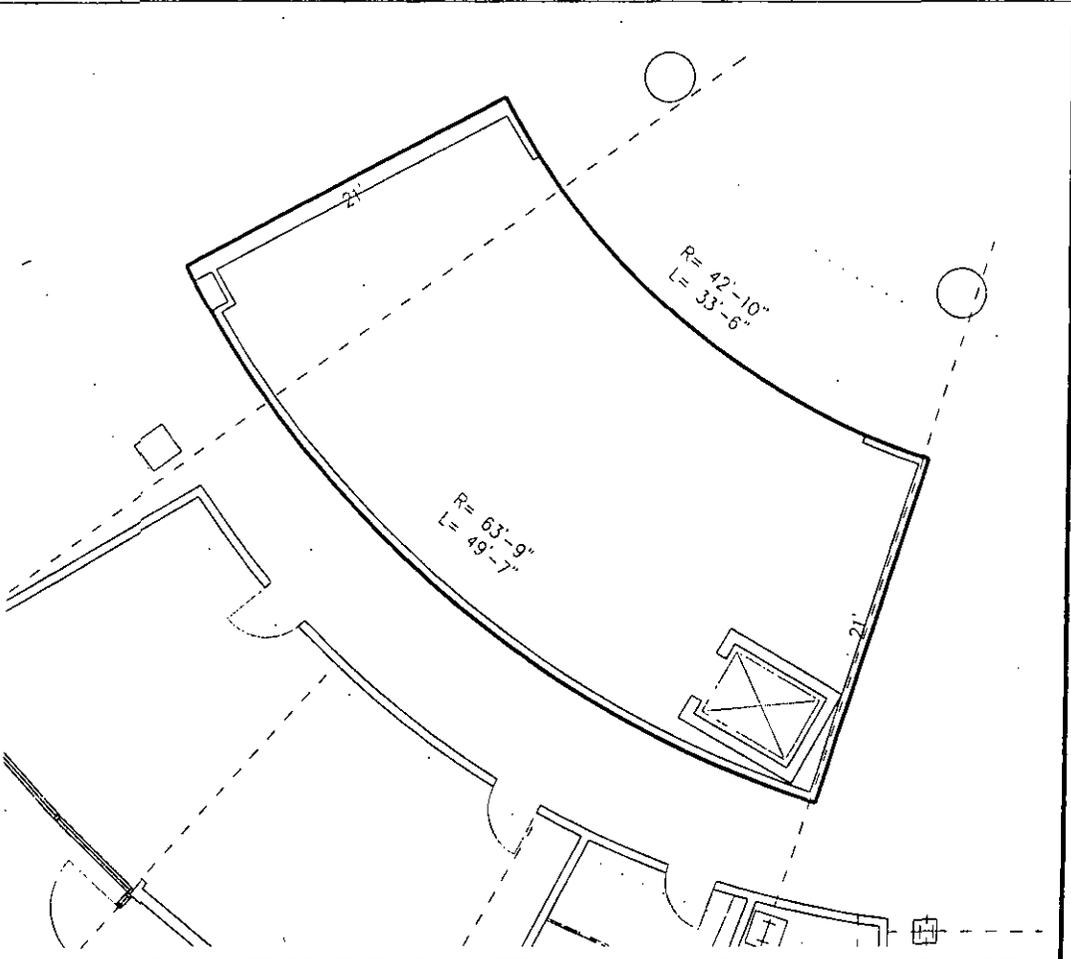
| | | |
|---------|-----------------|------------------------|
| Level 1 | BA3 HUDSON NEWS | APPROXIMATELY 551 S.F. |
| 7/21/09 | | |

INITIAL: FOR THE: PORT AUTHORITY: OTC FOR THE: LESSEE: W



The document is diagrammatic and is intended only to show the demised premises of the project (hatched area). It does not purport to show exact dimensions nor the final location of any mechanical, electrical, structural or architectural element. Further, the landlord reserves the right to add, eliminate or modify any such element, as

may be required from time to time. Tenant space dimensions, unless otherwise noted are to the centerlines of tenant partitions and column grids, face of exterior walls and to the outside face of service area partitions adjacent to the tenant space (viz. corridors, closets, and stairs).



NEWARK LIBERTY INTL AIRPORT - TERMINAL B



EXHIBIT
A2

Level 4

APPROXIMATELY

7/21/09

B19 HUDSON NEWS

871 S.F.

INITIAL:

FOR THE: PORT AUTHORITY:

lpc

FOR THE: LESSEE:

lpc

Hudson News

CNN Newsstand

SCHEDULE A Merchandise Categories

Newspapers/Magazines/Periodicals/ Books (a minimum of 40% of the sales area)

Wide range of local, regional and national papers and a wide assortment of magazines and periodical in the following categories:

General Interest-Boating-Food-Regional
Humor -Soap Opera

Weeklies/bi-weeklies/tabloids

Bridal-Antique/Art-Health/Beauty

Business-Comics -Guides-Teens

Travel -Sports-Aviation

Hunting-Women's Fashion-Wrestling

Home/Garden.-Video-Children

Photo-Crossword Puzzle-Music-Golf

Fishing-Audio-Computer/PC-Games

Science-Men's General-Outdoors

Automobile -International-Biking

Motorcycle

Books: Hardcover, Trade-Paper,

Paperback, audio books,

Hudson "best seller" and popular author lists, regional titles.

HBA:

Allergy Care

Air Filtration, oral medications, topical medications

Baby Products

Baby/Child health, bath/skin/health care, diapering, feeding and accessories., nursing, pregnancy

Bath Products/Accessories

Bath products, bath accessories, shampoo, soaps, Q-Tips

Cosmetics/Perfumes/Toiletries

Eyes, Face, Lips, Nails and accessories

Health and Wellness

Alertness

Allergy, Sinus and Asthma

Analgesics

Antacids

Cough and Cold

Diabetes

Diet/Sport Nutrition

Ear and Eye care

First Aid Supplies

Headache and Pain

Indigestion

Low Carb Diet

Lip Balm

Non-Prescription Drugs

Non- Prescription Sedatives

Nasal Sprays/Medications

Pain Relievers

Travel Sickness

Sinus

Smoking Cessation

Stomach

Home Health Care

Bathroom safety

Diabetes care

Cosmetic Accessories

Exercise and fitness

Home testing

Hosiery

Mobility

Men's Products

Pain relief

Personal Care

Bath and Soaps

Breath Mints and Strips

Deodorants

Facial Moisturizers

Family planning

Feminine hygiene

Foot care

Hand and Body

Hair care

Hair Accessories

Incontinence

Oral care/hygiene

Facial tissues

Facial Cleansers

Paper products

Personal appliances

Disposable Razors

Reading Glasses

Sexual Health

Condoms

Female contraceptives

Lubricants

Hudson News

CNN Newsstand

Skin Care

Acne treatments
Eye treatments
Hair removal
Scar therapy
Spa appliances
Suncare (burn and lotion) and Outdoor Lotions

Vitamins/Supplements and Natural Products

Aromatherapy
Diet and nutrition
Herbs
Minerals
Remedies and therapies
Supplements
Vitamins

SUNDRIES

Computer Software/Accessories/Supplies
– excluding games or music
Travel Aids / Accessories / Luggage
DVD's
Bags
Converters
Guides
Luggage
Locks
Luggage Carts
Maps
Neck Rest
Travel Blankets
Travel Socks
Shoe Care, Polishes and Accessories
Tour Books
Umbrellas

Travel Electronics

Accessories
Headphones
Music Players
Personal Electronic Devices
Recordable Media

Exercise and Sports

Games and Toys

Activity Books
Board/Dice/Electronic Games
Cards
Playsets
Pens, Crayons, Markers

Plush

Models

Action Figures

Optical Supplies

Sunglasses less than \$50/pair
Non-prescription reading glasses
Non-prescription fashion glasses
Cases
Cleaning Products for glasses
Accessories

Office/Work/School Supplies

Greeting Cards
Paper Products
Prepaid Phone Cards
Rulers
Calculators
School Supplies
Stationery/Office Supplies
Tape, glue, rubber bands, fasteners, etc...

Writing Instruments

Photo Center

Batteries
Camera's (disposable, digital and film)
Camera supplies and accessories
Digital Camera memory
Digital Photo Solutions
Film

Tobacco Products and accessories

Ashtrays
Cigarettes
Cigars
Chewing Tobacco
Matches
Rolling Papers
Pipe Tobacco

FOOD AND BEVERAGES

Beverages

Refrigerated beverages in a wide range of categories including: Energy, nutritional, sports and diet drinks; Soft drinks; Juices and teas; Bottled water and Dairy drinks.

Food to Go

Candy (Bars, Peg Pack, Bulk)
Gum
Mints
Nutrition Bars
Pre-packaged food (cookies, crackers, peanuts, Ice Cream, nuts, trail mix)
Snacks
Gift Food

Hudson News CNN Newsstand

Boxed Chocolate
Gourmet Food
Regional Food

REGIONAL APPAREL

Men's/Women's/Children's/Teen

Apparel

Outerwear

Belts

Swimwear

T-Shirts

Sweatshirts

Knit Shirts

Fleece Products

Shorts

Pants

Hats/Caps

Professional and College sports apparel

Rain Coats/Hats

Undershorts, Undershirts

Men's Ties

Hosiery

Socks

REGIONAL GIFTS / SOUVENIRS

Gifts for him

Gifts for her

Gifts for children

Souvenir Hard Goods (cups, mugs, shot glasses, key chains, plates, bells, spoons, etc.)

Candles

Stickers

Magnets

Water Balls

Postcards

Pet care

Regional Gifts

Cosmetic Jewelry

Watches/Clocks

Leather Goods

Seasonal Items

Giftwrap, giftbags, bows and ribbon

Posters, pictures, prints, paintings, art objects and other "collectables"

Jewelry

SCHEDULE G

Airport Concession Disadvantaged Business Enterprise ("ACDBE") Participation

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

The overall ACDBE goal is a key element of the Port Authority's concession program and Concessionaire shall take all necessary and reasonable steps to comply with the requirements of the Port Authority's ACDBE program. The Concessionaire commits to making good faith efforts to achieve the ACDBE goal. Pursuant to 49 CFR 23.25(f), ACDBE participation must be, to the greatest extent practicable, in the form of direct ownership, management and operation of the concession or the ownership, management and operation of specific concession locations through subleases. The Port Authority will also consider participation through (1) joint venture in which ACDBEs control a distinct portion of the joint venture business and/or purchase of goods and services from ACDBEs. In connection with the aforesaid good faith efforts, as to those matters contracted out by the Concessionaire in its performance of this agreement, the Concessionaire shall use, to the maximum extent feasible and consistent with the Concessionaire's exercise of good business judgment including without limit the consideration of cost competitiveness, a good faith effort to meet the Port Authority's goals. Information regarding specific good faith steps can be found in the Port Authority's ACDBE Program located on its above-referenced website. In addition, the Concessionaire shall keep such records as shall enable the Port Authority to comply with its obligations under 49 CFR Part 23 regarding efforts to offer opportunities to ACDBEs.

Qualification as an ACDBE

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

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

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

- a. Women;

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

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

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

General

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

EXHIBIT X

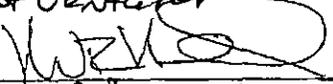
EVIDENCE OF SIGNED LABOR PEACE AGREEMENT

AMS BW Newark JV ("the Company") has signed a Labor Peace Agreement with UNITE HERE, the labor organization that represents and seeks to represent concessions employees at Newark International Airport ("Airport"), in which UNITE HERE and its members agree not to engage in picketing and any other economic interference with the Company's operations at the Airport.

FOR THE COMPANY:

AMS BW Newark JV

By: Airport Management Services, LLC,
a Joint Venture

BY: 
Michael K. Mulvaney

DATE: April 14, 09

As Executive Vice President
of Hudson News Company, its
Managing Member

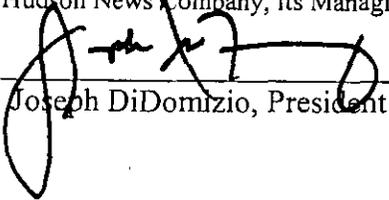
FOR THE UNION:

UNITE HERE

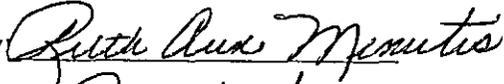
BY: 

DATE: April 13, 2009

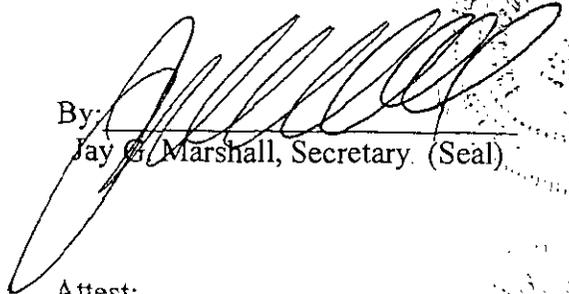
Airport Management Services, LLC
A Delaware limited liability company
By: Hudson News Company, its Managing Member

By: 
Joseph DiDomizio, President

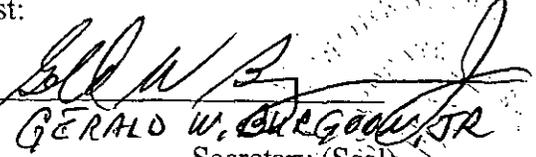
Branded Works, Inc. a Louisiana Corporation

By: 
Title: President

Attest:

By: 
Jay G. Marshall, Secretary (Seal)

Attest:

By: 
GERALD W. BURGOON, JR.
Secretary (Seal)



PORT AUTHORITY OF NEW YORK AND NEW JERSEY
One World Trade Center
New York, New York 10048

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 the Port Authority Facility hereinafter named, in accordance with the Terms and Conditions 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. **FACILITY:** John F. Kennedy International Airport
2. **PERMITTEE:** Hudson-Kennedy, LLC, a limited liability company organized under the laws of the State of Delaware.
3. **PERMITTEE'S ADDRESS:** Hudson News Company
One Meadowlands Plaza, Suite 902
East Rutherford, New Jersey 07073
4. **PERMITTEE'S REPRESENTATIVE:** Mario DiDomizio
5. **PRIVILEGE:** As set forth in Special Endorsement No. 1.
6. **FEES:** As set forth in Special Endorsement Nos. 3 and 4
7. **EFFECTIVE DATE:** May 28, 1999
8. **COMMENCEMENT DATE:** February 15, 2000
9. **EXPIRATION DATE:** The day preceding the seventh anniversary of the Commencement Date, unless sooner revoked or terminated pursuant to the terms of the Permit.
10. **ENDORSEMENTS:** 2.4.1, 2.6, 3.1, 4.1, 4.5, 8.0, 9.1, 9.5, 9.6, 10.3, 13.1, 14.1, 16.1, 17.3, 18.2, 19.2, 22, 23.1, 28 and Special Endorsements

Dated: As of May 28, 1999

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

Consented and Agreed to as of the
28 day of May, 1999

By
FRANCIS A. DIMOLA
(Title) ASSISTANT DIRECTOR
AVIATION DEPT.

TERMINAL ONE GROUP ASSOCIATION, L.P.

HUDSON-KENNEDY, LLC
Permittee
By
Mario DiDomizio
(Title) Manager

By
(Title) CHIEF EXECUTIVE OFFICER

APPROVED:
FORM | TERMS

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 at any time by the Port Authority, with or without cause, and with or without prior notice. Unless sooner revoked, such permission shall expire in any event upon the expiration date hereinbefore set forth. 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.

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,

(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.

FORM F - Privilege, All Facilities 12/04/73

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 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.

The Permittee, its employees, invitees and others doing business with it shall have no right hereunder to park vehicles within the Facility beyond a reasonable loading or discharging time, except in regular parking areas and upon payment of the regular charges therefor.

6. The Permittee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives, from 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 of the operations, acts or omissions of the Permittee hereunder; this indemnity shall extend to and include the contractual obligation of indemnity, if any, undertaken by the Port Authority in favor of the lessor, if any, of the Facility.

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. In the event of revocation, the Permittee shall have two days, exclusive of Saturdays, Sundays and legal holidays (as determined by the laws of the State of New Jersey or of the State of New York, as the case may require), after the effective date of revocation, in which to remove such property.

FORM F - Privilege, All Facilities 12/04/73

If the Permittee shall so fail to remove such property upon the expiration or revocation hereof, the Port Authority may at its option, as agent for the Permittee and at the risk and expense of 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 days may sell the same at public auction; the proceeds of any such sale shall be applied first to the expenses of removal, sale and storage, 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.

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 claim 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 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 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. As used herein:

(a) The term "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.

(b) The terms "Manager of the Facility" or "General Manager of the Facility" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the Manager by this Permit; but until further notice from the Port Authority to the Permittee it shall mean the Manager or General Manager (or temporary or Acting Manager or General Manager) of the Facility 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 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 therefor 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 One World Trade Center, New York, New York 10048, or at such other address 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.

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 Airport, regardless of when or where the order therefor is received, and outside the Airport, if the order therefor is received at the Airport, and any other revenues of any type arising out of or in connection with the Permittee's operations at the Airport, provided, however, that any taxes imposed by law which are separately stated to and paid by the customer and directly payable to the taxing authority by the Permittee, shall be excluded therefrom.

Notwithstanding that the percentage fee hereunder is measured by a percentage of gross receipts, no partnership relationship between the parties hereto or joint adventure is created by this Permit.

STANDARD ENDORSEMENT NO. 2.4.1

GROSS RECEIPTS

Airports

7/21/49

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

- (a) Use its best efforts in every proper manner to develop and increase the business conducted by it hereunder;
- (b) Not divert or cause or allow to be diverted, any business from the Airport;
- (c) Maintain, in accordance with accepted accounting practice, during the effective period of this Permit, for one (1) year after the expiration or earlier revocation or termination thereof, and for a further period extending until the Permittee shall receive written permission from the Port Authority to do otherwise, records and books of account 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;
- (d) Permit in ordinary business hours during the effective period of the Permit, for one year thereafter, and during such further period as is mentioned in the preceding subdivision (c), the examination and audit by the officers, employees and representatives of the Port Authority of such records and books of account and also any records and books of account of any company which is owned or controlled by the 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;
- (e) 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 cash registers;
- (f) Furnish on or before the tenth day of each month following the effective date of this Permit a sworn statement of gross receipts arising out of operations of the Permittee hereunder for the preceding month, and furnish within ten days after the expiration or sooner revocation or termination of this Permit a statement of all the gross receipts arising out of operations of the Permittee hereunder during the effective period of this Permit, said statement being certified, at the Permittee's expense, by a certified public accountant;
- (g) Install and use such cash registers, sales slips, invoicing machines and any other equipment or devices for recording orders taken, or services rendered as may be appropriate to the Permittee's business and necessary or desirable to keep accurate records of gross receipts.

STANDARD ENDORSEMENT NO. 2.6
BUSINESS DEVELOPMENT AND RECORDS
Airports
4/20/49; rev. 11/16/49; rev. 12/12/49; rev. 10/2/90

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 persons 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 therefor. The Permittee shall furnish all services hereunder on a fair, equal and non-discriminatory basis to all users thereof.

STANDARD ENDORSEMENT NO. 3.1
ACCOMMODATION OF THE PUBLIC
All Facilities
8/21/49

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

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

STANDARD ENDORSEMENT NO. 4.1
MERCHANDISE AND/OR SERVICES
All Airports
7/21/49

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

STANDARD ENDORSEMENT NO. 4.5

PRICES AND/OR CHARGES

All Installations

5/16/49

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 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 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 therefore 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 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.

STANDARD ENDORSEMENT NO. 9.1

FEDERAL AIRPORT AID

Airports

1/19/81

(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.

STANDARD ENDORSEMENT NO. 9.5
NON-DISCRIMINATION
AIRPORTS
5/19/80

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
AFFIRMATIVE ACTION
Airports

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

STANDARD ENDORSEMENT NO. 10.3
GARBAGE REMOVAL

Airports
7/21/49

The Permittee represents that it is the owner of or fully authorized to use any and all services, processes, machines, articles, marks, names or slogans used by it in its operations under or in any wise connected with this Permit. The Permittee agrees to save and hold the Port Authority, its Commissioners, officers, employees, agents and representatives free and harmless of and from any loss, liability, expense, suit or claim for damages in connection with any actual or alleged infringement of any patent, trademark or copyright, or arising from any alleged or actual unfair competition or other similar claim arising out of the operations of the Permittee under or in any wise connected with this Permit.

STANDARD ENDORSEMENT NO. 13.1
PATENTS, TRADEMARKS, ETC.
All Facilities
7/21/49

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

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

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 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
06/29/62

1. 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.

2. 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.

3. (a) 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.

(b) 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.

(c) 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.

STANDARD ENDORSEMENT NO. 17.3
LAW COMPLIANCE

Airports
04/17/50

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

STANDARD ENDORSEMENT NO. 18.2

NO PERSONAL LIABILITY

Airports

8/21/49

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 under the agreement between the City and 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 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.

ENDORSEMENT NO. 19.2

John F. Kennedy International Airport

01/16/64

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 of 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

07/13/49

(a) 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 officer within the Port of New York District, in favor of the Port Authority in the amount of Five Hundred Thousand Dollars and No Cents (\$500,000.00). The form and terms of such letter of credit, as well as the institution issuing it, shall be subject to the prior and continuing approval of the Port Authority. Such letter of credit shall provide that it shall continue throughout the effective 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 Standard 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 Standard 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, 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 Standard 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.

The Permittee certifies that its Federal Taxpayer Identification Number is (Ex. 1) with respect to the subject matter of this Standard Endorsement No. 23.1.

Standard Endorsement No. 23.1 (Page 1)

Security Deposit

All Facilities

8/25/99

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. (a) Pursuant to an agreement of lease between the Port Authority and Terminal One Group Association, L.P. (herein "the Airline") bearing Port Authority Lease No. AYC-190 and dated July 13, 1994 (as the same may have been supplemented, extended and amended, and herein called "the Airline Lease") the Port Authority leased to the Airline Terminal One ("the Terminal") and certain outside areas at John F. Kennedy International Airport ("the Airport"). It was contemplated under the Airline Lease that certain consumer services would be operated in space provided by the Airline in the Terminal, and the Airline and the Permittee have accordingly entered into an agreement (herein called the "Concession Sublease Agreement") dated as of July 8, 1999 (as the same may have been supplemented, extended and amended), providing for the operation by the Permittee of a certain business in the concession area, as hereinafter defined.

(b) Subject to all of the terms, covenants and provisions of this Permit, the Port Authority and the Airline hereby grant to the Permittee in such areas of the Terminal as shall be designated by the Airline (hereinafter collectively called "the concession areas") the privilege of operating four (4) news and gift retail concessions (sometimes hereinafter separately referred to as "Unit No. 1", "Unit No. 5", "Unit No. 13", and "Unit No. 16") for the sale at retail of (i) newspapers, magazines, cigarettes, other tobacco supplies, candy, chewing gum, playing cards, paperback books, small novelty gift items (all as more fully described in Attachment B of the Concession Sublease Agreement), and (ii) lottery tickets issued by the Lottery Division of the New York State Department of Taxation and Finance, and such other items as may be consented to in advance by the Airline and the Port Authority and for no other purpose or purposes whatsoever. The Permittee understands that since the Terminal is leased to the Airline, all arrangements as to the concession areas and facilities in which the privilege will be exercised, including utilities and services, shall be made with the Airline, and the Permittee acknowledges that it has made such arrangements. The Port Authority makes no representations or warranties as to the location, size, adequacy or suitability of the concession areas and the facilities therein. Notwithstanding the foregoing, however, the Airline expressly hereby agrees that it shall not, pursuant to the Concession Lease, reassign all or any part of the concession areas without the prior written consent of the Port Authority.

2. As used herein:

(a) "Annual Period" shall mean the twelve-month period commencing on the Commencement Date and each twelve-month period occurring thereafter during the period of the permission granted hereafter, commencing with each anniversary of the Commencement Date, *provided, however*, that if the Commencement Date occurs on a day which is other than the first day of a calendar month, the first Annual Period shall consist of the portion of the calendar month in which the Commencement Date occurs, plus the succeeding twelve (12) calendar months, and each subsequent Annual Period shall commence on the anniversary of the first day

SPECIAL ENDORSEMENTS

of the first full calendar month following the month in which the Commencement Date occurs; and *provided, further*, that the last Annual Period shall expire in any event on the expiration date of the period of the permission under this Agreement.

(b) "Enplaned Passenger" shall mean any originating or connecting revenue passenger that boards a flight at the terminal excluding revenue passengers who disembark and re-board the same aircraft with the same flight number for the purpose of continuing their journey.

(c) The "Fee Payment Start Date" shall mean the earlier of (i) June 1, 2000 or (ii) such earlier date following the completion by the Permittee of the improvements, finishing and installation work described in paragraph 5 hereof as may be designated by the Port Authority to the Permittee as the date on which public operations may be commenced in the concession area.

(d) "Minimum Annual Guaranteed Amount" (hereinafter referred to as the "MAG") shall mean, for and during the period commencing on the Commencement Date and continuing through the day preceding the Fee Payment Start Date, the amount of Six Hundred Seventy-nine Thousand Nine Hundred Four Hundred Forty-four Dollars and No Cents (\$679,944.00). From and after the Fee Payment Start Date and continuing through the balance of the first annual period, the MAG shall be in the amount of Seven Hundred Eight Thousand Two Hundred Seventy-five Dollars and No Cents (\$708,275.00) per annum.

For and during each subsequent Annual Period, the MAG shall mean the greater of (y) Seven Hundred Eight Thousand Two Hundred Seventy-five Dollars and No Cents (\$708,275.00) or (z) the amount which is ninety percent (90%) of the sum of the total Percentage Fee Amount and Basic Fee paid by the Permittee for the concession area during the immediately preceding Annual Period.

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

(f) "Port Authority Share" shall mean fifty percent (50%) of the basic and percentage fees payable by the Permittee hereunder.

SPECIAL ENDORSEMENTS

(g) "Percentage Fee Amount" shall mean the excess over the Minimum Annual Guarantee, as hereinabove defined, of the sum of the following percentages of all the gross receipts of the Permittee arising from its operations described in Special Endorsement No. 1(b) during each Annual Period:

(i) fourteen percent (14%) of all of the gross receipts of the Permittee arising from the sale of camera film and camera accessories, cosmetics, greeting cards, postage stamps, maps, commissions on lottery tickets, non-prescription drugs, postcards, pre-packaged snacks, reading material, tobacco and tobacco accessories, health and beauty aids, clothing, luggage and luggage accessories, pre-packaged gourmet foods, business accessories, travel accessories and promotional income (hereinafter called "Category A items"), plus

(ii) twenty-eight percent (28%) of the gross receipts of the Permittee arising from the sale of souvenirs, gifts and novelty items (hereinafter called "Category B items"), plus

(iii) twenty percent (20%) of the gross receipts of the Permittee arising from retail display allowances, provided, however, if during any annual period the total number of enplaned passengers exceeds One Million Two Hundred and Fifty Thousand (1,250,000), then the percentage fee amount payable on such gross receipts shall be equivalent to the excess over the Minimum Annual Guarantee of the sum of the following percentages of all the gross receipts arising from its operations:

(i) fourteen percent (14%) of the gross receipts of the Permittee arising from the sale of Category A items not in excess of Four Million Three Hundred Seventy Five Thousand Dollars and No Cents (\$4,375,000.00), plus

(ii) twenty-eight percent (28%) of the gross receipts of the Permittee arising from the sale of Category B items not in excess of Four Million Three Hundred Seventy Five Thousand Dollars and No Cents (\$4,375,000.00), plus

(iii) fifteen percent (15%) of the gross receipts of the Permittee arising from the sale of Category A items in excess of Four Million Three Hundred Seventy Five Thousand Dollars and No Cents (\$4,375,000.00) but not in excess of Five Million Dollars and No Cents (\$5,000,000.00), plus

(iv) twenty nine percent (29%) of the gross receipts of the Permittee arising from the sale of Category B items in excess of Four Million Three Hundred Seventy Five Thousand Dollars and No Cents (\$4,375,000.00) but not in excess of Five Million Dollars and No Cents (\$5,000,000.00), plus

SPECIAL ENDORSEMENTS

(v) sixteen percent (16%) of the gross receipts of the of the Permittee arising from the sale of Category A items in excess of Five Million Dollars and No Cents (\$5,000,000.00), plus

(vi) thirty percent (30%) of the gross receipts of the of the Permittee arising from the sale of Category B items in excess of Five Million Dollars and No Cents (\$5,000,000.00), plus

(vii) twenty percent (20%) of the gross receipts of the of the Permittee arising from retail display allowances.

(h) "Period of the Permission" shall mean the effective period from the Effective Date and continuing through the Expiration Date, both dates inclusive, subject to earlier revocation or termination.

(i) "Promotional Income" shall mean payments made by magazine publishers and suppliers of other products for special display within the store. These special displays are contracted for a specific period of time for special positions within the stores and the payments are not predicated on actual sales.

(j) "Commencement Date" shall Commence as of February 15, 2000. During the period between the Effective date and the day proceeding the commencement date, both dates inclusive, permittee shall pay applicable percentage fees which will not include the MAG. Commencing on the Commencement day and continuing through the balance of the period of the permission granted under this agreement, both dates inclusive, the Permittee shall pay the MAG as herein above defined.

Notwithstanding that the basic and percentage fees as well as the Minimum Annual Guarantee amounts have been defined on an annual basis, such description shall not in any way restrict or impair the Port Authority's right to revoke the Permit upon thirty (30) days' written notice to the Permittee.

3. Basic Fee

(a) During the period commencing on the Effective Date and continuing through the day preceding the Fee Payment Start Date, both dates inclusive, the Permittee shall pay directly to the Port Authority the Port Authority share of a basic fee for the concession areas at a rate of Six Hundred Seventy-nine Thousand Nine Hundred Four Hundred Forty-four Dollars and No Cents (\$679,944.00) per annum. From and after the Fee Payment Start Date and continuing through the balance of the first annual period, both dates inclusive, the Permittee shall

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pay to the Port Authority the Port Authority Share of Seven Hundred Eight Thousand Two Hundred Seventy-five Dollars and No Cents (\$708,275.00) per annum. The basic fee shall be payable in advance in equal monthly installments on the Effective Date and on the first day of each and every month thereafter occurring through the balance of the period of the permission granted under this Permit, *provided, however*, that, if the Effective Date be other than the first day of the month, the basic fee for the portion of the month during which the period of the permission is effective shall be the amount of the monthly installment prorated on a daily basis.

(b) During the period commencing on the first anniversary of the Effective Date and during each Annual Period thereafter occurring throughout the balance of the period of the permission granted under this Agreement, both dates inclusive, the Permittee shall pay to the Port Authority the Port Authority Share of an amount equivalent to the greater of (y) Seven Hundred Eight Thousand Two Hundred Seventy-five Dollars and No Cents (\$708,275.00) per annum or (z) the amount which is ninety percent (90%) of the sum of the total Percentage Fee Amount and Basic Fee paid by the Permittee for the concession areas during the immediately preceding Annual Period.

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4. Percentage Fee

(a) During the period commencing on the Effective Date and continuing throughout the balance of the period of the permission granted under the Permit, the Permittee shall pay directly to the Port Authority the Port Authority Share of an amount equal to the excess over the Minimum Annual Guarantee Amount, as herein above defined, of the applicable percentages set forth in subparagraph (g) and in accordance with such subparagraph (g) of Special Endorsement No. 2 of the Permit of all the gross receipts arising from the operations described in Special Endorsement No. 1(b) during each annual period. The computation of percentage fees for each annual period, or a portion of an annual period, as herein above defined, shall be individual to such annual period, or such portion of an annual period, and without relation to any other annual period, or any other portion of any annual period.

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

(c) Upon any termination or revocation of the period of the permission granted hereunder (even if stated to have the same effect as expiration), the Permittee shall within twenty (20) days after the effective date of such termination, make a payment of fees computed as follows: first, if the period of the permission hereunder is terminated or revoked effective on a date other than the last day of a month the basic fee for the portion of the month in which the period of the permission remains effective shall be the amount of the applicable monthly installment of basic fee prorated on a daily basis, and if the monthly installment due on the first day of that month has not been paid the Permittee shall pay the prorated part of the amount of that installment; if the monthly installment has been paid, then the excess shall be credited to the Permittee's obligations; second, the Permittee shall within twenty (20) days after

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the effective date of termination or revocation, render to the Port Authority a sworn statement separately showing all its gross receipts for the monthly period in which the effective date of termination or revocation happens to fall and the cumulative gross receipts for such annual period, third, the payment then due on account of the percentage fee for the annual period in which the effective date of termination or revocation happens to fall shall be the excess over the prorated Minimum Annual Guarantee Amount of the percentages stated in subparagraph (a) above applied to all the gross receipts arising during such annual period; said Minimum Annual Guarantee Amount being prorated by multiplying the same by a fraction, the numerator of which shall be the number of days from the commencement of the monthly period through the effective date of termination or revocation and the denominator of which shall be 365, less any Percentage Fee payments previously made for such annual period.

5. (a) The Permittee hereby agrees that it shall invest no less than Six Hundred Seventeen Thousand Dollars and No Cents (\$617,000.00) (hereinafter sometimes referred to as "the Minimum Capital Investment") in the construction of the concession area to be occupied by the Permittee during the Period of the Permission granted hereunder, as such concession area is shown on Exhibit A of the Concession Sublease. The Permittee shall complete the construction of the concession area no later than April 30, 2000. The Minimum Capital Investment shall be exclusive of and in addition to any of the following amounts: (1) the cost of items with a useful life of less than three years; (2) the cost of architectural, engineering, professional and consulting services, to the extent such costs exceed fifteen percent (15%) of the total amount of capital investment; (3) interest and financing charges; and (4) the Permittee's investments in interim locations.

(b) If the Permittee has not made the Minimum Capital Investment, the Permittee shall pay to each of the Airline and the Port Authority, within thirty (30) days of such determination by the Airline, an amount equal to one-half of the difference between the Minimum Capital Investment and the amount actually invested.

6. All payments due the Port Authority hereunder shall be sent to the following address:

The Port Authority of New York and New Jersey
P. O. Box 17309
Newark, New Jersey 07194

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

7. Prior to the execution of this Permit by either party hereto, the following deletions, additions and substitutions were made in the foregoing Terms and Conditions:

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(a) The last three sentences of Section 1 of the foregoing Terms and Conditions were deleted and the following shall be deemed to have been inserted in lieu thereof:

"Notwithstanding any other term or condition hereof, it may be revoked without cause, upon thirty (30) days' written notice to the Permittee which notice shall be jointly subscribed by the Port Authority and the Airline, *provided, however*, that it may be revoked on twenty-four (24) hours' notice by the Port Authority without consultation with or concurrence by the Airline if the Permittee shall fail to keep, perform and observe each and every promise, agreement, condition, term and provision contained in this Permit. Revocation or termination shall not relieve the Permittee of any liabilities or obligations hereunder which have accrued on or prior to the effective date of revocation or termination."

(b) That portion of the second paragraph of Section 5 of the Terms and Conditions following the word "Facility" was deleted.

(c) The second sentence of the first paragraph of Section 8 of the foregoing Terms and Conditions was deleted.

(d) Whenever the term "expiration" is used in the Permit, it shall be deemed to mean the effective date of revocation or termination.

(e) The words "and the Airline and its Directors, officers, employees, agents and representatives" shall be deemed inserted following the word "representatives" in the second line of the first sentence of Section 6 of the foregoing Terms and Conditions.

(f) Whenever in this Permit the word "Facility" is used it shall be deemed to mean, as the context refers, John F. Kennedy International Airport and /or the Unit Terminal Building in which the Permittee exercises its privileges hereunder.

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

(h) Notwithstanding the provisions of paragraph (d) of Standard Endorsement No. 2.6, the Permittee shall not be required to keep such records and books of account within the Port of New York District, except that if the Permittee elects to keep such records and books of account at a location which is not within the Port of New York District, the Permittee shall pay, within thirty (30) days of the date of the Port Authority's invoice therefor, for the costs incurred by the Port Authority if it is required to send its employees or representatives to a location

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outside of the Port of New York District to examine and audit such records and books of account.

(i) The following shall be inserted following the second paragraph of Standard Endorsement No. 4.1:

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

1. If the Permittee conducts a similar business to the business operation permitted under this Agreement in an off-airport location(s) in the Greater New York City - Northern New Jersey Metropolitan Area (hereinafter referred to as "the Metro Area"), "Street Prices" shall mean the average price regularly charged by the Permittee for the same or similar item in such Metro Area location;
2. If the Permittee does not conduct a similar business to the business operation permitted under this Agreement in off-airport location(s) in the Metro Area, "Street Prices" shall mean the average price regularly charged in the Metro Area by similar retailers for the same or similar item; and
3. If neither the Permittee nor other similar retailers sell a particular item in the Metro area, "Street Prices" shall mean the average price regularly charged by the Permittee or other similar retailers for the same or similar item in any other geographic area, with a reasonable adjustment for any cost of living variance between such area and the Metro Area.

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

The Permittee shall post in each sales area (including any temporary sales space) a notice in form and substance satisfactory to the Port Authority notifying the public that the Permittee subscribes to a "Street Pricing Policy", such notice to be clearly visible and unobstructed. If the Permittee charges any price to a customer in excess of the price which would satisfy the "Street Pricing Policy" in violation of its obligations under this Agreement, the amount of such excess shall constitute an overcharge which shall, upon demand by the Port Authority or the Permittee's customer, be promptly refunded to the customer. "

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It shall be unnecessary to physically indicate the foregoing additions, deletions and substitutions of the foregoing Terms and Conditions and Standard Endorsements.

8. (a) The Permittee shall secure and maintain in effect throughout the effective period of permission hereunder and pay the premium or premiums on a policy or policies of comprehensive general liability insurance, in its own name as the insured and with the Port Authority named as an additional insured with an endorsement for products liability, covering bodily injury liability (including death) and property damage liability, and providing for coverage in the minimum limits of coverage set forth below:

| | <u>Minimum Policy Coverage</u> |
|--|------------------------------------|
| Comprehensive General Liability: Combined single limit per occurrence for death, bodily injury and property damage liability: | \$2,000,000 |
| Products Liability: | \$2,000,000 |

(b) In addition to the foregoing, during the period of construction of any portion of the concession area, the Permittee in its own name as insured, with the Port Authority named as an additional insured, shall also maintain and pay for a broad form property damage endorsement and additional coverages for premises/operations, products/completed operations and independent contractors liability coverage, and coverage for collapse, explosion and underground property damage; and providing for coverage in the minimum amount set forth below:

| <u>Construction Insurance:</u> | <u>Minimum coverage:</u> |
|--|--------------------------|
| Combined single limit per occurrence for death, bodily injury and property damage liability: | \$500,000 |

(c) The insurance required hereunder shall also provide 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 claim or action against the Permittee by the Port Authority but such endorsement shall not limit, vary, change or affect the protections afforded the Port Authority thereunder as an additional insured. In addition, the insurance

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required hereunder shall provide that the protection afforded the Permittee thereunder with respect to any claim or action against the Port Authority by the Permittee shall be the same as the protection afforded the Permittee thereunder with respect to any claim or action against the Permittee by a third person, as if the Port Authority were the named insured thereunder. The Permittee shall procure and maintain with respect to the said comprehensive general liability insurance a contractual liability endorsement covering the obligations assumed by the Permittee pursuant to Sections 6 and 9 of the Terms and Conditions of this Permit.

(d) As to any insurance required by this Special Endorsement, a certified copy of each of the policies or a certificate or certificates from the insurance carrier satisfactory to the Port Authority evidencing the existence thereof, or binders, shall be delivered to the Port Authority upon the execution and delivery of this Permit. 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 as aforesaid. The Port Authority shall have the right at any time to require the delivery to it of a copy of each policy certified to the satisfaction of the Port Authority rather than a certificate as aforesaid. Each such copy or certificate shall contain a valid unqualified provision or endorsement that the policy may not be canceled, terminated, changed or modified, without giving thirty (30) days' advance written notice thereof to the Port Authority. A renewal policy shall be delivered to the Port Authority at least fifteen (15) days prior to the expiration date of each expiring policy. Each certified copy of the foregoing required policies of insurance or each certificate thereof shall contain an additional endorsement providing that the insurance carrier shall not, without obtaining express advance written permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority. Notwithstanding the above minimum limits and coverages, if at any time any of the policies shall be or become unsatisfactory to the Port Authority as to form or substance, or if any of the carriers issuing such policies are or become unsatisfactory to the Port Authority, the Permittee shall promptly obtain a new and satisfactory policy in replacement and provide evidence thereof satisfactory to the Port Authority. All insurance provided for in this Agreement shall be written by companies authorized to do business in the State of New York and approved in advance by the Port Authority.

9. 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 or greater privileges at the Airport to another or to others; and neither the granting to others of rights and privileges similar to or greater than the rights and privileges granted hereunder or the existence of agreements by which similar rights and privileges had been previously granted to others shall constitute nor be construed as a violation or breach by the Port Authority of the permission herein granted or relieve the Permittee of any of its obligations hereunder.

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10. (a) 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 or environmental 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 services of the Permittee under this Permit.

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

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

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

12. Notwithstanding that the fees hereunder are measured by a percentage of the Permittee's gross receipts and notwithstanding the preceding sentence, no partnership relationship or joint venture between the Port Authority and the Permittee or the Airline is created or intended to be created by this Permit.

13. This Permit and the privileges granted hereunder shall in any event expire on the date of expiration or earlier termination of the Airline Lease *provided, however*, that this shall not affect or impair the Port Authority's rights of revocation or termination as contained elsewhere in this Permit. In the event of any inconsistencies between the terms of this Permit and the terms of the Airline Lease, the terms of the Airline Sublease, the terms of this Permit shall control. The privileges granted to the Permittee hereunder are non-exclusive.

14. Without limiting the Permittee's indemnity obligations under this Agreement, the Permittee's indemnity obligations hereunder shall extend to and include any claims and demands made by the Port Authority against the Airline pursuant to the provisions of the Airline Lease and any claims and demands made by the City of New York against the Port Authority pursuant to or under the provisions of the agreement of lease between the City of New York and the Port Authority covering the leasing of the Airport by the City to the Port Authority, as the same from time to time may have been or may be supplemented or amended. Said agreement (hereinafter sometimes called "the Basic Lease") dated April 17, 1947 has been recorded in the Office of the Register of Deeds for the City of New York, County of Queens, on May 22, 1947 in Liber 5402

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of Conveyances, at page 319, et seq.

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

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

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

(b) The Permittee shall not install any equipment, improvements or fixtures in the concession area or elsewhere in the Terminal or perform any alteration or construction work therein without the prior written approval of the Airline (including but not limited to the time for the performance of any such installation or work) and in the event of any such without the approval of the Airline then upon such notice from the Airline or the Port Authority the Permittee shall remove the same or cause the same to be changed to the satisfaction of the Airline and the Port Authority. In case of any failure on the part of the Permittee to comply with such notice, the Airline may effect the removal or change and the Permittee shall pay the cost thereof to the Airline on demand. All of the Permittee's equipment, fixtures or improvements shall be promptly removed from the concession area and the Terminal on or before the

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expiration, revocation or termination of this Permit and concession area or other area affected by such removal shall be restored by the Permittee to the condition existing prior to any installation or replacement. If the Permittee shall fail so to remove from the concession area or the Terminal any property or thing which it is required to remove under this Permit, the Airline may remove such property and the Permittee shall pay to the Airline the cost thereof on demand. The Airline may store such property or thing in a public warehouse, but shall not be obligated to, or may retain the same in its own possession and in either event may sell the same at public auction, the proceeds thereof to be applied first to the expense of removal, restoration, retention, storage and sale, and second to any sums owed by the Permittee to the Airline or the Port Authority, with any balance remaining to be paid over to the Permittee. If the expense of such removal, restoration, storage and sale shall exceed the proceeds of sale, the Permittee shall pay such excess to the Airline on demand. The Permittee agrees not to perform any servicing or maintenance to its equipment, fixtures or property or to remove any such unless the Airline has approved the time and manner of the performance thereof. The Permittee shall have no right to install any property or perform any work outside the Terminal nor shall the Permittee leave or store any property on the Facility.

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

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

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

20. (a) The Permittee shall use its best efforts, taking all measures and means, to insure labor harmony in its operations at the Terminal all to the end of avoiding and preventing strikes, walkouts, work stoppages, slowdowns, boycotts and other labor trouble and discord. The Permittee particularly recognizes the essential necessity of the continued and full operation of the whole Airport as a transportation center.

(b) The Permittee shall immediately give oral notice to the Port Authority (to be followed by written notices and reports) of any and all impending or existing labor

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complaints, troubles, disputes or controversies and the progress thereof.

(c) 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 of the Permittee's operations pursuant to this Agreement which in the opinion of the Port Authority adversely affects or is likely adversely to affect the operation of the Airport or the operations of other lessees or licensees thereat, whether or not the same is due to the fault of the Permittee or is caused by the employees of the Permittee or of others, the Port Authority shall have the right at any time during the continuance thereof, by twenty-four (24) hours' notice to suspend the Permittee's operations hereunder effective at the time specified in the notice. During any suspension, the Permittee shall cease its activities and operations hereunder and take such steps to secure and protect the concession area as shall be necessary or desirable. The period of suspension shall end automatically no later than twenty-four (24) hours after the cause thereof has ceased or been cured. Suspension shall not relieve the Permittee of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of suspension.

21. No acceptance by the Port Authority of fees for any period or period after default by the Permittee under any of the terms or provisions of this Permit shall be deemed a waiver of any right on the part of the Port Authority to terminate this Permit nor shall any acceptance of a payment of fees in less than the required amount thereof be such a waiver. No waiver by the Port Authority of any default on the part of the Permittee in performing any of the terms or provisions of this Permit nor failure to take steps to rectify the same or terminate this Permit shall be or be construed a waiver by the Port Authority or any such or subsequent defaults in performance of any of the said terms or provisions of this Permit by the Permittee.

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

23. The Port Authority may at any time and from time to time by notice to the Permittee modify, withdraw or amend any approval, direction or designation given hereunder or pursuant hereto by the Port Authority.

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24. The Port Authority shall be under no obligation to furnish any services or utilities whatsoever at or on the Space.

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

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

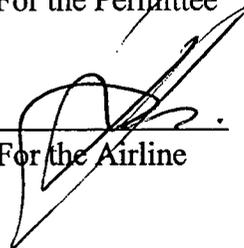


For the Port Authority

Initialed:



For the Permittee



For the Airline

TERMINAL ONE LICENSE AGREEMENT
NEWS & GIFT RETAIL CONCESSIONS

This License Agreement, made and entered into this eighth day of July 1999, by and between Terminal One Group Association L.P. ("TOGA") a New York Limited Partnership, and Hudson-Kennedy, LLC., a Delaware Limited Liability Corporation (the "Licensee").

WITNESSETH, That:

WHEREAS, TOGA has entered into a certain Site Lease AYC-190 (the "Site Lease") with the Port Authority of New York & New Jersey (PANY&NJ) for the Terminal One site and all facilities therein (the "Terminal"), at John F. Kennedy International Airport, (the "Airport"), Jamaica, New York; and

WHEREAS, the Licensee desires to design, construct and operate News & Gift retail concessions in Terminal One in accordance with the terms and conditions hereinafter set forth; and,

WHEREAS, the Licensee will obtain a fully executed permit (the "Permit") from the Port Authority of New York & New Jersey (PANY&NJ), consented to by TOGA, authorizing said Licensee to operate News & Gift retail concessions in Terminal One as described hereunder; and

NOW, THEREFORE, in consideration of the mutual undertakings of the parties hereto, it is agreed as follows:

1. TERM

This License Agreement shall be effective as of May 28, 1999 (the "Effective Date") and shall extend for a term of seven (7) years, plus one three-year option at TOGA's sole discretion, from the Commencement Date as defined herein. The commencement date shall be defined as the date of occupancy of all three redeveloped news and gift concession units on the departure level of Terminal One or a period of 140 days after the date of the Memorandum of Understanding dated May 27, 1999, among TOGA, Licensee and NationsCredit Commercial Funding which ever occurs first (the "Commencement Date"). The 140-day period shall exclude the period of time between, and including the date that the Licensee submits, via TOGA, a completed Tenant Alteration Application (TAA) for the Terminal One news and gift concession units to the PANY&NJ for review and approval and until, and including, the date on which the PANY&NJ returns the TAA, regardless of whether the TAA is approved, approved with comments, or disapproved. TOGA will consider a second three-year option at its sole discretion. This License Agreement shall end on the day immediately preceding the date of the seventh anniversary date of the Commencement Date. This License Agreement, or any extension thereof, is conditioned upon prior execution of a Permit, or extension of an existing Permit, from the PANY&NJ authorizing the Licensee to operate its news and gift retail concession as aforesaid. This License Agreement shall terminate effective with the revocation of the PANY&NJ's Permit described in this paragraph, provided that the Permit will not be revoked without cause by the PANY&NJ without the prior consent of TOGA.

2. CONCESSION UNITS

The areas to be made available in Terminal One to license for the operation of the news and gift retail concessions consist of four (4) units as depicted on Attachment A - Concession Units. Licensee may also contract for additional storage in the Terminal, which will be covered under separate agreement with TOGA. TOGA will use its best efforts to provide storage in the Terminal to accommodate the needs of the Licensee. Pursuant to Section 38. herein, TOGA and Licensee may agree to a substitute location on the Arrival Level of the Terminal for the operation of a news café. In such case this License Agreement may be amended to incorporate the substitute concession location on the Arrival Level.

3. PERMITTED USES

The areas made available by TOGA to Licensee shall be used by Licensee only for the purpose of operating News & Gift retail concessions as approved by TOGA. Licensee is permitted to sell newspapers, magazines, cigarettes, other tobacco supplies, candy, chewing gum, playing cards, paperbound books, small novelty gift items, and certain other retail items normally sold at newsstands in operation at other PANY&NJ Airports together with other merchandise as may be requested by TOGA, if authorized by the PANY&NJ, all as further described on Attachment B - Concession Merchandise Listing. TOGA reserves the right to reasonably modify the Concession Merchandise Listing from time to time to include new products and concepts and to delete certain products and concepts from the Concession Merchandise Listing. No merchandise reasonably objectionable to TOGA or the PANY&NJ shall be sold in the Terminal. The Licensee shall be assessed damages of \$100 per occurrence per day for displaying or selling retail merchandise not included on the Concession Merchandise Listing or for displaying or selling retail merchandise which has not been approved in advance by TOGA in writing. The Licensee will be notified in writing by TOGA of any violation for which damages have been assessed. Licensee will be in default of this License Agreement if payment is not remitted for damages assessed by TOGA or for repeated violations of TOGA approved merchandise or the Concession Merchandise Listing. In the event that TOGA and the Licensee agree to develop a news café on the Arrival Level of the Terminal pursuant to Section 38 herein, then the Merchandise Listing shall be amended to include those products and concepts approved by TOGA to be sold in any such news café.

4. SUB-LICENSEES

The Licensee shall not "sub-license" all or any portion of the news and gift retail concessions or the space provided by TOGA without the specific written agreement and consent of TOGA and an appropriate executed permit from the PANY&NJ. The Licensee shall ensure that any sub-Licensees who are permitted shall be bound by the same terms and conditions as the Licensee in this License Agreement. All sub-Licensees, if any, shall be listed in Attachment C - Sub-Licensees. Attachment C shall include, but shall not necessarily be limited to a description of the business relationships between the parties. Attachment C may be amended by mutual written agreement of TOGA and the Licensee.

5. LICENSE FEES

On the first day of each month, or on the Commencement Date if not the first day of the month, the Licensee shall pay a Basic Fee which shall equal one-twelfth of the minimum annual guarantee (MAG). The Basic Fee shall be prorated for partial months on a daily basis. Notwithstanding any adjustments or changes to the MAG as discussed below, the MAG for year one is \$708,275, increasing annually to ninety percent (90.0%) of the previous year's MAG plus percentage fees paid. In no case shall the MAG be lower than \$708,275.

Licensee and TOGA acknowledge that TOGA, at its sole discretion, will decide within ninety (90) days from the execution of this License Agreement whether to redevelop the Unit 16 in its existing location on the Arrival Level of the Terminal or redevelop Unit 16 in another location on the Arrival Level, as further discussed in Section 38. herein. Therefore, between the Commencement Date and the date the Licensee begins operating in the redeveloped Unit 16 on the Arrival Level, the Licensee shall pay an interim MAG of \$679,944, which shall be payable on the first day of the month, prorated for partial months on a daily basis. In the event that TOGA approves the development of a news café on the Arrival Level of the Terminal, the MAG for year one will be amended based on mutual agreement between Licensee and TOGA and will payable in accordance with the above terms.

On or before the tenth day of the month the Licensee shall pay percentage fees based on gross receipts, as defined herein, in the previous month, less the Basic Fee paid in the previous month but in no case shall the percentage fee paid be less than zero. Licensee shall pay 14.0 percent for Category A merchandise (i.e., newspapers, magazines, books, candy, gum, snacks, tobacco, commissions on State Lottery tickets, etc.) and 28.0 percent for Category B merchandise (i.e., gifts, souvenirs and apparel). If total enplaned passengers during the calendar year exceed 1,250,000, then the percentage fees shall be 15.0 percent and 29.0 percent for unit sales, excluding RDA and promotional income, in excess of \$3.50 per enplanement

and 16.0 percent and 30.0 percent for unit sales, excluding RDA and promotional income, in excess of \$4.00 per enplanement. Licensee shall pay 20.0 percent on RDA. Promotional income shall be included in Category A. Additional products sold in the concession units pursuant to Section 38 herein shall be at the rate prescribed therein.

Licensee shall pay percentage fees in accordance with Section 5 of this License Agreement on all sales in Terminal One beginning with the Effective Date of this License Agreement regardless of the status of the Permit issued by the PANY&NJ or requirement for MAG or interim MAG payments, including during the period when the Licensee operates in the existing news and gift concession facilities or in temporary facilities prior to the Commencement Date of this License Agreement.

Fifty-percent of the MAG, or interim MAG, and percentage fees for retail sales shall be paid to TOGA and fifty-percent of the MAG, or interim MAG, and percentage fees for retail sales shall be paid to the PANY&NJ. Licensee shall provide to TOGA and the PANY&NJ by the tenth day of each month, a true and accurate statement of Licensee's Gross Receipts by Category by concession unit in the preceding month, which shall be signed by an authorized representative of the Licensee, regardless of any net percentage fee amount due.

Gross Receipts shall mean the actual sales or rental price of all goods, wares, and merchandise sold, leased, licensed, or delivered (except for lottery tickets which shall be limited to fees earned by Licensee, currently six percent of lottery sales) and the actual charges for services performed by the Licensee or by any licensee, or sub-Licensee in, at, or from, Licensee's news and gift concessions in Terminal, whether for cash, credit, exchange, or otherwise, without reserve or deduction for inability or failure to collect. Gross Receipts will include, without limitation, sales, rentals, services, promotional payments, retail display allowances, and delivery charges. In the determination of Gross Receipts, all taxes, including sales taxes, occupational taxes and similar taxes, or impositions imposed on or by reason of such charges or sales, where billed by Licensee to the customer as a separate item, shall not be construed to be a part of Gross Receipts for percentage fee payment computation purposes.

If the Licensee is delinquent in paying TOGA any amounts calculated pursuant to this License Agreement, the Licensee shall pay a delinquency charge assessed on the delinquent amount at the rate of eighteen percent (18%) per year, or the maximum allowed by law, if less. The delinquency charge shall accrue from the date of the delinquency, after taking into account any applicable grace period, until paid. In addition, if the Licensee is delinquent for ten (10) days or more in furnishing to TOGA monthly statements required under this License Agreement, the Licensee shall pay \$100.00 as liquidated damages for the additional administrative costs incurred by TOGA in processing and reviewing the delinquent statement. Each occurrence of a delinquent payment or statement is deemed to be separate from any other delinquent payment or statement and each occurrence shall generate a separate payment. Delinquency payments to TOGA do not include any amounts which may be assessed by the PANY&NJ for delinquent payments. The remedies provided by this section are in addition to all other remedies TOGA and the PANY&NJ may have for a breach of this License Agreement or breach under the Permit to be entered into with the PANY&NJ, and nothing in this section shall be deemed to be a waiver by TOGA and the PANY&NJ or to estop TOGA and the PANY&NJ from asserting any of those other remedies.

Upon execution of this License Agreement, Licensee will provide a Bank Letter of Credit (LOC), acceptable to TOGA in an amount no less than one million dollars (\$1,000,000.00) which may be drawn upon by TOGA in immediate available funds without prior notice due to the Licensee's failure to make any payments due under the License Agreement after the expiration of appropriate notice and cure periods as provided under the License Agreement. TOGA may draw on the LOC until such time as the occupant of the units under the License Agreement vacates the news and gift units and a replacement operator of the units is secured by TOGA and assumes the operation of the units. The remainder of the LOC will serve to indemnify TOGA against loss resulting from Licensee's breach under the License Agreement and TOGA will endeavor to mitigate such losses. Any such indemnity shall expire seven years from the Commencement date of this License Agreement. Any draws against the LOC shall not constitute a cure of any breach of the License Agreement by the Licensee.

6. BOOKS AND RECORDS

Licensee shall maintain books and records in accordance with generally accepted accounting principles. Records and books of account recording all transactions at, through or in anyway connected with the Licensee's concessions in Terminal One shall be kept at all times within the Port of New York District (as such term is defined in the Site Lease) and Licensee shall permit, during ordinary business hours and upon reasonable notice, the examination and audit by the officers, employees and representatives of TOGA and the PANY&NJ of such records and books of account. Further, Licensee will give considerations to any recommendations or request for changes in such practices which are made by TOGA or the PANY&NJ and which arise from an audit or otherwise of Licensee's books and records by TOGA or PANY&NJ representatives. Licensee shall permit the inspection of cash registers, recording tapes, and electronic or other means of keeping records and receipts of the business during ordinary business hours. The Licensee shall ensure that electronic records are saved and secured in the event of power outages.

TOGA shall have the right to approve the Point of Sales System ("POS") which the Licensee will install in the concession units. The Licensee's POS shall be able to electronically download data in a format acceptable to TOGA in order to be compatible with a future POS which may be installed in the Terminal. TOGA reserves the right to change the POS requirements and the Licensee shall make all necessary changes in a reasonable period of time.

TOGA, or TOGA's designee, and the PANY&NJ, or the PANY&NJ's designee, shall have the right at any reasonable time, upon reasonable notice, to conduct an audit of the Licensee's business relating to Terminal One, including, but not necessarily limited to, all factors of the business such as net revenue, gross and net revenue per passenger sale, revenue by product category, revenue by location, transactions by location, revenue per transaction, revenue per square foot, etc. If at any time that the PANY&NJ or TOGA conducts an audit of the Licensee's books and records, and audited gross receipts of all units operated by Licensee under this License Agreement in the aggregate are found to be more than three percent (3.0%) greater than the aggregate gross receipts reported by Licensee for any given period, the Licensee agrees to pay for the cost of said audit and any subsequent audits related to the specific discrepancy. Further, any audit conducted where the books and records are not kept within the Port of New York District will be at the cost of the Licensee.

7. OPERATIONAL LICENSE

Licensee is hereby granted, for and during the term of this License Agreement, the license to operate News & Gift retail concessions for the sale of approved retail merchandise as provided for in Paragraph 3, Permitted Uses, and as further described on Attachment B – Concession Merchandise Listing as may be amended or modified.

8. NON-EXCLUSIVE RIGHT

Licensee shall have the right and concession, but not an exclusive right and concession, except as otherwise provided in this License Agreement, to sell News & Gift retail items, as specified in Appendix B, in the Terminal. Nothing herein contained shall prevent TOGA from allowing other tenants of the Terminal from establishing other retail concessions for the exclusive use of their own employees, authorized guests, or invitees. TOGA reserves to itself the right to allow commercial airlines to purchase products from parties other than Licensee to be served and delivered to the aircraft or passenger lounges of said airlines, for service to airline passengers. The Licensee shall not operate vending machines or mobile food, beverage or retail vending carts in the Units or Terminal One unless specifically provided for in an agreement as specified in the Site Lease and by a permit issued by the PANY&NJ.

Licensee understands and agrees that TOGA shall have the right to enter into agreements with certain suppliers for the exclusive supply of certain merchandise and products to the Terminal. Upon thirty (30) days written notice from TOGA, the Licensee agrees to sell at retail to the public such exclusive merchandise and products, to the extent not otherwise inconsistent with the terms of this License Agreement. The Licensee further agrees to display said merchandise and products for retail sale to the public in a manner no less

favorable than similar merchandise and products currently being offered for retail sale to the public, to the extent not otherwise inconsistent with the terms of this License Agreement.

9. USE OF TERMINAL BUILDING AND AIRPORT

TOGA hereby grants to Licensee to use, in common with others having such right, the waiting rooms, halls, rest rooms and other passenger conveniences in the Terminal for Licensee's employees, patrons, guests and invitees. Licensee, in common with others having such rights, shall have the full and unrestricted normal right of access and ingress to and egress from the Terminal and Licensee's concession units for Licensee's employees, patrons, guests, invitees, suppliers of materials and furnishers of services both for themselves and for their equipment, vehicles and other property, so long as Licensee is not in default of this License Agreement, and further subject to the Permit issued by the PANY&NJ, and other governmental authorities having jurisdiction.

10. CARE OF PREMISES

Licensee shall take good care of the news and gift concession units and the equipment and installations therein and at the termination of this License Agreement by expiration or otherwise shall yield and deliver the concession units in good condition as reasonable use will permit. Permanent machinery, equipment, fixtures and improvements in the said units, installed by the Licensee, shall become the property of TOGA at the expiration of this License Agreement. Permanent machinery, equipment, fixtures and improvements include anything that is affixed in any manner to the walls, ceilings, or floor; if when moved causes damage to the units; or if when moved causes the units or any part of the units to be unusable. Equipment remaining without TOGA's consent after expiration or termination of the License Agreement shall be considered by TOGA to be abandoned and may be moved by TOGA without consequence.

11. OPERATING STANDARDS

11.1 Inspections and Repair - The Licensee shall permit, during ordinary business hours, the inspection by the officers, employees and representatives of TOGA, or the PANY&NJ, or any agency having legal jurisdiction over the concession units, of the concession units and the equipment and installation therein. TOGA may at any time advise the Licensee by written notice of the requirement to repair or replace deficiencies. If the deficiency is not properly remedied within thirty (30) days of such notice, TOGA may enter the concession units and repair or replace such deficiency, however, TOGA shall not be obligated to the Licensee to cure the deficiency. The Licensee shall pay the cost of curing such deficiency within twenty (20) days of the date of an invoice from TOGA. TOGA may include in the cost of curing the deficiency any and all reasonable costs, including interest on outstanding amount from the date of invoice and attorney fees, if any, incurring during the collection process.

11.2 Retail Concessions Services - Licensee shall not in any way subordinate its functions of serving patrons in the concession units to any other functions set forth in this License Agreement. Licensee shall serve, in an expeditious manner, retail customers in the Terminal. Licensee shall provide adequate personnel and the training of the personnel to supervise and furnish the above mentioned services, including peak service demand periods. Services and training shall include, but not necessarily be limited to, proper greetings, merchandise availability, clean, neat appearances, a professional, courteous, and friendly manner to the public, and no excessive jewelry, perfume or cologne. The Licensee shall furnish good, prompt and efficient service, adequate to meet all demands therefor at the concession units; furnish said service on a fair, equal and nondiscriminatory basis to all users thereof; and charge fair, reasonable and nondiscriminatory prices for all items and/or services which it is permitted to sell and/or render; and 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 and apply to its operations or the use and occupancy of the concession units. Failure of Licensee to follow-up on complaints or to address and correct problems resulting from rude and inattentive behavior will be considered a breach of this License Agreement.

The Licensee shall maintain and keep records and reports of complaints and surveys of service levels to confirm that an appropriate level of service is being provided. Copies of all written complaints and Licensee's responses shall be provided to TOGA.

- 11.3 **Hours of Operation** - Licensee shall provide retail concessions service to the general public daily during hours to ensure that reasonable demands of the traveling public are satisfied. Concession units located on the departure level of the Terminal shall be open daily from two hours before the first aircraft departure until the last aircraft departure or as specified by TOGA. Concession units located on the arrival level of the Terminal shall be open from the first scheduled arrival until two hours after the last aircraft arrival. Licensee's retail concession units shall also be open at such other times as determined by TOGA as necessary to accommodate canceled or delayed flights, changes to airline schedules, or special events in the Terminal. The retail concessions shall be open and operational every day of the year.
- 11.4 **Pricing Policy** - The Licensee shall comply with a Street Pricing Policy at Terminal One. This policy shall ensure that Terminal One prices are the same as other similar or comparable retail concession outlets, in New York City or other locations as designated and determined by solely TOGA. Other airport locations are not necessarily considered comparable locations. This policy shall reinforce the TOGA objective of making Terminal One "passenger friendly".
- 11.5 **Janitorial** - Licensee shall keep, or provide for keeping, the concession units clean at all times, including necessary mopping, vacuuming, floor washing, wall cleaning, ceiling cleaning, cleaning of its fixtures and furniture, and windows. Licensee shall comply with all environmental health standards as required by the State of New York, the PANY&NJ, and other applicable law.
- 11.6 **Rules and Regulations** - The Concessionaire Rules & Regulations document details the operating standards contained herein in addition to other requirements, procedures, and policies for the Licensees in the Terminal. The Licensee shall observe, obey, and comply with all Rules and Regulations for the Terminal, as included in Attachment D - Concessionaire Rules and Regulations. The attachment shall be part of this License Agreement and may be amended from time to time by TOGA. Such amendments shall become part of Attachment D and this License Agreement.
- 11.7 **Failure to Comply With Operating Standards or Rules & Regulations** - Failure of the Licensee to adhere to the Operating Standards in this License Agreement or the Concessionaire Rules and Regulations will result in inconvenience to the public and will adversely affect the operation of the Terminal. Quantification of the resulting damages is difficult, so the parties agree that the liquidated damages set forth below are reasonable estimates of the actual damages that would be incurred by the public and TOGA for the specified breaches of the Operating Standards or Concessionaire Rules and Regulations. The Licensee agrees to pay liquidated damages at these rates upon each occurrence of the specified breach and without separate demand by TOGA in accordance with the terms of this License Agreement.

Failure to comply with the Operating Standards or the Concessionaire Rules & Regulations shall be deemed to occur when documented in any written report or notice based on reasonable evidence whether prepared by; (1) the Licensee in the normal course of business; (2) health, safety or health inspectors with jurisdiction at Terminal One; (3) an independent shopping service hired by the Licensee, TOGA or the PANY&NJ; or (4) TOGA or the PANY&NJ in the ongoing oversight of the Licensee under this License Agreement and the Licensee's Permit respectively.

Unless otherwise specified, each failure of each Operating standard or Rules and Regulation requirement for one day (or on one day) is considered a single occurrence. Occurrence of the same failure for two or more consecutive days shall be considered multiple occurrences, with the number of failures equal to the number of days during which the failure occurred.

The damages are \$100 per occurrence for violations of the Street Pricing Policy, selling unapproved merchandise, failure to maintain merchandise requirements, and failure to comply with TOGA established requirements and standards for sanitation, hygiene, cleanliness, deliveries, utility interference, employee conduct, waste reduction, recycling and reuse, and signage. TOGA shall notify the Licensee's designated on-site manager in writing, delivered by hand, facsimile, or mail, of any violation for which damages have been assessed. Such notice shall identify the specific violation and the liquidated damages due TOGA. Licensee will be in default of this License Agreement if payment is not remitted within thirty (30) days for damages assessed by TOGA or for repeated violations of the Operating Standards or Concessionaire Rules and Regulations. There is no cure period for violations of the Operating Standards or Concessionaire Rules and Regulations and damages shall be due upon receipt by Licensee of any notice specifying such damages.

12. AIRPORT SECURITY REQUIREMENTS

Licensee's employees will be required to obtain identification badges from TOGA and/or the PANY&NJ as required to perform their duties on the Airport in full compliance with applicable rules. Licensee and its employees must at all times adhere to Airport Security rules prescribed by the Federal Aviation Administration or its successors, other law enforcement agencies with jurisdiction, the PANY&NJ or TOGA. FAA rules require that any employees who need to gain access to aircraft ramps and other secured areas supply information for background checks and may require fingerprint checks and/or drug testing as approved by the FBI or other law enforcement agencies. Personnel convicted of certain felonies are prohibited from working in secure airport areas. Licensee employees will be prohibited from working in secure areas until the background checks have been completed and the employee receives required training from The PANY&NJ and/or TOGA on security rules. The costs of identification badges or security background checks shall be the responsibility of the Licensee.

13. COST ITEMS TO BE COMPLETED BY LICENSEE

Licensee and its designated agents may not commence any construction or operations in Terminal One until all parties have the required insurances and indemnities holding TOGA, Airport & Aviation Professionals, Inc., and the PANY&NJ harmless as noted in Section 20 herein.

Licensee is granted access to the concession units as is and shall, at its own cost and expense, furnish and install all necessary trade fixtures, stands, counters, mechanical systems, ventilation systems, electrical systems, plumbing systems, utility meters, life safety systems, and other equipment and finishes as required to redevelop/buildout the concession units. The Licensee shall, at a minimum, spend ~~\$617,000.00~~ for capital improvements of the concession units including all fixtures, furniture, and equipment. The amount may include direct expenses, excluding Licensee's allocated administration or overhead, incurred for planning, design, engineering, construction, furniture, fixtures, and equipment for the concession units in Terminal One. Construction related soft costs shall not exceed fifteen percent (15.0%) of hard construction costs. Receipts or paid invoices, or other documentation supporting such expended amounts shall be submitted to TOGA for verification within forty-five (45) days of Licensee's completion of redevelopment/buildout of the concession units and commencement of retail operations in each redeveloped/builtout unit. If the expended amounts by Licensee for capital improvements are less than the minimum amounts listed above, the Licensee shall remit the difference to TOGA upon demand. Any such remittance will not be counted against the Licensee's percentage fee payments or MAGs.

It is the Licensee's intent to redevelop/buildout the concession units sequentially so that services will be provided to the passengers at all times. Terminal One is an operating facility and construction in the Terminal is disruptive to the passengers and the operation. Therefore, the Licensee covenants and agrees that redevelopment/buildout of each concession unit will be completed within forty (40) days from the date all necessary construction approvals have been provided by the PANY&NJ and TOGA approves Licensee to commence construction of each concession unit, respectively, until the date TOGA provides written

acceptance of the redevelopment/buildout and the PANY&NJ provides a Certificate of Occupancy (CO) for the respective concession unit. Regardless of the construction status of the concession units, Licensee shall pay License Fees in accordance with Sections 1 and 5 and all other amounts in accordance with this License Agreement.

Licensee shall submit to TOGA a set of construction documents and material boards for TOGA review and approval prior to submission of a TAA to the PANY&NJ. TOGA will use its best efforts to provide comments within ten (10) days. Approval will be provided by TOGA after all comments have been addressed to TOGA's satisfaction. Failure to complete the concession units in accordance with TOGA approved plans, specifications, and materials or the TAA submittal to the PANY&NJ, shall constitute a default. In such event TOGA may terminate this License Agreement for cause upon thirty (30) days notice for failure to complete the concession units and TOGA shall not be responsible for reimbursement to Licensee for any development, design, engineering, construction, or other costs incurred or lost revenues suffered by Licensee either prior to or after the termination of this License Agreement.

The Licensee shall install and use such cash registers, sales slips, invoicing machines and any other equipment or devices for recording orders taken or services rendered as determined by and agreed to with TOGA, or TOGA's designee, as required to confirm completeness of transactions, verification of records and accurate reporting.

If TOGA desires to install Flight Information Display (FID) monitors in the concession units, the Licensee shall allow such FIDs and speakers, supplied and installed by TOGA at TOGA's expense, at locations within the concession units. Licensee may request installation of FID monitors in the concession units at Licensee's expense if approved by TOGA. All items to be completed by the Licensee shall comply with Attachment E - Design Standards, and shall be subject to review and approval by TOGA. In the event of inconsistencies between the Design Standards and this License Agreement, this License Agreement shall control and be prevailing. TOGA shall make all final determinations or interpretations respecting the Design Standards. Licensee must also comply with the PANY&NJ's TAA guidelines for all construction in the concession units and the Terminal One Construction Requirements annex to this License Agreement as Attachment F. Licensee shall be responsible for all costs necessary to bring the concession units into compliance with any codes or regulations established by authorities with jurisdiction over Terminal One.

The Licensee shall provide to TOGA, no later than thirty (30) days after completion of the concession units, as-built drawings of the installations by the Licensee. Any modification to any installation shall also require an update by the Licensee of the as-built drawings.

14. EQUIPMENT AND INSTALLATIONS RENEWALS

The Licensee shall provide adequate reserves for the renewal and replacement of equipment and installations in the concession units. The Licensee shall promptly replace any equipment and installations that are non-repairable, non-functional, or non-operational, or have exceeded their useful life, or no longer fit the decor of the concession units or Terminal One.

It is expected that (1) furniture, fixtures and other improvements will need replacement due to wear and tear and (2) consumer tastes and expectations will change during the term of this License Agreement. Therefore, the Licensee agrees to maintain the concession units in a clean, safe, and like new condition. At each annual anniversary date of the Commencement Date of this License Agreement, Licensee and TOGA shall conduct a walk through of all units occupied by Licensee to review the condition of all fixtures, furniture and equipment. TOGA may request the Licensee to make reasonable capital expenditures to refurbish and maintain the units in clean, safe and like new condition. Refurbishment may include (1) replacement or refurbishment of furniture, fixtures, wall treatments, service stations and other areas visible to the public, (2) modification of merchandise, service or aesthetic concepts as needed to maintain consumer acceptance and revenue generation, and (3) replacement or major repair of any storage areas, as needed to maintain the operating standards through the period. Failure to refurbish the units as requested by TOGA or failure to maintain the

units in clean, safe and like new condition shall constitute a default of this License Agreement. Expenditures for refurbishment will not be counted against the Licensee's percentage fee payments or MAGs.

The Licensee will make every effort to minimize the inconvenience to the public and the loss of revenue during refurbishment and will provide temporary substitute facilities, in a location designated by TOGA and approved by the PANY&NJ, if TOGA believes they are necessary to maintain the appropriate level of customer service.

Investment in improvements and concepts shall be subject to the same provisions for review and approval by TOGA and the PANY&NJ as the initial investment.

15. COST ITEMS TO BE COMPLETED BY TOGA

TOGA, at its own cost and expense, will bring to the current concession units pipes, ducts, wires, and conduits for the supply of electricity, HVAC, and fire protection systems for use in connection with the News & Gift retail concession. Licensee shall install at its own expense any additional capacity required to operate the News & Gift retail concession beyond what is provided by TOGA. If Licensee desires to develop a news café on the Arrival Level of the Terminal, as discussed in Section 38 herein, all costs of supplying electricity, HVAC, and fire protection systems shall be at the expense of the Licensee.

16. CARE OF THE TERMINAL

TOGA shall use its best efforts to keep the terminal building in good and substantial repair and in clean and orderly condition. Licensee will be charged a monthly assessment for operation and maintenance (O&M) costs associated with public areas of the terminal building plus certain cost associated with the terminal concessions. The O&M fees shall be equal to the Terminal One operation and maintenance costs, excluding airline equipment costs, divided by the square footage of the Terminal, times the square footage of the Licensee's concession units, exclusive of additional storage area. O&M fees will be covered under separate agreement between TOGA and the Licensee and shall be payable upon invoice by TOGA. Failure to pay O&M fees invoiced by TOGA shall be a default of this License Agreement.

17. UTILITIES

Utility costs shall be paid by Licensee directly to utility provider if metered separately. Licensee shall reimburse TOGA for their allocated utility costs if such costs are not separately metered nor charged directly to Licensee by a utility. Licensee may, upon request to TOGA, review TOGA's calculation of non-metered utility costs allocated to Licensee. Licensee may request the installation and supply of supplementary utilities to operate the News & Gift retail concessions. Any supplemental utility requirements of the Licensee shall be installed, maintained, and metered by the Licensee. The costs of supplemental utilities shall be at the direct expense of the Licensee. Licensee shall use TOGA's terminal wide telephone system and will reimburse TOGA for the cost of the system installed in the concession units as well as all allocated user charges.

18. LICENSEE'S MAINTENANCE OBLIGATIONS

Licensee will maintain equipment, installations, and electrical service lines within the concession units. Telephone lines between switching rooms and the concession units and within the concession units are the responsibility of the Licensee. Licensee will deposit its garbage and waste in dumpsters provided by TOGA in the designated areas of the Terminal.

Damage outside of the concession units caused by the acts of the Licensee shall also be the responsibility of the Licensee to repair.

19. ASSIGNMENT AND SUBLICENSE

Licensee shall not at any time assign, sell, transfer, sublicense, mortgage, pledge, hypothecate, encumber, or dispossess this License Agreement or fees, revenues, or any other income from said concession units, or any

part thereof, without the consent in writing of TOGA and the PANY&NJ pursuant to a form of agreement in form and substance provided by and acceptable to TOGA and the PANY&NJ.

20. LIABILITY OF LICENSEE

Licensee assumes all risks incident to or in connection with its business to be conducted hereunder, and shall indemnify, defend and save TOGA harmless from damages or injuries of whatever nature or kind to persons or property, arising directly or indirectly out of the design, construction, or operation of its business, and shall indemnify, defend and save harmless TOGA from any penalties for violation of any law, ordinance or regulation affecting or having application to the operation of such business and from any and all claims, suits, losses, damages or injuries to any persons or property of whatsoever kind or nature arising directly or indirectly out of the operation of its business or resulting from the carelessness, negligence or improper conduct of Licensee or any of its agents or employees. Notwithstanding any provision contained herein to the contrary or by law, Licensee shall not be liable to TOGA for any physical damages sustained to the Terminal or TOGA's property as a result of fire, or any other casualty, except to the extent of the following insurance coverage, regardless of the fault of Licensee.

Licensee shall, at its own expense, keep in force insurance as follows:

- Workers' Compensation: Statutory Coverage A and B limits of \$500,000.
- Comprehensive General Liability: \$1,000,000 Combined single limit for bodily injury and property damage.
- Comprehensive Automobile: \$1,000,000 combined single limit for bodily injury and property damage.
- Umbrella Excess Coverage: \$5,000,000 combined single limit over the primary coverage.

NOTE:

- 1) Licensee will assume all liability for independent sub Agreements.
- 2) Coverage must include the PANY&NJ as an additional insured.
- 3) Automobile Coverage must include all owned, hired, and non-owned vehicles.

Licensee shall supply to TOGA and the PANY&NJ initial insurance certificates and all renewal insurance certificates evidencing such insurance. If insurance shall be canceled, not renewed, or materially changed, TOGA and the PANY&NJ shall be supplied with a written notice no less than thirty (30) days prior to said action.

21. PURCHASE OF EQUIPMENT BY TOGA

If this License Agreement shall be terminated by TOGA or the Permit revoked by the PANY&NJ without cause, TOGA agrees to purchase from the Licensee all of the improvements, furniture, furnishings, fixtures and equipment as of the date of termination, at a price which shall be determined as follows. On all improvements, furniture, furnishings, fixtures, and equipment installed by Licensee the price shall be the original cost price thereof (plus installation costs) less depreciation calculated on the basis of a seven (7) year depreciation period, or in other words, at a rate of 1/84ths of the cost price thereof per month, calculated from the date said improvements were installed in the concession units. TOGA shall not be obligated to reimburse Licensee for any improvements, fixtures, furnishings, equipment, or other buildout or refurbishment costs in the event this License Agreement is terminated or the Permit revoked due to Licensee's default of either.

Licensee shall provide to TOGA annually, on the anniversary date of this License Agreement, a statement listing all improvements on a depreciation schedule, showing original cost (including installation costs), date of purchase, date installed in the concession units, and current depreciated value. Licensee shall be obligated to fully substantiate all expenditures to TOGA's satisfaction by providing all documentation including but not limited to original contracts, contract amendments, change orders, invoices, requisitions, cancelled checks, bid

documents, etc. If the original cost price and documentation acceptable to TOGA is not provided by the Licensee for any particular piece of equipment, TOGA shall determine the purchase price.

22. LICENSES, FEES, AND TAXES

Licensee agrees to collect as appropriate, and pay any and all taxes or special assessments which may be levied or assessed upon the concession units and its business therein, and to save TOGA and said concession units harmless from any claim or liens in connection with such taxes and assessments.

23. AIRPORT RULES AND REGULATIONS

Licensee shall observe and obey all rules and regulations governing the conduct and operation of Terminal One and the Airport promulgated from time to time by TOGA or the PANY&NJ.

The Licensee shall not use or permit the use of the Terminal or other Airport facilities or any part thereof or do or permit its officers or employees or any other persons over whom it has control to do any act or thing either in the concession units or elsewhere in the Terminal or on the Airport in violation of any present or future laws, ordinances, rules or regulations of the PANY&NJ or TOGA or any other public or governmental authority with jurisdiction at the Airport.

The Licensee shall at all times maintain the concession units in compliance with any and all present and future laws, ordinances and general rules or regulations, including Attachment D - Concessionaire Rules and Regulations, of TOGA and any public or governmental authority now or at any time during the term of this License Agreement relating to sanitation or public health, safety or welfare.

24. TERMINATION BY TOGA

This License Agreement is made upon the condition that if the fees, charges or other sums which Licensee herein agrees to pay, or any part thereof, shall be unpaid on the date provided for, and shall continue unpaid for the period hereinafter mentioned, or if a default is made in any of the terms, agreements, conditions or covenants herein contained on the part of Licensee to be performed, and such default shall continue for the period hereinafter mentioned, or should Licensee abandon and cease to use the concession units for a period of seven (7) days at any one time, except when prevented by fire, earthquake, war, strikes, labor difficulties, or other force majeure event beyond its control, then, and in such event, at the option of TOGA this License Agreement shall become forfeited, and TOGA may exercise all rights of entry and re-entry upon the concession units and any and all other rights and privileges granted Licensee hereunder shall terminate. TOGA shall not be obligated to reimburse Licensee for any improvements, fixtures, furnishings, equipment, or other buildout or mid-term refurbishment costs in the event this License Agreement is terminated due to Licensee's default. Nothing herein shall limit TOGA's from recovering from Licensee unpaid future rental revenues in the event that this License Agreement is terminated due to Licensee's default.

No default shall be declared by TOGA as to any breach which may be cured or obviated by Licensee until the expiration of thirty (30) days after written notice by TOGA to Licensee of such default; and if during such thirty (30) day period such default shall have been cured or obviated, unless such breach be of such nature as to be impracticable of remedy within such period, in which event no default shall be declared if Licensee within a reasonable period of time after receipt of notice shall have commenced the curing of such breach and shall diligently prosecute the same to completion, provided, that only ten (10) days grace after notice shall be required in the case of default in the payment of fees or other charges herein provided.

TOGA may terminate this License Agreement upon thirty (30) days written notice without cause.

This License Agreement shall also be terminated effective upon the termination of the Site Lease (AYC-190), or upon revocation of the Licensee's Permit from PANY&NJ's to operate retail concessions in Terminal One.

25. TERMINATION BY LICENSEE

Licensee may terminate this License Agreement at any time upon giving TOGA sixty (60) days prior written notice of such cancellation upon or after the happening of one of the following events.

- i) The breach by TOGA of any of the covenants or agreements herein contained to be performed by TOGA and the failure by TOGA for a period of thirty (30) days, to remedy said breach, after receipt of written notice of the existence of such breach, unless such breach be of such nature as to be impracticable of remedy within such period, in which event no termination shall be declared if TOGA within a reasonable period of time after receipt of such notice shall have commenced the remedy of such breach and shall diligently prosecute the same to completion.
- ii) The assumption by the United States Government or any authorized agency thereof for the use or operation of the Terminal or any substantial part or parts thereof in such a manner as to substantially restrict Licensee from its operations thereon, if such shall continue for a period of three (3) months; provided, however, that the Licensee may give TOGA its sixty (60) day prior written notice of cancellation at any time after the end of the first thirty (30) days of the three (3) month period.

Licensee's termination of this License Agreement, pursuant to the above terms, does not terminate the Licensee's Permit from the PANY&NJ as aforesaid. The Licensee shall remain obligated to the terms and conditions set forth in the Permit unless the Permit expires by its own terms or is terminated by the PANY&NJ, in which case this License Agreement will terminate. The Permit shall control and be prevailing in the event of any inconsistencies between the terms of the Permit and the terms of this License Agreement

26. FAILURE TO PROVIDE BASIC SERVICES IN CONCESSION UNITS

Licensee agrees to provide the News & Gift retail concession services for the benefit of the public and employees at Terminal One, JFK International Airport in the concession units. Licensee's failure to provide these services for a period of seven (7) days or more will constitute a breach of this License Agreement. In any such event, TOGA reserves the right to immediately assume, without notice to Licensee, the concession units that Licensee has failed to provide service in and, at TOGA's option, may operate concession units without legal recourse to Licensee.

In the event that TOGA assumes any portion of the concession units under the terms of this section, Licensee will reimburse TOGA for TOGA's start-up costs to operate and provide the service that Licensee has failed to provide. Licensee will also leave all furnishings, equipment, furniture, and improvements in the assumed concession units, and TOGA will retain all revenues generated from sales in the assumed concession units, subject to any rental revenue sharing formula with the PANY&NJ.

27. SURRENDER OF LICENSE TO USE CONCESSION UNITS

Upon the expiration or termination of this License Agreement, Licensee's license to use the concession units, facilities, rights, services and privileges shall cease and Licensee shall forthwith, upon such expiration or termination, surrender said concession units to TOGA. Upon expiration or termination of this License Agreement, except as otherwise stipulated under Paragraph 21 of this License Agreement, all fixtures, improvements, equipment and other property brought, installed, erected, or placed by Licensee in, on or about the Terminal and the concession units under this License Agreement (such fixtures, improvements, equipment and other property to include, without limitation, pipes, pumps, wires, machinery and air-conditioning equipment) shall be deemed to be personal property and title thereto shall vest in TOGA.

28. NON-DISCRIMINATION AND AFFIRMATIVE ACTION REQUIREMENTS

The Licensee, for itself, its successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that (1) no person on the grounds of race, creed, color, sex or national origin, shall

be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the concession units by it, (2) that in the construction of any improvements on, over or under the concession units and furnishing of services thereon by it, no person on the grounds of race, creed, color, sex or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination, (3) that the Licensee shall use the concession units in compliance with all other requirements imposed by or pursuant to Title 49, code of Federal Regulations, 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 may from time to time be applicable to the Licensee's operations in the concession units.

Licensee assures that it will undertake an affirmative action program as required by the PANY&NJ and 14 CFR Part 152 Subpart E, to insure that no person on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities. Licensee 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 Subpart E. Licensee assures that it will require that its covered sub organizations provide assurances to Licensee that they similarly will undertake affirmative action programs and that they will require assurances from the sub organization, as required by 14 CFR Part 152, Subpart E, to the same effect.

29. GENERAL PROVISIONS

- 29.1** Insofar as this License Agreement grants, permits or contemplates the use of space or facilities or the doing of any other act or thing at Terminal One by the Licensee, such use or the doing of such act or thing is to be in connection with the operation of Licensee's business as herein described. Each of the parties, however, has entered into this License Agreement solely for its own benefit and this License Agreement does not grant to any third person, except the PANY&NJ with respect to their rights set forth under the Permit and the Site Lease, a right to claim damages or to bring any suit, action or other proceeding against either TOGA or the Licensee because of any breach hereof.
- 29.2** The headings of the various titles and sections of this License Agreement are merely for the convenience of reference.
- 29.3** This License Agreement is to be read and construed in accordance with the laws of the State of New York.
- 29.4** In the event any covenant, condition or provision herein contained is held to be invalid by any court of competent jurisdiction, the invalidity of any such covenant, condition or provision shall in no way affect any other covenant, condition or provision herein contained, provided, however, that the invalidity of any such covenant, condition or provision does not materially prejudice either party hereto in its respective rights and obligations contained in the valid covenants, conditions or provisions in this License Agreement.
- 29.5** This License Agreement is entered into subject and subordinate to the terms and provisions of that certain Site Lease (AYC-190) dated as of July 13, 1994, whereby certain Airport property was leased by the PANY&NJ to TOGA, such Site Lease being of record in the offices of the PANY&NJ. Further, this License Agreement is subject to the fully executed Permit issued by the PANY&NJ for the Licensee to operate New & Gift retail concessions in Terminal One. In accordance with the terms of the Site Lease, the Permit will not be revoked by the PANY&NJ without prior written consent of TOGA. In the event of any inconsistencies between the terms of the Permit issued by the PANY&NJ to the Licensee and the terms of this License Agreement, the Permit shall control and be prevailing.
- 29.6** TOGA reserves the right to further develop the Terminal. In the event that such development directly and indirectly affects the concession units, TOGA and the Licensee shall use their best

efforts to minimize any negative effects on the other party during the development. In no event shall a reduction in the payment of fees due herein be granted.

- 29.7 The Licensee shall take all reasonable measures in every proper manner to maintain, develop and increase the business conducted by it in the concession units.
- 29.8 The Licensee shall not divert or cause or allow to be diverted any business from the concession units.

30. CONSTRUCTION REQUIREMENTS

The Licensee shall observe, obey, and comply with the Terminal One Construction Requirements, attached hereto as Attachment F, and all other rules and regulations promulgated from time to time by TOGA and the PANY&NJ respecting construction at Terminal One or the Airport. If the event of any inconsistencies between Attachment F and this License Agreement, this License Agreement shall control and be prevailing. Licensee shall be responsible for costs incurred by TOGA for the buildout of the concession units (e.g., security guards, security escorts, construction debris clean up, etc.). Licensee shall indemnify, defend, and hold TOGA harmless from any construction liens resulting from the design or construction of the concession units by the Licensee or any of the Licensee's contractors. Licensee shall immediately remedy or bond any and all liens related to the Licensee's buildout of the concession units upon notification by TOGA. Failure to remedy or bond any such liens within thirty (30) days notice by TOGA shall be a default and cause for termination upon expiration of such notice period.

31. RELOCATION

TOGA may, at its option, after the Commencement Date, elect upon at least ninety (90) days prior written notice to Licensee to substitute for the concession units other areas in Terminal One (herein called the "Substitute Concession Units") designated by TOGA. TOGA's notice shall be accompanied by a plan of the Substitute Concession Units, and such notice or the plan shall set forth the usable square foot area of the Substitute Concession Units. Licensee shall vacate and surrender the concession units and shall occupy the Substitute Concession Units promptly (and, in any event, not later than fifteen (15) business days) after TOGA has substantially completed the work to be performed by TOGA in the Substitute Concession Units as described below. Licensee shall pay the same fees and charges under Section 5, taking into account any change to the usable square foot area, plus any applicable taxes, fees, and charges required in Section 22 of this License Agreement. TOGA shall not be obligated but will use its best efforts to provide Substitute Concession Units that provide reasonably similar revenue generating opportunities as the existing concession units.

Licensee shall not be entitled to any compensation for any inconvenience or interference with Licensee's business, nor to any abatement or reduction of fees or charges excepting for any period of time during which Licensee is not permitted to operate. TOGA shall, at TOGA's expense, do the following: (i) furnish and install in the Substitute Concession Units fixtures, equipment, improvements and appurtenances comparable in kind and quality to those contained in the concession units at the time such notice of substitution is given by TOGA, (ii) and promptly reimburse Licensee for any actual and reasonable out of pocket cost incurred by Licensee in connection with Licensee's move from the concession units to the Substitute Concession Units provided such costs are approved by TOGA in advance. Licensee agrees to cooperate with TOGA so as to facilitate the prompt completion by TOGA of its obligations under this Section and the prompt surrender by Licensee of the concession units. Without limiting the generality of the preceding sentence, Licensee agrees (i) to provide to TOGA promptly any approvals or instructions, and any plans and specifications or any other information reasonably requested by TOGA, and (ii) to promptly perform in the Substitute Concession Units any work to be performed therein by Licensee to prepare the same for Licensee's occupancy.

From and after the date that Licensee shall actually vacate and surrender the concession units to TOGA, this License Agreement (i) shall no longer apply to the concession units, except with respect to obligations which accrued on or prior to such surrender date, and (ii) shall apply to the Substitute Concession Units as if the Substitute Concession Units had been the space originally provided under this License Agreement.

32. DESIGN STANDARDS

The Licensee shall observe, obey, and comply with all Design Standards as outlined in the Attachment E - Design Standards. The attachment shall be part of this License Agreement. In the event of any inconsistencies between the Design Standards and this License Agreement, this License Agreement shall control and be prevailing. TOGA shall make all final interpretations regarding requirements in the Design Standards.

33. DISCLOSURE OF CONFLICTS

TOGA requires that, prior to the award of any concession or the execution of any license or concession agreement, any conflict of interest between the TOGA Partners, their respective officers, directors, agents, or employees, or Terminal One Management, Inc. (TOMI), the General Partner of TOGA, its officers, directors, shareholder representatives, agents or employees, and any officer, director, agent or employee of Terminal One be made known.

The Licensee must disclose whether it, any of its officers, directors, agents, employees, or principals, or any of its affiliates, subsidiaries, suppliers, sub-Licensees or family members of the aforementioned individuals, has or has had within the past five (5) years, a direct or indirect business relationship with TOGA or TOMI or their respective partners, shareholders, officers, directors, shareholder representatives, agents or employees. If such a direct or indirect business relationship exists or has existed within the past five (5) years, the Licensee must fully disclose and describe the nature of the business relationship, including but not limited to the types and amounts of any payments and/or gratuities exchanged.

Failure of the Licensee to fully disclose and describe the nature of any direct or indirect business relationship in accordance with the terms of this provision shall be considered a breach of this License Agreement and may result in immediate termination and forfeiture of this License Agreement. In such event, TOGA may exercise all rights of entry and re-entry upon the concession units and any and all other rights and privileges granted Licensee herein shall terminate and Licensee shall be liable for any and all damages resulting therefrom.

34. SIGNAGE

Licensee shall be permitted to participate in a concession signage program implemented by TOGA to the extent that other Licensees are permitted to participate in the program. Signage shall be at the sole cost of the Licensee and shall be subject to the Design Standards and TOGA review and approval.

35. AMENDMENTS AND MODIFICATIONS

This License Agreement may not be changed, modified, or amended unless such change, modification, or amendment is in writing signed by TOGA and the Licensee.

36. LITIGATION

In the event that TOGA commences any action or any proceeding to enforce TOGA's rights arising under this License Agreement, the Licensee shall pay all of the attorneys' fees, costs, and disbursements incurred by TOGA in connection with any such action or any such proceeding, including, but not limited to, a summary proceeding to evict the Licensee from the concession units. The Licensee hereby waives its right to a jury trial in connection with any action or any proceeding arising from this License Agreement. The

Licensee hereby waives its right to assert any and all counterclaims against TOGA in connection with any action or any proceeding commenced by TOGA to enforce TOGA's rights under this License Agreement.

37. NON-WAIVER

After the Licensee has defaulted in fulfilling any of its obligations under this License Agreement, TOGA's acceptance of any fees paid by the Licensee to TOGA shall not constitute a waiver of any such default and shall not prevent TOGA from seeking to enforce its rights under this License Agreement, including, but not limited to, termination under Section 24 of this License Agreement.

38. ARRIVAL LEVEL CONCESSION UNIT

TOGA will consider a centrally located news café on the Arrival Level to be operated by the Licensee. Any such agreement may adjust the MAG in Section 5 of this License Agreement. The percentage fee on food and beverage sales shall be 19.0 percent. Eighty-percent of the MAG and percentage fees on food and beverage sales shall be paid to TOGA and twenty-percent shall be paid to the PANY&NJ. Resolution of the news café issue shall not delay the Commencement Date or the payment of the MAG or interim MAG. If TOGA chooses not to approve a centrally located facility on the Arrival Level, then the Concessionaire will redevelop the existing news and gift concession unit on the Arrival Level of the Terminal consistent with the redevelopment of the news and gift facilities on the Departure Level of the Terminal. The Concessionaire will complete redevelopment of either alternative on the Arrival Level within one hundred and twenty (120) days of written notification by TOGA to Licensee, stating that the Licensee shall proceed with such redevelopment. The Licensee shall begin paying the MAG upon expiration of such one-hundred and twenty (120) day period.

39. ATTACHMENTS

The following Attachments are attached to this License Agreement and made part of this License Agreement.

- Attachment A - Concession Units
- Attachment B - Concession Merchandise Listing
- Attachment C - Sub-Licensees
- Attachment D - Concessionaire Rules and Regulations
- Attachment E - Design Standards
- Attachment F - Terminal One Construction Requirements

40. NOTICES

Notices pursuant to this License Agreement shall be sufficient if sent by registered or certified mail, or express mail with proof of delivery, postage prepaid, addressed to:

TO TOGA: Terminal One Executive Director
Terminal One Group Association, L.P.
Terminal One
JFK International Airport
Jamaica, NY 11430

TO LICENSEE: Hudson - Kennedy, LLC
Attn: Senior Vice President
Hudson News Company
One Meadowlands Plaza, Suite 902
East Rutherford, NJ 07073

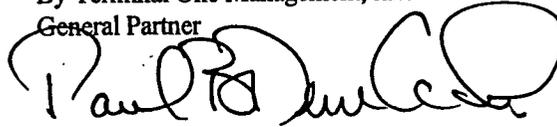
The parties reserve the right to change the address to which notices are to be sent by giving the other party prior written notice of any such change in address.

EXECUTED this 8th day of July, 1999.

ATTEST:

Terminal One Group Association, L.P.
By Terminal One Management, Inc.
General Partner

By Mauri Di Cecco



Chief Executive Officer -
Paul B. Demkovich
Executive Director

ATTEST:

Hudson-Kennedy, LLC .
By Hudson News Company, Manager

By Mario DiDomizio



By Mario DiDomizio
Senior Vice President

GUARANTEE OF FINANCIAL PERFORMANCE

TOGA and the Licensee have entered into this License Agreement under the condition that NationsCredit Commercial Funding will provide a financial guarantee of the License Agreement. Throughout the term of this License Agreement NationsCredit Commercial Funding (Nations) will issue, or cause the issuance of, a Bank Letter of Credit (LOC), acceptable to TOGA in an amount no less than one million dollars (\$1,000,000.00) which may be drawn upon by TOGA in immediate available funds without prior notice to Nations due to the Licensee's failure to make any payments due under the License Agreement after the expiration of appropriate notice and cure periods as provided under the License Agreement. TOGA may draw on the LOC until such time as the Licensee vacates all the news and gift concession units and a replacement operator of the concession units is secured by TOGA and assumes the operation of the concession units. The remainder of the LOC will serve to indemnify TOGA against any loss resulting from Licensee's breach under this License Agreement and TOGA will endeavor to mitigate such losses. Any such indemnity shall expire seven years from the Commencement date of the License Agreement. Any draws against the LOC shall not constitute a cure of any breach of the License Agreement by the Licensee.

For NationsCredit Commercial Funding

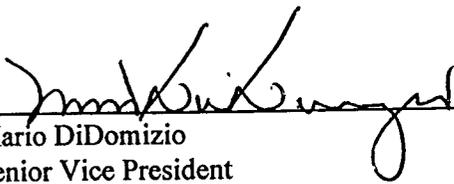


David Grende
Managing Director & Chief Operating Officer

GUARANTEE OF OPERATIONAL PERFORMANCE

TOGA and the Licensee have entered into this License Agreement under the condition that Hudson News Company will provide an operational guarantee of the License Agreement. Throughout the term of this License Agreement Hudson News Company guarantees that in the event that the Licensee fails to perform any of the services required under this License Agreement, excepting financial obligations, Hudson News Company will provide any and all staffing, management, retail expertise, inventory, etc, necessary to perform the services required under this License Agreement. In the event that Hudson News Company fails to provide services in fulfillment of this Guarantee of Operational Performance, then TOGA may provide the necessary services, or secure a qualified and experienced airport retail news and gift operator to provide such services, and Hudson News Company shall reimburse TOGA for any expenses incurred in providing such services or securing an operator to provide such services.

For Hudson News Company



Mario DiDomizio
Senior Vice President

ATTACHMENT A - CONCESSION PREMISES

Concession Unit Floor Plan - Unit 1 (605 Sqft.)

Concession Unit Floor Plan - Unit 5 (905 Sqft.)

Concession Unit Floor Plan - Unit 13 (1,100 Sqft.)

Concession Unit Floor Plan - Unit 16 (475 Sqft.)

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

Port Authority Permit No. AYD-476
Consent to Sublease No. AYD-540
John F. Kennedy International Airport

CONSENT AGREEMENT

THIS AGREEMENT, effective as of July 29, 2005 ("Effective Date"), by and among **THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY** ("Port Authority"), **WESTFIELD CONCESSION MANAGEMENT, INC.** ("Permittee"), **AIRPORT MANAGEMENT SERVICES, LLC**, dba The Hudson Group, a limited liability company organized and existing under the laws of the State of Delaware with an office and place of business at One Meadowlands Plaza, 9th Floor, East Rutherford, New Jersey 07073, whose representative is Jay G. Marshall, and consented to by **AMERICAN AIRLINES, INC.** ("Airline").

WITNESSETH, That:

WHEREAS, by a certain agreement of lease dated as of December 22, 2000 bearing Port Authority Lease No. AYB-085R (as may have been heretofore and may be hereafter amended, supplemented or extended, the "Airline Lease") the Port Authority leased to the Airline certain premises at John F. Kennedy International Airport ("Airport") for certain passenger terminal facilities ("Terminal"), as set forth in Section 5 of the Airline Lease; and

WHEREAS, it was contemplated under the Airline Lease that certain food and beverage, newsstand, specialty retail and other consumer service facilities would be operated in certain portions of the Terminal pursuant to agreements covering the operation of such consumer service facilities and it was stipulated in the Airline Lease that Port Authority consent to the arrangements covering the operation of such consumer service facilities would be required; and

WHEREAS, the Airline and the Permittee have entered into an agreement made as of September 2, 2004 (as may have been heretofore and may be hereafter amended, supplemented or extended, the "Concession Lease") under which the Permittee agreed to provide certain development, leasing, and management services with respect to consumer service operations at the Terminal; and

WHEREAS, the Port Authority and the Permittee have entered into a certain permit agreement identified above by Port Authority Permit Number AYD-476 (as may have been heretofore and may be hereafter supplemented, amended and extended, the "Permit") and covering the services and facilities which the Permittee agreed to provide pursuant to the terms of the Concession Lease; and

WHEREAS, the applicable provisions of the Concession Lease and the Permit require the Permittee to enter into an agreement with a third party unrelated to the Permittee in any manner to operate each consumer service facilities required to be provided pursuant to the terms of the Airline Lease, the Concession Lease and the Permit, provided that the proposed Sublessee and all the terms of its sublease agreement with the Permittee are consented to in writing in advance by the Port Authority and the Airline; and

WHEREAS, the Permittee and the Sublessee have entered into a sublease agreement, consented to by the Airline, a copy of which is attached hereto and made a part hereof ("Sublease"), covering portions of the premises under the Concession Lease (such portions, being hereinafter collectively called the "Space" or the "Spaces"); and

WHEREAS, the Permittee and the Airline have requested the consent of the Port Authority to the proposed Sublease;

NOW, THEREFORE, for and in consideration of the covenants and mutual agreements herein contained, the Port Authority, the Permittee and the Sublessee hereby agree effective as of the Effective Date, as follows:

1. On the terms and conditions hereinafter set forth, the Port Authority consents to the Sublease.
2. Notwithstanding anything in the Sublease to the contrary, both this Consent Agreement and the Sublease shall terminate, without notice to the Permittee or the Sublessee, on the earliest to occur of: (a) the day preceding the date of expiration or earlier termination of the Airline Lease; (b) the effective date of any revocation of this Consent pursuant to Paragraph 7 hereof; (c) if applicable, the day preceding the date of expiration or earlier termination of the Concession Lease in accordance with its terms; (d) the date of expiration or earlier termination of the Sublease; (e) or such earlier date as the Permittee and the Sublessee may agree upon subject to the terms and provisions hereof. The Sublessee shall cease its activities and operations at the Space and shall quit the Space covered by the Sublease and remove its property and property for which it is responsible therefrom on or before the termination of the Sublease. Further, effective from and after October 13, 2005, and continuing during the term granted under this Consent and the Sublease, in the event the Port Authority exercises its right to revoke or terminate this Consent for any reason other than "without cause", the Lessee and the Sublessee shall be obligated to pay to the Port Authority an amount equal to all costs and expenses reasonably incurred by the Port Authority in connection with such

termination, cancellation, re-entry, regaining or resumption of possession, collecting all amounts due to the Port Authority, the restoration of any premises which may be used and occupied under this Consent (on failure of the Lessee and the Sublessee to have restored), preparing such premises for use by a succeeding permittee or lessee, the care and maintenance of such premises during any period of non-use of the premises, the foregoing to include without limitation, personnel costs and legal expenses (including but not limited to the cost to the Port Authority of in-house legal services), repairing and altering the premises and putting the premises in order (such as but not limited to cleaning and decorating the same).

3. If the Permittee shall at any time be in default of its obligations under the Permit, the Sublessee shall on demand of the Port Authority pay directly to the Port Authority any rental, fee or other amount due to the Permittee from the Sublessee (including, but not limited to, late charges, liquidated damages, fines and the like). No such payment shall relieve the Permittee from any obligation under the Permit or under this Consent but all such payments shall be credited against the obligations of the Permittee or of the Sublessee, as the Port Authority may determine for each payment or part thereof, in accordance with the provisions of the Permit, Concession Lease and the Airline Lease and consistent with paragraph 4(a) hereof.

4. (a) Neither this Consent, nor anything contained herein, shall constitute or be deemed to constitute a consent to nor shall they create an inference or implication that there has been consent to any enlargement, diminishment, impairment, variation or change in the rights, powers and privileges granted to the Airline under the Airline Lease or to the Permittee under the Permit, nor any limitation, diminishment, modification, change or impairment of any of the rights, powers, privileges or remedies of the Port Authority under the Airline Lease or Permit, nor consent to the granting or conferring of any rights, powers, or privileges to the Sublessee as may be provided by the Sublease if not granted to the Airline under the Airline Lease and to the Permittee under the Permit. Neither this Consent nor anything contained herein, nor any termination of the Sublease, shall affect, impair, diminish, or change any of the duties, responsibilities, liabilities and obligations imposed on the Airline under the Airline Lease and on the Permittee under the Permit nor constitute or be deemed to constitute a release of the Airline or the Permittee, respectively, from any such duties, responsibilities, liabilities and obligations. The Sublease is an agreement between the Permittee and the Sublessee with respect to the various matters set forth therein. Neither this Consent nor anything contained herein shall constitute an agreement between the Port Authority, the Airline or the Permittee that the provisions of the Sublease shall apply and pertain as between them, it being understood that the terms, provisions, covenants, conditions and agreements of the Airline Lease and the Permit shall, in all respects, be controlling, effective and determinative. In addition, in any case of difference or inconsistency between the provisions of this Consent and those of the Sublease, this Consent shall be controlling and, in any case of difference or inconsistency between the terms of the Sublease and those of the Airline Lease or between the terms of the Sublease and those of the Permit, the terms of the Airline Lease, or of the Permit, as the case may be, shall control. The specific mention of or reference to the Port Authority in any part of the Sublease, including, without limitation thereto, any mention of any consent or approval of the

Port Authority now or hereafter to be obtained, shall not be or be deemed to create an inference that the Port Authority has granted its consent or approval thereto under this Consent or shall thereafter grant its consent or approval thereto or that the subject matter as to which the consent or approval applies has been or shall be approved or consented to in principle or in fact or that the Port Authority's discretion pursuant to the Airline Lease and Permit as to any such consents or approvals shall in any way be affected or impaired. The lack of any specific reference in any provisions of the Sublease to Port Authority approval or consent shall not be deemed to imply that no such approval or consent is required and the Airline Lease and Permit shall, in all respects, be controlling, effective and determinative.

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

(c) Notwithstanding anything to the contrary stated in the Sublease, the Port Authority does not and shall not grant or permit a cure or grace period to the Sublessee with respect to the Sublessee's monetary payment defaults to the Port Authority.

(d) No changes, amendments, renewals or extensions to the Sublease shall be binding or effective upon the Port Authority unless the same have been approved in advance by the Port Authority in writing. The Port Authority may at any time and from time to time by notice to the Permittee and the Sublessee modify, withdraw or amend any approval, direction, or designation given hereunder or pursuant hereto to the Permittee or the Sublessee. The Sublease shall not be changed, modified, discharged, renewed or extended except by written instrument duly executed by the parties thereto and only with the express prior written consent of the Port Authority.

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

6. The granting of this Consent by the Port Authority shall not be, and shall

not be deemed to operate as, a waiver of the rights of the Port Authority or of its required consent to any subsequent sublease, sublicensing, or other agreement with respect to the use or occupancy of the Space or any other portion of the Terminal, or to any assignment of the Permit or the Sublease or of any rights under any of the foregoing, whether in whole or in part.

7. The Port Authority shall have the right to revoke this Consent at any time without cause, on thirty (30) days' notice to the Sublessee, as to any one or more of the Spaces at which the Sublessee has permission to operate, and no such revocation shall be deemed to affect the Permit or the continuance thereof, but the Sublease as it applies to the Space which is subject to revocation shall be terminated thereby. For informational purposes, the Port Authority will send a copy by regular first class mail of such notice to the Permittee, but failure on the part of the Port Authority to send the informational copy shall not however be or be deemed to be a breach of this Consent, or impair or affect the validity of the notice or request actually given.

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

9. The Sublessee hereby represents and covenants to the Port Authority that it has complied with and will comply with all laws, governmental rules, regulations and orders now or at any time during the term of the Sublease which as a matter of law are applicable to or which affect the operations of the Sublessee under the Sublease or its use and/or occupancy of the Space. The obligation of the Sublessee hereunder to comply with governmental requirements is provided herein for the purpose of assuring proper safeguards for the protection of persons and property. Such provision is not to be construed as a submission by the Port Authority to the application to itself of such requirements or any of them.

10. (a) If the Sublessee shall fail to pay any amount required under this Consent when due to the Port Authority, or if any such amount is found to be due as the result of an audit, then, in such event, the Port Authority may impose (by statement, bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period (hereinbelow described) during the entirety of which such amount remains unpaid, each such late charge not to exceed an amount equal to eight-tenths of one percent of such unpaid amount for each late charge period. There shall be twenty-four (24) late charge periods during each calendar year; each late charge period shall be for a period of at least fifteen (15) calendar days except one late charge period each calendar year may be for a period of less than fifteen (15) (but not less than thirteen (13)) calendar days. Without limiting the generality of the foregoing, late charge periods in the case of amounts found to have been owing to the Port Authority as the result of Port Authority audit findings shall consist of each late charge period following the date the unpaid amount should have been paid under this Consent. Each late charge shall be payable immediately upon demand made at any time therefor by the Port Authority. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid late charge amount shall be deemed a waiver of the right of the Port Authority to payment of any late charge or late charges payable under the

provisions of this paragraph, with respect to such unpaid amount. Nothing in this paragraph is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Consent, including without limitation under Paragraph 7 hereof or (ii) any obligations of the Sublessee under this Consent. In the event that any late charge imposed pursuant to this Paragraph shall exceed a legal maximum applicable to such late charges, then, in such event, each such late charge payable under this Consent shall be payable instead at such legal maximum.

(b) Effective from and after October 13, 2005, and continuing during the effective term under this Consent and the Sublease, in the event that upon conducting an examination and audit as described in this above the Port Authority determines that unpaid amounts are due to the Port Authority by the Lessee and Sublessee, the Lessee and the Sublessee shall be obligated, and hereby agrees, to pay to the Port Authority a service charge in the amount of five percent (5%) of each amount determined by the Port Authority audit findings to be unpaid. Each such service charge shall be payable immediately upon demand (by notice, bill or otherwise) made at any time therefor by the Port Authority. Such service charge (s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority by the Lessee and the Sublessee under this Consent or otherwise. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid service charge shall be deemed a waiver of the right of the Port Authority of payment of any late charge(s) or other service charge(s) payable under the provisions of this Consent 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 Consent is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Consent or the Lease, including, without limitation, the Port Authority's rights to terminate this Consent or (ii) any obligations of the Lessee and the Sublessee under this Consent.

11. Reference herein to the Sublessee shall mean and include the Sublessee, its directors, officers, agents, employees, contractors, subcontractors and others on the Space or on the Airport with the consent of the Sublessee.

12. It is hereby acknowledged and agreed by the Permittee and the Sublessee that the Port Authority has no obligation under the Airline Lease, the Sublease, this Consent or otherwise to pay, subsidize or in any manner whatsoever finance, directly or indirectly, all or any portion of any amount of the Sublessee's capital investment in the Space or at the Terminal, whether amortized or unamortized. Any specific mention of or reference in the Sublease to the Port Authority in connection with any payment or other compensation to the Sublessee, upon termination of the Sublease or the Concession Lease or upon revocation of this Consent with or without cause (in accordance with the terms of Paragraph 7 hereof), of any amount of the Sublessee's capital investment in the Space or at the Premises shall not be or be deemed to create an obligation or inference of an obligation on the part of the Port Authority to either the Sublessee or the Permittee to pay, subsidize or finance said unamortized capital investment.

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

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

14. (a) In addition to the insurance required to be maintained by the Sublessee under the Sublease, the Sublessee in its own name as insured and including the Port Authority as additional insured shall maintain and pay the premiums during the term of the Sublease on a policy or policies of Commercial General Liability insurance, including premises operations, products liability, liquor liability, and completed operations and covering bodily injury, including death, and property damage liability, none of the foregoing to contain care, custody or control exclusions, and providing for coverage in the limits set forth below. Each of the aforesaid policy or policies of insurance shall also provide or contain an endorsement providing that the protections afforded the Sublessee thereunder with respect to any claim or action against the Sublessee by a third person shall pertain and apply with like effect with respect to any claim or action against the Sublessee by the Port Authority, and with respect to any claim

or action against the Port Authority by the Sublessee as though the Port Authority was the named insured thereunder, but such endorsement shall not limit, vary, change, or affect the protections afforded the Port Authority thereunder as additional insured. The said policy or policies of insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Sublessee under this subparagraph (a).

Minimum Limits

Commercial General Liability

| | |
|--|-------------|
| Combined single limit per occurrence for bodily injury and property damage liability: | \$2,000,000 |
|--|-------------|

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

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

(c) As to the insurance required by the provisions of subparagraph (a) of this Paragraph, a certified copy of each of the policies or a certificate or certificates evidencing the existence thereof, or binders, shall be delivered to the Port Authority prior to the use of any portion of the Space by the Sublessee. Each policy, certificate or binder delivered as aforesaid shall bear the endorsement of or be accompanied by evidence of payment of the premium thereon. In the event any binder is delivered it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy or certificate shall contain a valid provision or endorsement that the policy may not be cancelled, terminated, changed or modified without giving thirty (30) days' written advance notice thereof to the Port Authority. Each such copy or certificate shall contain an additional endorsement that the insurer shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, its Commissioners, officers, agents or employees, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port Authority. A certificate or other evidence of any renewal policy shall be delivered to the Port Authority prior to the expiration of each expiring policy, except for any policy expiring after the date of expiration of the term of the

Sublease. The aforesaid insurance shall be written by a company or companies approved by the Port Authority the Port Authority agreeing not to withhold its approval unreasonably. If at any time any of the insurance policies shall be or become unsatisfactory to the Port Authority as to form or substance or if any of the carriers issuing such policies shall become unsatisfactory to the Port Authority, the Sublessee shall promptly obtain a new and satisfactory policy in replacement the Port Authority covenanting and agreeing not to act unreasonably hereunder. If the Port Authority at any time so requests, a certified copy of each of the policies shall be delivered to the Port Authority.

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

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

17. Nothing contained in this Consent nor in the Sublease, including without limitation the payment obligation of the Sublessee under Article II of the Sublease, nor the acceptance of any such payment thereunder by the Port Authority from the Sublessee shall create or be deemed to have created a landlord-tenant relationship or privity of estate between the Port Authority and the Sublessee nor shall it be or be deemed to be an attornment by the Sublessee to the Port Authority nor acceptance thereof by the Port Authority and the Sublease and the occupancy by the Sublessee of the Space shall in all events be and remain subject and subordinate to the Airline Lease, Concession Lease and the Permit, consistent with paragraph 4(a) hereof. Neither a partnership nor any joint venture is hereby or by the Sublease created or implied notwithstanding the provisions of the Sublease.

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

of the Airline Lease and an approved Tenant Alteration Application which the Sublessee shall prepare and the Permittee and/or the Airline shall submit to the Port Authority.

19. Notwithstanding anything to the contrary stated in the Concession Lease, the Permit or the Sublease, the cost of utilities shall not be charged to the Sublessee unless the Sublessee is a food/beverage vendor, all in accordance with the Airline Lease. By signing below, the Airline expressly agrees to the foregoing, and agrees that the Airline shall not charge to the Permittee the cost of any utilities other than as aforesaid in this Paragraph.

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

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

22. Neither the Commissioners of the Port Authority nor any of them, nor any director, officer, agent or employee of the Port Authority, the Airline or the Permittee shall be held personally liable to any party under any term or provision of this Consent or because of its execution or attempted execution or because of any breach or alleged breach thereof.

23. (a) "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 the Basic Lease between The City of New York and the Port Authority referred to in subdivision (b) below, said Exhibit being 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.

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

COPY

SUBLEASE

BETWEEN

**WESTFIELD CONCESSION MANAGEMENT, INC.
LANDLORD**

AND

**AIRPORT MANAGEMENT SERVICES, LLC
TENANT**

**HUDSON NEWS / HUDSON NEWS-EURO CAFÉ
TRADENAME**

SPACE NUMBERS A-1, C-7 & C-13

CONCOURSE C

**TERMINAL 8
JOHN F. KENNEDY INTERNATIONAL AIRPORT
JAMAICA, NEW YORK**

subtenants, concessionaires and others performing work and/or who are conducting operations in the Premises. Any capitalized terms not otherwise defined herein shall have the same meanings as set forth in the Concession Area Lease. American and the Authority are express and intended third party beneficiaries of this Sublease.

DATA SHEET

The following references furnish data which is hereby incorporated into the specified sections hereof:

(1) **Section 1.02: Term:** (a) **Latest Rental Commencement Date:** August 1, 2005. If Concourse C has not opened to the public for "Enplaned Passengers" (as defined below) operations by August 1, 2005, then the Latest Rental Commencement Date shall be extended until the date in which Concourse C is opened for such "Enplaned Passengers" operations; (b) **Expiration Date:** The seventh (7th) anniversary of the "Concourse B Opening Date" (as defined below) for Enplaned Passengers operations, as confirmed in a letter from Landlord to Tenant.

(2) **Section 2.01: Minimum Annual Guaranteed Rent ("Guaranteed Rent") and Section 2.02: Percentage Rent ("Percentage Rent"):**

Rental Commencement Date to Expiration Date: Tenant shall pay to Landlord, the greater of Guaranteed Rent or Percentage Rent as follows:

(i) **Guaranteed Rent:** Five Hundred Five Thousand and No/100 Dollars (\$505,000.00) per Lease Year payable in equal consecutive monthly installments of Forty Two Thousand Eighty Three and No/100 Dollars (\$42,083.00), subject to annual adjustments based upon the "Percentage Change in Enplaned Passengers"; and/or

(ii) **Percentage Rent:** Percentage Rent rates as follows ten percent (10%), twelve percent (12%); fourteen percent (14%); or twenty-four percent (24%) (collectively, the "Applicable Percentage Rent Rates") as follows: (a) ten percent (10%) of all Gross Receipts on the sale of Books; plus (b) twelve percent (12%) of all Gross Receipts on the sale of Coffee/Café Items; plus (c) fourteen percent (14%) on the sale of all items listed as Category "A" Products; plus (d) twenty-four percent (24%) of all Gross Receipts on the sale of items listed as Category "B" Products. Books, Coffee/Café Items, Category "A" Products and Category "B" Products are set forth on Exhibit L attached hereto and made a part hereof.

(3) **Section 2.06: Additional Rent:** Additional Rent shall include but not be limited to the following items: (a) **Section 2.03: Storage Premises Rent:** If, applicable, Tenant shall pay Storage Premises Rent as referenced in Section 2.03; (b) **Section 2.04: Taxes:** Tenant shall pay its proportionate share of Taxes as provided in Section 2.04; (c) **Section 2.05: Miscellaneous Charges:** Tenant shall pay miscellaneous charges for employee parking, security checks and identification badges and screening of goods, products, equipment and supplies as charged by Landlord, American, the Authority or applicable regulatory agencies from time to time, subject to adjustment; (d) **Section 8.04: Logistical Support and Public Area Maintenance Fee:** Tenant shall pay its proportionate share of the Logistical Support and Public Area Maintenance Fee; (e) **Section 12.01: Utilities:** For the portion of the Premises in which Tenant offers and sells the Coffee/Café Items, Tenant shall pay electricity consumed in such portion of the Premises; and (f) **Section 16.03: Joint Marketing Fund:** Tenant shall contribute to the Joint Marketing Fund, calculated on the basis of one-half percent (.50%) of Gross Receipts per month, payable monthly, subject to adjustment as provided in Section 16.03.

XXVI of this Sublease. No surety bonds shall be permitted.

(8) **Section 27.05: Notice Addresses:**

Landlord:

Westfield Concession Management, Inc.
11601 Wilshire Blvd., 12th Floor
Los Angeles, California 90025
Attention: Office of Legal Counsel

With copies to:

Westfield Concession Management, Inc.
Airport Division Management Office
2730 University Boulevard, Suite LL6
Wheaton, Maryland 20902

Westfield Concession Management, Inc.
John F. Kennedy International Airport – Terminal 8
Jamaica, New York 11430
Attention: General Manager

Tenant:

Airport Management Services, LLC
c/o The Hudson Group
One Meadowlands Plaza, 9th Floor
East Rutherford, New Jersey 07073
Attention: Mr. Joseph DiDomizio

With a copy to:

Airport Management Services, LLC
c/o The Hudson Group
One Meadowlands Plaza, 9th Floor
East Rutherford, New Jersey 07073
Attention: Jay G. Marshall, Esq.

Tenant's Billing Address:

Airport Management Services, LLC
c/o The Hudson Group
One Meadowlands Plaza, 9th Floor
East Rutherford, New Jersey 07073
Attention: Mr. William Wolf

Address for Rental Payments to Landlord: All Rentals payable to Landlord hereunder shall be made payable to **“Westfield Concession Management, Inc., Trustee for American Airlines, Inc. and the Port Authority of New York and New Jersey”** and remitted to: Westfield Concession Management, Inc., John F. Kennedy International Airport, Bank of America, File #50429, Los Angeles, California 90074-0429 (Via US Mail) or Westfield Concession Management, Inc., John F. Kennedy International Airport, Bank of America, File #50429, Remittance Banking, Unit 5195, 1000 West Temple Street, Ground Floor, Los Angeles, CA 90012 (Via Overnight Delivery Service).

(9) **Section 14.01(b): Minority-Owned Business Enterprises, Women-Owned Business Enterprises and/or Disadvantaged Business Enterprises (“M/W/DBE”) Requirements:** Not applicable.

liquidated damages and not as a penalty, \$500.00 per day for each day Tenant is not open for business after and including the Latest Rental Commencement Date. If such failure shall continue for in excess of 60 days, the amount of such liquidated damages may be increased up to a maximum of \$1,000.00 per day. This remedy shall be in addition to any and all other remedies provided in this Sublease or by law to Landlord in the event of default by Tenant. Such liquidated damages shall be deemed to be in lieu of Percentage Rent only that might have been earned during the period of Tenant's failure to open.

Section 1.04 CONSENT. Tenant acknowledges that under the Concession Area Lease and the Authority Lease, American and the Authority may have the right to consent to or approve matters which are described herein as being subject to the consent or approval of Landlord. Tenant agrees that Landlord, its agents and employees, shall be deemed to have acted reasonably if they act, fail to act, withhold or delay any consent or approval hereunder and such consent or approval is being withheld or delayed by or at the direction of either American or the Authority, whether or not American or the Authority is acting reasonably in making or refusing to make such determination. Landlord, its agents and employees, shall not have any liability to Tenant for any reason whatsoever in failing to obtain any such consent or approval.

Section 1.05 DISCLAIMER. TENANT ACKNOWLEDGES THAT NEITHER LANDLORD, AMERICAN, THE AUTHORITY NOR ANY OF THEIR RESPECTIVE EMPLOYEES, AGENTS, REPRESENTATIVES OR BROKERS HAVE MADE ANY REPRESENTATION OR WARRANTY OF SUITABILITY, FITNESS FOR A PARTICULAR PURPOSE OR ANY REPRESENTATION OR WARRANTY OF ANY KIND RESPECTING USE, OCCUPANCY OR OPERATION WITHIN THE TERMINAL AND/OR THE AIRPORT BY ANY AIRLINES, PERSONS OR ENTITIES INCLUDING, WITHOUT LIMITATION, ANY FORECASTED, ANTICIPATED OR ESTIMATED PASSENGER VOLUME (WHETHER ENPLANEMENTS OR DEPLANEMENTS) IN THE TERMINAL AND/OR THE AIRPORT OR SALES EXPECTED TO BE GENERATED AT OR FROM THE PREMISES. TENANT IRREVOCABLY WAIVES ANY CLAIM BASED UPON OR RELATED TO ANY SUCH CLAIMED REPRESENTATION BY LANDLORD, AMERICAN OR THE AUTHORITY. NO REPRESENTATIONS OR WARRANTIES AS TO THE ECONOMIC VIABILITY OF THE PREMISES OR THE AMOUNT OF PASSENGERS TO BE ENPLANED IN THE TERMINAL HAVE BEEN MADE. NO PROMISES TO ALTER, REMODEL OR IMPROVE, THE PREMISES, CONCESSION AREA OR THE TERMINAL HAVE BEEN MADE BY LANDLORD OR AMERICAN EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN THE CONCESSION AREA LEASE. PASSENGER COUNTS, PASSENGER FLOWS AND OTHER CUSTOMER TRAFFIC ARE IN THE MOST PART PRODUCTS OF AIRLINE SCHEDULES AND GATE UTILIZATION AND GOVERNMENTAL RULES AND REGULATIONS GOVERNING SECURITY AND EMERGENCY SITUATIONS AND MAY RESTRICT ACCESS TO THE TERMINAL. TENANT MAY NOT RELY ON ANY IMPLIED REPRESENTATIONS OR WARRANTIES (THE EXISTENCE OF WHICH ARE HEREBY DISCLAIMED), OR THE ACCURACY OF PROJECTIONS OR PROSPECTIVE INFORMATION PROVIDED IN CONNECTION WITH THE EXECUTION OF THIS SUBLEASE. TENANT REPRESENTS THAT TENANT HAS CONDUCTED AN INDEPENDENT AND EXPERT INVESTIGATION AND EVALUATION OF THE TERMINAL, THE PREMISES AND ALL INFORMATION PROVIDED IN CONNECTION WITH THE EXECUTION OF THIS SUBLEASE.

ARTICLE II. RENTALS

Section 2.01 MINIMUM ANNUAL GUARANTEED RENT. Tenant shall pay to Landlord

2004000748687, as the same may have been or may be amended or supplemented.

(c) The Sublessee acknowledges that it has received and is familiar with, or has had an opportunity to receive and become familiar with, the contents of a copy of the Basic Lease. The rights of the Port Authority in the Space are those granted to it by the Basic Lease, and no greater rights are granted or intended to be granted to the Sublessee than the Port Authority has power thereunder to grant.

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

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

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

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

(4) The Sublessee shall indemnify the City with respect to all matters described in Section 31 of the Basic Lease;

(5) The Sublessee shall not use the Space hereunder for any use other than as permitted under the Basic Lease;

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

(7) The failure of the Sublessee to comply with the foregoing provisions shall be an event of default under this Consent, which, after the giving of reasonable notice, shall provide the Port Authority with the right to terminate this Consent and exercise any other rights that the Port Authority may have hereunder; and

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

(e) The rights and obligations of the Sublessee with respect to continuance of this Consent upon the expiration or termination of the Basic Lease shall be as set forth in paragraph (d)(3) of this Paragraph and the Sublessee shall not enter into any recognition or non-disturbance agreement with the City with respect to the continuance of this Consent after the termination or

expiration thereof or into any other agreement covering the Sublessee's use and occupancy of the Space hereunder.

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

ATTEST:

[Signature]
Asst. Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By [Signature]
(Title) Asst. Dir. of CCAS
(Seal)

~~ATTEST~~ WITNESS:

Jane C. Herbert
Secretary

WESTFIELD CONCESSION MANAGEMENT, INC.

By [Signature]
(Title) ASSISTANT VICE President
(Corporate Seal)

ATTEST:

[Signature]
Secretary Jay Marshall

AIRPORT MANAGEMENT SERVICES, LLC
BY: [Signature]
(Title) Senior Vice President Member/Manager
(Corporate Seal)

ACCEPTED AND CONSENTED TO AS OF THE EFFECTIVE DATE OF THIS CONSENT AGREEMENT

AMERICAN AIRLINES, INC.

By: [Signature]
(Name):
Title: President
LAURA A. EINSPIANIER
Vice President
Corporate Real Estate

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

FOR THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

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

On the 20 day of MARCH in the year 2006⁷, before me, the undersigned, a Notary Public in and for said state, personally appeared LYSA SCULLY, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

GAIL E. MITCHELL
NOTARY PUBLIC STATE OF NEW YORK
NO. 01M16026210
QUALIFIED IN QUEENS COUNTY
COMMISSION EXPIRES JUNE 14, 2007

Gail E. Mitchell
(notarial seal and stamp)

FOR WESTFIELD CONCESSION MANAGEMENT, INC.

STATE OF MISSOURI)
) ss.
COUNTY OF St. Charles)

On the 16th day of February in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared Arnold L. Mayer Schn, Jr., personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Stacy L. Gruettmeyer
(notarial seal and stamp)

STACY L. GRUETTMEYER
Notary Public-Notary Seal
State of Missouri
St Charles County
My Commission Expires Feb 20, 2008

FOR SUBLESSEE

STATE OF _____)
) ss.
COUNTY OF _____)

On the ____ day of _____ in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(notarial seal and stamp)

FOR AMERICAN AIRLINES, INC.

STATE OF TEXAS)
) ss.
COUNTY OF TARRANT)

On the 2nd day of MARCH in the year ~~2006~~ 2007, before me, the undersigned, a Notary Public in and for said state, personally appeared WALTER A. EINSPIANER, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Connie L. Haas
(notarial seal and stamp)



FOR SUBLESSEE

STATE OF N.J.)
) ss.
COUNTY OF Bergen)

On the 15th day of February in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared Michael B. Mullaney, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

J. Barrios
(notarial seal and stamp)
JENNY BARRIOS

FOR AMERICAN AIRLINES, INC. NOTARY PUBLIC OF NEW JERSEY
My Commission Expires July 18, 2008

STATE OF Texas)
) ss.
COUNTY OF Tarrant)

On the 19th day of April in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared Kendra Kennedy, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Kathleen F. Davis
(notarial seal and stamp)



THIS AGREEMENT SHALL NOT BE BINDING ON
THE PORT AUTHORITY UNTIL DULY EXECUTED BY
AN EXECUTIVE OFFICER THEREOF AND DELIVERED
TO THE LESSEE AND THE SUBLESSEE BY AN
AUTHORIZED REPRESENTATIVE OF THE PORT AUTHORITY

Permit No. AYD-476
Consent Agreement No. AYD-540
Supplement No. 1
John F. Kennedy International Airport

**FIRST SUPPLEMENTAL AGREEMENT TO
CONSENT AGREEMENT**

THIS AGREEMENT, effective as of November 30, 2006 (the "Effective Date"), by and among **THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY** (hereinafter called the "Port Authority"), **WESTFIELD CONCESSION MANAGEMENT,LLC.**, a Delaware limited liability company (hereinafter called the "Permittee") and **AIRPORT MANAGEMENT SERVICES, LLC**, dba The Hudson Group, a Delaware limited liability company (hereinafter called the "Sublessee") and consented to by **AMERICAN AIRLINES, INC.** (herinafter called "Airline").

WITNESSETH, That:

WHEREAS, heretofore and as of July 29, 2005 the Port Authority, the Permittee and the Sublessee entered into a consent agreement (the "Consent Agreement") pursuant to which the Port Authority granted its consent to the Sublease (as such term is defined in the Consent); and

WHEREAS, the Permittee and the Sublessee have requested the consent of the Port Authority to a proposed First Amendment to Sublease, made as of November 30, 2006, providing, among other things, for the addition of certain space to the Space (as such term is defined in the Consent), a copy of which is attached hereto and made a part hereof (the "First Sublease Amendment");

NOW, THEREFORE, for and in consideration of the covenants and mutual agreements herein contained, the Port Authority, the Permittee and the Sublessee hereby agree as of the Effective Date as follows:

1. The Port Authority hereby consents to the First Sublease Amendment.

2. Except as hereby amended, all of the terms, covenants, provisions, conditions and agreements of the Consent Agreement shall be and remain in full force and effect.

3. The Permittee and the Sublessee represent and warrant that no broker has been concerned in the negotiation of this Agreement and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Permittee and the Sublessee shall indemnify and save harmless the Port Authority of and from all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Agreement.

4. 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 and the Sublessee with any liability or held liable to either of them under any term or condition of this Agreement, or because of its execution or attempted execution or because of any breach or attempted or alleged breach thereof. The Permittee and the Sublessee agree that no representations or warranties with respect to this Agreement shall be binding upon the Port Authority unless expressed in writing herein.

5. This Agreement, together with the Consent Agreement (to which it is supplementary) constitutes the entire agreement between the Port Authority, the Permittee and the Sublessee on the subject matter, and may not be changed, modified, discharged or extended except by instrument in writing duly executed on behalf of both the Port Authority, the Permittee and the Sublessee. The Permittee and the Sublessee agree that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in the Consent Agreement or this Agreement.

IN WITNESS WHEREOF, the Port Authority, the Permittee and the Sublessee have executed these presents.

ATTEST:

Karen Eastman
Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By [Signature]
(Title) Asst. Director, CCLAS
(Seal)

~~ATTEST:~~ WITNESS:

Rebecca S. Verble
Secretary

WESTFIELD CONCESSION MANAGEMENT, LLC.

By [Signature]
Print Name Arnold L. Mayerson, Jr.
(Title) Asst. VP (Member) (Manager)
(Corporate Seal)

ATTEST:

[Signature]
Secretary

~~AIRPORT~~
AIRLINE MANAGEMENT SERVICES, LLC (MMW)
By: Hudson News Company, Sole Managing Member
By [Signature]

Print Name: MICHAEL R. MULLRAN
Title: Senior Vice Presct (Member) (Manager)

| Port Authority Use Only | |
|-------------------------|----------------------|
| Approval as to Terms: | Approval as to Form: |
| <u>36</u> | <u>12</u> |

36
12
MG/mm

ACCEPTED AND CONSENTED TO AS OF THE EFFECTIVE DATE OF THIS CONSENT AGREEMENT

AMERICAN AIRLINES, INC.

By: [Signature]

(Name):

Title: _____ President _____

LAURA A. EINSPANIER
Vice President
Corporate Real Estate

FIRST AMENDMENT TO SUBLEASE

THIS FIRST AMENDMENT ("Amendment") is made and entered into effective as of the 30th day of November, 2006, by and between **WESTFIELD CONCESSION MANAGEMENT, LLC.**, a Delaware limited liability company formerly known as Westfield Concession Management, Inc. ("Landlord") and **AIRPORT MANAGEMENT SERVICES, LLC**, a Delaware limited liability company ("Tenant").

RECITALS

WHEREAS, by written sublease dated July 29, 2005 ("Sublease"), Landlord did lease unto Tenant approximately 4,332 square feet of space known as Space No. A1 containing approximately 609 square feet, Space No. C7 containing approximately 3,226 square feet and Space No. C13 containing approximately 497 square feet (individually and collectively, the "Premises"), all of which are located in Concourse C of Terminal 8 ("Terminal") at John F. Kennedy International Airport, Jamaica, New York; and

WHEREAS, it was contemplated by Landlord and Tenant that Landlord would lease unto Tenant additional concession locations for the operation of newsstands and a combination bookstore/newsstand within the new Concourse B of the Terminal; and

WHEREAS, Landlord and Tenant have reached an agreement for three (3) additional locations in the Terminal, which are to be located in such new Concourse B and desire to enter into this Amendment;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the parties do hereby agree as follows:

1. The second paragraph on page 1 of the Sublease is hereby deleted in its entirety and is hereby amended to read as follows:

"Subject to the terms and conditions contained herein, Landlord hereby leases to Tenant, and Tenant hereby accepts from Landlord, the premises identified on **Exhibit A-2** (individually and collectively, the "**Premises**"), which is in and part of Terminal 8 ("**Terminal**") at John F. Kennedy International Airport, Jamaica, New York ("**Airport**"). **Exhibit A-1** is a general site plan of the Airport including the location of the Terminal. **Exhibit A-3** is a site plan of the portion of the Terminal leased to Landlord as shown hatched on such **Exhibit A-3** ("**Concession Area**"). The Terminal consists of approximately 1,414,500 square feet leased by The Port Authority of New York and New Jersey ("**Authority**") to American Air Lines, Inc. ("**American**") and is anticipated to contain approximately 36 gates. The Premises are known as Space No. A1 containing approximately 609 square feet of Floor Area, Space No. C7 containing approximately 3,226 square feet of Floor Area, Space No. C13 containing approximately 497 square feet of Floor Area, Space No. B1 containing approximately 2,069 square feet of Floor Area, Space No. B11 containing approximately 1,990 square feet of Floor Area and Space No.

Eighty-Three Dollars (\$42,083.00), subject to annual adjustments based upon the "Percentage Change in Enplaned Passengers"; and/or

(ii) Percentage Rent: Percentage Rent rates as follows: ten percent (10%), twelve percent (12%); fourteen percent (14%), or twenty-four percent (24%) (collectively, the "Applicable Percentage Rent Rates") as follows: (a) ten percent (10%) of all Gross Receipts generated from the sale of Books; plus (b) twelve percent (12%) of all Gross Receipts generated from the sale of Coffee/Café Items; plus (c) fourteen percent (14%) of all Gross Receipts generated from the sale of all items listed as Category "A" Products and fourteen percent (14%) of any retail display allowances and other promotions incentives; plus (d) twenty-four percent (24%) of all Gross Receipts generated from the sale of all items listed as Category "B" Products. Books, Coffee/Café Items, Category "A" Products and Category "B" Products are set forth on Exhibit L attached hereto and made a part hereof.

(b) Concourse B/Main Terminal Building Opening Date (as defined below) through Expiration Date: During the period from the Concourse B/Main Terminal Building Opening Date (as defined below) through the Expiration Date of the Term, Tenant shall pay to Landlord, the greater of either the Guaranteed Rent or Percentage Rent as follows with respect to the entire Premises which includes existing Space Nos. A1, C7 and C13 and also includes new Space Nos. B1, B11 and B14:

(i) Guaranteed Rent: One Million Two Hundred Five Thousand Dollars (\$1,205,000.00) per Lease Year; payable in equal consecutive monthly installments of One Hundred Thousand Four Hundred Sixteen and 67/100 Dollars (\$100,416.67), subject to annual adjustments based upon the "Percentage Change in Enplaned Passengers"; and/or

(ii) Percentage Rent: Percentage Rent rates as follows: ten percent (10%), twelve percent (12%); fourteen percent (14%); or twenty-four percent (24%) (collectively, the "Applicable Percentage Rent Rates") as follows: (a) ten percent (10%) of all Gross Receipts generated from the sale of Books; plus (b) twelve percent (12%) of all Gross Receipts generated from the sale of Coffee/Café Items; plus (c) fourteen percent (14%) of all Gross Receipts generated from the sale of all items listed as Category "A" Products and fourteen percent (14%) of any retail display allowances and other promotions incentives; plus (d) twenty-four percent (24%) of all Gross Receipts generated from the sale of all items listed as Category "B" Products. Books, Coffee/Café Items, Category "A" Products and Category "B" Products are set forth on Exhibit L attached hereto and made a part hereof.

The "Concourse B/Main Terminal Building Opening Date" shall mean the date in which American has closed all gates in old Terminal 8 and transferred all its commercial flights to the new Terminal 8, as confirmed in a letter from Landlord to Tenant."

4. The following is added to the end of Item (3), subpart (f) in the Data Sheet of the Sublease:

"The initial joint marketing fund assessment of Two Thousand Dollars (\$2,000.00) shall be

paid by Tenant to Landlord in one lump sum within sixty (60) days prior to the Rental Commencement Date for Space Nos. B1, B11 and B14.”

5. Item (4) in the Data Sheet of the Sublease is hereby deleted in its entirety and is hereby amended to read as follows:

“Section 7.01: Permitted Use: For the operation of retail concessions providing for the sale at retail of: (a) Category “A” Products - a wide assortment of local, regional, national and international newspapers, a wide assortment of domestic and international magazines and periodicals; a variety of snacks (such as candy, candy bars, mints, gums, chips, cookies, crackers, peanuts, health food snacks and ice cream) all of which shall be pre-packaged; refrigerated bottled water, bottled soda, bottled energy drinks and bottled juices; sundries including health and beauty aids, minor non-prescription drugs, cosmetics, perfumes, sunburn/suntan lotions and men’s toiletries; nutritional supplements; batteries; camera film, disposable one-time use cameras and basic camera accessories; watches; reading glasses and sunglasses; ties; socks; hosiery; dress shirts; greeting cards; pens/pencils; stationery; cellular phone/computer supplies and accessories; lottery tickets (factored on commissions only); travel accessories including bags; luggage, maps, tour books and travel guides, luggage tags, locks, luggage carts, neck braces, money holders, portable clocks, carrying cases, deluxe bags and containers; small electronic items such as portable radio and CD players, converters and other small, portable electronic traveler convenience items; gift wrap, bows and ribbons; pre-paid telephone calling cards; and tobacco products including an assortment of domestic and international cigarettes, cigars and pipe tobacco, chewing tobacco, pipes and tobacco related products (collectively, the **“Category “A” Products”**); (b) Category “B” Products - souvenirs (regionally and locally indigenous souvenirs such as key chains, magnets, water globes, mugs, glasses, shot glasses, plates, bells, spoons, pins, ash trays, stickers, pens, pencils, pewter, cosmetic jewelry, candles and post cards); regionally and locally indigenous gifts; souvenir apparel such as t-shirts, hats, polo shirts, sweatshirts and fleece products; children’s gifts; collectibles; posters, prints, pictures, art objects and pottery; pre-packaged gourmet food and beverage items; and premium candy and nuts (collectively, the **“Category “B” Products”**); provided, however, the display and sale of such Category “B” Products shall not exceed twenty-five percent of the sales display portion of the Floor Area in each portion of the Premises; (c) Books - an assortment of paperback and hard cover books including current New York Times best seller list and popular author list, new book releases, children coloring and reading books (collectively, **“Books”**). The assortment of Books shall be greatly expanded in the portion of the Premises known as Space No. B11 since that concession location is to be operated as a combination newsstand and bookstore with an emphasis on the bookstore; and (d) Coffee/Café Items - a wide assortment of gourmet coffee, latte, cappuccino, espresso, roasted coffee, iced coffee based and blended cool beverages in various sizes, refrigerated bottled waters, bottled sodas, bottled energy drinks and bottled juices, a variety of smoothies, pastries, sandwiches, salads, soups, bakery items, doughnuts, danish, cakes, cereals, fresh fruit, yogurt, ice cream novelties, gelato and refrigerated bottled waters, sodas and juices (collectively, **“Coffee/Café Items”**), and for no other use or purpose. All of the forgoing items must be in accordance with and as more particularly described for such Category “A” Products, Category “B” Products, Books and Coffee/Café Items as set forth on **Exhibit L.**”

6. Item (5) in the Data Sheet of the Sublease is hereby deleted in its entirety and is hereby amended to read as follows:

“(5) **Section 7.02: Hours of Operation:** Tenant shall be open for business seven (7) days a week, three hundred sixty-five (365) days a year, including all holidays. Tenant’s minimum daily hours of operation shall be as follows: 5:30 A.M. to 10:00 P.M. local time, until the Concourse B/Main Terminal Opening Date and thereafter, 5:00 A.M. to 10:00 P.M., local time, subject to other hours and adjustments as provided in Section 7.02.”

7. Item (6) in the Data Sheet of the Sublease is hereby deleted in its entirety and is hereby amended to read as follows:

“(6) **Section 16.01: Trade Names:** “Hudson News-Euro Cafe” for Space Nos. A1 and C7, “Hudson News” for Space Nos. B1, B14 and C13, and “Hudson Booksellers” for Space No. B11. If approved on Tenant’s Final Plans, the name trade name “Hudson News” may be included and displayed on the interior of Space No. B11.”

8. Item (7) in the Data Sheet of the Sublease is hereby deleted in its entirety and is hereby amended to read as follows:

“(7) **Section 26.01: Performance Guaranty-Letter of Credit:** At Tenant’s option: (i) an amount equal to Three Hundred One Thousand Two Hundred Fifty Dollars (\$301,250.00) in immediately available funds, payable to Landlord upon execution of this Sublease and in no event later than delivery of the Premises to Tenant; or (ii) an unconditional, irrevocable standby letter of credit in an amount not less than Three Hundred One Thousand Two Hundred Fifty Dollars (\$301,250.00) in funds available immediately or same day funds in the City of New York, as security for the faithful observance, payment and performance by Tenant of the terms, covenants and conditions of this Sublease on Tenant’s part to be observed, paid and performed (“**Performance Guaranty**”). Such letter of credit must be in form and content as set forth in **Exhibit H** for a term of not less than one (1) year with automatic extensions and issued by a commercial banking institution reasonably acceptable to Landlord and authorized to conduct business in the State of New York (“**Bank**”). The Performance Guaranty shall be delivered by Tenant and held by Landlord in accordance with the provisions of Article XXVI of this Sublease. No surety bonds shall be permitted.”

9. Section 2.01 of the Sublease is hereby deleted in its entirety and is hereby amended to read as follows:

“**Section 2.01, MINIMUM ANNUAL GUARANTEED RENT.** Tenant shall pay to Landlord the Minimum Annual Guaranteed Rent (“**Guaranteed Rent**”) set forth in the Data Sheet in equal consecutive monthly installments in advance on or before the first day of each month, without prior demand or notice. Guaranteed Rent, Percentage Rent and Additional Rent shall be paid to Landlord in U.S. currency at the address set forth in the Data Sheet, or such other place as Landlord may designate in writing, without any deductions or offsets whatsoever. Should the Rental Commencement Date occur on a day

other than the first day of a calendar month or this Sublease expire or terminate on a day other than the last day of a calendar month, then Guaranteed Rent shall be prorated on the basis of a 30 day month. Should any Lease Year contain less than 12 calendar months, said Guaranteed Rent shall be prorated on the basis of a 365 day year. Effective each January 1 (commencing January 1, 2008) following the Rental Commencement Date, Guaranteed Rent shall adjust (but in no event shall the Guaranteed Rent decrease below the amount set forth in the Data Sheet except as expressly set forth in this Section 2.01) by an amount equal to the then current Lease Year's Guaranteed Rent times the "**Percentage Change in Enplaned Passengers**". The "**Percentage Change in Enplaned Passengers**" shall mean an amount equal to the percentage change, whether an increase or a decrease, between the Terminal's reported "**Enplaned Passengers**" between 2 consecutive calendar years for each Lease Year of the Term. For example, on January 1, 2008, the initial calendar year for such measurement shall be the "**Enplaned Passengers**" in the Terminal during the 2006 calendar year and shall be compared to the "**Enplaned Passengers**" in the Terminal during the 2007 calendar year. Thereafter, calendar year periods used for the measurement comparison shall each roll forward by 1 calendar year for subsequent determinations of the Percentage Change in Enplaned Passengers (e.g., the second comparison on January 1, 2009 shall be the 2007 calendar year compared to the 2008 calendar year), the earlier calendar year measured shall be called the "**Base Year**" and the later calendar year measured shall be called the "**Measured Year**". For all purposes of this Sublease, the term "**Enplaned Passengers**" means any passenger determined by American to have boarded an aircraft in the Terminal, including passengers who may disembark and re-board the same aircraft as part of the same flight itinerary, but excluding passengers, such as international in-transit passengers; from international flights who are restricted from access to the Concession Area. Notwithstanding the foregoing, Landlord and Tenant hereby agree that for purposes of measuring the Percentage Change in Enplaned Passengers throughout the Term, the number of Enplaned Passengers for each Base Year shall be the greater of: (i) 4,400,000; or (ii) the number of actual Enplaned Passengers in the Terminal for the applicable calendar year. In the event during any Measured Year there is less than 4,000,000 Enplaned Passengers in the Terminal, the Tenant's Guaranteed Rent shall be proportionately and equitably adjusted by multiplying the then current Lease Year's Guaranteed Rent by the percentage decrease in the Percentage Change in Enplaned Passengers to determine the new amount of Guaranteed Rent, which amount may be less than the Guaranteed Rent set forth in the Data Sheet."

10. A new Section 27.31 is added to the Sublease as follows:

"Section 27.31 **TENANT'S CERTIFICATION**. Tenant hereby represents and warrants to Landlord that Tenant is not, and shall not become, a person or entity with whom Landlord is restricted from doing business under the regulations of the Office of Foreign Asset Control ("OFAC") of the United States Department of the Treasury (including, but not limited to, those named on OFAC's Specially Designated and Blocked Persons list) or under any statute, executive order (including, but not limited to, the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit or Support Terrorism), or other governmental action and is not and shall not engage in any dealings or transactions or be

otherwise associated with such persons or entities. Tenant acknowledges that Landlord is executing this Sublease in reliance on the foregoing representations and warranties and that such representations and warranties are a material element of the consideration inducing Landlord to enter into and execute this Sublease. In the event of any breach of the foregoing representations and warranties by Tenant, Landlord shall have the right, in addition to any other remedies provided under this Sublease or at law, to immediately terminate this Sublease upon written notice to Tenant. In the event of any such termination by Landlord, Tenant shall, immediately on receipt of Landlord's termination notice, close the Premises for business and surrender possession of the Premises to Landlord without Landlord resorting to any other legal process."

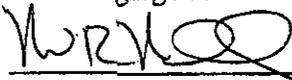
11. Attached hereto and made a part hereof are **Exhibit A-2** for the portion of the Premises more commonly known as Space No. B1, Space No. B11 and Space No. B14. This new part of **Exhibit A-2** is in addition to **Exhibit A-2** attached to the Sublease for the existing portion of the Premises more commonly known as Space Nos. A1, C7 and C13 (and which are also attached hereto for the convenience of the parties).

12. Exhibit A-3 attached to the Sublease is hereby deleted in its entirety and the new **Exhibit A-3** is attached hereto and made a part hereof.

13 All capitalized terms not otherwise expressly defined in this Amendment shall have the same meanings ascribed to them in the Sublease. This Amendment shall become binding upon the parties when executed and delivered by both parties. This Amendment sets forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements. Except as amended herein, all of the terms and provisions of the Sublease between the parties shall remain in full force and effect. In case of any inconsistency between the provisions of the Sublease and this Amendment, the later provision shall govern and control.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Amendment as of the day and year first above written.

TENANT:
AIRPORT MANAGEMENT SERVICES, LLC,
a Delaware limited liability company
By: Hudson News Company
Its Managing Member

By: 
Name: Michael Maltby
Title: Senior Vice President

LANDLORD:
WESTFIELD CONCESSION MANAGEMENT, LLC,
a Delaware limited liability company

By: 
Name: Arnold L. Meyersohn, Jr.
Title: Assistant Vice President & Secretary

Form - All-Purpose Ack. N.Y. (rev 1/4/2000)

For The Port Authority of NY & NJ

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

On the 11TH day of FEBRUARY in the year 2007⁹, before me, the undersigned, a Notary Public in and for said state, personally appeared DOUG STEARNS, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Gail E. Mitchell
(notarial seal and stamp)

For Westfield Concessions Management, LLC.

GAIL E. MITCHELL
NOTARY PUBLIC-STATE OF NEW YORK
No. 01Mi6026210
Qualified in Queens County
My Commission Expires June 14, 2011

STATE OF Missouri)
) ss.
COUNTY OF St. Louis)

On the 29th day of February in the year 2007, before me, the undersigned, a Notary Public in and for said state, personally appeared ANDREA L. MAYERSOHN, JR, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Melissa Curley
(notarial seal and stamp)

For Airport Airline Management Services, LLC

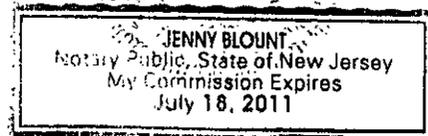


MELISSA CURLEY
My Commission Expires
July 17, 2011
St. Louis County
Commission #07131606

STATE OF New Jersey)
) ss.
COUNTY OF Bergen)

On the 18th day of JANUARY in the year 2007⁸, before me, the undersigned, a Notary Public in and for said state, personally appeared MICHAEL R. HULLANEY, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

J. Blount
(notarial seal and stamp)

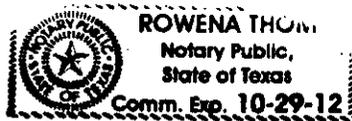


For American Airlines, Inc.

STATE OF Texas)
COUNTY OF Tarrant) ss.

On the 16th day of January in the year 2009, before me, the undersigned, a Notary Public in and for said state, personally appeared Laura Espania, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Rowena Thom
(notarial seal and stamp)



British Airways Plc

THIS AGREEMENT SHALL NOT BE BINDING UPON THE
PORT AUTHORITY UNTIL DULY EXECUTED BY AN
EXECUTIVE OFFICER THEREOF AND DELIVERED TO THE LESSEE AND THE
SUBLESSEE BY AN AUTHORIZED REPRESENTATIVE OF THE PORT AUTHORITY

Agreement No. AYB-876.1
Lease No. AYB-876
John F. Kennedy International Airport

CONSENT AGREEMENT

THIS AGREEMENT, effective as of January 1, 2001 (the "Effective Date"), by and among THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority"), BRITISH AIRWAYS PLC (hereinafter called the "Lessee") and THE HUDSON GROUP (hereinafter called the "Sublessee"), a corporation organized and existing under the laws of the State of New Jersey with an office and place of business at 1 Meadowlands Plaza, Suite 902, East Rutherford, New Jersey 07073, whose representative is Mr. Joseph D. Domizio.

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee have heretofore entered into an agreement of lease dated as of January 4, 1988 and identified by Port Authority Agreement No. AYB-876 (which agreement, as the same has been or may hereafter be supplemented and amended, is hereinafter called the "Lease") pursuant to which the Lessee hired and took from the Port Authority certain premises at John F. Kennedy International Airport (herein called the "Airport") all as more particularly described in the Lease (said premises being hereinafter referred to as the "Premises");

WHEREAS, the applicable provisions of the Lease require, and the Sublease Agreement provides, that the Sublease shall be subject and subordinate to the Lease as the same may be amended, supplemented or extended and, further, that it shall not take effect without the prior written consent of the Port Authority thereto embodied in an instrument signed by the Port Authority;

WHEREAS, the Lessee has requested the consent of the Port Authority to the attached proposed concessionaire sublease agreement made as of January 1, 2001 between the Lessee and the Sublessee (hereinafter called the "Sublease") covering portions of the premises under the Lease (such portions, being hereinafter collectively sometimes called the "Space");

NOW, THEREFORE, for and in consideration of the covenants and mutual agreements herein contained, the Port Authority, the Lessee and the Sublessee hereby agree

BA/AYB-876/Hudson Group

effective as of the Effective Date, as follows:

1. On the terms and conditions hereinafter set forth, the Port Authority consents to the Sublease.

2. Notwithstanding anything in the Sublease to the contrary, both this Consent Agreement and the Sublease shall terminate, without notice to the Lessee or the Sublessee, on the earliest to occur of the day preceding the date of expiration or earlier termination of the Lease, the effective date of any revocation of this Consent Agreement pursuant to Paragraph 8 hereof, or such earlier date as the Lessee and the Sublessee may agree upon subject to the terms and provisions hereof. Notwithstanding the foregoing, however, no termination of the Sublease shall diminish, limit, alter, affect, modify or impair the obligations, liabilities, or responsibilities of the Lessee under the Lease or release or relieve the Lessee from the same or from any of the terms, provisions, covenants and conditions of the Lease on its part to be kept, performed or observed. The Sublessee shall quit the Space covered by the Sublease and remove its property and property for which it is responsible therefrom on or before the termination of the Sublease.

3. If the Lessee shall at any time be in default of its obligations under the Lease, the Sublessee shall on demand of the Port Authority pay directly to the Port Authority any rental, fee or other amount due to the Lessee. No such payment shall relieve the Lessee from any obligation under the Lease or under this Consent Agreement but all such payments shall be credited against the obligations of the Lessee or of the Sublessee, as the Port Authority may determine for each payment or part thereof.

4. (a) Neither this Consent, nor anything contained herein nor the consent granted hereunder shall constitute or be deemed to constitute a consent to nor shall they create an inference or implication that there has been consent to any enlargement, diminishment, impairment, variation or change in the rights, powers and privileges granted to the Lessee under the Lease, nor any limitation, diminishment, modification, change or impairment of any of the rights, powers, privileges or remedies of the Port Authority under the Lease nor consent to the granting or conferring of any rights, powers, or privileges to the Sublessee as may be provided by the Sublease if not granted to the Lessee under the Lease, nor shall the same affect, impair, diminish, or change any of the duties, responsibilities, liabilities and obligations imposed on the Lessee under the Lease nor constitute or be deemed to constitute a release of the Lessee from any such duties, responsibilities, liabilities and obligations. The Sublease is an agreement between the Lessee and the Sublessee with respect to the various matters set forth therein. Neither this Consent Agreement nor anything contained herein nor the consent granted hereunder shall constitute an agreement between the Port Authority and the Lessee that the provisions of the Sublease shall apply and pertain as between the Lessee and the Port Authority, it being understood that the terms, provisions, covenants, conditions and agreements of the Lease shall, in all respects, be controlling, effective and determinative. In addition, in any case of difference or inconsistency between the provisions of this Consent Agreement and those of the Sublease, this Consent Agreement shall be controlling. The specific mention of or reference to the Port

Authority in any part of the Sublease, including, without limitation thereto, any mention of any consent or approval of the Port Authority now or hereafter to be obtained, shall not be or be deemed to create an inference that the Port Authority has granted its consent or approval thereto under this Consent Agreement or shall thereafter grant its consent or approval thereto or that the subject matter as to which the consent or approval applies has been or shall be approved or consented to in principle or in fact or that the Port Authority's discretion pursuant to the Lease as to any such consents or approvals shall in any way be affected or impaired. The lack of any specific reference in any provisions of the Sublease to Port Authority approval or consent shall not be deemed to imply that no such approval or consent is required and the Lease shall, in all respects, be controlling, effective and determinative.

(b) No provisions of the Sublease including, but not limited to, those imposing obligations on the Sublessee with respect to laws, rules, regulations, taxes, assessments and liens, shall be construed as a submission or admission by the Port Authority that the same could or does lawfully apply to the Port Authority, nor shall the existence of any provision of the Sublease covering actions which shall or may be undertaken by the Sublessee or the Lessee including, but not limited to, construction on the Space covered by the Sublease, title to property, the right to assign (by operation of law or otherwise) the Sublessee's interest in the Sublease, or to further sublease (in whole or in part) the Space or any part thereof, be deemed to imply or infer that Port Authority consent or approval thereto pursuant to the Lease will be given or that Port Authority discretion with respect thereto will in any way be affected or impaired. References in this paragraph to specific matters and provisions shall not be construed as indicating any limitation upon the rights of the Port Authority with respect to its discretion as to the granting or withholding approvals or consents as to other matters and provisions in the Sublease which are not specifically referred to herein.

(c) Notwithstanding anything to the contrary stated in Section 13.01 (a) of the Sublease, the Port Authority does not and shall not grant or permit a cure or grace period to the Sublessee with respect to the Sublessee's monetary payment defaults to the Port Authority.

5. The Sublessee, in its operations under and in connection with the Sublease and in its use and/or occupancy of the Space, agrees to assume, observe, be bound by and comply with all the terms, provisions and conditions of the Lease.

6. The Sublease shall not be changed, modified, discharged, renewed or extended except by written instrument duly executed by the parties thereto and only with the express prior written consent of the Port Authority.

7. The granting of the consent hereunder by the Port Authority shall not be or be deemed to operate as a waiver of the rights of the Port Authority or of its required consent to any subsequent sublease or other agreement (by the Lessee or by the Sublessee) with respect to the use or occupancy of the Space or any other portion or area of the Premises under the Lease, or to any assignment of the Lease or the Sublease or of any rights under any of the foregoing,

whether in whole or in part.

8. The Port Authority shall have the right to revoke this Consent Agreement at any time without cause, on thirty (30) days' notice to the Sublessee, which notice shall be jointly subscribed by the Port Authority and the Lessee, as to any one or more of the Spaces at the Premises at which the Sublessee has permission to operate, and no such revocation shall be deemed to affect the Lease or the continuance thereof, but the Sublease as it applies to the Space which is subject to revocation shall be terminated thereby.

9. The Port Authority shall not be obligated to perform or furnish any services or utilities whatsoever in connection with this Consent Agreement and the Sublease or the use and occupancy of the Space thereunder.

10. The Lessee and the Sublessee hereby represent and covenant to the Port Authority that they have complied with and will comply with all laws, governmental rules, regulations and orders now or at any time during the term of the Sublease which as a matter of law are applicable to or which affect the operations of the Lessee and the Sublessee under the Sublease or its or their use and/or occupancy of the Space or the Premises. The obligation of the Lessee and the Sublessee hereunder to comply with governmental requirements is provided herein for the purpose of assuring proper safeguards for the protection of persons and property. Such provision is not to be construed as a submission by the Port Authority to the application to itself of such requirements or any of them.

11. If the Sublessee shall fail to pay any amount required under this Consent Agreement when due to the Port Authority, or if any such amount is found to be due as the result of an audit, then, in such event, the Port Authority may impose (by statement, bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period (hereinbelow described) during the entirety of which such amount remains unpaid, each such late charge not to exceed an amount equal to eight-tenths of one percent of such unpaid amount for each late charge period. There shall be twenty-four late charge periods during each calendar year; each late charge period shall be for a period of at least fifteen (15) calendar days except one late charge period each calendar year may be for a period of less than fifteen (15) (but not less than thirteen (13)) calendar days. Without limiting the generality of the foregoing, late charge periods in the case of amounts found to have been owing to the Port Authority as the result of Port Authority audit findings shall consist of each late charge period following the date the unpaid amount should have been paid under this Consent Agreement. Each late charge shall be payable immediately upon demand made at any time therefor by the Port Authority. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid late charge amount shall be deemed a waiver of the right of the Port Authority to payment of any late charge or late charges payable under the provisions of this paragraph, with respect to such unpaid amount. Nothing in this paragraph is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Consent Agreement, including without limitation under Paragraph 8 hereof or (ii) any obligations of the Sublessee under this Consent Agreement. In the event that any late charge imposed pursuant to this Paragraph shall exceed a

legal maximum applicable to such late charges, then, in such event, each such late charge payable under this Consent Agreement shall be payable instead at such legal maximum.

12. Reference herein to the Sublessee shall mean and include the Sublessee, its directors, officers, agents, employees and also others on the Space covered by the Sublease or at the Premises or on the Airport with the consent of the Sublessee.

13. It is hereby acknowledged and agreed by the Lessee and the Sublessee that the Port Authority has no obligation under the Lease, this Consent Agreement or otherwise to pay, subsidize or in any manner whatsoever finance, directly or indirectly, all or any portion of any amount of the Sublessee's unamortized capital investment in the Space or at the Premises. Any specific mention of or reference in the Sublease to the Port Authority in connection with any payment or other compensation to the Sublessee, upon termination of the Sublease or the Lease or upon revocation of this Consent Agreement with or without cause (in accordance with the terms of Paragraph 8 hereof), of any amount of the Sublessee's unamortized capital investment in the Space or at the Premises shall not be or be deemed to create an obligation or inference of an obligation on the part of the Port Authority to either the Sublessee or the Lessee to pay, subsidize or finance said unamortized capital investment.

14. (a) Without in any way affecting the obligations of the Lessee under the Lease and under this Consent Agreement and notwithstanding the terms and conditions of the Sublease, the Sublessee shall make repairs and replacements as if it were the Lessee under the Lease. In addition, the Sublessee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives, from and against (and shall reimburse the Port Authority for its costs and expenses including attorneys' fees and other legal expenses incurred in connection with the defense of) all claims and demands of third persons including but not limited to claims and demands for death, for personal injuries and for property damages, arising out of a breach or default of any term or provision of this Agreement by the Sublessee or out of its operations under the Sublease or at the Space or out of the use or occupancy of the Space by the Sublessee or others with its consent, or out of any other acts or omissions of the Sublessee, its officers, employees, agents, representatives, contractors, customers, guests, invitees and other persons who are doing business with the Sublessee or who are at the Space or the Premises with the consent of the Sublessee, or out of any other acts or omissions of the Sublessee, its officers and employees at the Airport including claims and demands of the City of New York, from which the Port Authority derives its rights in the Airport, for indemnification, arising by operation of law or pursuant to the Basic Lease (as defined in the Lease) whereby the Port Authority has agreed to indemnify the City of New York against claims. However, all acts and omissions of the Sublessee shall be deemed to be acts and omissions of the Lessee under the Lease and the Lessee shall also be severally responsible therefor including but not limited to the obligations of indemnification, repair and replacement.

(b) If so directed, the Sublessee shall at its own expense defend any suit based upon any such claim or demand (even if such claim or demand is groundless, false or fraudulent), and in handling the same it shall not, without obtaining express advance permission

from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority.

15. (a) In addition to the insurance required to be maintained by the Lessee under the Lease, the Sublessee in its own name as insured and including the Port Authority and the Lessee as additional insureds shall maintain and pay the premiums during the term of the Sublease on a policy or policies of Commercial General Liability insurance, including premises operations, products liability and completed operations and covering bodily injury, including death, and property damage liability, none of the foregoing to contain care, custody or control exclusions, and providing for coverage in the limits set forth below. Each of the aforesaid policy or policies of insurance shall also provide or contain an endorsement providing that the protections afforded the Sublessee thereunder with respect to any claim or action against the Sublessee by a third person shall pertain and apply with like effect with respect to any claim or action against the Sublessee by the Port Authority or the Lessee, or both, and with respect to any claim or action against the Port Authority or the Lessee, or both, by the Sublessee as though the Port Authority and the Lessee were the named insureds thereunder, but such endorsement shall not limit, vary, change, or affect the protections afforded the Port Authority and the Lessee thereunder as additional insureds. The said policy or policies of insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Sublessee under subparagraph (a) above.

Minimum Limits

| | |
|--|-------------|
| Commercial General Liability | |
| Combined single limit per occurrence for | |
| bodily injury and property damage liability: | \$2,000,000 |

Without limiting the provisions hereof, in the event the Sublessee maintains any of the foregoing insurance in limits greater than aforesaid, the Port Authority shall be included therein as an additional insured to the full extent of all such insurance in accordance with all terms and provisions hereof.

(b) All insurance coverages and policies required under this paragraph may be reviewed by the Port Authority for adequacy of terms, conditions and limits of coverage at any time and from time to time during the term of the consent hereunder. The Port Authority may, at any such time, require commercially reasonable additions, deletions, amendments or modifications to the above-scheduled insurance requirements, or may require such other and additional insurance, in such reasonable amounts, against such other insurable hazards, as the Port Authority may deem required.

(c) As to the insurance required by the provisions of subparagraph (a)

of this Paragraph, a certified copy of each of the policies or a certificate or certificates evidencing the existence thereof, or binders, shall be delivered to the Port Authority prior to the use of any portion of the Space by the Sublessee. Each policy, certificate or binder delivered as aforesaid shall bear the endorsement of or be accompanied by evidence of payment of the premium thereon. In the event any binder is delivered it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy or certificate shall contain a valid provision or endorsement that the policy may not be cancelled, terminated, changed or modified without giving thirty (30) days' written advance notice thereof to the Port Authority. Each such copy or certificate shall contain an additional endorsement that the insurer shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, its Commissioners, officers, agents or employees, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port Authority. A certificate or other evidence of any renewal policy shall be delivered to the Port Authority prior to the expiration of each expiring policy, except for any policy expiring after the date of expiration of the term of the Sublease. The aforesaid insurance shall be written by a company or companies approved by the Port Authority the Port Authority agreeing not to withhold its approval unreasonably. If at any time any of the insurance policies shall be or become unsatisfactory to the Port Authority as to form or substance or if any of the carriers issuing such policies shall become unsatisfactory to the Port Authority, the Sublessee shall promptly obtain a new and satisfactory policy in replacement the Port Authority covenanting and agreeing not to act unreasonably hereunder. If the Port Authority at any time so requests, a certified copy of each of the policies shall be delivered to the Port Authority.

16. Without limiting the generality of the provisions of this Consent Agreement, the terms, provisions, conditions and agreements of the Lease shall, in all respects, be controlling, effective and determinative and to the extent that any provisions of the Sublease are contrary to, conflict with or are inconsistent with the Lease or this Consent Agreement then such provisions of the Sublease shall be deemed null and void and of no force or effect as to the Port Authority, and of no force or effect on the Lease.

17. The Sublessee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Sublessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Sublessee assures that it will require that its covered suborganizations provide assurances to the Sublessee that they similarly will undertake affirmative programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

18. Nothing contained in this Consent Agreement nor in the Sublease, including without limitation the payment obligation of the Sublessee under Article II of the

Sublease, nor the acceptance of any such payment thereunder by the Port Authority from the Sublessee shall create or be deemed to have created a landlord-tenant relationship or privity of estate between the Port Authority and the Sublessee nor shall it be or be deemed to be an attornment by the Sublessee to the Port Authority nor acceptance thereof by the Port Authority and the Sublease and the occupancy by the Sublessee of the Space shall in all events be and remain subject and subordinate to the Lease. Neither a partnership nor any joint venture is hereby or by the Sublease created or implied notwithstanding the provisions of Article II of the Sublease.

19. Nothing contained in this Consent Agreement or the Sublease shall be or deemed to be consent to, or approval of, the erection of any structures, or the making of any improvements, alterations, modifications, additions, repairs or replacements to the Space or the Premises including without limitation the installation of any signs at the Airport. The Lessee and Sublessee agree that no construction, installation or the like, as aforesaid, shall be performed without the prior written approval of the Port Authority and subject to the terms and conditions of the Lease and an approved Alteration Application which the Lessee shall prepare and submit to the Port Authority.

20. (a) The Sublessee shall deliver to the Port Authority, as initial security for all obligations under this Consent Agreement, a clean irrevocable letter of credit issued by a banking institution satisfactory to the Port Authority and having its main office within the Port of New York District, in favor of the Port Authority in the amount of Six Hundred Twenty-eight Thousand Five Hundred Dollars and No Cents (\$628,500.00). The form and terms of such letter of credit, as well as the institution issuing it, shall be subject to the prior and continuing approval of the Port Authority. Such letter of credit shall provide that it shall continue throughout the effective letting under this Consent Agreement and for a period of not less than six (6) months thereafter; such continuance may be by provision for automatic renewal or by substitution of a subsequent satisfactory letter. Upon notice of cancellation of a letter of credit, the Sublessee agrees that unless, by a date twenty (20) days prior to the effective date of cancellation, the letter of credit is replaced by security in cash or bonds or another letter of credit satisfactory to the Port Authority, the Port Authority may draw down the full amount thereof and thereafter the Port Authority will hold the same as security. Failure to provide such a letter of credit at any time during the effective letting, valid and available to the Port Authority, including any failure of any banking institution issuing any such letter of credit previously accepted by the Port Authority to make one or more payments as may be provided in such letter of credit, shall be deemed to be a breach of this Consent Agreement on the part of the Sublessee. Upon acceptance of such letter of credit by the Port Authority, and upon request by the Sublessee made thereafter, the Port Authority will return the security deposit, if any, thereafter, the Port Authority will return the security deposit, if any, theretofore made under and in accordance with the provisions of this paragraph. The Sublessee shall have the same rights to receive such deposit during the existence of a valid letter of credit as it would have to receive such sum upon expiration of the permission under this Consent Agreement and fulfillment of the obligations of the Sublessee hereunder. If the Port Authority shall make any drawing under a letter of credit held by the Port Authority hereunder, the Sublessee on demand of the Port Authority and within two (2) days thereafter,

shall bring the letter of credit back up to its full amount.

(b) The Sublessee hereby certifies that its Federal Tax Identification Number is 22-1002650 for the purposes of subparagraph (a) above.

21. Except where expressly required or permitted herein to be oral, all notices, directions, requests, consents and approvals required to be given to or by either party shall be in writing, and all such notices and requests shall be personally delivered to the duly designated officer or representative of such party or delivered to the office of such officer or representative during regular business hours, or forwarded to him or to the party at such address by registered or certified mail. Such designated officer or representative of the Port Authority and the Lessee and their respective offices shall be as set forth in the Lease. The Sublessee shall from time to time designate in writing an office within the Port of New York District and an officer or representative whose regular place of business is at such office upon whom notices and requests may be served. Until further notice, the Sublessee designates the representative named on the first page of this Consent Agreement as its representative upon whom notices and requests may be served and its address stated on the first page of this Consent Agreement as its office where notices and requests may be served. If mailed, the notices herein required to be served shall be deemed effective and served as of the date of the registered or certified mailing thereof.

22. This Consent Agreement and the interpretation, validity and enforceability thereof shall be governed by the laws of the State of New York.

23. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof shall be held personally liable to the Lessee or to the Sublessee under any term or provision of this Consent Agreement or because of its execution or attempted execution or because of any breach or alleged breach thereof.

IN WITNESS WHEREOF, the Port Authority, the Lessee and the Sublessee have executed these presents.

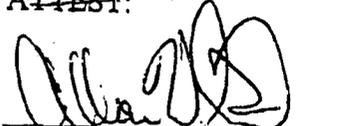
ATTEST:


Secretary

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By 
(Title) FRANCIS A. DIMOLA
ASSISTANT DIRECTOR
AVIATION DEPT.
(Seal)

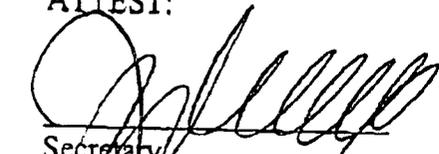
ATTEST: WITNESSED:


Secretary DIRECTOR

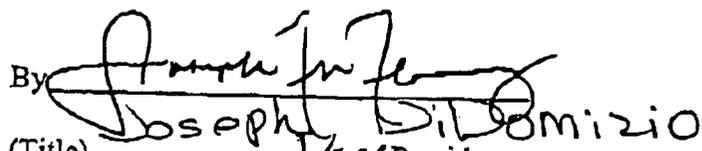
BRITISH AIRWAYS PLC

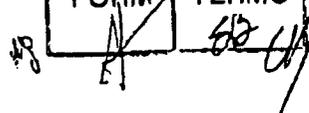
By 
(Title) DAVID ERICH
Senior Vice President
(Corporate Seal)

ATTEST:


Secretary
Sally C. Marshall

THE HUDSON GROUP

By 
(Title) Joseph DiDomizio
Vice President
(Corporate Seal)

APPROVED:
FORM / TERMS


Form - All-Purpose Ack. N.Y. (rev 1/4/2000)

For the Port Authority of NY & NJ

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

On the 30 day of March in the year 2001, before me, the undersigned, a Notary Public in and for said state, personally appeared FRANCIS A. DiMOLA personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

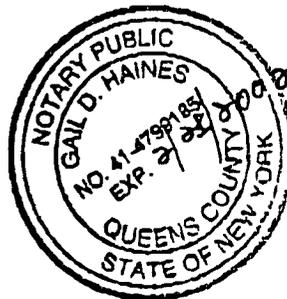
William Hernandez
(notarial seal and stamp)

WILLIAM HERNANDEZ
Notary Public, State of New York
No. 01HB6049028
Qualified in New York County
Commission Expires October 02, 2002
For British Airways Plc

STATE OF New York)
) ss.
COUNTY OF Queens)

On the 12th day of February in the year 2001, before me, the undersigned, a Notary Public in and for said state, personally appeared DAVID ERICH personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

David Haines
(notarial seal and stamp)



For The Hudson Group

New Jersey
STATE OF NEW YORK)
Bergen) ss.
COUNTY OF NEW YORK)

On the *22nd* day of *February* in the year 2001, before me, the undersigned, a Notary Public in and for said state, personally appeared *Joseph N. Blumigio* personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Catherine R. Bogden
(notarial seal and stamp)

Catherine R. Bogden
Notary Public, State of New Jersey
No. 2217060
Qualified in Bergen County
Commission Expires September 11, 2003

CONCESSIONAIRE SUBLEASE

BETWEEN

BRITISH AIRWAYS PLC

AS

SUBLANDLORD

AND

THE HUDSON GROUP

AS

CONCESSIONAIRE

FOR

**A PORTION OF TERMINAL 7 IN
JOHN F. KENNEDY INTERNATIONAL AIRPORT**

JOHN F. KENNEDY INTERNATIONAL AIRPORT - TERMINAL 7

CONCESSIONAIRE SUBLEASE AGREEMENT

This Concessionaire Sublease Agreement ("Sublease") is made as of this 1st day of January, 2001, by and between British Airways Plc, a corporation of England and Wales having offices at 75-20 Astoria Street, Jackson Heights, New York 11370 ("Sublandlord"), and The Hudson Group, having offices at 1 Meadowlands Plaza, Suite 902, East Rutherford, NJ 07073 ("Concessionaire").

GLOSSARY AND BASIC SUBLEASE PROVISIONS

The following information and terms are deemed to be incorporated in and part of the Sublease.

Additional Rent: The collective term for all sums of money required to be paid by Concessionaire to Sublandlord or the Port Authority, other than Base Rent, as that term is defined in Section 2.01, below, and including, without limitation, the Facilities Development Amount, as that term is hereinafter defined.

Address for payments to Port Authority: P.O. Box 17309, Newark, New Jersey 07194.

Address for payments to Sublandlord: British Airways, Building 59, JFK International Airport, Jamaica, New York 11430 Attention: British Airways Administration Department

Airport: John F. Kennedy International Airport.

Annual Statement: A statement from, and certified as being true, accurate and complete by, Concessionaire and delivered to the Sublandlord and the Port Authority, stating the amount of Gross Receipts from the Concessionaire for the previous calendar year or partial calendar year.

Audit: A complete audit to be made, by an independent certified public accountant selected by Sublandlord or the Port Authority, as the case may be, of the Records of the Concessionaire for the period covered by any Monthly Statement or Annual Statement.

Bond: Letter(s) of credit for the benefit of the Sublandlord and the Port Authority, respectively, issued by a party or parties approved by the Sublandlord and the Port Authority, as the case may be, as to the surety or letter of credit in its respective favor, which provides Sublandlord or the Port Authority, as the case may be, the right to make an immediate demand upon the issuer thereof for any Rent that may be owned to Sublandlord, or the Port Authority, as the case may be, by the Concessionaire.

Commencement Date: January 1, 2001.

Common Areas: All portions of the Terminal, except for those portions (1) included within the Concessionaire Premises; and (2) not open or available for use by the general public.

Concessionaire Premises: That portion of the Premises subleased to the Concessionaire and depicted on Exhibit A, being Spaces R2, R3, R4, R5, R6, and R10. Concessionaire acknowledges that delivery by Sublandlord of Space R2 will be delayed but that such delay does not effect Concessionaire's obligations herein.

Concessionaire Sublease: This Sublease, which shall be void *ab initio* and of no force and effect unless and until such time as the Concessionaire, Sublandlord, and the Port Authority have executed a consent agreement in the form of a so-called "Privilege Permit", or other form of consent agreement provided by

the Port Authority, evidencing the consent of the Port Authority to this Sublease, which issuance is within the sole and absolute discretion of the Port Authority.

Concessionaires: All third-parties to whom the Sublandlord subleases or licenses portions of the Premises.

CPI: The twelve (12) month average of the Consumer Price Index [U.S.-All Items in Commodity Groups-New York Area Only, Urban Wage Earners and Clerical Workers of the U.S. Department of Labor 1967=100].

Default Rate: A rate of interest being the lesser of (a) the Prime Rate, plus four percent (4%); and (b) the highest rate then allowed under the usury laws of the State of New York.

Delivery Service: Federal Express or similar nationally recognized overnight courier service.

Disadvantaged Business Enterprise or DBE means an entity meeting the requirements of a disadvantaged business enterprise as defined in US Department of Transportation Regulations Title 49, Code of Federal Regulations, Part 23, and certified as a DBE by the Port Authority.

Enplanement or Enplaned Passenger: Any local originating, connecting or through passenger that boards a flight from the Terminal, excluding passengers who have disembarked and reboarded for the purpose of continuing their journey on the same aircraft with the same flight number.

Event of Default: Certain failures by the Concessionaire, as more fully set forth in Section 13.01.

Expiration Date: December 31, 2008 if R2 is delivered on or before January 1, 2001 or December 31, 2009 if R2 is delivered after January 1, 2001.

Floor Area of Concessionaire Premises: R2 – 1,487 square feet. R3 and R4 – 1,954 square feet; R5 – 534 square feet; R6 – 711 square feet; and R10 – 230 square feet. Total square feet – 4,916.

Food Court Common Areas: Those portions of the common areas shown on Exhibit A of the Lease as A-1, A-2, A-4, A-5 and C-1 and C-2.

GAAP: Generally Accepted Accounting Principles

Governmental Authority or Governmental Authorities: The United States of America, the States of New York and New Jersey, any political subdivision of either and any agency, department, commission, board, bureau or instrumentality of any of the foregoing, or any quasi-governmental authority (to the extent the rulings of such quasi-governmental authority have the force of law), including the Port Authority, now existing or hereafter created, having jurisdiction over the Airport or any portion thereof.

Gross Receipts: As that term is defined in Section 2.01(b)(iv), below.

Initial Build Out Costs: The aggregate of the so-called hard and soft costs incurred by the Concessionaire in connection with the development, design, construction, furnishing, fixturing and equipping of the Concessionaire Premises.

Laws: All present and future laws, rules, orders, ordinances, regulations, statutes, requirements, codes and executive orders, extraordinary as well as ordinary, of all Governmental Authorities now existing or hereafter created, and of any applicable fire rating bureau or other body exercising similar functions, affecting the Airport or any portion thereof.

Master Lease: That certain Agreement of Lease dated as of January 4, 1988 between the Sublandlord as the Lessee therein and The Port Authority of New York and New Jersey, and all amendments, supplements and revisions thereof, whether heretofore or hereafter made (collectively "Supplements") and known as Lease No. AYB-876.

Minimum Annual Guaranteed Rent: \$1,205,000.00, as adjusted in accordance with the terms of Section 2.01 (a), below, of which \$361,500.00 is applicable to R2.

Minimum Annual Guaranteed Rent Commencement Date: The first to occur of the (i) date upon which the Concessionaire Premises are initially opened for business to the public; or (ii) 122nd day following Substantial Completion, as that term is hereinafter defined, but in no case later than 90 days after the date of the Port Authority's preconstruction meeting, except for R2, which is the earlier of (I) 90

days after the date of the Port Authority's preconstruction meeting, or (II) the date upon which the Concessionaire Premises are initially opened for business to the public.

Monthly Statement: A statement from and certified, as being true, accurate and complete by the Concessionaire to the Sublandlord and the Port Authority stating the amount of Gross Receipts from Concessionaire for the previous calendar month, each such statement to identify each location operated by Concessionaire within the Premises, irrespective of whether or not all such locations (if more than one) are operated under one or more Concessionaire Subleases.

Percentage Rent: That portion of the Gross Receipts of the Concessionaire to be paid as a component of Rent by the Concessionaire to the Sublandlord or Port Authority, as the case may be.

Percentage Rent Rates: Those rates identified as such in Exhibit D.

Permitted Operations: Operation of news stands, gift and specialty shops, with permitted sales of sundry items normally offered for sale at such shops as follows:

R-2, R-5, R-6 Hudson News

Merchandise will include newspapers, magazines, books, candy, gum, mints, prepackaged snacks, refrigerated bottled beverages, film, batteries, cameras, electronics, tobacco products, health & beauty aids, cosmetics, sundries, greeting/post cards, phone debit cards, regionally themed gifts, souvenirs and apparel, maps, stationery, travel related items, and other traveler's convenience products.

R-3 The Travel Store – Book Corner

Merchandise will include luggage, luggage accessories, luggage carts, children's luggage, carry-on bags, duffels, backpacks, small leather items, handbags, briefcases, computer cases/travel bags, travel apparel, travel size appliances (hair dryers, travel irons, shavers, etc.), manicure kits, umbrellas, clocks, headphones, electronic travel items, writing instruments, greeting cards, books, maps, stationery, audio books, and book accessories.

R-4 Hudson Book Corner

Merchandise will include newspapers, magazines, candy, gum, mints, prepackaged snacks, refrigerated bottled beverages, film, batteries, cameras, electronics, tobacco products, health & beauty aids, cosmetics, sundries, greeting/post cards, phone debit cards, regionally themed gifts, souvenirs and apparel, maps, stationery, travel related items, other traveler's convenience products, books, audio books, writing instruments and book accessories.

R-10 Discover New York

Discover New York will feature a full-line of regionally themed gifts, apparel, prepackaged gourmet food products, designer costume jewelry and local artisan costume jewelry and crafts, jewelry boxes, gift books, gift music, artworks, crystal, small leather goods, and memorabilia. The themes will focus on a variety of facets of New York culture and attractions including museums, historic landmarks, Broadway, regional foods, local restaurants, local crafts, local sports, local universities, famous New Yorkers and major local tourist attractions, events and cultural icons.

It is further provided that the foregoing are subject, in all events, to the limitations set forth in Section 5.01, below.

Plans and Specifications: The plans and specifications approved by Sublandlord and the Port Authority, by which the Concessionaire will (a) design; (b) furnish; (c) fixture; and (d) equip the Concessionaire

Premises. All plans and specifications must comply with the Port Authority's Tenant Alteration Application process, a copy of said form of said Application is attached hereto as Exhibit E.

Port Authority: The Port Authority of New York and New Jersey, a body corporate and politic as established by compact between the States of New Jersey and New York with the consent of the Congress of the United States of America.

Port Authority Consent: A written consent agreement in the form of a so-called "Privilege Permit", or other form of consent agreement provided by the Port Authority, evidencing the consent of the Port Authority to this Sublease, which issuance is within the sole and absolute discretion of the Port Authority.

Port Authority Percentage Rent: An amount equal to fifty percent (50%) of the Percentage Rent.

Premises: Those portions of the Terminal which are, from time-to-time, designated as such by the Sublandlord, but in no event shall it consist of less than the aggregate of all Concessionaires' Premises and the Food Court Common Areas.

Prime Rate: That which is published, from time to time, in the Wall Street Journal as being the prime rate.

Protected Parties: All officers, directors, employees, agents and shareholders of the Sublandlord and its successors and assigns.

Records: Those records and books or account recording all transactions of the Concessionaire at, through, or in anyway connected with the Concessionaire Premises.

Rent: The collective term for Minimum Annual Guaranteed Rent, Percentage Rent and Additional Rent.

Sublandlord Percentage Rent: An amount equal to fifty percent (50%) of the Percentage Rent.

Sublandlord's Work: That work to be done by or on behalf of the Sublandlord as more fully set forth in Exhibit B.

Substantial Completion: That stage in the process of the Sublandlord's Work when such is sufficiently complete, as reasonably determined by Sublandlord, so that the Concessionaire may beneficially occupy the Concessionaire Premises for its intended use.

Term: The period beginning on the Commencement Date and ending on the Expiration Date, unless sooner terminated pursuant to the terms of this Sublease, including the right of Sublandlord to terminate this Sublease and all rights of the Concessionaire in accordance with the provisions of Section 17.17, below.

Terminal: That portion of the Airport currently and commonly known as Terminal 7 or the British Airways Terminal.

Notice Address:

Sublandlord:

75-20 Astoria Boulevard
Jackson Heights, New York 11370
Attention: David Erich, Senior Vice-President, Customer Service

With copy to:

James B. Blaney
Senior Counsel, Americas
75-20 Astoria Boulevard
Jackson Heights, New York 11370

Port Authority:

Manager of Central Business
Port Authority of New York and New Jersey
One World Trade Center
65th Floor South
New York, New York 10048

With copy to:

Chief, Leases Division
Port Authority of New York and New Jersey
Law Department
World Trade Center
New York, New York 10048

Concessionaire:

Mario Didomizio
President
The Hudson Group
1 Meadowlands Plaza
Suite 902
East Rutherford, NJ 07073

With a copy to:

Jay G. Marshall, Esq.
General Counsel
The Hudson Group
1 Meadowlands Plaza
Suite 902
East Rutherford, NJ 07073

Exhibits:

- A. Depiction of Concessionaire's Premises
- B. Description of Sublandlord's Work
- C. Disadvantaged Business Enterprise Provisions
- D. Percentage Rent Rates
- E. Form of Port Authority Tenant Alteration Application
- F. Form of Guaranty
- G. Affirmative Action Policy
- H. Terminal Rules

ARTICLE I

GRANT AND TERM

Section 1.01 GRANT AND PREMISES.

(a) Sublandlord, in consideration of the Rent to be paid and the covenants to be performed by Concessionaire, does hereby, demise and lease unto Concessionaire, and Concessionaire hereby rents and hires from Sublandlord, the Concessionaire Premises for the uses and purposes hereinafter set forth, subject, at all times, to the terms and conditions of the Master Lease and the Port Authority Consent, provided however, this Sublease shall be void *ab initio* until receipt of the executed Port Authority Consent.

(b) The foregoing grant and demise to Concessionaire includes the non-exclusive right of the Concessionaire and its officers, shareholders, partners, members, contractors, agents, employees and invitees and others acting by, through or under the Concessionaire to use the Airport, pursuant to the terms of the Master Lease, including, but not limited to, Section 6, thereof, in common with all others permitted to use the Airport by the Port Authority.

Section 1.02 DELIVERY OF PREMISES; WORK OF SUBLANDLORD AND CONCESSIONAIRE.

(a) Sublandlord will perform or cause to be performed, the Sublandlord's Work, as more fully set forth in Exhibit B. Concessionaire, by its execution of this Sublease, represents, warrants and agrees that Sublandlord has no obligation, duty and has made no agreement with Concessionaire to do or cause to be done any other work in or to the Concessionaire Premises except as expressly set forth herein.

(b) Concessionaire covenants and agrees that, to the extent not required to be completed by the Sublandlord, it shall cause to be done, at no cost to the Sublandlord or Port Authority, the (1) design; (2) furnishings and fixtures; (3) leasehold improvements and; (4) equipping of the Concessionaire Premises, and that the actual out-of-pocket expenses actually paid by the Concessionaire in connection with the foregoing items (2) - (4) shall equal or exceed \$1,005,400.00, and Concessionaire will provide to Sublandlord such documentation as is reasonably required to evidence and support such projects. Concessionaire covenants that it will, at all times, conform with all Laws, the Master Lease and the Tenant Alteration Application process of the Port Authority.

ARTICLE II

RENTAL

Section 2.01 BASE RENT

For each calendar year, Concessionaire shall pay to Sublandlord and Port Authority, or such other party or parties as the Concessionaire is from time-to-time notified in writing, as Base Rent, an amount equal to the greater of the (1) Minimum Annual Guaranteed Rent, prior to and without regard to any waiver or abatement as set forth in (a)(A)(I); and (2) Percentage Rent. All payments of Base Rent shall be due and payable without prior demand or notice.

(a) MINIMUM ANNUAL GUARANTEED RENT.

A. (I) Minimum Annual Guaranteed Rent shall be due and be paid in twelve (12) equal monthly installments, in advance, on the first day of the first month following the Minimum Annual Guaranteed Rent Commencement Date. Subject to 2.01 (a) (C), below, until such time as the number of Enplanements equal or exceed 1,800,000 for the current twelve (12) month period ("Threshold"), that portion of the Minimum Annual Guaranteed Rent to be paid to the Sublandlord shall be abated and waived, but such abatement and waiver shall not be deemed an Event of Default, provided however that no such abatement shall diminish the obligation on the part of the Concessionaire to pay Percentage Rent, and Port Authority Minimum Annual Guaranteed Rent, as that term is hereinafter defined, to the extent required under the terms of this Sublease. The number of Enplanements will be based upon the Monthly Report; said Monthly Report is a report, by Sublandlord, certifying the number of Enplaned Passengers for the previous calendar month or partial calendar month, as the case may be.

(II) At such time as the number of Enplanements equal or exceed the Threshold, that portion of the Minimum Annual Guaranteed Rent to be paid to the Sublandlord shall be so paid in equal monthly installments, on the first day of the month following the date upon which the Sublandlord has delivered to Concessionaire the last of the twelve (12) consecutive Monthly Reports evidencing that the Threshold has been met. For purposes of illustration, and not limitation, if the Threshold is met as of July 31 of a calendar year, and evidence thereof is supplied to Concessionaire prior to August 1, then the payments to be made in accordance with this (II) shall commence on September 1 of said calendar year.

(III) Notwithstanding anything herein contained to the contrary, in the event the Concessionaire does not initially open for business on or before the Minimum Annual Guaranteed Rent Commencement Date, then, for the period commencing on the Minimum Annual Guaranteed Rent Commencement Date, until the date such Concessionaire initially opens for business ("Stub Period"), Concessionaire shall pay to Sublandlord, as liquidated damages, and not as a penalty, an amount equal to the Minimum Annual Guaranteed Rent for such Concessionaire Premises ("Stub Rent") prorated, on a daily basis, and paid, in advance, on the first day of the first calendar month following the Stub Period. Upon the initial opening for business by such Concessionaire, the Minimum Annual Guaranteed Rent shall thereafter begin to accrue in accordance with the terms of this Sublease and be paid in accordance with I., above.

B. Concessionaire acknowledges and agrees that, of the Minimum Annual Guaranteed Rent, fifty percent (50%) thereof is due and payable by Concessionaire to the Port Authority, on a monthly basis, notwithstanding and irrespective of the number of Enplanements ("Port Authority Minimum Annual Guaranteed Rent"). Therefore, Port Authority Minimum Annual Guaranteed Rent shall be paid, directly to the Port Authority, in equal monthly installments, on the first day of the month following the Minimum Annual Guaranteed Rent Commencement Date, and the Minimum Annual Guaranteed Rent for the first calendar year shall be prorated on a per diem basis. Subsequent to the Minimum Annual Guaranteed Rent Commencement Date, the Concessionaire shall deliver to the Sublandlord a statement confirming the Minimum Annual Guaranteed Rent Commencement Date.

C. During each calendar year that an amount equal to eighty-five percent (85%) of the Percentage Rent therefor shall exceed the Minimum Annual Guaranteed Rent for the same calendar year, then the Minimum Annual Guaranteed Rent for the next succeeding calendar year shall be an amount equal to said eighty-five percent (85%) of the Percentage Rent.

(b) **PERCENTAGE RENT.**

(i) Percentage Rent from Concessionaire shall be equal to the product of the Percentage Rent Rates applicable to the merchandise sold or services offered by the Concessionaire within the Concessionaire Premises, multiplied by the Gross Receipts.

(ii) Commencing with the second (2nd) month of the Term, Percentage Rent shall be paid by Concessionaire to Sublandlord, as to the Sublandlord Percentage Rent, and the Port Authority, as to the Port Authority Percentage Rent, without prior notice or demand, within fifteen (15) days after the end of each month of the Term ("Percentage Rent Payment Date"); provided however, in no event shall either the Sublandlord Percentage Rent or Port Authority Percentage Rent be less than the amount due to the Sublandlord or Port Authority, as the case may be, as Minimum Annual Guaranteed Rent.

(iii) If, for any calendar year or partial calendar year, as the case may be, the total amount of monthly installments of Percentage Rent for such period is less than the total amount of Percentage Rent required to be paid for said period, Concessionaire shall pay to the Sublandlord or the Port Authority, or both, as the case may be, the amount of such deficiency together with the delivery of the Annual Statement. If, at the end of any calendar year or partial calendar year, as the case may be, the total amount of Percentage Rent paid by Concessionaire for such period was in excess of amount of Percentage Rent required to be paid hereunder for said period, then such excess shall be deemed to be prepaid Percentage Rent and shall be applied as a credit against Percentage Rent thereafter becoming due and payable by Concessionaire to Sublandlord or Port Authority, or both, as the case may be, until such credit is exhausted. This obligation shall survive the expiration or sooner termination of this Sublease.

(iv) The term Gross Receipts, for each calendar year or partial calendar year, shall mean and include all monies paid or payable to Concessionaire for sales made and, services rendered at or from the Concessionaire Premises, regardless of (A) when during a calendar year sales are made and (B) where the order is filled or from where it is shipped, if the order was taken at the Concessionaire Premises, provided however the following shall be excluded, or, if included, may be deducted therefrom: (1) taxes imposed by law which are separately stated to and paid by a customer and directly payable to the taxing authority by the Concessionaire; (2) receipts of Concessionaire which arise from its operations, if any, under any other agreement with the Port Authority and which are subject to a percentage rental or fee under that agreement; (3) refunds for merchandise returned by customers; (4) the amount of gratuities paid or given by patrons or customers to employees of Concessionaire or others employed at or serving at any of the facilities being operated by Concessionaire; (5) bona fide transfers of merchandise to or from the Concessionaire Premises to any other stores or warehouses of Concessionaire; (6) sales of Concessionaire's fixtures and store equipment not in the ordinary course of such Concessionaire's business; (7) returns to shippers, suppliers or manufacturers; and (8) insurance proceeds received from the settlement of claims for loss of or damages to merchandise, fixtures and other personal property of the Concessionaire other than the proceeds of business interruption insurance. During all time periods for which Gross Receipts are computed, in the event the foregoing definition produces a negative number, Gross Receipts shall be deemed to equal zero. With respect to retail operations, any payments received by Concessionaire as consideration for the prominent display of merchandise and/or the placement of promotional material in the Concessionaire Premises, from a supplier of goods ("Retail Display Allowance"), the full amount of each such Retail Display Allowance or any other promotional incentive shall be included in the Gross Receipts for the year within which such was earned, irrespective of when received. The amount of Gross Receipts shall be determined and based upon the amount that Concessionaire reports to Sublandlord and the Port Authority as the Gross Receipts for each such reporting period, as adjusted, thereafter after examination of Concessionaire's books and record and/or Audit by either or both of the Sublandlord and the Port Authority.

Section 2.02 ADDITIONAL RENT.

Additional Rent, if any, shall be paid within ten (10) days after receipt of a bill therefor.

Section 2.03 LATE CHARGE, DEFAULT RATE, LOCATION FOR PAYMENTS,

(a) Unless specifically stated otherwise in this Sublease, Rent shall be due and payable as indicated herein. The parties hereby agree that late payment by Concessionaire of any Rent may cause Sublandlord to incur certain costs and expenses not contemplated under this Sublease; the exact amount of which costs are extremely difficult to determine. In the event Concessionaire fails to pay any Rent to Sublandlord on or before the 5th day after same is due to Sublandlord, then Concessionaire shall pay to Sublandlord a late charge of five percent (5%) of the amount not so paid as damages for the failure to make prompt payment. In the event Concessionaire pays said late charge, but fails to pay contemporaneously therewith all unpaid amounts of Rent then due to Sublandlord and payable, Sublandlord's acceptance of this late charge shall not constitute a waiver of Concessionaire's failure with respect to Concessionaire's nonpayment or prevent Sublandlord from exercising all other rights and remedies available to Sublandlord.

(b) (i) Any amount due from Concessionaire to Sublandlord which is not paid when due (including, without limitation, amounts due as reimbursement to Sublandlord for costs incurred in performing obligations of the Concessionaire) shall bear interest at the Default Rate from the date due until paid, unless otherwise specifically provided herein, but the payment of such interest shall not excuse or cure any failure or default under this Sublease.

(ii) If Concessionaire should fail to pay any amount required under this Sublease or the Port Authority Consent to the Port Authority, including without limitation any payment of any Rent, or if any such amount is found to be due as the result of an Audit, then, in such event, the Port Authority may impose (by statement bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period (hereinbelow described) during the entirety of which such amount remains unpaid, each such late charge not to exceed an amount equal to eight-tenths of one percent of such unpaid amount for each late charge period. There shall be twenty-four late charge periods on a calendar year basis; each late charge period shall be for a period of at least fifteen (15) calendar days except one late charge period each calendar year may be for a period of less than fifteen (but not less than thirteen) calendar days. Without limiting the generality of the foregoing, late charge periods in the case of amounts found to have been owing to the Port Authority as the result of Port Authority Audit findings shall consist of each late charge period following the date the unpaid amount should have been paid. Each late charge shall be payable immediately upon demand made at any time 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 this subsection with respect to such unpaid amount. Nothing herein is intended to, or shall be deemed to affect, alter, modify or diminish in any way any rights of the Port Authority under this Sublease or the Port Authority Consent, as the case may be. In the event that any late charge imposed pursuant to this subsection shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable hereunder shall be payable instead at such legal maximum.

(c) Rent and all other sums payable by Concessionaire shall be paid in currency of the United States or other customary commercial manner at the Address for Payments to Sublandlord or Port

Authority, as the case may be, or such other place as either or all may designate, from time to time, without any deductions or offsets, except as otherwise specifically permitted in this Sublease.

ARTICLE III

RECORDS AND BOOKS OF ACCOUNT, AUDIT

Section 3.01 RECORDS.

(a) Concessionaire covenants and agrees to maintain all Records in accordance with GAAP during the Term, and for two full calendar years after the expiration or earlier termination of the Term or the Port Authority Consent ("Records Term"). The Records shall be kept at all times within the Port of New York District. Without implying any limitations on the rights of the Port Authority, but in addition thereto, if any Records are maintained outside of the Port of New York District, but within the continental United States, the Port Authority or the Sublandlord, in their respective discretion, both, may (i) require that such Records be produced within the Port of New York District; or (ii) examine such Records at the location at which they have been maintained and in such event, Concessionaire shall be required to pay to the Port Authority or the Sublandlord, or both, as the case may be, when billed, all travel and related expenses, as determined by the Port Authority and the Sublandlord, for the Port Authority's and Sublandlord's auditors and other representatives, employees and officers in connection with such examination and audit, or, if any such Records have been maintained outside the continental United States, then, in addition to the costs set forth in (ii), above, Concessionaire shall be required to pay to the Port Authority or the Sublandlord, or all, as the case may be, when billed, all other costs of the examinations and audits of such Records, including, without limitation, salaries, benefits, travel costs and related expenses, overhead costs and fees and charges of third-party auditors retained by the Port Authority or the Sublandlord, or both, as the case may be, for the purpose of conducting such examinations and audits. The foregoing auditing costs, expenses and amounts due to the (i) Port Authority shall be deemed fees and charges under the Port Authority Consent, payable to the Port Authority with the same force and effect as all other fees and charges payable thereunder; or (ii) or Sublandlord, as Additional Rent, and be payable upon demand therefor.

(b) Notwithstanding anything contained in this Sublease to the contrary, for purposes of this Sublease, Records shall exclude any books and records relating to any other locations owned or occupied by Concessionaire located off the Airport or any other business operations of Concessionaire, provided however, that this exclusion shall neither bind nor apply to the Port Authority and its right to inspect and Audit as herein provided. The Port Authority shall also be entitled to examine and audit the books and records of account of any company or entity which is owned or controlled by the Permittee, or which owns or controls the Permittee, or which is under common control with the Permittee, if said company performs services similar to those performed by the Permittee, and the Permittee shall make available such books and records to the Port Authority for such purposes to the same extent as would be required pursuant to paragraph (c) of this section.

(c) Concessionaire shall permit during the Records Term, (i) the examination and audit of the Records by the officers, employees and representatives of either or both of the Sublandlord and Port Authority ("Audit"). Concessionaire shall make available to the Port Authority within the Port of New York District for examination and Audit pursuant hereto all of the Records; (ii) the inspection by the officers, employees and representatives of either or both of the Port Authority and Sublandlord of any equipment used by Concessionaire including, but not limited to sales registration and tracking devices such as cash registers, sales slips, invoicing machines and any other equipment or devices for recording

orders taken, or services rendered, as may be appropriate to Concessionaire's business and necessary or desirable to keep accurate records of Gross Receipts.

(d) In the event Concessionaire shall fail to maintain, keep or make available for examination and Audit the Records in the manner and at the times or location as provided herein then, in addition to all and without limiting any other rights and remedies of the Sublandlord or the Port Authority, either or both may:

(i) Estimate the Gross Receipts of the Concessionaire on any basis that the Port Authority or the Sublandlord, in their respective sole discretion, shall deem appropriate, such estimation to be final and binding on the Concessionaire (but not on the remaining party having the benefit of this provision) and Concessionaire's Percentage Rent based thereon to be payable to the party conducting the Audit; or

(ii) If any such Records have been maintained outside of the Port of New York District, then the Port Authority or the Sublandlord, or all, may, in the exercise of the sole discretion of either, may require, on ten (10) days notice to Concessionaire, that such Records to be produced and made available within the Port of New York District for the Port Authority's or Sublandlord's, or both, auditors and other representatives, employees and officers in connection with such examination and Audit.

Section 3.02 REPORTS BY CONCESSIONAIRES.

(a) Concessionaire shall furnish to Sublandlord and the Port Authority (i) the Monthly Statement by the Percentage Rent Payment Date, for the preceding month; and (ii) the Annual Statement on or before April 1st of each calendar year, for the preceding calendar year.

(b) Concessionaire shall timely provide to the Sublandlord and the Port Authority a Monthly Statement and Annual Statement together with all other documents, Records and materials requested or required to be delivered by Concessionaire to the Port Authority or Sublandlord.

Section 3.03 SUBLANDLORD AUDIT ADJUSTMENTS; COSTS.

If any Audit conducted by the Sublandlord of the Concessionaire discloses that the Gross Receipts as previously reported for the period audited were understated and additional Percentage Rent is due, then the Concessionaire shall be required to pay to (i) Sublandlord the additional Percentage Rent due thereto for the period audited within five (5) days after receipt of a statement therefor (together with a copy of the results of the Audit indicating the understatement); and (ii) within five (5) days of an invoice therefor, all costs of each such Audit.

ARTICLE IV

INITIAL CONDITION OF CONCESSIONAIRE PREMISES

Section 4.01 ACCEPTANCE.

(a) (i) Upon Substantial Completion, Concessionaire shall accept the Concessionaire Premises in their then-current condition, subject to such work as may be necessary to complete the work,

if any, to be done by the Sublandlord, which work shall be completed by Sublandlord as soon as is reasonably possible.

(ii) Concessionaire, by the acceptance of the tender of delivery by Sublandlord of the Concessionaire Premises, shall be deemed the unequivocal representation, warranty and agreement by the Concessionaire that (a) Substantial Completion of the Sublandlord's Work has occurred; (b) Concessionaire has, subject to full completion of Sublandlord's Work, accepted the Concessionaire Premises in all respects; and (c) Sublandlord has no obligation, duty or has made any agreement to do or cause to be done any other work in or to the Concessionaire Premises except to the extent otherwise set forth in this Sublease.

(b) Concessionaire covenants and agrees to spend an amount not less than the total number of square feet within the Concessionaire Premises multiplied by \$200.00 ("Initial Build Out Costs"). Concessionaire agrees that it shall, upon written request from Sublandlord, provide to Sublandlord reasonably detailed documentation evidencing compliance with the foregoing.

Section 4.02 CHANGES TO PREMISES.

(a) Initial design and construction of each of the Concessionaire Premises shall be made only in accordance with the provisions of Exhibits B and E.

(b) Changes, if any, made to the Concessionaire Premises from and after the date such Concessionaire Premises initially opens for business shall be made only in accordance with the Plans and Specifications and, in all events, in compliance with the Port Authority's Tenant Alteration Application process, which process must be complied with, in addition to, and not in lieu of, the provisions of this Section 4.02.

Section 4.03 CHANGES TO THE TERMINAL.

Concessionaire acknowledges that it is aware that Sublandlord and the Port Authority each have the right, without compensation, or reimbursement to Concessionaire, or abatement of Rent, to make alterations to the Terminal, including any modifications of the Common Areas and, in connection with such alterations, may erect temporary scaffolds and other temporary aids to construction on the exterior of the Concessionaire Premises, and to install, maintain, use, repair and replace within the Concessionaire Premises pipes, ducts, conduits, wires and all other mechanical equipment serving other parts of the Terminal or Airport.

ARTICLE V

CONDUCT OF BUSINESS BY CONCESSIONAIRE

Section 5.01 PERMITTED OPERATIONS.

(a) Concessionaire shall use the Concessionaire Premises only for the purpose of conducting the Permitted Operations and for no other use or purpose, without first obtaining the prior written consent of the Sublandlord and the Port Authority, as set forth in the Port Authority Consent. If any governmental license or permit shall be required for the proper and lawful conduct of any business or other activity conducted in the Concessionaire Premises, then Concessionaire shall duly procure and

thereafter maintain each such license or permit and submit the same for inspection by Sublandlord or the Port Authority upon request therefor by Sublandlord and Port Authority, as the case may be.

(b) Notwithstanding the foregoing, the Permitted Operations shall exclude any operation that:

- (i) Materially interferes with the reasonable use, by third-parties, of the Common Areas;
- (ii) Hinders emergency personnel (including, but not limited to police, fire and rescue personnel);
- (iii) Constitutes a condition hazardous to the safety or health of the general public; or
- (iv) Is contrary to rules, regulations, policies or directives of the Port Authority.

(c) In addition to the uses excluded by (b), above, Concessionaire agrees that it may not receive any revenues or profits with respect to any of the following uses, operations or installations which the Port Authority has reserved to itself and its designees exclusively in the Terminal: VIP lounges, airline clubs, monorail facilities, if any, advertising (including, without limitation, static display, broadcast and other), pay telephones, rental of cellular phones intended for use solely within the Airport, facsimile transmission machines and other public communication services, concierge services (i.e., a center or location which offers a variety of services for passengers, including, but not limited to hotel reservations, sale of entertainment events tickets and lottery tickets, luggage storage and delivery, sightseeing tours, business services and provision of touring information), ground transportation, including vehicle rentals, hotel and other lodging reservations, vending machines dispensing anything, including but not limited to, catalog and electronic sales, (save and except for those owned and operated by Concessionaire within the Concessionaire Premises selling goods and services by Concessionaire from the Concessionaire Premises), other than products specifically permitted to be sold in the Concessionaire Premises pursuant to this Sublease and, if approved by the Port Authority, on-airport baggage carts or other on-airport baggage-moving devices, electronic amusements, and public service airport operation information, messages and announcements..

Section 5.02 OPERATION OF BUSINESS.

(a) Concessionaire agrees and covenants to be open for business and diligently conduct its business (1) in a commercially reasonable manner, fully staffed with personnel that have been trained and are qualified for the positions held and duties to be discharged; (2) on such days and during such hours as determined from time to time by the Sublandlord; and (3) in accordance with the rules and regulations promulgated from time to time by the Sublandlord to regulate the use, occupancy and operation of the Concessionaires in the Premises, all of the foregoing being the "Terminal Rules" as more fully set forth in Exhibit H.

(b) Concessionaire shall promptly comply with all present and future Laws of all Governmental Authorities and shall neither (i) do or permit anything to be done in or about the Concessionaire Premises which will violate any Laws; nor (ii) cause or knowingly permit anything to occur in the Concessionaire Premises which constitutes a violation or breach of the Master Lease or cause Sublandlord to be in breach or violation of said Master Lease.

(c) Concessionaire shall maintain a street pricing policy whereby certain goods, services, food or beverages, shall be subject to the restrictions and policies of the Port Authority.

(d) Concessionaire covenants and agrees to (1) assist and support all efforts of the Sublandlord and others to provide deliveries from the public access areas of the Terminal to and from the Premises and the Concessionaire Premises to and from the secure areas of the Terminal; and (2) coordinate with Sublandlord and others in matters essential to the efficient operation of the Premises and the Terminal.

(e) As an inducement to Sublandlord by Concessionaire for Sublandlord to enter into this Sublease with Concessionaire, Concessionaire has heretofore represented and warranted to Sublandlord and does hereby covenant that the Concessionaire Premises will be operated by a joint venture with a DBE, whose holdings will be at least 17% in such joint venture, and that the DBE has been and will remain at all times during the Term, certified by the Port Authority as a so-called "DBE". Concessionaire agrees that Sublandlord may, at any time and from time-to-time, require, within ten (10) days after demand therefor, that evidence reasonably satisfactory to Sublandlord, of current certification as aforesaid be provided to the Sublandlord. Concessionaire understands and acknowledges that a violation of the warranties, representations and covenants contained in this Section may subject Sublandlord to default under the Lease and Concessionaire agrees that any such violation shall be an Event of Default under this Sublease giving Sublandlord the right to terminate this Sublease immediately (notwithstanding anything to the contrary in Section 13.02), the foregoing being in addition to any other remedy which Sublandlord may have under this Sublease, at law or in equity.

(f) If Concessionaire is a DBE, Concessionaire shall timely provide each Change Notice, as that term is defined in Section 10.02, below.

Section 5.03 HAZARDOUS MATERIALS.

(a) For the purposes of this Sublease, the following terms shall have the following meanings: (i) the term "Hazardous Materials" shall mean: (A) any materials or substances that, whether by its nature or use, are subject to regulation under any Environmental Requirement, or (B) any materials, substances or wastes which are toxic, ignitable, explosive, corrosive or reactive, or (C) asbestos, or (D) petroleum and petroleum-based products, or (E) formaldehyde, or (F) polychlorinated biphenyls (PCB's), or (G) freon and other chlorofluorocarbons or (H) such other materials as are designated in a notice from Sublandlord to Concessionaire (whether such notice is provided before or after Concessionaire first commences to use any such materials and; (ii) the term "Environmental Requirement" shall include the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §9601 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. §1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. §6901 et seq.), the Toxic Substances Control Act (15 U.S.C. §2601 et seq.), the Clean Air Act (42 U.S.C. §7401 et seq.), the Federal Water Pollution Control Act (33 U.S.C. §1251 et seq.), all as presently in effect and as the same may hereafter be amended, any regulation pursuant thereto, or any other present or future law, ordinance, rule, regulation, order or directive addressing environmental, health or safety issues of or by any Governmental Authority.

(b) Both Concessionaire and Sublandlord acknowledge that one or more Governmental Authorities may require that employees of each and others be made aware of the conditions within which they are being asked to work and, in an effort to disclose such conditions to said employees, Sublandlord hereby (i) represents to Concessionaire that, other than those Hazardous Materials to which Sublandlord has notified Concessionaire in writing, there are no Hazardous Materials in the Terminal; and (ii) agrees

that, if any Hazardous Materials are generated, manufactured, sold, transported or located at, on, in, under or about the Terminal, other than as a result of an act or omission of the Concessionaire, then Sublandlord shall at no cost, expense or liability to Concessionaire, to (1) cleanup and take whatever corrective action of any kind required under any Environmental Requirement; and (2) indemnify and hold harmless the Concessionaire from all losses, costs, expenses and liabilities therefrom, provided however the foregoing prohibition concerning Hazardous Materials shall not prevent the use of regular consumer products which contain amounts of such Hazardous Materials that are not prohibited by any law applicable thereto.

(c) Concessionaire covenants and agrees that by, through or under it (i) no Hazardous Materials will be generated, manufactured, sold, transported or located at, on, in, under or about the Concessionaire Premises; (ii) no Hazardous Material will be generated, manufactured, sold, transported or located at, in, on, under or about the Concessionaire Premises in a manner which violates any Environmental Requirement, or which requires cleanup or corrective action of any kind under any Environmental Requirement and (iii) no Hazardous Materials will be transported, released, emitted, sold, discharged, leached, dumped or disposed of from the Concessionaire Premises onto or into the Common Areas.

(d) Concessionaire covenants and agrees that it shall (i) notify the Port Authority and Sublandlord promptly in the event of any spill or other release of any Hazardous Materials at, in, on, under or about the Concessionaire Premises which spill or release is required to be reported to a Governmental Authority under any Environmental Requirement; (ii) promptly forward to the Port Authority and Sublandlord copies of any notices it receives relating to the alleged violations of any Environmental Requirement; (iii) promptly pay when due any fine or assessment as a result of its acts or omissions or those of any party acting under its control or direction; and (iv) defend, indemnify, and hold harmless the Sublandlord and the Port Authority and their respective affiliates, subsidiaries, partners, members, management company, successors and assigns, and the employees, agents, officers, directors and Commissioners of any of them from and against any and all loss, claims, demands, penalties, causes of action, fines, liabilities, settlements, damages, costs or expenses of whatever kind or nature, known or unknown, foreseen or unforeseen, contingent or otherwise (including, without limitation, counsel and consultant fees and expenses, investigation and laboratory fees and expenses, court costs, and litigation expenses) directly or indirectly arising out of, or in any way related to (1) any breach by it or any party acting under its control or direction of any of the provisions of this Section 5.03; (2) the presence, use, generation, transportation, disposal, spillage, discharge, emission, leakage, release, or threatened release of any Hazardous Materials which are at, in, on, under, about, from or affecting the Concessionaire Premises, including, but without limitation any damage or injury resulting from any such Hazardous Materials to or affecting the Concessionaire Premises or any soil, water, air, vegetation, buildings, personal property, persons or animals; (3) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to any such Hazardous Materials; or (4) any lawsuit brought or threatened, settlement reached, or order or directive of or by any Governmental Authority relating to such Hazardous Materials. The obligations set forth in this Section 5.03 shall survive the expiration or sooner termination of the Sublease.

ARTICLE VI

COMMON AREAS

Section 6.01 DEFINITION OF COMMON AREAS.

For the purpose of this Sublease, the term "Common Areas" shall mean, all portions of the interior of the Terminal, save and except for those portions included within each of the Concessionaire Premises, intended to be used and used by either (a) the public or (b) the Sublandlord or Concessionaires in the course of receiving and making deliveries to the Premises. The Common Areas shall include but are not limited to: (i) ticketing areas and facilities, gate seating areas, hallways, elevators, escalators, stairs, restrooms and comfort stations, service areas, passageways and other public areas, amenities, facilities and improvements in the Terminal; and (ii) those areas within the Terminal as may be provided by either the Sublandlord or the Port Authority, from time to time for the convenience and use by the public or the Sublandlord or Concessionaires.

Section 6.02 USE OF COMMON AREAS.

Upon payment of the Rent and the performance and observance of all terms and conditions in this Sublease to be performed and observed by the Concessionaire, the right to possession of the Concessionaire Premises shall also include the non-exclusive right to the use of the Common Areas with all others for whose convenience and use both the Common Areas have been or may hereafter be provided by the Port Authority or the Sublandlord, or both, subject however, to such rules and regulations for the use thereof as may be prescribed from time to time by either or both of the Sublandlord and the Port Authority.

Section 6.03 OPERATION AND MAINTENANCE; TERMINAL AND COMMON AREAS.

Sublandlord agrees, at no cost to Concessionaire, to keep the all portions of the Terminal in good order and repair, and in full compliance with all Laws, including but not limited to all HVAC equipment, plumbing (including sewage systems), electrical, fire protection (including any sprinkler systems in the Terminal) and other systems and facilities servicing the Terminal, foundations, and the structural soundness of the floors and exterior walls in good order, repair and condition provided however the provisions of this section shall not apply in the case of damage or destruction by fire or other casualty or a taking under the power of eminent domain, in which events the obligations of the Sublandlord shall be controlled by either Article XI or XII, respectively, of the Master Lease and further provided that Sublandlord shall have the obligation to maintain or cause to be maintained the cleanliness and orderliness of the Food Court Common Areas, but such limited obligations shall not impose any obligation on the part of the Concessionaire to repair, restore, refurbish, correct, install, or in any other manner make any changes, alterations, improvements or the like to any portion of said Food Court Common Areas. The foregoing obligations of the Sublandlord shall include, but are not limited to, the responsibility and liability for the repair, maintenance, replacement and restoration of all systems servicing the Premises or all portions thereof, save and except for, and to the extent of, those systems installed within any of the Concessionaire Premises, by the Concessionaire to the extent that such system services only the Concessionaire Premises.

Section 6.04 FOOD COURT COMMON AREA CHARGES.

Concessionaire shall pay to Sublandlord, as Additional Rent, Concessionaire's Proportionate Share of the Food Court Common Area Charges, being all costs and expenses of every kind and nature paid or incurred by Sublandlord, in the exercise of its business judgment, to maintain the cleanliness and orderliness of the Food Court Common Areas. Concessionaire's Proportionate Share of the Food Court Common Area Charges shall be a fraction, the numerator of which shall be the Weighted Floor Area of the Concessionaire Premises, as that term is hereinafter defined, and the denominator shall be the weighted square footage of the total leased and open Concessionaire Premises to which the Food Court

Common Area Charges are allocated by the Sublandlord in the exercise of its business judgment. The annual charges for Food Court Common Area Charges shall be paid in monthly installments on the first day of each calendar month, commencing on the Minimum Annual Guaranteed Rent Commencement Date, in advance in an amount estimated by Sublandlord as and for Additional Rent. After the end of each calendar year, Sublandlord shall furnish Concessionaire with a statement, of the actual Food Court Common Area Charges paid or incurred by Sublandlord during such period, prepared in accordance with sound accounting practices. If the total amount Concessionaire has paid on account of Food Court Common Area Charges for any calendar year (or partial calendar year, as the case may be) is less than the amount due from Concessionaire for such calendar year or partial calendar year as shown on such statement, Concessionaire shall pay to Sublandlord the difference between the amount due and the amount Concessionaire has paid within five (5) days after Sublandlord delivers such statement to Concessionaire. If the total amount Concessionaire has paid exceeds the amount due from Concessionaire, such excess shall be credited solely against payments for Food Court Common Area Charges next coming due, and if no payments are next coming due, then against that portion of the Minimum Annual Guaranteed Rent not to be paid to the Port Authority due subsequently until such credit is exhausted. If that portion of the Minimum Annual Guaranteed Rent not to be paid to the Port Authority due subsequently pursuant to this Sublease is insufficient to fully absorb such excess, Sublandlord shall refund to Concessionaire the part of such excess which cannot be used as a credit as aforesaid. For purposes of this Sublease, the Weighted Floor Area of the Concessionaire Premises is 100% of the Floor Area of Concessionaire Premises. Concessionaire acknowledges that Concessionaire's Proportionate Share of the Food Court Common Areas Charges, for the first full calendar year has been estimated at \$8.27 per square foot of Floor Area of Concessionaire Premises and will not be more than \$9.10 per square foot of Floor Area of Concessionaire Premises and will not increase more than 10% in each subsequent year.

ARTICLE VII

MAINTENANCE OF PREMISES

(a) Concessionaire shall keep the Concessionaire Premises free from any and all liens arising out of any work performed, materials furnished or obligations incurred by or on behalf of Concessionaire. Any liens will be treated in the same manner as liens pursuant to the Master Lease.

(b) Concessionaire shall cause the Concessionaire Premises to be, at all times, in a first-class condition, relative to the appearance thereof as of the date the Concessionaire initially opened for business in the Concessionaire Premises. Concessionaire covenants and agrees that it shall refurbish and renovate the Concessionaire Premises (in accordance with the terms of this Sublease and the Tenant Alteration Application) during the first five (5) years of the Term so as to incur cumulative out-of-pocket costs and expenses related thereto in an amount not less than \$25.00 per square foot of Floor Area of the Concessionaire Premises, exclusive, however, of both (i) all costs and expenses related to the initial development of the Concessionaire Premises; and (ii) architecture, design and consulting costs and expenses. Concessionaire covenants and agrees to provide evidence, reasonably satisfactory to Sublandlord, that the amount paid by the Concessionaire for the maintenance of said first-class condition shall have equaled or exceeded the foregoing per square foot amount.

ARTICLE VIII

INSURANCE AND INDEMNITY

Section 8.01 CONCESSIONAIRE'S INSURANCE.

Concessionaire shall obtain and keep in full force and effect (i) an "all risk" insurance policy for its property at the Concessionaire Premises in an amount equal to one hundred percent (100%) of the replacement value thereof, and (ii) a policy of commercial general liability (including premises, operations, product liability, liquor liability and automobile liability, if vehicles will be used on the airside portions of the Airport) on an occurrence basis, (with a broad form contractual liability endorsement under the general liability policy). Such policies shall provide that Concessionaire is named as the insured and Sublandlord and the Port Authority shall be added as additional insureds, as their respective interests may appear with respect to the insurance required to be carried pursuant to (i) above. Such policy described in (ii) above shall include a provision under which the insurer agrees to insure Concessionaire with respect to any cost, expense and liability arising out of, or based upon, any and all claims, accidents, injuries and damages for which Concessionaire is required to indemnify Sublandlord or the Port Authority under the provisions of this Sublease. In addition, such policy shall contain a provision that (a) no act or omission of the Port Authority, Sublandlord or Concessionaire shall affect or limit the obligation of the insurer to pay the amount of any loss sustained and (b) the policy shall be non-cancelable with respect to either Sublandlord or the Port Authority unless thirty (30) days' prior written notice shall have been given to all of the Sublandlord and the Port Authority in the manner set forth in this Sublease for notices, which notice shall contain the policy number and the names of the insured and additional insureds. In addition, upon receipt by Concessionaire of any notice of cancellation or any other notice from the insurance carrier which may materially adversely affect the terms and substance (but not the amounts) of the coverage of the insureds under such policy of insurance, Concessionaire shall promptly deliver to Sublandlord and the Port Authority a copy of such notice. The minimum amounts of liability under the policy of insurance required to be carried pursuant to (ii) above shall be a combined single limit with respect to each occurrence in an amount of \$2,000,000 for injury (or death) to persons and damage to property, which amount shall be increased from time to time after the second (2nd) calendar year (but not more frequently than once per year) to that amount of insurance which is then being customarily carried by tenants of first-class retail developments in the New York/New Jersey metropolitan area. All insurance required to be carried by Concessionaire pursuant to the terms of this Sublease shall be effected under valid and enforceable policies issued by reputable and independent insurers permitted to do business in the State of New Jersey and New York and rated in Best's Insurance Guide, or any successor thereto (or if there be none, an organization having a national reputation) as having a general policyholder rating of having a general policyholder rating of "A" and a financial rating of at least "XI". In the event of vehicles being used under this Sublease, above-referenced auto liability insurance shall be in limits of no less than \$5,000,000 combined single limit per accident for bodily injury and property damage. The policy(ies) of insurance required to be carried pursuant to (ii) above will include the following statement:

"Further, unless otherwise agreed by the Port Authority, the liability policy shall be specifically endorsed, to prohibit the insurance carrier from raising any defenses involving in any way the jurisdiction of the tribunal, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port Authority without obtaining express advance written permission from the General Counsel of the Port Authority."

Concessionaire and all officers and employees of Concessionaire who may handle or are responsible for the handling of receipts and disbursements shall be covered by insurance in an amount not less than Five Hundred Thousand Dollars (\$500,000) for employee dishonesty coverage against any and all loss, theft,

embezzlement or other fraudulent acts on the part of Concessionaire or Concessionaire's employees, and not less than One Hundred Thousand Dollars (\$100,000) for money and securities on or off premises, transit and depositors forgery coverage, indemnifying the Sublandlord and Port Authority, as co-obligees, against any and all loss, theft, embezzlement or other fraudulent acts of the part of Concessionaire or Concessionaire's employees.

Section 8.02 CERTIFICATES.

On or prior to the date hereof, Concessionaire shall deliver to the Sublandlord and the Port Authority certificates of insurance, including evidence of waivers of subrogation required pursuant to this Sublease, required to be carried by the Concessionaire. Evidence of each renewal or replacement of a policy shall be similarly delivered not less than ten (10) days prior to the expiration of each such policy.

Section 8.03 COVENANT TO HOLD HARMLESS.

Concessionaire and Sublandlord covenant, each to the other, to defend and indemnify the other and their respective directors, officers, partners, shareholders, representatives, management company, agents and employees, and save them harmless (except to the extent of loss or damage resulting from the negligence of party that would otherwise be so indemnified) from and against any and all claims, actions, demands, judgments, awards, fines, mechanics' liens or other liens, losses, damages, liability and expense, including attorneys' fees and court costs, in connection with all losses, including loss of life, personal injury and/or damage to property, arising from or out of any occurrence, upon or at the Premises, as to the Sublandlord, or the Concessionaire Premises as to the Concessionaire, or arising from or out of Concessionaire or Sublandlord's, as the case may be, failure to comply with any provision of this Sublease. In case either Sublandlord or Concessionaire or any other party so indemnified hereunder shall be made a party to any litigation commenced by or against either the Sublandlord or the Concessionaire (and not litigation commenced by or against one against the other), then the Concessionaire or Sublandlord, as the case may be, shall defend, indemnify, protect and save the other harmless and shall pay, as the same becomes due and payable, all costs, expenses and reasonable attorneys' fees and court costs incurred or paid by them in connection with such litigation. The provisions of this section shall survive the expiration, termination or earlier cancellation of this Sublease for any claims, suits, demands, actions, liabilities, loss or damage which occur prior to the expiration, termination or earlier cancellation of this Sublease.

Section 8.04 WAIVER OF RIGHT OF RECOVERY - INDEMNIFICATION.

(a) Except as otherwise provided in this Sublease, neither Sublandlord nor Concessionaire shall be liable to the other or the other's insurance company (by way of subrogation or otherwise) for any loss or damage to any building, structure or other tangible property, or any resulting loss of income, or losses under workers' compensation laws and benefits, even though such loss or damage might have been occasioned by the non-gross negligence of Sublandlord or the Concessionaire or their respective agents or employees.

(b) Concessionaire covenants and agrees to indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives (collectively the "Port Indemnites") from and against (and shall reimburse the Port Authority for the Port Authority's costs and expenses including legal expenses incurred in connection with the defense of) all claims and demands of third-persons including but not limited to claims and demands for death or personal injuries, or for property damages, arising out of any default of the Concessionaire in performing or observing any term or provision in this Sublease, or out of the use and occupancy of the Concessionaire Premises, and its officers, employees

and persons who are doing business with Concessionaire, or out of any of the operations, acts or omissions of the Concessionaire, or out of the acts or omissions of others in the Concessionaire Premises with the Concessionaire consent. The foregoing indemnity shall also include claims and demands of the City of New York from which the Port Authority derives its rights in the Airport for indemnification arising by operation of law or through agreement of the Port Authority with the City of New York. If so directed by the Sublandlord or the Port Authority, the Concessionaire shall, at its own expense, defend any suit based upon any such claim or demand (even if such claim or demand is groundless, false or fraudulent), and in such handling such party shall not, without obtaining the express written permission from the General Counsel of the Port Authority, raise any defense involving in any way the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provisions of any statute respecting suits against the Port Authority.

ARTICLE IX

UTILITIES

Sublandlord agrees to initially provide gas, electrical, water, sewer and such other services as Sublandlord shall, in the exercise of its reasonable discretion, determine each of the Concessionaire Premises. With the exception of gas and electricity, as to each of which Sublandlord shall pay all costs for the consumption thereof in all of the Concessionaire Premises, the Sublandlord shall have no obligation for the payment of any other utilities used in the Concessionaire Premises; provided, however, if the Concessionaire Premises is operated for food service or has additional power requirements, Concessionaire shall pay to Sublandlord certain sums, on a monthly basis, in advance, as determined by Sublandlord. If the Concessionaire Premises shall have installed therein meters for any of the utilities consumed by Concessionaire, the maintenance thereof shall be at the sole cost and expense of the Concessionaire.

ARTICLE X

ASSIGNMENT AND SUBLETTING

Section 10.01 LIMITATIONS; PROHIBITIONS.

Concessionaire covenants and agrees that it shall not transfer or assign this Sublease or its interest herein or all or any part of the letting hereunder, or all or any part of the Concessionaire Premises, without obtaining the prior written consent of Sublandlord, which shall not be unreasonably withheld, and the Port Authority. Any attempted transfer, assumption, assignment or sublease shall be void, *ab initio*, and infer no rights upon any third-parties. No amendment, transfer, assumption or contract shall relieve the Concessionaire of any of its obligations under this Sublease. Consent to the foregoing by any one or more of the Port Authority and Sublandlord shall not be deemed a waiver on the part of either or both of the Port Authority or Sublandlord to any prohibition against any future transfer, assignment, assumption or sublease. The term "transfer" includes, but is not limited to transactions in which any interest of the Concessionaire in this Sublease or the Concessionaire Premises are mortgaged or otherwise encumbered or in which the Concessionaire sublets, rents or otherwise permits occupancy or use of the Concessionaire Premises or any part thereof. If Concessionaire is a corporation, any sale, assignment or transfer, by operation of law or otherwise, by which control of the majority of the issued or outstanding stock of said corporation shall change, shall be deemed to be a transfer, provided, however if such corporation is a corporation whose stock is publicly traded on a national securities

exchange or on the "over-the-counter" market, then such sale, assignment or transfer of stock shall not be deemed a transfer. If Concessionaire is a corporation, or if Concessionaire is a corporation whose stock is owned by a corporation ("Parent"), any transfer of any issued or outstanding stock of the Concessionaire or Parent which is a transfer shall require the prior consent or approval of the Sublandlord and the Port Authority. From and after the date upon which a transfer occurs, and irrespective of whether or not either or both of the Sublandlord and the Port Authority shall issue their respective consent and approval, the abatement and waiver, as set forth in Section 2.01 (a)(A)(I), if then in effect, shall thereafter cease and seventy-five percent (75%) of the Minimum Annual Guaranteed Rent shall, thereafter be due and payable as if the Threshold had been satisfied if current senior management is not in control of the operations. Notwithstanding the foregoing exclusion, a sale of only those of the assets of any such corporation which are limited to less than all of the assets of the corporation, e.g., the Concessionaire Premises, shall be a "transfer" within the scope of this provision and require the prior written consent of the Port Authority and the Sublandlord. If Concessionaire is a partnership or joint venture, any sale, assignment or transfer, by operation of law or otherwise, of any interest in such partnership or joint venture shall be deemed to be a transfer. If Concessionaire is a limited liability company, any sale, assignment or transfer, by operation of law or otherwise, by which control of the majority of the membership interests in such limited liability company shall change, shall be deemed to be a transfer, provided, however, if the membership interests of such limited liability company are publicly traded on a national securities exchange or on the "over-the-counter" market, then this restriction on sale, assignment or transfer of membership interests shall be inapplicable.

Notwithstanding the foregoing provisions of this Article X containing a definition of the term "transfer" and exclusions or exceptions thereto, which shall not be binding upon or enforceable against the Port Authority, and regardless of whether the Sublandlord has in fact consented to any further subletting of the Concessionaire Premises or a proposed transfer, Sublandlord's consent will be of no force and effect and shall not be binding upon the Port Authority in any manner whatsoever. No such further subletting or a proposed transfer shall be effective and no estate or benefit shall be conferred on anyone until such time as the Port Authority has consented in writing, as determined in the Port Authority's sole and absolute discretion, to any such further subletting or a proposed transfer (including, without limitation, nothing otherwise permitted in this Article X shall become effective until such time as the transferee, any other applicable parties and the Port Authority have entered into an agreement in form and substance required by the Port Authority). In addition, the terms and provisions of the Port Authority Consent which in any way discusses and/or addresses the subject matter covered in this Article X shall be controlling and shall govern. Further, if this Sublease is assigned by Sublandlord and assumed by the Port Authority for any reason whatsoever, the Port Authority shall have the right to determine, in its sole and absolute discretion, whether any of the provisions of this Article X (which are stated to be between the Concessionaire and the Sublandlord) shall be binding upon and enforceable against the Port Authority and thereafter be considered to be a part thereof.

Section 10.02 DBE CHANGE NOTICE

If Concessionaire is a DBE, Concessionaire shall notify the Sublandlord and the Port Authority, in the manner as set forth in Section 17.06, below, of each and every change in the ownership or ownership structure of Concessionaire ("Change Notice") within thirty (30) days after each such change.

ARTICLE XI

DAMAGE AND DESTRUCTION

Section 11.01 DAMAGE TO THE CONCESSIONAIRE PREMISES.

In the event of damage to, or destruction of, any portion of the Premises or Concessionaire Premises, or the fixtures and equipment therein and said portion, fixtures or equipment was originally within the Sublandlord's Work, or any system within the Concessionaire Premises being the obligation of the Sublandlord to maintain, replace, or restore, the Sublandlord shall promptly, at its sole cost and expense, repair, restore or rebuild the same to substantially the same condition existing immediately prior to the happening of such fire or other casualty. Notwithstanding any damage to the Concessionaire Premises, to the extent that the Concessionaire Premises can be reasonably operated without risk of injury or damage to person or property, Concessionaire agrees to open, or reopen, as the case may be, and, in all events, to reopen for business immediately upon the completion of the foregoing repairs, restoration and rebuilding. In the event the work to be done by Sublandlord is not completed within three hundred sixty-five (365) days following the date of said damage, then Sublandlord has the right to terminate the Concessionaire Sublease, as to that portion, or those portions of the Concessionaire Premises, so damaged. Upon such termination, the Minimum Annual Guaranteed Rent shall be adjusted in proportion to the floor area of the Concessionaire Premises terminated to the floor area of the Concessionaire Premises as of the day of said damage.

Section 11.02 DAMAGE TO TERMINAL

In the event of damage to, or destruction of, any portion of the Terminal, other than as set forth in Section 11.01, above, Sublandlord shall promptly, at its sole cost and expense, repair, restore or rebuild the same to substantially the same condition existing immediately prior to the happening of such fire or other casualty. In the event the work to be done by Sublandlord is not completed within three hundred sixty-five (365) days following the date of said damage, then Sublandlord has the right to terminate the Master Lease, as to that portion, or those portions of the Concessionaire Premises so damaged. If Sublandlord exercises such right, and the portion of the Concessionaire Premises affected thereby includes the Concessionaire Premises, then this Sublease shall end, as of the date of said termination. Upon such termination, the Minimum Annual Guaranteed Rent shall be adjusted in proportion to the floor area of the Concessionaire Premises as to which this Sublease was terminated to the floor area of the Premises as of the day of said damage.

ARTICLE XII

EMINENT DOMAIN

Section 12.01 CONDEMNATION

(a) If the whole of the Premises or any portion of the Concessionaire Premises shall be taken by any public authority under the power of eminent domain or sold to a public authority under threat or in lieu of such taking, then the Term shall cease as of the day upon which possession is taken by such public authority, and the Rent shall be paid up to that day.

(b) A voluntary sale or transfer of interest of all or any part of the Premises or of the Terminal to any public or quasi-public body, agency, person or other entity, corporate or otherwise, having the power of eminent domain, either under threat of condemnation or while condemnation proceedings are pending, shall be deemed to be a taking under the power of eminent domain for the purposes of this Article 12.

Section 12.02 DAMAGES AND AWARDS.

All awards and damages for such taking under the power of eminent domain or proceeds from any sale under threat or in lieu of such a taking, shall belong to and be the property of the Sublandlord or the Port Authority, irrespective of whether such damages shall be awarded or proceeds obtained as compensation for diminution in value to the leasehold improvements thereto, and Concessionaire shall have no claim against Sublandlord or the condemning authority with respect thereto; provided, however, neither the Sublandlord nor the Port Authority shall be entitled to any award specifically designated as compensation for, depreciation to, or cost of removal of, the stock and trade fixtures of the Concessionaire.

ARTICLE XIII

DEFAULT

Section 13.01 EVENTS OF DEFAULTS BY CONCESSIONAIRE

Events of Default. It shall be an "Event of Default" hereunder if any of the following shall occur:

- (a) (i) Concessionaire fails to make any payment of Rent to the Sublandlord, and such failure continues for a period of five (5) days after written notice thereof to Concessionaire.
- (ii) Concessionaire fails to make any payment of Rent to the Port Authority within the cure period permitted by the Port Authority.
- (b) Concessionaire defaults or otherwise fails to perform or observe any of the covenants, terms or conditions contained in this Sublease to be performed or otherwise observed by Concessionaire (except for the payment of Rent, as set forth in (a), above) and such default or failure is not cured or performed within fifteen (15) days after written notice to Concessionaire.
- (c) Pursuant to an order, judgment or decree entered by any court of competent jurisdiction (i) a receiver, trustee or liquidator of Concessionaire or of all or substantially all of the assets of Concessionaire shall be appointed or (ii) Concessionaire shall be adjudicated a bankrupt or insolvent, or (iii) a petition seeking reorganization of Concessionaire or an arrangement with creditors or a petition to take advantage of any insolvency law shall be approved, and Rent shall not thereafter be paid in accordance with the terms hereof.
- (d) If Concessionaire is a DBE, a failure to provide the Change Notice as required pursuant to Section 10.02, hereof.
- (e) An Event of Default occurring under any other Concessionaire Sublease with Sublandlord entered into, on or after the date hereof, for one or more portions of the Terminal.
- (f) Failure to timely deliver the Bond, and each replacement thereof.

(g) The act or omission of the Concessionaire which, under the terms of this Sublease or the Master Lease is prohibited and which, if not timely corrected, would result in the Port Authority having the right to terminate either or both of the Master Lease or this Sublease.

Section 13.02 RIGHTS AND REMEDIES; SUBLANDLORD.

(a) If there exists an Event of Default by Concessionaire, Sublandlord, after fifteen (15) days notice from Sublandlord that Sublandlord intends to cure such Event of Default, shall have the right, but not the obligation, to cure same and Concessionaire shall pay to Sublandlord, upon demand, as Additional Rent the reasonable cost thereof plus interest at the Default Rate until such Additional Rent has been paid in full.

(b) If there exists an Event of Default, Sublandlord shall have the right, in addition to the rights set forth in Section 13.02 (a) above, to seek all remedies as are available at law or in equity.

(c) After a dispossession or removal in accordance with Law, Sublandlord may re-sublet the Concessionaire Premises or any part or parts thereof either in the name of Sublandlord or otherwise, for a term or terms which may, at the option of Sublandlord, be greater or less than the period which would otherwise have constituted the balance of the Term, and Concessionaire shall be obligated to pay Sublandlord any deficiency between the Rent due hereunder and the amount, if any, of the Rent collected on account of the new sublease or subleases of the Concessionaire Premises for each calendar year, or portion thereof, which would otherwise have constituted the balance of the Term. In computing such damages there shall be added to said deficiency the costs for reasonable attorneys' and brokerage fees which Sublandlord actually expends in connection with re-subletting the Concessionaire Premises. Such damages shall be paid by Concessionaire in installments on the dates specified in this Sublease for payment of Minimum Annual Guaranteed Rent and any suit brought to collect the amount of the deficiency for any period shall not prejudice in any way the rights of Sublandlord to collect the deficiency for any subsequent period by a similar proceeding. Sublandlord shall not be liable for failure to re-sublet the Concessionaire Premises or, in the event that the Concessionaire Premises are re-sublet, for failure to collect the Rent under such re-subletting.

ARTICLE XIV

TAXES ON PROPERTY OF CONCESSIONAIRE

Concessionaire, solely, and neither the Sublandlord nor the Port Authority are or shall be responsible or liable for any taxes, assessments, levies, fees and other governmental charges and impositions of any and every kind or nature, regular or special, direct or indirect, foreseen or unforeseen or known or unknown, levied or assessed by municipal, county, state, federal or other governmental taxing or assessing authority, upon, against or with respect to (i) Concessionaire's leasehold interest in the Concessionaire Premises, or (ii) furniture, fixtures, equipment, inventory and any other personal property of any kind owned by, or placed, installed or located in, within, upon or about the Concessionaire Premises by Concessionaire.

ARTICLE XV

HOLDING OVER

Any holding over after the expiration of the Term shall be construed to be a tenancy from month-to-month and the Minimum Annual Guaranteed Rent payable, on a monthly basis, shall be at an amount equal to one-twelfth (1/12th) of 200% of the Minimum Annual Guaranteed Rent required to be paid by Concessionaire for the last full year of the Term.

ARTICLE XVI

QUIET ENJOYMENT

Upon payment by Concessionaire of Rent and upon the timely observance and full performance of all the covenants, terms and conditions on Concessionaire's part to be observed and performed under this Sublease and the Port Authority Consent, Concessionaire shall peaceably and quietly hold and enjoy the Concessionaire Premises for the Term, free from and without hindrance or interruption by Sublandlord or any other person or persons claiming by, through or under Sublandlord, subject however, to the Master Lease and the Port Authority Consent.

ARTICLE XVII

MISCELLANEOUS

Section 17.01 ESTOPPEL STATEMENT.

At any time and from time to time, both parties agree that, upon request in writing from the Sublandlord or the Port Authority, or their respective designee, to execute, acknowledge and deliver, within ten (10) days after request therefor, to the requesting party or its designee, a written statement certifying that this Sublease is unmodified and in full force and effect (or if there have been modifications that the same is in full force and effect as modified and stating the modifications) and the dates to which the Rent has been paid, the Minimum Annual Guaranteed Rent Commencement Date, the Expiration Date, and such other pertinent and reasonable information regarding this Sublease and Concessionaire's occupancy of the Concessionaire Premises as may be requested.

Section 17.02 WAIVER; ELECTION OF REMEDIES.

One or more waivers of any covenant or condition by Sublandlord or the Port Authority shall not be construed as a waiver of a subsequent breach of the same covenant or condition, and the consent or approval by Sublandlord or the Port Authority to or of any act of Concessionaire requiring consent or approval of either, any or both of the Sublandlord, and the Port Authority shall not be deemed to render unnecessary such consent or approval to or of any subsequent similar act. No breach by Concessionaire of a covenant or condition of this Sublease shall be deemed to have been waived by either, any or both of the Sublandlord or the Port Authority unless such waiver is in writing signed by each non-breaching party. Rights and remedies under this Sublease or under any specific section, subsection or clause hereof shall be cumulative and in addition to any and all other rights and remedies which each party has or may have elsewhere under this Sublease or at law or in equity, whether or not such section, subsection or clause expressly so states.

Section 17.03 ENTIRE AGREEMENT.

The Glossary and Basic Sublease Provisions, this Sublease and all exhibits and/or addendum(s), and/or rider(s), if any, attached to this Sublease are hereby made a part of this Sublease, with full force and effect as if set forth herein. This Sublease supersedes all prior agreements between the parties hereto and sets forth all the covenants, promises, agreements and conditions, and understandings between Sublandlord and Concessionaire concerning the Concessionaire Premises, and there are no actual or implied covenants, promises, agreements, conditions or understandings, either oral or written, between them other than as are set forth herein and none thereof shall be used to interpret, construe, supplement or contradict this Sublease. The parties agree that any deletion of language from this Sublease prior to its mutual execution by Sublandlord and Concessionaire shall not be construed to have any particular meaning or to raise any presumption, canon of construction or implication, including, without limitation, any implication that the parties intended thereby to state the converse, obverse or opposite of the deleted language. No alteration, amendment, change or addition to this Sublease shall be binding upon Sublandlord or Concessionaire unless reduced to writing and signed by each party.

Section 17.04 INTERPRETATION; USE OF PRONOUNS; AUTHORIZATION.

Nothing contained herein shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent or of partnership or of a joint venture between the parties hereto, it being understood and agreed that neither the method of computation of Rent, any other provision contained herein, nor any acts of the parties herein, shall be deemed to create any relationship between the parties hereto other than the relationship of landlord and tenant. Whenever herein the singular number is used the same shall include the plural, and the masculine gender shall include the feminine and neuter genders.

Section 17.05 DELAYS; FORCE MAJEURE.

Time is of the essence in the performance under this Sublease. In the event Sublandlord or Concessionaire shall be delayed in the performance of any obligation, covenant, agreement or other undertaking required of it under this Sublease, by reasons of strikes; lockouts; labor disputes; Acts of God; inability to procure labor, materials, or reasonable substitutes therefor; or shall at any time be so delayed by reason of the diminution of power or power failure(s); restrictive governmental laws or controls; judicial orders; enemy or hostile governmental action; civil commotion; fire or other casualty, or reasons of a similar nature not the fault of the party delayed in performing work or doing acts required under the terms of this Sublease, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay; provided, however, that the time for performance shall in no event be extended due to financial or economic problems of any party. Notwithstanding anything to the contrary, the occurrence of any of the events of force majeure herein described shall not excuse Concessionaire's obligations to pay Rent on a timely basis.

Section 17.06 NOTICES.

Any notice or demand to Concessionaire or from Concessionaire to Sublandlord or the Port Authority shall be in writing and shall be mailed by either (a) certified mail addressed, return receipt requested with proper postage affixed thereto or (b) a Delivery Service, prepaid, if to Concessionaire, at the address of Concessionaire as set forth in the Glossary and Basic Sublease Provisions, or such other address as Concessionaire shall have last designated by notice in writing to Sublandlord and the Port Authority, and, if to Sublandlord or the Port Authority, to the address set forth in the Glossary and Basic Sublease Provisions, or such other address as Sublandlord shall have last designated by notice in writing to Concessionaire. Any notice sent or otherwise delivered in accordance with the foregoing shall be

deemed served and effective upon the earlier of (i) the date of receipt or refusal to accept delivery, (ii) the second business day following the date upon which the notice has been delivered to the Delivery Service; or (iii) the third business day following the date upon which the notice has been deposited with the U.S. Postal Service with proper postage thereon.

Section 17.07 CAPTIONS AND SECTION NUMBERS.

The captions, section numbers and article numbers and index appearing in this Sublease are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such sections or articles of this Sublease or in any way affect this Sublease.

Section 17.08 BROKERS' COMMISSIONS.

Concessionaire and Sublandlord represent and warrant each to the other and the Port Authority that there are and shall be no claims for brokerage commissions or finder's fees in connection with this Sublease, and each party agrees to indemnify the other, the Sublandlord and the Port Authority and hold each and all of them harmless from all liabilities arising from any claim for brokerage commissions and finder's fees in connection with this Sublease. Such agreement shall survive the expiration or sooner termination of this Sublease.

Section 17.09 SUCCESSORS.

All rights and liabilities herein given to, or imposed upon, the parties to this Sublease shall inure to and be imposed upon the respective heirs, executors, administrators, permitted successors and assigns of the said parties; and if there shall be more than one Concessionaire, they shall all be bound jointly and severally by the terms, covenants and agreements herein.

Section 17.10 GOVERNING LAW.

This Sublease shall be governed by and construed in accordance with laws of the State of New York. If any provision of this Sublease or the application thereof to any person or circumstances shall, to any extent be invalid or unenforceable, such provision shall be adjusted rather than voided, if possible, in order to achieve the intent of the parties, to the extent possible; in any event, all other provisions of this Sublease shall be deemed valid and enforceable to the full extent.

Section 17.11 SURVIVAL OF OBLIGATIONS.

All obligations of both the Concessionaire and Sublandlord which cannot be ascertained to have been fully performed prior to the end of the Term, or any earlier termination hereof shall survive the expiration or termination of this Sublease, whichever occurs earlier.

Section 17.12 ATTORNEYS' FEES.

If at any time after the date that this Sublease has been executed by Sublandlord and Concessionaire, either Sublandlord or Concessionaire institutes any action or proceeding against the other relating to the provisions of this Sublease or any default hereunder, the non-prevailing party in such action or proceeding shall reimburse the prevailing party for the reasonable expenses of attorneys' fees and all costs and disbursements incurred therein by the prevailing party, including, without limitation, any such fees, costs or disbursements incurred on any appeal from such action or proceeding. Subject to the provisions of the Law, the prevailing party shall recover all such fees, costs or disbursements as costs

taxable by the court or arbiter in the action or proceeding itself without the necessity for a cross-action by the prevailing party. Notwithstanding anything to the contrary contained herein, if either Sublandlord or Concessionaire engages the services of attorneys (either outside counsel or in-house counsel) to enforce the provisions of this Sublease, to the extent that either incurs any cost or expense (including such reasonable attorneys' fees for outside counsel or payroll and overhead expenses for in-house counsel, as the case may be) in connection with such enforcement, including instituting, prosecuting or defending its rights in any action, proceeding or dispute by reason of any default by Concessionaire or Sublandlord, as the case may be, sums so paid or billed to Sublandlord or Concessionaire, as the case may be, together with all costs and disbursements, shall be paid by the Concessionaire to the Sublandlord, or Sublandlord to Concessionaire, as the case may be, within ten (10) days after demand therefor. If Concessionaire fails to timely pay same, such will be deemed Rent and thereafter be due together with interest at the Default Rate. If Sublandlord fails to timely pay, such amount may be offset from the Minimum Annual Guaranteed Rent thereafter becoming due and payable to Sublandlord, but may not be offset against any rent thereafter becoming due and payable to the Port Authority, together with interest at the Default Rate, until the full amount has been so offset.

Section 17.13 FACILITIES DEVELOPMENT AMOUNT.

Concessionaire acknowledges that all or a portion of the Sublandlord's Work will be completed during the overall course of the work being done by or for Sublandlord in the redevelopment of the Terminal and, to effect such Sublandlord's Work, the Sublandlord will incur certain fees, costs and expenses (collectively "Facilities Development Amount"). Therefore, both Sublandlord and Concessionaire, being cognizant that such fees, costs and expenses are not capable of specific allocation and segregation, have agreed that the liquidated amount of Facilities Development Amount to be paid by Concessionaire to Sublandlord is \$27.46 per square foot of Floor Area of Concessionaire Premises, on an annual basis for each calendar year of the Term, prorated on a daily basis for any partial calendar year ("Development Assessment"), to be paid in equal monthly installments, in advance, as Additional Rent, commencing on the Minimum Annual Guaranteed Rent Commencement Date.

Section 17.14 EXCULPATION.

Concessionaire, for itself and its successors and assigns covenants and agrees that it or they shall enforce any obligation of the Concessionaire contained in this Sublease solely against Sublandlord and not against any of the Protected Parties or in any manner realized upon the personal liability or assets of any of the Protected Parties. This is intended and shall be construed and interpreted as a covenant on behalf of each the Concessionaire and its successors and assigns not to sue or seek enforcement of any judgment against any of the Protected Parties. In the event that suit is brought to enforce any obligation of the Sublandlord, Concessionaire for itself and its successors and assigns, covenant and agree that judgment proceedings shall be enforced only against the interest of the Sublandlord in the Premises and in no event against any other assets of Sublandlord, and that, after application of the proceeds of any seizure and sale of said assets, the obligation of Sublandlord hereunder shall be then and thereafter deemed fully discharged.

Section 17.15 TERMINATION BY PORT AUTHORITY WITHOUT CAUSE; WAIVER AND RELEASE.

(a) Concessionaire acknowledges that the Port Authority has reserved and has the right with Sublandlord's concurrence to terminate any of the Concessionaire Subleases and the Term upon thirty (30) days prior written notice to Sublandlord and each of the affected Concessionaire(s) whether or not

there then exists an Event of Default, such termination hereinafter referred to as "Discretionary Termination."

(b) Sublandlord covenants and agrees that, if the Port Authority shall exercise its right to terminate this Sublease by a Discretionary Termination, then the Sublandlord shall pay to the Concessionaire an amount equal to the Unamortized Capital Investment, as defined in (c), below, as of the effective date of the Discretionary Termination.

(c) For purposes of subsection (b) above, "Capital Investment" shall be Concessionaire's actual aggregate expenditures for initially constructing and equipping the Concessionaire Premises; and the term "Unamortized Capital Investment" shall mean the amount of the Capital Investment that, but for the Discretionary Termination, would have been amortized for the period from the effective date of such termination to the Expiration Date.

Section 17.16 LETTERS OF CREDIT. Concessionaire covenants and agrees that it shall deliver, or cause to be delivered to each of the Sublandlord and the Port Authority, prior to the date upon which the Concessionaire initially opens for business to the public in the Concessionaire Premises, an unconditional, irrevocable so-called "evergreen" letter of credit, being in an amount of 50% to the Port Authority and 50% to the Sublandlord of the Minimum Annual Guaranteed Rent to be paid for the then-current calendar year, but in no event less than \$628,500.00 for the Port Authority and \$628,500.00 for the Sublandlord. The issuer of each said letter of credit is to be approved by (i) as to the Letter of Credit for the Sublandlord, the Sublandlord; and (ii) as to the letter of credit for the Port Authority, by the Port Authority, and each of the two letters of credit are to provide for partial draws upon demand therefor by the respective beneficiary of each such letter credit.

Section 17.17 UNILATERAL RIGHTS TO TERMINATE.

As a further inducement for Sublandlord to enter into this Sublease, Concessionaire has represented to Sublandlord that:

A. If during the calendar year 2003, the Gross Receipts from the Concessionaire Premises do not exceed \$3.00 per International Enplaned Passenger and \$1.50 per Domestic Enplaned Passenger (or reduced as set forth in the last sentence of this subsection), then such failure shall not be an Event of Default, but shall permit the either party to terminate this Sublease at any time after said calendar year 2003 upon not less than thirty (30) days notice. Upon such termination, the Concessionaire shall vacate the Concessionaire Premises, as if this Sublease had expired, and Concessionaire shall cause the Concessionaire Premises to be in the condition as required by the terms of this Sublease. Sublandlord and Concessionaire acknowledge and agree that the amount of \$3.00 is based on (i) a calendar year of operations in the Concessionaire Premises, without delays caused by an event set forth in Section 17.05, and, in the event the operations of the Concessionaire are adversely affected by an event set forth in Section 17.05, then the \$3.00 shall be adjusted on a per diem basis; i.e., if, as a result of a force majeure, the Concessionaire Premises were unable to be open for business to the public for a period of 10 days in any calendar year, then the \$3.00 shall be reduced by 2.7% to \$2.92; and (ii) no further expansion of the number of Concessionaire open for business on the "airside" of the Terminal, from the number depicted on Exhibit A. If such increase does occur, then the foregoing right to terminate shall cease.

B. In no event shall such termination pursuant to the terms of this Section 17.17 reduce, eliminate, vitiate or in any way affect the obligations of the Concessionaire to be performed and observed prior to the date of termination or the obligations, covenants and conditions (including, but not

limited to all obligations to indemnify and hold harmless) that survive the expiration or sooner termination of this Sublease.

Section 17.18 AUTHORITY OF EXECUTION. If Concessionaire is a corporation, limited liability company or limited partnership, Concessionaire shall furnish to Sublandlord at the time of execution of this Sublease (a) a certificate issued by the state of its formation that the Concessionaire is in good standing in said state, (b) a certified copy of its Certificate of Incorporation, Articles of Organization, Certificate of Formation, or such other documentation as used in the state of its formation whereby the Concessionaire was originally formed in said state, and (c) a certified copy of the resolution of the Board of Directors, General Partners, Managers or Managing Members of other party(ies) having the power of control of the Concessionaire approving this Sublease and authorizing its execution by the persons who have signed or will sign this Sublease.

IN WITNESS WHEREOF, Sublandlord and Concessionaire have caused this Sublease Agreement to be duly executed as of the year and day first above written.

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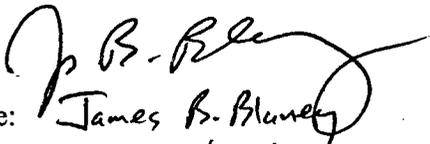
SUBLANDLORD

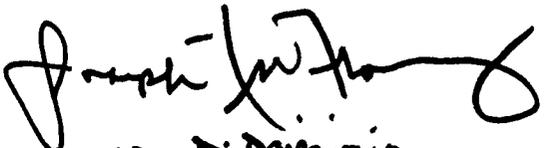
CONCESSIONAIRE

British Airways Plc, a corporation of England and Wales

By: 
Printed Name: DAVID ERICH
Title: SENIOR VICE PRESIDENT
CUSTOMER SERVICES NORTH AMERICA

ATTEST:

By: 
Printed Name: James B. Bluney
Title: Senior Counsel, Americas

By: 
Printed Name: JOSEPH DiDINIZIO
Title: EXECUTIVE VICE PRESIDENT

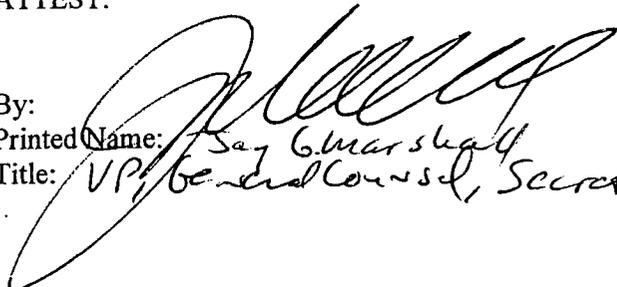
ATTEST:
By: 
Printed Name: Jay G. Marshall
Title: VP, General Counsel, Secretary

Exhibit A
Depiction of Concessionaire Premises

FOOD COURT SEATING

| AREA | SEATING | | TOTAL |
|-------|---------|------------------|-------|
| | CHAIRS | SEATS ON BENCHES | |
| C-1 | 148 | 14 | 162 |
| C-2 | 166 | 17 | 183 |
| TOTAL | 314 | 31 | 345 |

CONCESSIONS SUMMARY

| RETAIL | SF |
|---------------------|---------------|
| R-1 WORLD DUTY FREE | 6,539 |
| R-2 NEWS & GIFTS | 1,487 |
| R-3 NEWS & GIFTS | 1,954 |
| R-5 | 534 |
| R-6 | 711 |
| R-7 | 490 |
| R-8 | 730 |
| R-9 | 730 |
| R-10 | 230 |
| SUBTOTAL | 13,405 |

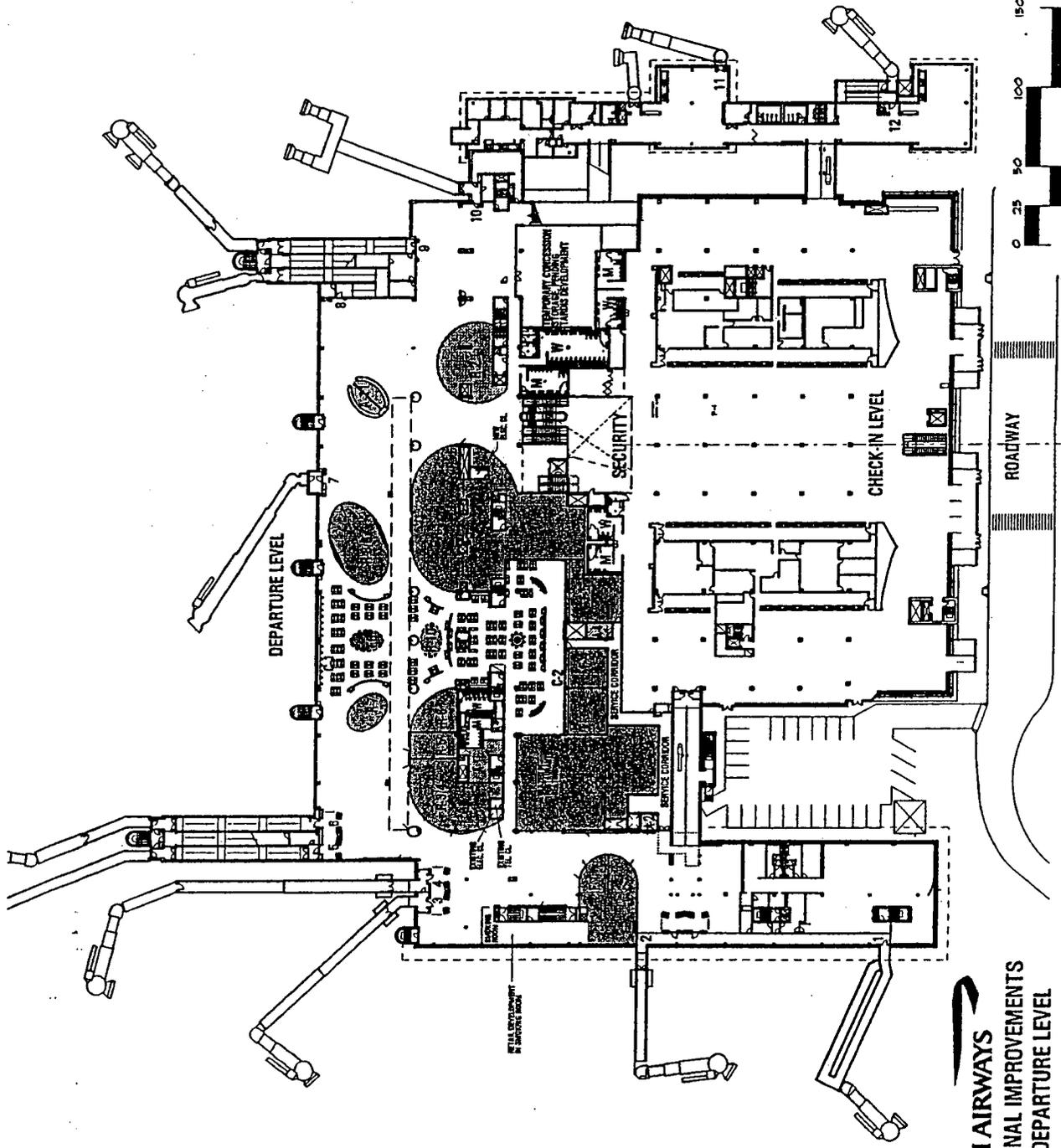
| FOOD | SF |
|---------------------|--------------|
| F-1 BIF | 1875 |
| F-2 RESTAURANT | 1925 |
| F-3 | 837 |
| F-4 SPECIAL ITALIAN | 704 |
| F-5 MCDONALD'S | 1,008 |
| F-6 CAFE/BAR | 308 |
| SUBTOTAL | 6,657 |

| ANCILLARY CONCESSION SPACES | SF |
|-----------------------------|--------------|
| A-1 | 433 |
| A-2 | 104 |
| A-3 | 162 |
| A-4 JANITOR CLOSET | 67 |
| A-5 FINANCIAL SERVICES | 490 |
| SUBTOTAL | 1,256 |

| COMMON SPACES | SF |
|------------------------|---------------|
| C-1 FOOD COURT SEATING | 2,743 |
| C-2 FOOD COURT SEATING | 8237 |
| SUB TOTAL | 10,980 |

| | |
|--------------|---------------|
| TOTAL | 35,707 |
|--------------|---------------|

CONCESSIONS PLAN 15 SEPT. 1999



BRITISH AIRWAYS
JFK TERMINAL IMPROVEMENTS
CHECK-IN/DEPARTURE LEVEL

Exhibit B
Description of Sublandlord's Work

Sublandlord shall provide each component of the Concessionaire Premises in accordance with the Concession Design and Construction Manual attached hereto and by this reference made a part hereof.

**CONCESSION DESIGN &
CONSTRUCTION MANUAL**

BRITISH AIRWAYS

The British Airways logo, featuring a stylized winged figure (the Concorde) in flight, positioned to the right of the text 'BRITISH AIRWAYS'.

JFK Terminal Renovations 03 . 08 . 99

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 - 2.3.5 SECURITY

2.0 GENERAL DESIGN CRITERIA

The following information is intended to assist the Concessionaire in developing design documents for review and approval. The outlined criteria identify specific requirements and physical limitations that influence the design, but still encourage individuality to achieve an interesting, exciting and unique shopping and dining environment.

2.1 IMAGE AND CHARACTER

A successful design solution will have a consistent theme in which all the parts fit together and enhance one another. It is important to consider the following components when developing a design:

1. storefront
2. materials and finishes
3. color, texture and durability
4. lighting
5. graphics
6. accessibility to airline passengers
7. scale relationships
8. accessibility for maintenance

2.2 DESIGN CONDITIONS

The overall floor plan, Figure A-0, illustrates the locations of the various food and retail concession leaseholds. Concession leaseholds assigned to food Concessionaires are designated with the letter "F" and leaseholds for retail Concessionaires are labeled with the letter "R." The leaseholds are grouped according to Design Conditions which are defined and detailed within this Manual.

2.2.1 Design Condition A

Design Condition A applies to food Concessionaires occupying leaseholds F3, F4 and F5 as indicated on the enlarged floor plans. See Figures P-1, P-2 and P-3.

In Design Condition A, the storefront/counter assembly will be installed by the Owner, at the Concessionaire's expense. The major components of the assembly will be an electrically-operated roll-down security grille, and stainless steel millwork counter. See elevation (Figure E-4) and section (Figure S-5) for details.

2.2.2 Design Condition B

Design Condition B applies to retail Concessionaires occupying leaseholds R1 and R2 as indicated on the enlarged floor plans. See Figures P4 and P5.

In Design Condition B, the Concessionaire is provided with three storefront options:

1. mobile glazing system (see Figure W-1)
2. fixed glazing (see Figure W-2)
3. solid wall (see Figure W-3)

The Concessionaire may select which type(s) of storefront is most appropriate for the design of the leasehold.

At leasehold R-1, the circular columns, located outside of the leasehold, may be a signage opportunity for the Concessionaire, though not guaranteed. The Concessionaire is encouraged to propose signage at these columns for consideration.

See elevations (Figures E-1, E-2 and E-3) and sections (Figures S-1, S-2 and S-3) for details.

2.2.3 Design Condition C

Design Condition C applies to retail Concessionaires occupying leaseholds R7, R8 and R9 as indicated on the enlarged floor plans. See Figures P-6 and P-7.

In Design Condition C, the Concessionaire is provided with three storefront options:

1. mobile glazing system (see Figure W-1)
2. fixed glazing (see Figure W-2)
3. solid wall (see Figure W-3)

The Concessionaire may select which type(s) of storefront is most appropriate for the design of the leasehold.

See elevation (Figure E-2) and section (Figure S-2) for details.

2.2.4 Design Condition D

Design Condition D applies to retail Concessionaires occupying leaseholds R3, R4, R5 and R6 as indicated on the enlarged floor plans. See Figures P-8, P-9 and P-10.

In Design Condition D, the Concessionaire is provided with three storefront options:

1. mobile glazing system (see Figure W-1)
2. fixed glazing (see Figure W-2)
3. solid wall (see Figure W-3)

The Concessionaire may select which type(s) of storefront is most appropriate for the design of the leasehold.

At leaseholds R-3 and R-6, the circular columns, located outside of the leaseholds, may be a signage opportunity for the Concessionaire, though not guaranteed. The Concessionaire is encouraged to propose signage at these columns for consideration.

See elevations (Figures E-1, E-2 and E-3) and sections (Figures 1-1 and 3-3) for details.

2.2.5 Design Condition E

Design Condition E applies to food Concessionaires occupying leaseholds F1 and F2 as indicated on the enlarged floor plans. See Figures P-11 and P-12.

In Design Condition E, the Concessionaire is provided with three storefront options:

1. mobile glazing system (see Figure W-1)
2. fixed glazing (see Figure W-2)
3. solid wall (see Figure W-3)

The Concessionaire may select which type(s) of storefront is most appropriate for the design of the leasehold.

See elevations (Figures E-1 and E-5) and sections (Figures S-1 and S-4) for details.

2.2.6 Design Condition F

Design Condition F applies to Concessionaires occupying leaseholds F6 and R10 as indicated on the enlarged floor plans. See Figures P-13 and P-14.

The leasehold in Design Condition F is to be a self-enclosed kiosk/millwork element. The floor finish of the Terminal will continue into the area of the leasehold. A steel canopy suspended above the leasehold may be a signage/lighting opportunity for the Concessionaire, though not guaranteed. The Concessionaire is encouraged to propose signage/lighting at the canopy for consideration.

2.3 GENERAL REQUIREMENTS

The following requirements apply to the basic components of the Concessionaire's leasehold.

2.3.1 Floors

The level of the finished floor within the shell space is to correspond exactly to that of the adjacent finished floor. No structural modifications will be permitted unless compelling design or operational needs require them. The cost of design and construction of any resulting structural modifications will be at the Concessionaire's sole expense.

The Concessionaire is required to patch adjacent concourse terrazzo or carpet if it is damaged during construction. Floors in kitchen, food preparation and storage, counter and beverage service areas must have a fully waterproofed surface and a 6-inch high cove base. The Concessionaire is to install floor drains in all such areas.

If the Concessionaire's space requires floor penetrations, the Concessionaire's contractor is required to x-ray the floor before cutting, drilling or otherwise penetrating the existing slab. The D&C Coordinator is to be notified in writing prior to any penetration.

The Concessionaire is to control water from drilling or cutting operations. Surfaces below such operations must be protected. Such operations must not be conducted without the written approval of the D&C Coordinator. The Concessionaire is responsible for the costs of any damages sustained in such procedures.

The Concessionaire is not permitted to construct mezzanines or raised platforms in the leased premises without the written approval of the D&C Coordinator.

2.3.2 Ceilings

The overall ceiling height within the lease space is to be a minimum of 8 feet. Open ceilings or exposed structure treatments are not encouraged. Ceilings are required to be installed in all areas to maintain return-air plenums. All ceiling materials must be noncombustible, equal to Class A installation. Ceiling finishes shall have a flame spread rating not exceeding 200. The plenum must be accessible when base building or Concessionaire piping and/or equipment are located above.

Ceiling furrdowns or bulkheads are permitted. However, furrdowns or soffits must not restrict access to plumbing or HVAC equipment. Access doors are not permitted in gypsum board furrdowns or soffits.

All damage to existing ceilings will be repaired at the Concessionaire's expense. Ceilings in food and beverage spaces are to comply with all City of New York Health Department requirements.

2.3.3 Roofs

All required penetrations of the existing terminal roof for exhaust hoods, vent stacks, supplemental HVAC equipment or any other equipment are to be performed by the Concessionaire, at the Concessionaire's expense. The Concessionaire must consider the following in dealing with roof-top equipment:

1. roof access
2. equipment shut-offs
3. walkway access
4. concealed piping
5. existing equipment and penthouse clearances
6. roof protection during construction
7. temporary weatherproof protection of openings during construction
8. lifting and hoisting of equipment
9. structural calculations of penetrations and reinforcing of openings if required
10. effects on roof drainage
11. storage of equipment and materials on the roof during construction
12. protection of roofing material from oil and grease emitted by kitchen exhaust equipment

All modifications or installations of additional equipment require consultation with the Owner's consultant team, including D&C Coordinator, structural engineer and MEP/FP engineer. The installation of such equipment will be at the Concessionaire's expense.

2.3.4 Walls

All interior demising walls between Concessionaires are gypsum board on metal stud framing. Partitions between multiple Concessionaires and any common, public or service corridor will extend to the structure above. The partitions between multiple Concessionaires must have a rating of 2 hours. All demising partitions will be provided by the Owner, except for retail storefronts at design conditions B - F. See Section 2.2 for specific design conditions. The Concessionaire's walls are to be finished. All interior partitions are to extend 8 inches above the finished ceiling. All interior walls are to be constructed by the Concessionaire, at the Concessionaire's expense. Permanent attachment to concrete columns with mechanical fasteners or adhesives is not permitted. The Concessionaire is permitted to furr columns with systems that are self-supporting or free standing within the leasehold.

If heavy shelving or attachments are to be installed, the demising or Concessionaire's wall must be reinforced.

If fire-rated walls or other existing construction must be opened or cut through to extend services to a leasehold, the Concessionaire must preserve the original rating and construction.

2.3.5 Security

The Concessionaire is required to provide a means of securing the leasehold during non-operational hours. See Section 2.2 for specific requirements.

2.4 IMAGERY - FOOD/RETAIL CONCESSIONAIRE

It is especially important in an airport that the options available to the traveler are seen clearly and quickly. These options should be perceived as attractive and inviting.

2.4.1 Food Concessionaire - Display

Creative display of food and beverages is required. The presentation must be clean, well-organized and devoid of clutter.

Sneeze guards must be set back a minimum of 6 inches from the edge of counter and be a maximum height of 4 feet - 6 inches above the finished floor. All horizontal joints are to be butt-glazed for maximum visibility. Glazing must be either tempered or safety glass. No acrylic glazing is permitted.

2.4.2 Food Concessionaire - Equipment

Concessionaire equipment on counters is to be set back a minimum of 6 inches from the front counter edge and recessed into the counter top so that no portion exceeds 42 inches in height. Beverage machines and other miscellaneous equipment on the counter are subject to design review. No simulated wood finishes will be permitted on equipment within public view.

Napkins, condiments, utensils, straws and trays must be set back from the front of the counter and must be dispensed from permanent holders recessed into the front counter top.

All paper goods and supplies are to be stored in areas not visible to the public. All equipment is to be furnished, installed and maintained by the Concessionaire at the Concessionaire's expense.

2.4.3 Food Concessionaire - Lighting

Lighting within the Concessionaire's leasehold is to be provided by the Concessionaire, except where provided in Design Condition A.

2.4.4 Food Concessionaire - General Signage

In addition to the basic signage, additional signage is normally required of the food Concessionaire. Menu boards and other signs must convey information in an organized, simple, straightforward manner so the traveler can absorb the information quickly and make choices with dispatch. This is to the advantage of both the customer and the Concessionaire. The design and graphics of the signage are an integral part of the store concept. All supplemental menu graphics must be professionally produced and attractively displayed. Temporary displays are not allowed. See Section 2.5 for additional signage information.

2.4.5 Food Concessionaire - Menu Boards

The Concessionaire is to provide one or more menu boards designed as an integral part of the design concept. Menu boards must have changeable price and menu graphics. Graphics depicting food items or a supporting overall image is encouraged.

Internally illuminated menu boards are acceptable. Also acceptable are illuminated menu boards using a supplemental light source. The use of photographs for food displays is encouraged. Photographs must be produced by a professional.

"Daily Special" signs or signs for seasonal or temporary promotions must be integrated into the overall design of the menu board and of the back wall.

2.4.6 Food Concessionaire - Pick Up/Order Signage

The food Concessionaire has the option to have "Order Here" and "Pick Up Here" signs. The design and materials must be consistent with the overall design and colors used in the space. All "Order Here" signs must be supported from the counter top and may not be suspended from the ceiling.

2.4.7 Food Concessionaire - Storage

The Concessionaire's supplies must be stored on appropriate racks or in cabinets within the Concessionaire's leasehold. Such storage must be concealed from public view with doors or sliding panels.

2.4.8 Retail Concessionaire - General

Retail storefronts along the concourses are intended to feature merchandise and invite the customer to shop. Each retail Concessionaire has the opportunity to develop a store design that creatively displays the unique character of the store and the products being offered.

The aim of the design criteria is to support the store concept and to aid national, regional and local Concessionaires in producing a high quality, distinctive look for their space. The retail Concessionaire is to have a storefront designed according to the storefront criteria.

2.4.9 Retail Concessionaire - Display

The zone behind the storefront where merchandise is displayed is where the customer receives his first full impression of the store. It is critical that special attention be paid to the area through the use of fixturing, raised platforms, props, furniture, and/or mannequins. These elements are to be consistent with the space in both design and materials.

2.4.10 Retail Concessionaire - Signage

All signage on and within the Concessionaire's space is subject to design review and approval, including all signs for sale promotions, seasonal promotions, product displays and brand displays. See Section 2.5 for additional signage information.

Signage must be professionally designed, attractively displayed and produced in colors and materials consistent with the overall store image.

See Section 2.2 for specific requirements in each Design Condition.

2.4.11 Retail Concessionaire - FF&E

All fixtures, furnishings and equipment shall be provided by the Concessionaire, at the Concessionaire's expense. Fixtures and furnishings play an important role in establishing the character of the store. They should be made of high quality, durable materials similar or complementary to those in the space. Simulated wood grain or other simulated materials on fixture or furniture is discouraged.

The fixture layout should accommodate passengers with hand-held luggage, bag carts and baby strollers, as well as persons in wheelchairs who require maneuvering clearances.

Any equipment used in the store that is visible to the public is to be compatible with the store design.

All interior finishes are required to meet ASTM E-84, Type 1, Class A fire retardant requirements. All floor finishes shall also meet DOC FFI (methanine pill test) and ASTM E648 (critical radiant flux test) with a minimum critical radiant flux of 0.5 watts per square centimeter.

2.5 SIGNAGE

Signage is an integral part of the overall design of the Terminal experience. Accordingly, the signage of the Concessionaire's space must be designed to maintain that consistency. The Concessionaire is permitted to use the corporate logo, sign type and lettering styles, when compatible with design criteria. The Concessionaire is required to coordinate primary and secondary signage into a complementary design. The Concessionaire must avoid obstructing Terminal way-finding and information signage. See Section 2.4 for specific signage guidelines for food and retail concession leaseholds.

2.5.1 General Signage Standards

The Concessionaire is fully responsible for the workmanship, installation and grammatical correctness of the signs, and for coordinating efforts with the sign contractor.

The Owner reserves the right to reject any signage that it deems inappropriate for the Terminal.

No exterior signage will be permitted on any part of the Terminal or positioned to be visible from outside any window.

2.5.2 Primary Sign Element

Each Concessionaire is required to design, fabricate, install and maintain one primary sign above the entrance to the space (if a soffit condition exists) or incorporated into the storefront (if a soffit condition does not exist). The sign shall be limited to the Concessionaire's trading name only.

Any Concessionaire having storefronts on more than one side may use one sign on each storefront. The Concessionaire must comply with the following criteria:

1. Etched, beveled, or sandblasted glass; dimensional metal; and other materials with permanent appearance are encouraged. Three-dimensional illuminated halo or back-lit individually mounted letters are not acceptable.

2. For signs occurring on soffits, the maximum field height for signage (i.e. individual letters, double line of letters and/or sign backgrounds) is 18" overall. The field may extend below the bottom of the soffit line 6" (max) and may extend above the bottom of the soffit line 12" (max). See Figure S-7.

2.5.3 Supplemental Signage

The Concessionaire is encouraged to integrate supplemental signage into the storefront design to support the overall store image and to provide greater visibility. End walls and columns may be used for secondary signage. Size and content are subject to Owner review.

No displays or signs are permitted outside the lease line, except where indicated in Section 2.2.

Storefront signs are not restricted to a specific size. Their use is viewed as decorative as well as informative and is subject to the Owner's approval. Note the following:

1. Letters or logos applied or painted directly on the inside face of glass storefronts are not permitted.
2. Supergraphic treatment of large amounts storefronts is not permitted.
3. Hand-lettered non-professional signs and newspaper advertisements are not permitted.
4. Advertising for brand names (soft drinks, for example) is not permitted.
5. Animated, flashing or sound-producing elements are not permitted.

All graphics must have a non-glare, matte finish. The type must be large enough and its style simple enough to make the text clearly legible.

2.6 INTERIOR FINISHES

The selection and application of finishes will define the Concessionaire's image. Establishing a standard for quality, durability and aesthetic value will be evaluated and considered. The Concessionaire's image does not end at the storefront or at the front of counter, but continues to all areas exposed to the public. It is important to develop a color and finish palette that is both inviting and complementary to the overall image. Good craftsmanship is a critical component in a successful product. The Concessionaire is responsible for the selection and application of all interior finishes.

2.6.1 Flooring

High quality, durable materials must be selected to withstand heavy traffic. Stone, ceramic tile, marble, wood or durable carpet are acceptable options.

The Concessionaire must provide a continuous base around the perimeter of the lease space with material that is similar to the flooring as well as compatible with the storefront. Rubber or vinyl base is discouraged.

2.6.2 Ceilings / Walls / Doors

The Concessionaire is to use high quality, durable products for ceiling, walls and doors. Specific requirements include the following:

1. Ceilings must be accessible for maintenance whenever piping or equipment (by base building or Concessionaire) occur.

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2. The following materials are not permitted:
 - a. rough-sawn cedar or other unfinished woods
 - b. imitation of natural materials, such a simulated wood, brick or laminates
 - c. pegboard walls or fixturing systems
 - d. painted drywall surfaces below 9 feet
 - e. window coverings
 - f. slat wall material

3. Concessionaire's interior doors must be solid core or hollow metal with a finish quality similar to the quality of the walls.

2.7 LIGHTING

The Concessionaire is encouraged to be creative in lighting design to maximize the quality and uniqueness of the environment. Energy efficient lighting is required. All lighting locations, specifications and product data sheets (including light source) must be submitted for review.

2.8 ACOUSTICS

The Concessionaire is encouraged to use materials and designs that minimize the transmission of sound to the concourse and adjacent spaces.

Food and beverage Concessionaires must isolate noises from food preparation, dishwashing and cleaning areas, using demising walls if necessary.

Music systems are permitted within leaseholds, but volumes must be controlled to limit the sound to the leasehold boundaries.

3.0 CONSTRUCTION

3.1 PROCEDURES

These construction procedures are intended to allow flexibility and accessibility to the Concessionaire's contractor for the timely execution of his work without obstructing airline operations, passenger flow or airport security. Airport and airline operations and security must not be affected during any sequence of Concessionaire's construction. Therefore, some construction may be required during restricted working hours and during evening hours.

3.1.1 Concessionaire Examination of Site

By executing lease documents, Concessionaires represent that they have:

1. visited the site.
2. made due allowances for difficulties and contingencies to be encountered.
3. compared contract documents with work in place.
4. informed themselves of existing conditions and work being performed by others.
5. notified the D&C Coordinator of any inconsistency or error they discovered within the lease or between Lease Exhibit and existing conditions.
6. agreed to inspection terms during construction and will provide verified as-built drawings to the D&C Coordinator.

3.1.2 Temporary Partitions

In most cases, construction by Concessionaire will occur behind temporary partitions constructed by the base building construction manager. In cases where this does not occur, the Concessionaire is to provide and maintain temporary dust partitions to seal openings to all adjacent areas, provide temporary security and provide protection to the public during construction. The following points also apply:

1. Temporary construction partitions must be located a maximum of 2 feet beyond the lease line.

2. Partitions must extend full height to the existing structure or ceiling to positively seal off the construction area. Partitions in view of the public are to be vinyl-covered gypsum board on metal studs.
3. All finishes are to be returned to their original condition when temporary partitions are removed.
4. Owner-approved construction signage is required on temporary partitions.
5. Access doors into construction areas must be solid core or hollow metal doors with commercial grade hardware and must be mounted in hollow metal frames.

3.1.3 Security

The Concessionaire is entirely responsible for the security of the leased premises during construction, and must take all necessary steps to maintain airport security. The Owner shall have no liability for loss or theft of any property.

The Concessionaire's contractor shall enter the building at landside entrances approved by the Owner and the Owner's contractor.

Access by air-side or AOA ramp is strictly prohibited. Access to construction areas within the building must be through passageways and corridors as approved by the Owner and the Owner's contractor. The access route must be shown on construction documents.

3.1.4 Construction Coordination

The following rules and regulations apply to the Concessionaire's contractors performing work at the Terminal.

In general, the Concessionaire's contractor is to confine his operations to the construction area defined by his Contract Limit Lines (CLL). Where operations require work or staging beyond those limits, such work is to be coordinated with the Owner and the Owner's contractor by using the following guidelines:

1. All work to be installed beyond the CLL (such as bracing or support steel or installation of conduits or lines), is to be coordinated with the Owner, the Owner's contractor, or other contractors of the Concessionaire where applicable.

The Concessionaire's contractor will provide a representative who will be available to attend the Terminal's mechanical coordination meetings, and who will sign off the coordination with other mechanical trades, if work is occurring beyond the CLL's.

2. Where the Concessionaire's contractor's work precedes the Terminal's mechanical work, the Concessionaire's contractor will furnish accurate as-builts, tying back dimensionally to building steel to locate their work. As-built reproducibles of this work will be forwarded to the Owner's contractor within five (5) working days of work being performed in the field for use by others in coordination of subsequent work.
3. Where the Concessionaire's contractor's work occurs after the Terminal's Mechanical Coordination of the adjacent spaces, the Concessionaire's contractor will obtain copies of the "Coordination Drawing(s)" for the area, and indicate his work on the plan. This drawing will be forwarded ten (10) working days prior to any work proceeding in the field outside their CLL and will be submitted to the Owner's contractor for review by their subcontractor.

No core drilling will occur in the Terminal outside the CLL. Any resultant damages, which occur due to such activity, will be the responsibility of the Concessionaire's contractor. Any necessary repairs will be arranged by the Owner's contractor and costs back-charged to the Concessionaire's contractor.

All shutdowns or tie-ins to existing services are to be made with a minimum of 48 hours written notice to the Owner and the Owner's contractor. The Concessionaire's contractor is responsible to drain down and refill any systems affected, and furnish valves and dampers, to isolate their work from the Terminal's systems, whether or not indicated.

The Concessionaire's contractor will coordinate all deliveries with the field superintendent of the Owner's contractor. The Owner's contractor will be provided with date, time and duration of deliveries, and the Concessionaire's contractor will coordinate with the Owner's contractor regarding location of all drop-offs. Minimum 48 hour notice will be given for all standard deliveries, and five (5) days written notice for all deliveries requiring cranes, boom equipment, or requiring coordination to or blocking roadway access.

The Concessionaire's contractor is required to provide competent job site supervision capable and authorized to make binding decisions on behalf of the Concessionaire's contractor, who will be present full time while any of their work force is present at the job.

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The Concessionaire's contractor will provide the Owner and the Owner's contractor with emergency contact numbers for this individual, and also for all major mechanical subcontractors working for them at the site.

The Concessionaire's contractor is required to make available a competent representative of his firm to attend a weekly coordination meeting with the Owner's contractor to coordinate all operations and notify the Owner and the Owner's contractor of upcoming work or deliveries.

All builders materials, gang boxes, rubbish containers are to be kept within the confines of the CLL or at pre-approved locations outside the CLL.

The Concessionaire's contractor will coordinate all rubbish removal, storage of mini containers, placement of roll-off pickups and drop-off times with the Owner's contractor.

The Concessionaire's contractor is responsible for lockup and protection of all his builders' materials, tools and equipment during the course of construction, and will cooperate with the loss prevention efforts and program of the Owner's contractor.

The Concessionaire's contractor is responsible for procurement of their own security badges (through coordination with the Owner) or other accesses to the building, INS, Customs, or FAA controlled spaces.

The Concessionaire's contractor is aware that all work being completed under the contract of the Owner's contractor for the Terminal will be performed by union personnel of trades claiming jurisdiction. The Concessionaire's contractor is advised that all additional labor, which results from their construction activities (such as costs for stand-by trades, master machinists, laborers, teamsters), either for work completed during or beyond normal working hours, will be their responsibility and should be arranged for and paid directly by the Concessionaire's contractor.

The Concessionaire's contractor is aware that the Owner's contractor is providing their subcontractors with axis lines and benchmarks for performance of their work, and will coordinate back to these benchmarks, axis lines and starting points developed by the D&C Coordinator, where applicable.

The Concessionaire's contractor is to make all efforts to coordinate his work with the Owner's contractor at CLL interface.

The Concessionaire's contractor will be responsible for the damage caused by its own personnel (or any of the subcontractors, including suppliers and vendors, of the Concessionaire's contractor) to existing construction equipment, fixtures, finished surfaces, adjacent area of construction, existing buildings, properties or utilities. The Concessionaire's contractor is responsible for protection of the preceding work in the vicinity of its work. Any disturbance or impairment resulting directly or indirectly from the work of the Concessionaire's contractor will be immediately restored, repaired, or replaced to the satisfaction of the Owner's contractor and without additional cost to the Owner or to the Owner's contractor. Refusal by the Concessionaire's contractor to correct the damaged work after notice from the Owner's contractor will necessitate correction by others with all related costs charged to the Concessionaire's contractor.

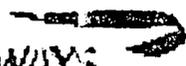
The Concessionaire's contractor must be aware of the structural capacities of areas to be used for the Concessionaire's contractor's equipment and material storage and will not exceed rated capacities without taking appropriate steps to compensate for the imposing of the loads which may exceed the design criteria details of loading. All storage of materials outside the CLL must be coordinated with the Owner's contractor. Any modifications to the structure must be analyzed and detailed by the Concessionaire's contractor's engineer, a professional engineer licensed in New York State, and must be submitted for review by the structural engineer. All costs are included in the Concessionaire's contract price for such work.

The Concessionaire's contractor includes all costs for temporary utilities required for the performance of its work, including but not limited to water and electrical. The Concessionaire's contractor will also provide such utilities as required by the Owner's consultant and testing laboratory to perform their work.

The Concessionaire's contractor is aware that no elevators or personnel/material hoists are available for their use on the Terminal jobsite.

The Concessionaire's contractor will provide any signs, warning devices, barricades, fences and guardrails which are required for the safe performance of its work, and to control vehicular and pedestrian traffic required by its operation and in accordance with applicable codes. Any fines levied against the Owner's contractor by OSHA due to failure of the Concessionaire's contractor to comply with OSHA requirements will be paid by the Concessionaire's contractor.

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The Concessionaire's contractor will be responsible for immediately replacing and repairing all safety protection removed or damaged by its field work force. Failure to do so will result in replacement or repair by others with the cost being charged to the Concessionaire's contractor. The Concessionaire's contractor will remove and turn over to the Owner's contractor any safety protection which is to be removed by the Concessionaire's contractor to facilitate the installation of its work; it being expressly understood that removal of said protection and the final condition following the Concessionaire's contractor's work will not violate any OSHA regulations.. Replacement of removed safety protection, if required, as a result of the work of the Concessionaire's contractor will be the responsibility of the Concessionaire's contractor.

3.2 MECHANICAL, ELECTRICAL, PLUMBING, STRUCTURAL REQUIREMENTS

The Terminal has in place an MEP infrastructure adequate to accommodate the needs of the concession program. Supplemental requirements or unusual circumstances caused by the Concessionaire's development may require that supplemental equipment be installed by an Owner-approved contractor at the Concessionaire's expense. Modifications, tie-ins to existing services and supplemental equipment construction must be engineered by a professional engineer registered in New York State. See Appendix 1 - Design Condition Drawings, for graphic layout of services available to the leaseholds.

Plans must show all routings and connections of new services to existing lines, ductwork, piping, telephones, switchboards or motor control centers. The Concessionaire must provide completed heat loss/gain and electrical power calculation forms. See Appendix 2 - Schedules, for calculation forms.

3.2.1 HVAC

The Terminal is served with chilled and heated water from a central utility plant. Air handling units are currently in place to provide a standard design capacity. The base building supply air provided by the Owner at the Owner's expense is 1.0 cfm/ft² at 57°F. The Concessionaire must verify the existing air supply to the leasehold and determine how much more, if any, is needed.

The existing primary air ductwork may be used to cool the leasehold, provided engineering calculations show that it is adequate to meet new leasehold design loads.

The Concessionaire's HVAC design of each leasehold must meet the following criteria:

1. Heating - Winter inside comfort design temperature: 75°F db
2. Cooling - Summer inside comfort design temperature: 78°F db
3. Outside design temperatures - as indicated in the current edition of the ASHRAE Handbook of Fundamentals, 2½ percent conditions
4. The existing maximum supply air to conditioned building areas is calculated at 1.0 cfm/ft². The Concessionaire is responsible for supplying supplemental HVAC if additional air-conditioned air or make-up air is required because of increased loads in the leasehold.

The Concessionaire must provide the engineering design and installation of the HVAC system including the following:

1. all medium pressure ductwork from the main trunk ducts to the VAV boxes including duct taps and control dampers
2. all low-pressure ductwork, including that necessary for supply, return air, exhaust, and make-up air
3. all grilles and diffusers for supply, return air, exhaust and make-up air
4. all required controls - all Concessionaire's equipment must have direct digital controls (DDC); the Concessionaire's control equipment must be compatible with those installed in the Terminal (manufactured by Trend). The Concessionaire is responsible for providing all DDC control panels required for their installation and for connecting to the existing Terminal BMS system and should contact:
Trend Controls Group
200-214 West 4th Street
Plainfield, NJ 07061
(908.755.9500)
5. a heating system using fan powered VAV boxes or induction boxes with hot-water coils and the required hot-water piping
6. a kitchen hood exhaust and tempered make-up air systems package that includes both exhaust fans and make-up air fans - it must be installed by an approved contractor and the submitted design must include sizing and roof penetrations
 - a. Roof exhaust fans must be of the belt drive, up-blade, vertical discharge type and must bear the AMCA certified ratings seals for air and sound performance. There must be a built-in grease drain.
 - b. The filtered make-up air unit should have belt-driven double width/double inlet, forward curved centrifugal supply fans.
 - c. The pre-wired control center must include, but not be limited to, an integral master disconnect switch with fuse blocks for main power connection, magnetic motor starters with thermal overloads and manual reset, a fused 115 volt control transformer and a distribution terminal control strip for connecting the control wiring. Wiring must be complete, requiring only one-point field connection for power service and one-point field connection for low voltage.

7. All supplemental cooling and heating service must be designed by the Concessionaire's engineer and installed by an Owner approved contractor. Supplemental chilled and heating water air-handling units may be installed within the Concessionaire's lease space or, with special Owner approval, may be installed on the roof.
8. Food Concessionaire in leasehold F-1 is required to provide an exhaust system at a rate of 20 air changes per hour to vent the smoking room.

Supplemental DX units are not desirable and will be subject to Owner approval. All other resources must be considered first and approval will be granted only if documented evidence shows that the units are necessary and unavoidable. Location and size of rooftop equipment penetrations will be subject to Owner review and approval.

3.2.2 Electrical

Base building power provided by the Owner, at the Owner's expense, includes one separate disconnect switch per leasehold. The feeder (all 3ph, 4 wire, 60Hz) and switch are sized at 10 VA/per ft² for retail Concessionaire leaseholds and 24 VA/per ft² for food Concessionaire leaseholds. Food Concessionaires will be required to reimburse the Owner for electrical service based on a flat rate fee per square foot, as determined by the Owner.

The Concessionaire is responsible for the engineering design and installation of electrical service within the lease space. This includes panels, transformers, wire and conduit, light fixtures, switches, outlets and any other items required to complete a functional system.

3.2.3 Plumbing

Base building plumbing provided by the Owner, at the Owner's expense, includes the following:

1. one 2" valved and capped cold water connection for each food Concessionaire leasehold
2. a 5" waste connection capped in the ceiling void of the floor below for each food Concessionaire's leasehold
3. provision for one 3" vent through the roof for each food Concessionaire's leasehold

The Concessionaire is responsible for the engineering design and installation of the plumbing system for the lease space, at the Concessionaire's expense, including:

1. all domestic cold water piping
2. all domestic hot water piping including hot water heaters
3. all sanitary sewer (waste) piping, including floor drains and grease interceptors to be connected to the base building waste connection; the nearest 5" capped waste connection outlets available to leaseholds F-1, F-2, F-3, F-4, and F-5 are at elevation 35'-0" near columns 12.9E and 12.9G; an additional 4" waste connection outlet is available to leasehold F-6 directly below at elevation 35'-0"
4. all sanitary sewer vent piping
5. water heaters when required - they must be accessible and include T&P relief-valve piping to the nearest floor or hub drain in the lease space; all water heaters shall be gas-fired
6. domestic hot water heaters for hand sinks, if required, can be electric or gas, fully insulated and designed for a service water temperature not to exceed 140°F

All sanitary, vent and cold-water piping must connect to existing lines in the immediate Concessionaire area and be furnished and installed by the Concessionaire.

For food service areas, all Concessionaire drainage piping must be connected to a grease waste line extending to a grease interceptor. Locations should be coordinated with existing conditions, as described above, and with Concessionaire operations.

The Concessionaire must test all existing waste lines for capacity and is responsible for any necessary cleaning or repairs to existing plumbing before connections are made.

3.2.4 Lighting

Base building lighting provided by the Owner, at the Owner's expense, includes temporary lighting at 10 foot candles. Additional lighting shall be provided by the Concessionaire at the Concessionaire's expense in accordance with the Manual. Reference Section 2.0 - General Design Criteria.

3.2.5 Fire Protection

Base building fire protection provided by the Owner, at the Owner's expense, includes one 4" control valve with tamper switch. All Concessionaire's leaseholds must be sprinklered. The Concessionaire must provide the engineering design modification and installation of the fire sprinkler system for the leasehold, which includes:

1. the design, modification and installation of wet-pipe fire sprinkler systems
2. the design, modification and installation of new and/or existing fire sprinkler heads for lease space layout
3. the design and installation of adequate fire protection systems for such equipment as kitchen grease hoods, as required

The Concessionaire is responsible for connecting the sprinkler system to the existing Terminal fire protection system and should contact:

Sirina Fire Protection Corporation
151 Herrick Road
Garden City Park, NY 11040
(516.942.0400)

The kitchen hood fire protection system should be connected, by the Concessionaire, at the Concessionaire's expense, to the base building fire alarm system.

If the Concessionaire adds supplemental air handling units to the lease space, the Concessionaire's contractor must install duct-mounted smoke detectors that are connected to the base building's fire alarm system. The Concessionaire's contractor installs new devices, wiring, etc., and the final connections to the base building's fire alarm system are made by the Owner's fire alarm vendor, at the Concessionaire's expense.

Base building fire alarm system, provided by the Owner, at the Owner's expense, includes one fire alarm horn/strobe per open space (minimum) plus one additional horn/strobe per 400 square feet in accordance with NFPA 72. Fire alarm devices are not generally required in leaseholds, except for in large leases where audio-visual devices must be installed. The designation of the fire alarm devices will be handled on a case-by-case basis in coordination with the Concessionaire's leasehold. The Owner will provide the minimum and/or required devices to cover 400 square foot areas. It will be the responsibility of the Concessionaire, at the Concessionaire's expense, to provide any additional fire alarm devices required for adequate visibility based on the design of the leasehold.

Lease spaces are not independent fire protection zones. Fire protection zones are based on column locations, and several leaseholds may be in the same fire protection zone.

3.2.6 Telephone

The Concessionaire will be responsible for ordering voice and data circuits from the various Telecommunications Service Providers (e.g. Bell Atlantic, AT&T, Sprint). For routing the Telecommunications circuits to the leasehold, the Concessionaire must use the building cable plant, provided by the Owner, at the Owner's expense. Originating from the nearest Communications Support Room (SCR), a fifty pair category five cable, terminated at each leasehold, will be provided by the Owner, at the Owner's expense. Additional cabling can be provided by the Owner, at the Concessionaire's expense in accordance with the Manual.

The Owner may supply voice circuits as needed by the Concessionaire, who will be required to reimburse the Owner for service based on an at-cost rate plus an additional fee, as determined by the Owner.

3.2.7 Natural Gas

Natural gas, provided by the Owner, at the Owner's expense, includes one 1½" valved and capped connection for cooking and hot water heating. All food Concessionaires: leaseholds F-1, F-2, F-3, F-4 and F-5 will be provided with a 1½" valved and capped natural gas point for their connection as indicated on the enlarged plans. See Figures P-11, P-12, P-1, P-2 and P-3, respectively.

3.2.8 Structural

Base building structure, provided by the Owner, at the Owner's expense, will accommodate floor loading of 100 psf live load, which cannot be exceeded by the Concessionaire.

4.0 RESPONSIBILITIES AND PROCEDURES

The Concessionaire is required to review and be familiar with the procedures described in the Manual. The intent is to expedite the design submittal and approval process.

4.1 ORGANIZATION

The Terminal Concession project is coordinated by the D&C Coordinator, who serves as the liaison between the Concessionaire, the Concessionaire's design and construction personnel and the Port Authority. The Port Authority is the governing agency, not unlike a traditional Building Department, which enforces compliance with code requirements in the design and construction of all facilities at the Terminal. The D&C Coordinator, as the agent for the Owner, also is the coordinator for base building design and construction at the Terminal. The Concessionaire is responsible for his own design and construction personnel and must ensure that all work is in compliance with the Manual, all code requirements and the submittal process.

4.1.1 Statement of Professional Responsibility

All Concessionaire facilities must be designed by a practicing professional architect and/or engineer licensed in the State of New York. The professional must sign and seal the work, which must be confined to the profession in which he/she is licensed.

4.1.2 Information Releases

Through press releases and the release of information in general, the Owner and developer keep the public informed and maintain public interest and support for activities in the Terminal. News releases should reflect the overall activities, goals and objectives of the airport, rather than emphasize an isolated event. Thus, all communications to the public media must first be submitted to the Owner's representative for approval and coordination with other releases.

4.1.3 Accessibility Standards

All facilities shall be designed and constructed in compliance with current *Americans with Disabilities Act Accessibility Guidelines* (ADAAG), the New York Department of Building requirements and the Port Authority requirements.

4.1.4 Design Criteria Manual

All Concessionaires, architects, engineers and contractors must be familiar with the *Tenant Design Manual* as well as with the Port Authority's *Tenant Alteration Application Procedure & Standards Guide*.

The Manual is published by the Owner. The purpose is to inform architects and engineers of acceptable design parameters for the design of construction improvements within the Terminal. This Manual is also part of the Concessionaire's sublease and is hereby incorporated therein in its entirety.

While the Manual refers to legally binding codes and standards, it is not in itself a code, standard or specification, but rather a guide for the Concessionaire's design consultants. The Manual must NOT be referred to in construction documents. For example, such notations as "Construct in accordance with *Concession Design & Construction Manual*" are not permitted.

4.2 CODES

Concessionaire design and construction must comply with applicable federal, state and local laws, statutes, orders, codes, ordinances and regulations that are legally applicable to the work to be performed. For all construction at the Terminal, the Port Authority enforces Federal and State laws and regulations, New York City Building Codes and the Port Authority and JFK Design and Policy Standards. The latest editions of the following New York City codes and regulations should be utilized:

1. New York City Building Code and its Reference Standards
2. New York City Fire Prevention Code and Directives
3. New York City Local Laws
4. Rules of the Board of Standards & Appeals (BS&A)
5. New York State Labor Laws
6. New York State Energy Conservation Construction Code

4.3 SUBMITTAL PROCESS

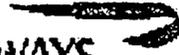
The following narrative describes the system by which the Concessionaire's design and construction personnel must prepare and submit plans for review and approval to the D&C Coordinator for subsequent review and approval by the Owner and/or the Port Authority.

Upon execution of the lease between Developer and the Concessionaire, the *Design Review* phase can commence. Within 10 working days, the Concessionaire's architect will submit design proposals to the D&C Coordinator, who will review the design proposals with Developer and the Owner. Within 20 working days after the submission from the Concessionaire's architect, the D&C Coordinator will review the design and provide comments for the Concessionaire's architect to begin the *Construction Documents*.

Within 10 working days of receipt of the comments from the D&C Coordinator, the Concessionaire's architect will prepare and submit preliminary construction documents of the final design to the D&C Coordinator. Within 5 working days after the submission from the Concessionaire's architect, the D&C Coordinator will review the preliminary construction documents and provide comments to the Concessionaire's architect. Within 10 working days after receipt of the comments, the Concessionaire's architect will revise the construction documents as required and will submit the final, sealed construction documents in conjunction with completed Tenant Alteration Application (TAA) forms to the D&C Coordinator. At this point, the *Port Authority Approval Process* phase begins.

The D&C Coordinator will review and submit the construction documents and TAA forms for approval by the Port Authority on behalf of the Concessionaire and the Concessionaire's architect. The D&C Coordinator will obtain rider comments from the Port Authority. ¹ Within 2 working days of receipt of rider comments from the Port Authority, the D&C Coordinator will submit the Port Authority rider comments to the Concessionaire's architect for response. Within 5 working days after receipt of the rider comments, the Concessionaire's architect will provide sealed responses to the rider comments to the D&C Coordinator. Within 2 working days after receipt of the responses from the Concessionaire's architect, the D&C Coordinator will submit the responses to the Port Authority on behalf of the Concessionaire. The D&C Coordinator will obtain rider comments from the Port Authority. ² If the rider comments contain asterisked items, the review cycle will be repeated until Port Authority approval is given in order to progress into the *Preconstruction* phase.

**CONCESSION DESIGN &
CONSTRUCTION MANUAL**

BRITISH AIRWAYS 

JFK Terminal Renovations

03 . 08 . 99

Within 5 working days after receiving approval from the Port Authority, the D&C Coordinator will notify the Concessionaire's architect of Port Authority approval and will schedule the Port Authority preconstruction meeting. The meeting will be scheduled by the D&C Coordinator at its sole and absolute discretion. The Concessionaire and the Concessionaire's architect will attend the Port Authority preconstruction meeting in order to obtain the alteration permit. At this point, the *Construction* phase will begin.

The Concessionaire's architect will provide construction administration services in conformance with the agreed standards. At least 10 working days prior to substantial completion the *Project Close-Out* phase can begin, the Concessionaire's architect will submit controlled inspection and close-out documents to the D&C Coordinator for submittal to, and approval by the Port Authority.

Within 5 working days after approval from the Port Authority, the D&C Coordinator will endeavor to schedule the date for final inspection by the Port Authority. The Concessionaire's architect will attend the final inspection to obtain the Final Permit to Occupy (FPO) from the Port Authority. Fixturing and merchandising may occur at any time. However, the store may not open until Port Authority approval is secured.

1. Typical, though not guaranteed turnaround for the Port Authority to review and submit rider comments is 20 days.

Rider comments are of 2 types. Comments which are marked with an asterisk prevent the start of construction until they have been answered and accepted by the Port Authority. Comments without an asterisk must be answered and accepted prior to project close-out. Should the Port Authority rider comments contain no asterisks pertaining to scheduling, then the project will advance to the Preconstruction phase.

The D&C Coordinator will provide its best efforts to inform the Concessionaire's architects of the type of information and responses which, based on their past experience, will likely result in acceptance by the Port Authority. However, as Architect-of-Record, the Concessionaire's architect is solely responsible for securing acceptance of all rider comment responses prior to project close-out.

2. Typical, though not guaranteed, turnaround for the Port Authority to review rider comment responses and to submit additional rider comments is 10 days. If additional rider comments are submitted and do not contain asterisks, then the project will proceed to the Preconstruction phase.

A.1 APPENDIX 1 - DESIGN CONDITION DRAWINGS

This section includes floor plans, elevations, sections and wall details to be used in conjunction with Section 2.2 Design Conditions.

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Lease No. L-BT-527

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
BUS AND TRUCK TERMINAL
STORE AND CONCESSION LEASE

AGREEMENT OF LEASE

between

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

and

HUDSON COUNTY NEWS COMPANY T/A HUDSON NEWS

Dated as of: July 11, 1991

- 10/14/95



THIS AGREEMENT made as of the 11th day of July, 1991 by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority") a body corporate and politic, created by Compact between the States of New York and New Jersey, with the consent of the Congress of the United States of America, and having an office at One World Trade Center, in the Borough of Manhattan, City, County and State of New York, and

HUDSON COUNTY NEWS COMPANY T/A HUDSON NEWS

(hereinafter called the "Lessee"), a corporation organized and existing under and by virtue of the laws of the State of New Jersey, having an office and place of business at 1305 Paterson Plank Road North Bergen, New Jersey, 07047

whose representative is Mario DiDomizio

WITNESSETH THAT

The Port Authority and the Lessee, for and in consideration of the rents, covenants and agreements hereinafter contained, mutually covenant and agree as follows:

Section 1. Letting

The Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority, at the Port Authority Bus Terminal in the Borough of Manhattan, City, County and State of New York, the space on the Subway Level in the North Wing as shown in diagonal hatching on the sketch annexed hereto, made a part hereof and marked "Exhibit A-1", the space on the Main Floor of the North Wing as shown in diagonal hatching on the sketch annexed hereto, made a part hereof and marked "Exhibit A-2", the space on the Main Floor of the South Wing as shown in diagonal hatching on the sketch annexed hereto, made a part hereof and marked "Exhibit A-3", the spaces on the Second Floor of the South Wing as shown in diagonal hatching on the sketches annexed hereto, made a part hereof and marked "Exhibit A-4" and "Exhibit A-6", the space on the Second Floor of the North Wing as shown in diagonal hatching on the sketch annexed hereto, made a part hereof and marked "Exhibit A-5", and the space on the Fourth Floor of the South Wing as shown in diagonal hatching on the sketch annexed hereto, made a part hereof and marked "Exhibit A-7" together with the fixtures, improvements and other property of the Port Authority located or to be located therein or thereon, the space, fixtures improvements and other property of the Port Authority shown on

Exhibit A-1 being hereinafter sometimes called "Area A-1", the space, fixtures improvements and other property of the Port Authority shown on Exhibit A-2 being hereinafter sometimes called "Area A-2", the space, fixtures improvements and other property of the Port Authority shown on Exhibit A-3 being hereinafter sometimes called "Area A-3", the space, fixtures improvements and other property of the Port Authority shown on Exhibit A-4 being hereinafter sometimes called "Area A-4", the space, fixtures improvements and other property of the Port Authority shown on Exhibit A-5 being hereinafter sometimes called "Area A-5", the space, fixtures improvements and other property of the Port Authority shown on Exhibit A-6 being hereinafter sometimes called "Area A-6", and the space, fixtures improvements and other property of the Port Authority shown on Exhibit A-7 being hereinafter sometimes called "Area A-7, and Area A-1, Area A-2, Area A-3, Area A-4, Area A-5, Area A-6, and Area A-7 being hereinafter collectively referred as the "premises". The Port Authority and the Lessee hereby acknowledge that the premises shall constitute non-residential real property.

Section 2. Term

The term of the letting under this Agreement shall commence at 12:01 o'clock A.M. on October 15, 1991 and shall expire, unless sooner terminated, or unless extended, on October 14, 1998.

Section 3. Rights of User by the Lessee

The Lessee shall use the premises for the following purposes only and for no other purpose whatsoever: for the construction and operation of newsstands for the sale, at retail, of such newspapers, magazines, and periodicals as are listed on the schedule annexed hereto, hereby made a part hereof and marked "Schedule A", candies, paperback books, gum, confections, cigarettes, cigars, tobacco and tobacco products, smoking accessories, postal cards, soft drinks, ice cream bars, ice-cream cups, lottery tickets issued by the Lottery Division of the New York State Department of Taxation and Finance, and such other items as may from time to time be consented to in advance in writing by the Port Authority.

Section 4. Rental

(a) The Lessee agrees to pay to the Port Authority a basic rental for the premises at the rate as set forth in Item I of Exhibit B attached hereto and hereby made a part hereof.

(b) The Lessee agrees to pay to the Port Authority the percentage rental, if any, stated in Item 1 of Exhibit B, attached hereto and made a part hereof.

(c) The time for making payments of rental and the method of computation and abatement thereof are set forth in Item 1 of Exhibit B.

SECTION 5. *Obligations in Connection with Any Percentage Rental*

If any rental hereunder is measured by a percentage of the Lessee's gross receipts, the Lessee shall:

(a) Take all reasonable measures in every proper manner to maintain, develop and increase the business conducted by it hereunder;

(b) Not divert or cause or allow to be diverted any business from the Terminal;

(c) Maintain in accordance with accepted accounting practice during the letting and for one year thereafter and for such further period until the Lessee shall receive written permission from the Port Authority to do otherwise, records and books of account recording all transactions at, through or in anywise connected with the Terminal, which records and books of account shall be kept at all times within the Port of New York District and permit, in ordinary business hours during such time, the examination and audit by the officers, employees and representatives of the Port Authority of such records and books of account and also any records and books of account of any company which is owned or controlled by the Lessee, if said company performs services, similar to those performed hereunder by the Lessee, anywhere in the Port of New York District;

(d) Permit in ordinary business hours the inspection by the officers, employees and representatives of the Port Authority of any equipment used by the Lessee, including but not limited to cash registers and recording tapes;

(e) Furnish on or before the twentieth day of each month following the commencement date of the letting a sworn statement of gross receipts arising out of the operations of the Lessee hereunder for the preceding month;

(f) Install and use such cash registers, sales slips, invoicing machines and any other equipment or devices for recording orders taken or services rendered as may be appropriate to the Lessee's business and necessary or desirable to keep accurate records of gross receipts.

SECTION 6. *Governmental Requirements*

(a) The Lessee shall procure from all governmental authorities having jurisdiction over the operations of the Lessee at the premises all licences, certificates, permits or other authorization which may be necessary for the conduct of its operations.

(b) The Lessee 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.

(c) The Lessee 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 operations of the Lessee on the premises or its occupancy thereof, and the Lessee shall, in accordance with and subject to the provisions of Section 15 hereof, make any and all structural and nonstructural improvements, alterations or repairs of the premises that may be required at any time hereafter by any such present or future law, rule, regulation, requirement, order or direction.

(d) The obligation of the Lessee to comply with governmental requirements is provided herein for the purpose of assuring proper safeguards for the protection of persons and property on the premises and a proper operation by the Lessee. Such provision is not to be construed as a submission by the Port Authority to the application to itself of such requirements or any of them.

SECTION 7. *Rules and Regulations*

The Lessee covenants and agrees to observe and obey (and to compel its officers, members, employees, agents, representatives, contractors, customers, guests, invitees and those doing business with it to observe and obey) the special rules and regulations of the Port Authority for the government of the conduct and operations of the Lessee, a copy of which is attached hereto, made a part hereof and marked "Exhibit R", and such further reasonable rules and regulations as may from time to time during the letting be promulgated by the Port Authority for reasons of safety, health, or preservation of property, or for the maintenance of the good and orderly appearance of the premises and the Terminal.

The Port Authority agrees that, except in cases of emergency, it will give notice to the Lessee of every such further rule or regulation adopted by it at least five (5) days before the Lessee shall be required to comply therewith.

SECTION 8. *Various Obligations of the Lessee*

(a) The Lessee shall conduct its operations in an orderly and proper manner and so as not to annoy, disturb or be offensive to others at the Terminal. The Lessee shall take all reasonable measures to eliminate vibrations tending to damage the premises and to keep the sound level of its operations as low as possible.

(b) The Lessee shall control the conduct, demeanor and appearance of its officers, members, employees, agents, representatives, contractors, customers, guests, invitees and those doing business with it, and upon objection from the Port Authority concerning the conduct, demeanor or appearance of any such shall immediately take all steps necessary to remove the cause of the objection.

(c) No garbage, debris or other waste materials (whether solid or liquid) shall be allowed to collect or accumulate in the premises and the Lessee shall remove from the premises and the Terminal all garbage, debris and other waste materials (whether solid or liquid) arising out of its occupancy or use of the premises. The Lessee shall use extreme care when effecting removal of all such waste and in no event shall use any facilities of the Port Authority without its prior consent in writing and shall effect such removal only during such hours as are prescribed by the Superintendent of the Terminal.

(d) If the premises have an entrance or exit opening out on a sidewalk the Lessee shall keep all sidewalks and curbs adjacent to the premises and all exclusive lobbies, vestibules and steps free from snow, ice, dirt and rubbish.

(e) The Lessee shall provide and its employees shall wear or carry badges or other suitable means of identification which shall be subject to the prior written approval of the Superintendent of the Terminal.

(f) If the Lessee is permitted under this Agreement to sell food and/or beverages, it shall, in connection with any preparation, packaging, handling, storage, delivery and dispensing of such food and/or beverages, comply with the following:

(1) Its employees shall wear clean, washable uniforms and female employees shall wear caps or nets. The employees shall be clean in their habits and shall thoroughly wash their hands before beginning work and immediately after each visit to the toilet and shall keep them clean during the entire work period. No person affected with any disease in a communicable form or who is a carrier of such disease shall work or be permitted to work for the Lessee.

(2) All food and beverages shall be clean, fresh, pure, of first-class quality and safe for human consumption.

(3) The premises and all equipment and materials used by the Lessee shall at all times be clean, sanitary, and free from rubbish, refuse, dust, dirt, offensive or unclean material, flies and other insects, rodents and vermin. All apparatus, utensils, devices, machines and piping used by the Lessee shall be constructed so as to facilitate the cleaning and inspection thereof and shall be properly cleaned after each period of use (which shall at no time exceed eight hours) with hot water and a suitable soap or detergent and shall be rinsed by flushing with hot water. Where deemed necessary by the Port Authority, final treatment by live steam under pressure or other sterilizing procedure shall be used. All trays, dishes, crockery, glassware, cutlery, and other equipment of such type shall be cleaned and sterilized immediately before using same.

(4) All packing materials, including but not limited to wrappers, stoppers, caps, enclosures and containers, shall be clean and sterile and shall be so stored as to be protected from dust, dirt, flies and other insects, rodents, vermin, unsanitary handling and unclean materials.

(5) It is intended that the standards and obligations imposed by this subdivision (f) shall be maintained or complied with by the Lessee in addition to its compliance with all applicable governmental laws, ordinances and regulations, and in the event that any of said laws, ordinances and regulations shall be more stringent than such standards and obligations, the Lessee agrees that it will comply with such laws, ordinances and regulations in its operations hereunder.

SECTION 9. *Prohibited Acts*

The Lessee shall not: (a) commit any nuisance on the premises, or do or permit to be done anything which may result in the creation or commission of a nuisance on the premises; (b) cause or produce or permit to be caused or produced upon the premises, or to emanate therefrom, any unusual,

noxious or objectionable smokes, gases, vapors, or odors; (c) use the premises for lodgings or sleeping purposes or for any immoral purposes; (d) install window shades or venetian blinds on the windows of the premises unless and until the type, size and color of same shall have been previously approved in writing by the Port Authority; (e) do or permit to be done anything which may interfere with the effectiveness or accessibility of existing and future utilities systems or portions thereof on the premises or elsewhere at the Terminal, including therein without limitation thereto systems for the supply of heat, water hot and cold, gas, electricity and fuel and for the furnishing of fire-alarm, fire-protection, sprinkler, sewerage, drainage, air-conditioning, telephone, telegraph, tele-register, pneumatic-tube dispatch and inter-communications services, including lines, pipes, mains, wires, conduits and equipment connected with or appurtenant to all such systems, nor do or permit to be done anything which may interfere with free access and passage in the premises, elsewhere in the Terminal or in the streets and sidewalks adjacent to the Terminal; (f) do or permit to be done anything which may interfere with the effectiveness or accessibility of elevators or escalators at the Terminal, including lines, pipes, wires, conduits and equipment connected with or appurtenant thereto; (g) overload any floor in the premises; (h) place any furniture, machine or equipment over any expansion or contraction joint unless one end of such furniture, machine or equipment is free to permit expansion or contraction; (i) place any additional lock of any kind upon any window or interior or exterior door in the premises unless a key therefor is delivered to the Port Authority, nor make any change in any existing door or window lock or the mechanism thereof, except with the prior written approval of the Port Authority, and upon the expiration or sooner termination of the letting hereof, the Lessee shall surrender to the Port Authority any and all keys to interior and exterior doors on the premises, whether said keys were furnished to or were otherwise procured by the Lessee, and in the event of the loss of any keys furnished by the Port Authority to the Lessee, the Lessee shall pay to the Port Authority on demand the cost of replacement thereof; (j) do or permit to be done any act or thing upon the premises which will invalidate or conflict with any fire insurance policies covering the premises or any part thereof, or the Terminal, or any part thereof, or which, in the opinion of the Port Authority, may constitute an extra-hazardous condition, so as to increase the risks normally attendant upon the operations contemplated by Section 3 hereof, and the Lessee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of the New York Board of Fire Underwriters, the New York Fire Insurance Exchange, or if the premises are located in New Jersey of the National Board of Fire Underwriters, the Fire Insurance Rating Organization of N. J., or of any other board or organization exercising or which may exercise similar functions, which may pertain or apply to the operations of the Lessee on the premises, and the Lessee shall, subject to and in accordance with the provisions of Section 15 hereof, make any and all non-structural improvements, alterations or repairs of the premises that may be required at any time hereafter by any such present or future rule, regulation, requirement, order or direction, and if by reason of any failure on the part of the Lessee to comply with the provisions of this subdivision, any fire insurance rate on the premises or any part thereof, or on the Terminal or any part thereof shall at any time be higher than it otherwise would be, then the Lessee shall pay to the Port Authority on demand that part of all fire insurance premiums paid by the Port Authority which shall have been charged because of such violation or failure by the Lessee; (k) unless otherwise expressly permitted so to do, install, maintain or operate, or permit the installation, maintenance or operation on the premises of any vending machine or device designed to dispense or sell food, beverages, tobacco products or merchandise of any kind, whether or not included in the above categories, or of any restaurant, cafeteria, kitchen, stand or other establishment of any type for the preparation, dispensing or sale of food, beverages, tobacco or tobacco products, or of any telephone pay-stations.

SECTION 10. *Maintenance and Repair*

(a) The Lessee shall at all times keep in a clean and orderly condition and appearance the premises and all the Lessee's fixtures, equipment and personal property.

(b) The Lessee shall repair, replace, rebuild and paint all or any part of the Terminal and the premises, including therein, without limitation thereto, walls, partitions, floors, ceilings, columns, windows, doors, glass of every kind, fixtures, systems for the supply of heat, water hot and cold, gas, electricity and fuel and for the furnishing of fire-alarm, fire-protection, sprinkler, sewerage, drainage, air-conditioning, telephone, tele-register, pneumatic-tube dispatch and intercommunication services, including lines, pipes, mains, wires, conduits and equipment connected with or appurtenant to all such systems, which may be damaged or destroyed by the acts or omissions of the Lessee, its officers, members, employees, agents, representatives, contractors, customers, guests, invitees or other persons doing business with it. All non-structural repair, replacement, rebuilding and painting shall be made or done by the Lessee and structural repair, replacement and rebuilding may be made or done by the Port Authority, the cost thereof to be paid by the Lessee on demand.

(c) The Lessee shall take good care of the premises, including therein, without limitation thereto, walls, partitions, floors, ceilings, columns, windows, doors, glass of every kind, fixtures and shall make or do all non-structural repairs, replacements, rebuilding and painting necessary to keep the premises

in the condition existing as of the commencement date of the letting and to keep all improvements and fixtures made or installed subsequent to the commencement date of the letting in the condition existing as of the date such improvements are made and such fixtures installed.

(d) In the event the Lessee fails to commence so to make or do non-structural repairs, replacements, rebuilding or painting within a period of ten (10) days after notice from the Port Authority so to do or fails diligently to continue to completion the repair, replacement, rebuilding or painting of all the premises required to be repaired, replaced, rebuilt or painted by the Lessee under the terms of this Agreement, the Port Authority may, at its option, and in addition to any other remedies which may be available to it, repair, replace, rebuild or paint all or any part of the premises included in the said notice, the cost thereof to be paid by the Lessee on demand.

(e) The Lessee shall not lay any linoleum, asphalt tile or other such affixed floor covering in direct contact with the floor of the premises. If the Lessee lays any linoleum, asphalt tile or other such affixed covering on the floor of the premises, an interlining of builder's deadening felt shall first be affixed to the floor with water-soluble paste or other water-soluble material, the use of cement or other adhesive non-soluble in water being expressly prohibited.

(f) The Lessee shall maintain and pay the premiums on a policy of plate and mirror glass insurance covering all plate and mirror glass which is a part of or is located on or in the premises.

(g) In the event that, as a result of any casualty, the premises are damaged, without the fault of the Lessee, its officers, members, employees, agents, representatives, contractors, customers, guests, invitees or other persons doing business with it, so as to render them untenable in whole or part, then

(1) if in the opinion of the Port Authority the necessary repairs or rebuilding can be completed within ninety (90) days after the occurrence of the damage, the Port Authority shall repair or rebuild with due diligence, and the rental hereunder shall, if so provided in Item 1 of Exhibit B, be abated only for the period from the occurrence of the damage to the completion of the repairs or rebuilding, whether or not the work of repair or rebuilding is actually completed within the said ninety (90) days; or

(2) if in the opinion of the Port Authority such repairs or rebuilding cannot be completed within ninety (90) days after the occurrence of the damage or if the entire premises require rebuilding, then the Port Authority shall have options: (i) to proceed with due diligence to repair or to rebuild as necessary; or (ii) to terminate the letting as to the damaged portion of the premises only, or (iii) to cancel this Agreement and terminate the letting as to the entire premises; and the rental hereunder shall, if so provided in Item 1 of Exhibit B, be abated, either, as the case may require, for the period from the occurrence of the damage to the completion of repairs and rebuilding or for the period from the occurrence of the damage to the effective date of termination.

(h) The parties hereby stipulate that if the premises are in the State of New Jersey neither the provisions of Titles 46:8-6 and 46:8-7 of the Revised Statutes of New Jersey nor those of any other similar statute shall extend or apply to this Agreement, and if the premises are in the State of New York, neither the provisions of Section 227 of the Real Property Law of New York nor those of any other similar statute shall extend or apply to this Agreement.

(i) In the event of a partial or total destruction of the premises, the Lessee shall immediately remove any and all of its property and/or debris from the premises or the portion thereof destroyed and if the Lessee does not promptly so remove, the Port Authority may remove such property to a public warehouse for deposit or retain the same in its own possession and sell the same at public auction, the proceeds of which shall be applied first to the expenses of removal, storage and sale, second to any sums owed by the Lessee to the Port Authority, with any balance remaining to be paid to the Lessee; if the expenses of such removal, storage and sale shall exceed the proceeds of sale, the Lessee shall pay such excess to the Port Authority upon demand.

SECTION 11. *Indemnity; Liability Insurance*

(a) The Lessee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, agents and employees from all claims and demands of third persons including but not limited to those for death, for personal injuries, or for property damages, arising out of the use or occupancy of the premises by the Lessee or out of any of the acts or omissions of the Lessee, its officers, members, employees, agents, representatives, contractors, customers, guests, invitees and other persons doing business with it where such acts or omissions are on the premises or arising out of any acts or omissions of the Lessee, its officers, members, employees, agents and representatives where such acts or omissions are elsewhere at the Terminal.

(b) In addition to the obligations set forth in the above subdivision, the Lessee in its own name as assured shall maintain and pay the premiums on a policy or policies of comprehensive public liability insurance, including products liability, which shall cover its operations hereunder and shall be effective throughout the letting, in limits not lower than those set out in Item 2 of Exhibit B.

(c) The Port Authority shall not be named as an insured in any policy of liability insurance required by this Section, unless the Port Authority shall, at any time during the letting, direct otherwise in writing, in which case the Lessee shall cause the Port Authority to be so named. As to any insurance required by the provisions of this or any other Section of this Agreement to be secured by or at the direction of the Lessee, 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 within ten (10) days after the execution of this Agreement or, in the case of insurance required under the provisions of Section 15, prior to the commencement of the work. In the event any binder is delivered, it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy or certificate shall contain a valid provision or endorsement that the policy may not be cancelled, terminated, changed or modified without giving ten (10) days' written advance notice thereof to the Port Authority. A renewal policy shall be delivered to the Port Authority at least fifteen (15) days prior to the expiration date of each expiring policy, except for any policy expiring after the date of expiration of the letting. If at any time any of the policies shall be or become unsatisfactory to the Port Authority as to form or substance or if any of the carriers issuing such policies shall be or become unsatisfactory to the Port Authority, the Lessee shall promptly obtain a new and satisfactory policy in replacement.

SECTION 12. Sales and Services by the Lessee

(a) A principal purpose of the Port Authority in entering into this Agreement is to have available for travelers and other users of the Terminal, all other members of the public, and persons employed at the Terminal, the merchandise and/or services which the Lessee 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, and the Lessee agrees that it will conduct a first class operation and will furnish and install all necessary or proper equipment, fixtures, improvements (subject to Section 15), personnel, supplies, materials and other facilities and replacements therefor and all such fixtures and improvements (except trade fixtures removable without injury to the premises) shall on installation become the property of the Port Authority and a part of the premises, *provided, however*, that the Port Authority shall have the option, exercisable by notice delivered to the Lessee on or before a date sixty (60) days after expiration or termination hereof, to require the Lessee to remove any or all such fixtures, equipment and improvements and to restore the premises to the condition thereof prior to any installation and in the event of a failure on the part of the Lessee so to remove and restore, the Port Authority may do so, and the Lessee shall pay the cost thereof to the Port Authority on demand. All equipment, fixtures and improvements to be used in the premises and the installation thereof shall be subject to the prior written approval of the Port Authority as to type and quality. The Port Authority may by written authorization allow the Lessee to enter and occupy the premises, prior to the commencement date of the letting stated or referred to in Sections 2 or 33, solely for the purpose of installing fixtures and making improvements. In the event that the Lessee receives such written authorization the Lessee shall use and occupy the premises in accordance with and shall be subject to all the provisions of this Agreement other than those relating to the conducting of a business and the payment of rental.

(b) The Lessee shall furnish good, prompt and efficient service hereunder, adequate to meet all demands therefor at the Terminal; shall furnish said service on a fair, equal and non-discriminatory basis to all users thereof; and shall charge fair, reasonable and non-discriminatory prices for all items and/or services which it is permitted to sell and/or render hereunder.

~~(c) The Lessee shall, prior to selling any items or rendering any services hereunder, prepare schedules of prices and rates for said items and services. Such schedules shall be submitted to the Port Authority for its prior written approval as to compliance by the Lessee with its obligations under this Agreement. The Port Authority shall examine such schedules and make such modifications therein as may be necessary. Any changes thereafter in the schedules shall be similarly submitted to the Port Authority for its prior written approval, and, if necessary, modification. All such schedules shall be made available to the public by the Lessee at locations designated from time to time by the Port Authority. The Lessee agrees to adhere to the prices and rates stated in the approved schedules. If the Lessee charges any price or applies any rate in excess of the approved prices or rates, the amount by which the actual price or the charge based on such actual rate deviates from the approved price or a charge based on the approved rates shall constitute an overcharge which will, upon demand of the Port Authority or the Lessee's customer, be promptly refunded to the customer. If the Lessee charges any price or applies any rate which is less than the approved prices or rates, the amount by which the actual price or the~~

~~charge based on such actual rate deviates from the approved price or a charge based on the approved rates shall constitute an undercharge and an amount equivalent thereto shall be included in any gross receipts hereunder and the percentage rental, if any, shall be payable in respect thereto. Notwithstanding any repayment of overcharges to a customer by the Lessee or any inclusion of undercharges in gross receipts, any such overcharge or undercharge shall constitute a breach of the Lessee's obligations hereunder and the Port Authority shall have all remedies consequent upon breach which would otherwise be available to it at law, in equity or by reason of this Agreement.~~

~~(d) In the event that the Lessee in its operations hereunder offers for sale such a variety of items that the submission of schedules, under the preceding subdivision of this Section, is not feasible in the opinion of the Port Authority, then the Lessee shall be under no obligation to submit such schedules of prices but the Lessee shall not then sell any items hereunder at a price other than the manufacturer's or distributor's recommended retail price, *provided, however,* that if the price charged for the same item at any other establishment within the Port of New York District which has any ownership, financial or management connection with the Lessee or any majority stockholder thereof is lower than the manufacturer's or distributor's recommended retail price, the Lessee shall notify the Port Authority in writing of that fact and shall charge only the lower price. If the Lessee wishes to charge a price different from the manufacturer's or distributor's recommended retail price or different from the lower price at any other establishment, as the case may be, then the Lessee shall prepare and submit to the Port Authority schedules therefor in the same manner and subject to the same conditions as set forth in the preceding subdivision of this Section. Any overcharge or undercharge resulting from a breach by the Lessee of its obligations under this subdivision shall be respectively refunded to the customer or included in gross receipts, all in the same manner and subject to the conditions as set forth in the preceding subdivision of this Section for overcharges or undercharges.~~

(e) The Lessee shall be open for and shall conduct business and furnish services twenty-four hours a day, seven days a week, or for such other hours and days as the Port Authority, from time to time by notice to the Lessee, may determine to properly serve the needs of the public. The determination of proper business hours and days made by the Port Authority shall be controlling.

SECTION 13. Signs

(a) Except with the prior written consent of the Port Authority, the Lessee shall not erect, maintain or display any signs or any advertising at or on the exterior parts of the premises or in the premises so as to be visible through the windows or exterior doors thereof.

(b) Upon the expiration or termination of the letting, the Lessee shall remove, obliterate or paint out, as the Port Authority may direct, any and all signs and advertising on the premises or elsewhere at the Terminal if pertaining to the Lessee, and in connection therewith shall restore the premises and the Terminal to the same condition as prior to the placement of any such signs or advertising. In the event that there is a failure by the Lessee so to remove, obliterate or paint out each and every sign or advertising and so to restore the premises and the Terminal, the Port Authority may, at its option, perform the necessary work at the expense of the Lessee, and the charge therefore shall be paid by the Lessee to the Port Authority on demand.

SECTION 14. Services

(a) Unless otherwise stated in Item 3 of Exhibit B, the Port Authority, shall, without additional charge, heat the premises to an even and comfortable working temperature during the hours and days stated in said Item 3.

(b) The Port Authority shall also, without additional charge, furnish non-exclusive toilet and washroom facilities for the employees of the Lessee if toilet and washroom facilities are not a part of the premises.

(c) The Port Authority agrees to sell, furnish and supply to the Lessee in the premises and the Lessee agrees to take and pay the Port Authority for the following:

(1) Unless otherwise stated in Item 3 of Exhibit B, electricity, in reasonable quantities, for illumination (all bulbs to be supplied and installed by the Lessee) and power; said electricity unless otherwise specified in said Item 3 to be 60 cycle, alternating current, single phase, at 110 volts, and to be paid for by the Lessee at the rates specified in said Item 3.

(2) Unless otherwise stated in Item 3 of Exhibit B, cold water, in reasonable quantities, of the character furnished by the municipality or utility company supplying in the vicinity and to be paid for by the Lessee at the rates specified in said Item 3.

(3) Unless otherwise stated in Item 3 of Exhibit B, hot water, in reasonable quantities, at the temperature stated in said Item 3 and to be paid for by the Lessee at the rates specified in said Item 3.

(4) Unless otherwise stated in Item 3 of Exhibit B, steam, in reasonable quantities, of the character specified in said Item 3 and to be paid for by the Lessee at the rates specified in said Item 3.

(5) Unless otherwise stated in said Item 3 of Exhibit B, air conditioning sufficient to maintain the premises to the temperature stated in said Item 3 during the hours and days stated in said Item 3 and to be paid for by the Lessee at the rates specified in said Item 3.

(d) The above utilities may be charged for at a flat rate as provided in Item 3 of Exhibit B or at a metered rate as provided in Item 3 of Exhibit B. In the latter event, the quantity thereof shall be measured by a meter or meters installed in the Terminal for that purpose; *provided, however* that, if for any reason any meter fails to record the consumption thereof, the consumption during any such period that the meter is out of service will be considered to be the same as the consumption for a like period immediately before or immediately after the interruption, as selected by the Port Authority.

(e) Charges by the Port Authority for the above services shall be paid for by the Lessee on demand; and, unless otherwise specified in Item 3 of Exhibit B the services shall be supplied through existing wires, fixtures, conduits, outlets, pipes or vents if any.

(f) If any federal, state, municipal or other governmental body, authority or agency or any public utility assesses, levies, imposes, makes or increases any charge, fee or rent on the Port Authority for any service, system or utility now or in the future supplied to or available to the premises or to any occupants or users thereof or to the structure or building of which the premises form a part (including but not limited to any sewer rent or charge for the use of sewer systems), the Lessee shall, at the option of the Port Authority exercised at any time and from time to time by notice to the Lessee, pay, in accordance with said notice, such charge, fee or rent or increase thereof (or the portion thereof allocated by the Port Authority to the premises or the Lessee's operations hereunder) either directly to the governmental body, authority or agency or to the public utility or directly to the Port Authority.

(g) Notwithstanding that the Port Authority may have agreed to supply a service hereunder to the Lessee where such service is to be metered, the Port Authority shall be under no obligation to provide or continue any such service if the Port Authority is prevented by law from submetering such service or has agreed with the supplier of such service not to submeter such service.

(h) The Port Authority shall have the right to temporarily discontinue the supply of any of the above services when necessary or desirable in the opinion of the Port Authority in order to make any repairs, alterations, changes or improvements in the premises or elsewhere in the Terminal including all systems for the supply of services.

(i) No failure, delay or interruption in any of the above services shall be or shall be construed to be an eviction of the Lessee, shall be grounds for any diminution or abatement of the rentals payable hereunder, or shall constitute grounds for any claim by the Lessee for damages, consequential or otherwise, unless due to the negligence of the Port Authority, its employees or agents. The Lessee shall not be entitled to receive any of the above services during any period during which the Lessee wastes any of the said services or is in default under any of the provisions of this Agreement.

SECTION 15. Construction by the Lessee

(a) Except as hereinafter expressly provided, the Lessee shall not erect any structures, make any improvements or do any other construction work on the premises or elsewhere at the Terminal, or alter, modify or make additions, improvements or repairs to or replacements of any structure now existing or built at any time during the letting, or install any fixtures (other than trade fixtures, removable without injury to the premises) without the prior written consent of the Port Authority, and in the event any construction, improvement, alteration, modification, addition, repair or replacement is made without such approval, then, upon notice given at any time during the letting or within sixty (60) days after expiration or termination of the term of the letting, the Lessee will remove the same, or, at the option of the Port Authority, cause the same to be changed to the satisfaction of the Port Authority. In case of any failure on the part of the Lessee to comply with such notice, the Port Authority may effect the removal or change, and the Lessee shall pay the cost thereof to the Port Authority on demand.

(b) In the event that Item 4 of Exhibit B provides that the Lessee is required (or is permitted to) build a structure or make repairs, alterations, improvements or additions to the premises, the structure, repairs, alterations, improvements or additions described in the said Item 4 shall be built or made strictly in accordance with the following terms and conditions:

(1) The Lessee shall, to the extent allowed under the law, be the insurer of the Port Authority, its Commissioners, officers, agents and employees, against the following distinct and several risks, whether they arise from acts or omissions of the Lessee, of the Port Authority, its Commissioners, officers, agents and employees or of third persons, or from acts of God or of the public enemy, or otherwise, excepting only risks which result solely from affirmative, wilful acts done by the Port Authority subsequent to the commencement of the work of construction, repair, alteration, improvement or addition:

(i) The risk of loss or damage to all such required repairs, alterations, additions, improvements, or structures prior to the completion thereof. In the event of such loss or damage, the Lessee shall forthwith repair, replace and make good the work without cost to the Port Authority.

(ii) The risk of death, injury or damage, direct or consequential, to the Port Authority, its Commissioners, officers, agents and employees, and to its or their property, arising out of or in connection with the performance of the work. The Lessee shall indemnify the Port Authority, its Commissioners, officers, agents and employees, for all such deaths, injuries and damages, and for all loss suffered by reason thereof.

(iii) The risk of claims and demands, just or unjust, by third persons against the Port Authority, its Commissioners, officers, agents and employees arising or alleged to arise out of the performance of the work. The Lessee shall indemnify the Port Authority, its Commissioners, officers, agents and employees, against and from all such claims and demands, and for all loss and expense incurred by it and by them in the defense, settlement or satisfaction thereof.

(2) All construction work done pursuant to this Section shall be done in accordance with drawings and specifications to be submitted to and approved by the Chief Engineer of the Port Authority prior to the commencement of the work, shall be done to his satisfaction and shall be subject to his inspection during the progress of such work and after completion thereof; and the Lessee shall re-do or replace at its own expense any work not approved by the said Chief Engineer. Unless otherwise expressly provided herein, all workmanship and materials are required to be first class.

(3) The Lessee shall pay all claims lawfully made against it by its contractors, subcontractors, materialmen and workmen and all claims lawfully made against it by other third persons arising out of or in connection with or because of the performance of the work and shall cause its contractors and subcontractors to pay all such claims lawfully made against them.

(4) The Lessee shall procure and maintain comprehensive public liability insurance, or, if the work is to be done by an independent contractor, the Lessee shall require such contractor to procure and maintain such insurance in the name of the contractor, in either case, in limits not lower than those set forth for such categories of insurance in Item 5 of Exhibit B.

(5) As soon as such structure, repair, alteration, improvement or addition shall have been completed to the satisfaction of the Chief Engineer of the Port Authority, then (subject to the provisions of the following subdivision (c)) title thereto shall immediately and without execution of any further instrument vest in the Port Authority, and every said structure and all such repairs, alterations, improvements or additions, shall thereupon become and thereafter be part of the premises.

(c) The Port Authority shall have the option, exercisable by notice delivered on or before a date sixty (60) days after expiration, cancellation or termination hereof, to require the Lessee to remove any or all such structures, alterations, improvements or additions, and to restore the premises to the condition thereof prior to the construction or installation thereof. In the event of a failure on the part of the Lessee so to remove and restore, the Port Authority may do so, and the Lessee shall pay the cost thereof to the Port Authority on demand.

SECTION 16. *Injury and Damage to Person or Property*

The Port Authority shall not be liable to the Lessee, or to any person, for injury or death to any person or persons whomsoever, or damage to any property whatsoever at any time in the premises or elsewhere in the Terminal, including but not limited to any such injury, death or damage from falling material, water, rain, hail, snow, gas, steam, and/or electricity, whether the same may leak into, or fall, issue, or flow from any part of the Terminal, or from any other place or quarter, unless said damage, injury or death shall be due to the negligence of the Port Authority, its employees or agents.

SECTION 17. *Additional Rent and Charges*

(a) If the Port Authority has paid any sum or sums or has incurred any obligations or expense which the Lessee has agreed to pay or reimburse the Port Authority for, or if the Port Authority is required or elects to pay any sum or sums or incurs any obligations or expense by reason of the failure, neglect or refusal of the Lessee to perform or fulfill any one or more of the conditions, covenants or agreements contained in this Agreement or as a result of an act or omission of the Lessee contrary to the said conditions, covenants and agreements, the Lessee agrees to pay the sum or sums so paid or the expense so incurred, including all interest, costs, damages and penalties, and the same may be added to any installment of rent thereafter due hereunder, and each and every part of the same shall be and become additional rent, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the basic rental, or if there is no basic rental as a part of the percentage rental, all as set forth in Section 4 hereof.

(b) For all purposes under this Section and in any suit, action or proceeding of any kind between the parties hereto, any receipt showing any payment of sum or sums by the Port Authority for any work done or material furnished shall be *prima facie* evidence against the Lessee that the amount of such payment was necessary and reasonable. Should the Port Authority elect to use its own operating and maintenance staff in making any repairs, replacements, and/or alterations and to charge the Lessee with the cost of same, any time sheet of any employee of the Port Authority showing hours of labor or work allocated to any such repair, replacement and/or alteration, or any stock requisition of the Port Authority showing the issuance of materials for use in the performance thereof, shall likewise be *prima facie* evidence against the Lessee that the amount of such charge was necessary and reasonable.

SECTION 18. *Rights of Entry Reserved*

(a) The Port Authority, by its officers, employees, agents, representatives and contractors shall have the right at all reasonable times to enter upon the premises for the purpose of inspecting the same, for observing the performance by the Lessee of its obligations under this Agreement, and for the doing of any act or thing which the Port Authority may be obligated or have the right to do under this Agreement or otherwise.

(b) Without limiting the generality of the foregoing, the Port Authority, by its officers, employees, representatives, and contractors, shall have the right, for the benefit of the Lessee or for the benefit of others at the Terminal, to maintain existing and future utilities systems or portions thereof on the premises, including therein without limitation thereto systems for the supply of heat, water hot and cold, gas, electricity and fuel and for the furnishing of fire-alarm, fire-protection, sprinkler, sewerage, drainage, air-conditioning, telephone, telegraph, tele-register, pneumatic-tube dispatch and intercommunication services, and to maintain elevator and escalator systems, including lines, pipes, mains, wires, conduits and equipment connected with or appurtenant to all such systems, and to enter upon the premises at all reasonable times to make such repairs, alterations and replacements as may, in the opinion of the Port Authority, be deemed necessary or advisable and, from time to time, to construct or install over, in, under or through the premises new lines, pipes, mains, wires, conduits and equipment; *provided, however*, that such repair, alteration, replacement or construction shall not unreasonably interfere with the use of the premises by the Lessee.

(c) Nothing in this Section shall or shall be construed to impose upon the Port Authority any obligations so to construct or maintain or to make repairs, replacements, alterations or additions, or shall create any liability for any failure so to do.

(d) At any time and from time to time during ordinary business hours within the six (6) months next preceding the expiration of the letting, the Port Authority, by its agents and employees, whether or not accompanied by prospective lessees, occupiers or users of the premises, shall have the right to enter thereon for the purpose of exhibiting and viewing all parts of the same and during such six-month period the Port Authority may place and maintain on the premises, the usual "To Let" signs, which signs the Lessee shall permit to remain without molestation.

(e) If, during the last month of the letting, the Lessee shall have removed all or substantially all the Lessee's property from the premises, the Port Authority may immediately enter and alter, renovate and redecorate the premises.

(f) No abatement of rental shall be claimed by or allowed to the Lessee by reason of the exercise of any or all of the foregoing rights by the Port Authority or others.

SECTION 19. *Condemnation*

(a) In any action or proceeding instituted by any governmental agency or agencies for the taking for a public use of any interest in all or any part of the premises, the Lessee shall not be entitled to assert any claim to any award or part thereof made or to be made therein, or to institute any action or proceeding or to assert any claim against such agency or agencies or against the Port Authority, for or on account of any such taking, except the possible claim to an award for loss of fixtures furnished and installed by the Lessee (and for the purpose of such possible claim alone, title to such fixtures shall revert to the Lessee), it being understood and agreed between the Port Authority and the Lessee that, except for the possible claim to an award for loss of fixtures, the Port Authority shall be entitled to all the compensation or awards made or to be made or paid for any such taking, free of any claim or right of the Lessee.

(b) In the event of a taking of the entire premises by any governmental agency or agencies, then this Agreement shall be cancelled and the letting shall, as of the date possession is taken from the Port Authority by such agency or agencies, cease and determine in the same manner and with the same effect as if the term of the letting had on that date expired.

(c) In the event of a taking by any governmental agency or agencies of a part of the premises, then the letting as to such part only shall, as of the date possession thereof is taken from the Port Authority by such agency or agencies, cease and determine, and the rentals thereafter to be paid by the Lessee to the Port Authority shall, if so provided in Item 1 of Exhibit B, be abated from and after the date of such taking.

SECTION 20. *Assignment and Sublease*

(a) The Lessee shall not assign, sell, convey, transfer, mortgage, or pledge this Agreement, or the letting, or any part thereof.

(b) The Lessee shall not sublet the premises or any part thereof.

(c) If the Lessee assigns, sells, conveys, transfers, mortgages, pledges or sublets in violation of subdivisions (a) or (b) of this Section or if the premises are occupied by anybody other than the Lessee, the Port Authority may collect rent from any assignee, sublessee or anyone who claims a right to this Agreement or letting or who occupies the premises, and shall apply the net amount collected to the rental herein reserved; and no such collection shall be deemed a waiver by the Port Authority of the covenants contained in subdivisions (a) and (b) of this Section nor an acceptance by the Port Authority of any such assignee, sublessee, claimant or occupant as Lessee, nor a release of the Lessee by the Port Authority from the further performance by the Lessee of the covenants contained herein.

(d) The Lessee shall not use, or permit any person to use, the premises or any portion thereof, except for the purposes set forth in Section 3 hereof.

SECTION 21. *Termination*

(a) If any one or more of the following events shall occur, that is to say:

(1) The Lessee shall become insolvent, or shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy or a petition or answer seeking an arrangement or its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any other law or statute of the United States or of any State thereof, or consent to the appointment of a receiver, trustee, or liquidator of all or substantially all its property; or

(2) By order or decree of a court the Lessee shall be adjudged bankrupt or an order shall be made approving a petition filed by any of the creditors or, if the Lessee is a corporation, by any of the stockholders of the Lessee, seeking its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any law or statute of the United States or of any State thereof; or

(3) A petition under any part of the federal bankruptcy laws or an action under any present or future insolvency law or statute shall be filed against the Lessee and shall not be dismissed within thirty (30) days after the filing thereof; or

(4) The letting hereunder or the interest or estate of the Lessee under this Agreement shall be transferred to, pass to or devolve upon, by operation of law or otherwise, any other person, firm or corporation; or

(5) The Lessee, if a corporation, shall, without the prior written approval of the Port Authority, become a possessor or merged corporation in a merger, a constituent corporation in a consolidation, or a corporation in dissolution; or

(6) The Lessee is, or the Lessees collectively are doing business as, or constitute a copartnership, and the said copartnership shall be dissolved as the result of any act or omission of its copartners or any of them, or by operation of law or the order or decree of any court having jurisdiction, or for any other reason whatsoever; or

(7) By or pursuant to, or under authority of any legislative act, resolution or rule, or any order or decree of any court or governmental board, agency or officer having jurisdiction, a receiver, trustee, or liquidator shall take possession or control of all or substantially all of the property of the Lessee, and such possession or control shall continue in effect for a period of fifteen (15) days; or

(8) Any type of strike or other labor activity is directed against the Lessee at the Terminal 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 Terminal or the operations of other lessees or licensees thereat, whether or not the same is due to the fault of the Lessee, and whether caused by the employees of the Lessee or by others; or

(9) Any lien is filed against the premises because of any act or omission of the Lessee and is not removed within ten (10) days; or

(10) The Lessee shall voluntarily abandon, desert, vacate or discontinue its operations in the premises; or

(11) The Lessee shall fail duly and punctually to pay the rentals or to make any other payment required hereunder when due to the Port Authority; or

(12) The Lessee shall fail to keep, perform and observe each and every other promise, covenant and agreement set forth in this Agreement on its part to be kept, performed or observed, within ten (10) days after receipt of notice of default thereunder from the Port Authority (except where fulfillment of its obligation requires activity over a period of time, and the Lessee shall have commenced to perform whatever may be required for fulfillment within ten (10) days after receipt of notice and continues such performance without interruption except for causes beyond its control);

then upon the occurrence of any such event or at any time thereafter during the continuance thereof, the Port Authority may by five (5) days' notice terminate the letting and the rights of the Lessee hereunder, such termination to be effective upon the date specified in such notice. Such right of termination and the exercise thereof shall be and operate as a conditional limitation.

(b) If any of the events enumerated in subdivision (a) of this Section shall occur prior to the letting, the Lessee shall not be entitled to enter into possession of the premises and the Port Authority upon the occurrence of any such event or at any time thereafter during the continuance thereof by twenty-four hours' notice may cancel the interest of the Lessee under this Agreement, such cancellation to be effective upon the date specified in such notice.

(c) No acceptance by the Port Authority of rentals, fees, charges or other payments in whole or in part for any period or periods after a default of any of the terms, covenants and conditions to be performed, kept or observed by the Lessee shall be deemed a waiver of any right on the part of the Port Authority to terminate the letting.

(d) No waiver by the Port Authority of any default on the part of the Lessee in performance of any of the terms, covenants or conditions hereof to be performed, kept or observed by the Lessee shall be or be construed to be a waiver by the Port Authority of any other or subsequent default in performance of any of the said terms, covenants and conditions.

SECTION 22. *Right of Re-entry*

The Port Authority shall, as an additional remedy upon the giving of a notice of termination as provided in Section 21 hereof, have the right to re-enter the premises and every part thereof upon the effective date of termination without further notice of any kind, and may regain and resume possession either with or without the institution of summary or any other legal proceedings or otherwise. Such re-entry, or regaining or resumption of possession, however, shall not in any manner affect, alter or diminish any of the obligations of the Lessee under this Agreement, and shall in no event constitute an acceptance of surrender.

SECTION 23. *Waiver of Redemption*

The Lessee hereby waives any and all rights of redemption, granted by or under any present or future law, arising in the event it is evicted or dispossessed for any cause, or in the event the Port Authority obtains or retains possession of the premises in any lawful manner.

SECTION 24. *Survival of the Obligation of the Lessee*

(a) In the event that the letting shall have been terminated in accordance with a notice of termination as provided in Section 21 hereof, or the interest of the Lessee cancelled pursuant thereto, or in the event that the Port Authority has re-entered, regained or resumed possession of the premises in accordance with the provisions of Section 22 hereof, all the obligations of the Lessee under this Agreement shall survive such termination or cancellation, re-entry, regaining or resumption of possession and shall remain in full force and effect for the full term of this Agreement, and the amount or amounts of damages or deficiency shall become due and payable to the Port Authority to the same extent, at the same time or times and in the same manner as if no termination, cancellation, re-entry, regaining or resumption of possession had taken place. The Port Authority may maintain separate actions each month to recover the damage or deficiency then due or at its option and at any time may sue to recover the full deficiency less the proper discount, for the entire unexpired term.

(b) The amount of damages for the period of time subsequent to termination or cancellation (or re-entry, regaining or resumption of possession) shall be:

(1) On account of the Lessee's basic rental obligation, the amount of the total of all annual basic rentals, less the installments thereof payable prior to the effective date of termination except that the credit to be allowed for the installment payable on the first day of the month in which the termination is effective shall be prorated for the part of the month the letting remains in effect, on the basis of a 30-day month;

~~(2) On account of the Lessee's percentage rental obligation in the event that a basic rental is also reserved under this Agreement, an amount equal to the percentage stated in Item 1 of Exhibit B applied to the amount of gross receipts in excess of the annual exemption amount or amounts, which gross receipts would have been received by the Lessee during the balance of the term if there had been no termination or cancellation (or re-entry, regaining or resumption of possession), and for the purpose of calculation hereunder (i) the said amount of gross receipts shall be derived by multiplying the number of days in the balance of the term originally fixed, by the Lessee's average daily gross receipts; (ii) the average daily gross receipts shall be the total actual gross receipts of the Lessee during that part of the effective period of the letting (including all annual periods falling within the effective period) in which no abatement was in effect, divided by the number of days included in such part of the effective period; (iii) the annual exemption amount for any period of less than a year shall be the product of the original annual exemption amount multiplied by a fraction, the numerator of which shall be the number of days from the effective date of termination to the end of the annual period and the denominator shall be 365;~~

(3) On account of the Lessee's percentage rental obligation in the event that no basic rental is reserved under this Agreement, an amount equal to the percentage stated in Item 1 of Exhibit B applied to the amount of gross receipts which would have been received by the Lessee during the balance of the term if there had been no termination or cancellation (or re-entry, regaining or resumption of possession), and for the purpose of calculation hereunder (i) the said amount of gross receipts shall be derived by multiplying the number of days in the balance of the term originally fixed, by the Lessee's average daily gross receipts; (ii) the average daily gross receipts shall be the total actual gross receipts of the Lessee during that part of the effective period of the letting (including all annual periods falling within the effective period) divided by the number of days included in such part of the effective period.

(c) It is understood and agreed that the statement of damages under the preceding subdivision (b) shall not affect or be construed to affect the Port Authority's right to damages in the event of termination or cancellation (or re-entry, regaining or resumption of possession) where the Lessee has not received any actual gross receipts under this Agreement.

SECTION 25. *Reletting by the Port Authority*

The Port Authority, upon termination or cancellation pursuant to Section 21 hereof, or upon any re-entry, regaining or resumption of possession pursuant to Section 22 hereof, may occupy the premises or may relet the premises, and shall have the right to permit any person, firm or corporation to enter upon the premises and use the same. Such reletting may be of part only of the premises or of the premises or a part thereof together with other space, and for a period of time the same as or different from the balance of the term hereunder remaining, and on terms and conditions the same as or different from those set forth in this Agreement. The Port Authority shall also, upon termination or cancellation pursuant to the said Section 21, or upon its re-entry, regaining or resumption of possession pursuant to the said Section 22, have the right to repair or to make structural or other changes in the premises, including changes which alter the character of the premises and the suitability thereof for the purposes of the Lessee under this Agreement, without affecting, altering or diminishing the obligations of the Lessee hereunder. In the event either of any reletting or of any actual use and occupancy by the Port Authority (the mere right to use and occupy not being sufficient however) there shall be credited to the account of the Lessee against its survived obligations hereunder any net amount remaining after deducting from the amount actually received from any lessee, licensee, permittee or other occupier in connection with the use of the said premises or portion thereof during the balance of the letting as the same is originally stated in this Agreement, or from the market value of the occupancy of such portion of the premises as the Port Authority may during such period actually use and occupy, all expenses, costs and disbursements incurred or paid by the Port Authority in connection therewith. No such reletting shall be or be construed to be an acceptance of surrender.

SECTION 26. *Thirty Day Termination*

(a) The Port Authority shall have the right to terminate this Agreement and the letting hereunder, without cause, at any time, on thirty (30) days' notice to the Lessee. In the event of termination pursuant to this Section, this Agreement and the letting hereunder shall cease and expire as if the effective date of termination stated in the notice were the date originally stated herein for the expiration of this Agreement.

(b) The Lessee is obligated by this Agreement to furnish and install all fixtures and equipment and make all improvements in the premises, necessary or proper for its operations hereunder. In the event of termination by the Port Authority under this Section, the Port Authority shall pay the Lessee a *pro rata* share of the Lessee's cost in supplying and installing all such fixtures and equipment and making all such improvements excluding any replacements thereof. The cost and the *pro rata* share thereof shall be ascertained as stated in Item 6 of Exhibit B, *provided, however*, that tender of payment of said prorated cost by the Port Authority to the Lessee shall not be prerequisite to the exercise of the right of termination under this Section, but the Lessee shall be entitled to 4% interest per annum on said prorated cost for the period between the effective date of termination and the date of tender of payment (excluding any portion of the period prior to the rendering by the Lessee to the Port Authority of a statement and other documents of cost). On the payment by the Port Authority of said prorated cost and any interest due thereon, all fixtures, equipment and improvements including replacements furnished by the Lessee in the premises and all interest of the Lessee therein which have not already become the property of the Port Authority shall be and become the property of the Port Authority and the Lessee shall execute any and all instruments necessary to transfer title to any such interest, *provided, however*, that the Port Authority may by notice relinquish its right to any such fixtures, equipment or improvements and the provisions of Sections 12, 15 and 28 shall apply thereto.

SECTION 27. *Remedies to Be Non-exclusive*

All remedies provided in this Agreement shall be deemed cumulative and additional and not in lieu of or exclusive of each other or of any other remedy available to the Port Authority at law or in equity.

SECTION 28. *Surrender*

(a) The Lessee covenants and agrees to yield and deliver peaceably to the Port Authority possession of the premises on the date of the cessation of the letting, whether such cessation be by termination, expiration or otherwise, promptly and in good condition such reasonable wear excepted as would not adversely affect or interfere with a first-class, efficient and proper operation such as is required under this Agreement.

(b) Subject to the provision of Sections 12 and 26 the Lessee shall have the right at any time during the letting to remove its equipment, inventories, removable fixtures and other personal property from the premises. If the Lessee shall fail to remove its property on or before the termination or expiration of the letting, the Port Authority may remove such property to a public warehouse for deposit or retain the same in its own possession, and sell the same at public auction, the proceeds of which shall be applied first to the expenses of removal, storage and sale, second to any sums owed by the Lessee to the Port Authority, with any balance remaining to be paid to the Lessee; if the expenses of such removal, storage and sale shall exceed the proceeds of sale, the Lessee shall pay such excess to the Port Authority upon demand.

SECTION 29. *Acceptance of Surrender of Lease*

No agreement of surrender or to accept a surrender shall be valid unless and until the same shall have been reduced to writing and signed by the duly authorized representatives of the Port Authority and of the Lessee. Except as expressly provided in this Section, neither the doing of, nor any omission to do, any act or thing, by any of the officers, agents or employees of the Port Authority, shall be deemed an acceptance of a surrender of the letting or of this Agreement.

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SECTION 30. Requirement of Deposit or Bond

(a) Unless Item 7 of Exhibit B indicates that no deposit is required, then, prior to the commencement of the letting, the Lessee shall deposit with the Port Authority the sum stated in the said Item 7, in negotiable bonds of the United States of America, or of The Port of New York Authority or in cash, as security for the full, faithful and prompt performance of and compliance with, on the part of the Lessee, all the covenants, terms and conditions of this Agreement on its part to be fulfilled, kept, performed and observed. The said cash or bonds shall remain on deposit with the Port Authority throughout the letting. If bonds are deposited, the fair market value thereof shall be equivalent at the time of the deposit to the sum stated in the said Item 7; and, if at any time throughout the letting the fair market value thereof declines, the Lessee shall, upon ten (10) days' notice from the Port Authority, deposit additional bonds to the extent necessary to maintain the sum stated in the said Item 7. In addition to any and all other remedies available to it under this Agreement or otherwise, the Port Authority shall have the right, at its option at any time and from time to time, to use the deposit or any part thereof in whole or partial satisfaction of any of its claims or demands against the Lessee. 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 on the part of the Lessee. In the event that the Port Authority shall at any time or times so use the deposit or a part thereof, the Lessee shall, on demand of the Port Authority and within two (2) days thereafter, deposit with the Port Authority additional bonds satisfactory to the Port Authority or additional cash so as to maintain the deposit at all times to the full amount stated in the said Item 7; all such additional deposits shall be subject to all the conditions of this Section. After the expiration of the letting and upon written request therefor by the Lessee, the Port Authority will return the deposit to the Lessee, less the amount of any and all unpaid claims and damages of the Port Authority under this Agreement. Upon a termination of the letting, the Port Authority may, at its option, retain the deposit until the date fixed in Section 2 hereof for the expiration of the letting (or until the final date of any extended term, as the case may be) and shall thereafter upon demand of the Lessee return the same to the Lessee less the amount of any and all unpaid claims and damages, including but not limited to estimated damages of the Port Authority under this Agreement. The Lessee agrees that it will not assign, mortgage or encumber the deposit. The Lessee may collect or receive annually 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 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. Without limiting the foregoing provisions of this Section, with respect to any bonds deposited by the Lessee, the Port Authority shall have the right, in order to satisfy any of its claims or demands against the Lessee, 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 any claims, equities or rights of redemption of the Lessee. The Lessee hereby waives any right to participate therein or any right to prior notice or demand of the amount or amounts of the Port Authority's claims or demands against the Lessee. The proceeds of any such sale shall be applied by the Port Authority first to the costs and expenses of the sale (including but not limited to any advertising or commission expenses) and then to the amounts due the Port Authority from the Lessee. Any balance remaining shall be retained in cash toward bringing the security deposit to the sum specified in said Item 7 provided that this shall not relieve the Lessee from maintaining the deposit in the full amount stated in said Item 7.

(b) Unless Item 8 of Exhibit B indicates that no performance bond is required, the Lessee shall furnish and pay the premium for a bond in the sum stated in the said Item 8, conditioned upon the full, faithful and prompt performance of and compliance with, on the part of the Lessee, all the covenants, terms and conditions of this Agreement on its part to be fulfilled, kept, performed and observed. The bond so furnished shall be in the form attached hereto, hereby made a part hereof and marked "Exhibit U", shall be effective throughout the letting and shall be made either by a surety company or companies qualified to carry on a surety business in the State of New Jersey if the premises are in New Jersey or in the State of New York if the premises are in New York, and satisfactory to the Port Authority or by an individual or individuals satisfactory to the Port Authority.

(c) In the event Items 7 and 8 of Exhibit B indicate that both a deposit and a performance bond are required, the Lessee shall, unless said Items 7 and 8 state otherwise, have the option of fulfilling either the provisions of subdivision (a) or those of subdivision (b) of this Section.

Section 31. Brokerage

The Lessee represents and warrants that no broker has been concerned in the negotiation of this Agreement and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Lessee shall indemnify and save harmless the Port Authority of and from any claim for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Agreement.

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SECTION 32. *Limitation of Rights and Privileges Granted*

No greater rights or privileges with respect to the use of the premises or any part thereof or with respect to the Terminal are granted or intended to be granted to the Lessee by this Agreement, or by any provision thereof, than the rights and privileges expressly granted hereby.

~~SECTION 33. *Letting Postponed*~~

~~The Lessee recognizes that, at the time of execution of this Agreement, the premises may be occupied by another or may be under construction, alteration or improvement by the Port Authority or that the Port Authority may intend to do or make such construction, alteration or improvement and that as a result the premises may not be ready for occupancy on the commencement date stated in Section 2 hereof. In the event that the premises are not ready for occupancy on said commencement date, the term of the letting under this Agreement shall commence on a date designated by the Port Authority on ten (10) days' notice to the Lessee, but not later than the date stated in Item 9 of Exhibit B; and, in the event that the commencement date shall be postponed hereunder, then the expiration date as stated in Section 2 shall also be postponed by a period of time equivalent to the period intervening between the commencement date stated in Section 2 and the actual commencement date as designated pursuant to this Section. In the event that the premises are not ready for occupancy on or before the date stated in Item 9 of Exhibit B, then this Agreement shall be cancelled and each party shall release and does hereby release the other party of and from any and all claims or demands based on this Agreement or any breach or alleged breach thereof. Nothing contained in this Section shall impose or shall be construed to impose on the Port Authority any obligation to perform construction or make alterations or improvements.~~

SECTION 34. *Changes in the Terminal*

The Port Authority shall have the right at any time and from time to time prior to and during the letting, in the interest of the efficient operation of the Terminal, to close, move or alter any common way in the Terminal, including but not limited to entrances, exits, passages, halls, corridors, aisles, stairways, elevators or escalators, or to restrict or change the traffic on or through any such common way; and no such action by the Port Authority shall release the Lessee from any of its obligations under this Agreement.

SECTION 35. *Relationship of the Parties*

This Agreement does not constitute the Lessee the agent or representative of the Port Authority for any purpose whatsoever. Neither a partnership nor any joint adventure is hereby created, notwithstanding the fact that all or a portion of the rental to be paid hereunder may be determined by gross receipts from the operations of the Lessee hereunder.

SECTION 36. *Notices*

All notices (including but not limited to permissions, requests, consents, designations, notifications, reports and approvals) given or required to be given to or by either party shall be in writing and all such notices shall be telegraphed or personally delivered to the party or to the duly designated officer or representative of such party or shall be delivered to an office of such party, officer or representative during regular business hours, or delivered to the residence of such party, officer or representative or delivered to the premises, or forwarded to him or to the party at the office or residence address by registered mail. The Lessee shall designate an office within the Port of New York District and an officer or representative whose regular place of business is at such office. Until further notice, the Port Authority hereby designates its Executive Director and the Lessee hereby designates the person whose name appears on the first page of this Agreement as their respective officers or representatives upon whom such notices may be served, and the Port Authority designates its office at One World Trade Center, New York, New York 10048, and the Lessee designates its office, the address of which is set forth on the first page of this Agreement, as their respective offices where such notices may be served.

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SECTION 37. *Place of Payments*

All payments required of the Lessee by this Agreement shall be made ~~at the office of the Treasurer of the Port Authority, One World Trade Center, New York, New York 10048~~ or to such other officer or address as may be substituted therefor.

SECTION 38. *Quiet Enjoyment*

The Port Authority covenants and agrees that as long as it remains the owner of the Terminal, the Lessee, upon paying all rentals hereunder and performing all the covenants, conditions and provisions of this Agreement on its part to be performed, shall and may peaceably and quietly have, hold and enjoy the premises free of any act or acts of the Port Authority except as expressly permitted in this Agreement.

SECTION 39. *Headings*

The section headings and the paragraph headings, if any, 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.

SECTION 40. *Construction and Application of Terms*

(a) Wherever in this Agreement a third person singular neuter pronoun or adjective is used, referring to the Lessee, the same shall be taken and understood to refer to the Lessee, regardless of the actual gender or number thereof.

(b) Whenever in this Agreement, the Lessee is placed under an obligation or covenants to do or to refrain from or is prohibited from doing, or is entitled or privileged to do, any act or thing, the following shall apply:

(1) If the Lessee is a corporation, its obligations shall be performed or its rights or privileges shall be exercised only by its officers and employees; or

(2) If the Lessee is an unincorporated association or a business or "Massachusetts" trust, the obligation shall be that of its members or trustees, as well as of itself, and shall be performed only by its members or trustees, and officers and employees, and the rights or privileges shall be exercised only by its members or trustees, and its officers and employees; or

(3) If the Lessee is a copartnership, the obligation shall be that of its partners and shall be performed only by its partners and employees and the rights or privileges shall be exercised only by its partners and employees; or

(4) If the Lessee is an individual, the obligations shall be that of himself (or herself) and shall be performed only by himself (or herself) and his (or her) employees and the rights or privileges shall be exercised only by himself (or herself) and his (or her) employees.

(5) None of the privileges of this subdivision (b) shall be taken to alter, amend or diminish any obligation of the Lessee assumed in relation to its invitees, customers, agents, representatives, contractors or other persons, firms or corporations doing business with it.

(c) In the event that more than one individual or other legal entity are the Lessee under this Agreement, then and in that event each and every obligation under this Agreement shall be the joint and several obligation of each such individual or other legal entity.

(d) The Lessee's representative, hereinbefore specified (or such substitute as the Lessee may hereafter designate in writing) shall have full authority to act for the Lessee in connection with this Agreement and any things done or to be done hereunder, and to execute on the Lessee's behalf any amendments or supplements to this Agreement or any extension thereof.

*shall be made by mail to the Port Authority of New York and New Jersey, P.O. Box 17309, Newark, New Jersey 07194.

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SECTION 41. Non-Liability of Individuals

Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employe thereof, shall be charged personally by the Lessee with any liability or held liable to it under any term or provision of this Agreement, or because of its execution or attempted execution, or because of any breach or attempted or alleged breach thereof.

SECTION 42. Definitions

The following terms, when used in this Agreement, shall have the respective meanings given below:

(a) "Letting" shall mean the letting under this Agreement for the original term stated herein, and shall include any extensions thereof which may be made pursuant to the provisions of this Agreement.

(b) "Terminal" shall mean:

(1) if the premises are located in the Newark Union Motor Truck Terminal, the building known as the Union Terminal Freight Station No. 3, north of Dalancy Street, east of New Jersey State Highway Route 25, and south of Bears Stadium, in The City of Newark, County of Essex, State of New Jersey and buildings or other structures in the vicinity which may be used for motor truck terminal purposes;

(2) if the premises are located in the Port Authority Bus Terminal, the building bounded by 40th and 41st Streets, 8th and 9th Avenues, in the City, County and State of New York; and

(3) if the premises are located in the New York Union Motor Truck Terminal, the building known as Union Terminal Freight Station No. 2, bounded by Spring, Washington, West Houston and Greenwich Streets in the City, County and State of New York and buildings or other structures in the vicinity which may be used for motor truck terminal purposes.

(c) "Gross receipts" shall include all monies paid or payable to the Lessee for sales made and for services rendered at or from the Terminal, regardless of when or where the order therefor is received, and outside the Terminal, if the order therefor is received at the Terminal, and any other revenues of any type arising out of or in connection with the Lessee's operations at the Terminal, provided, however, that any taxes imposed by law which are separately stated to and paid by a customer and directly payable to the taxing authority by the Lessee, shall be excluded therefrom.

(d) "Causes or conditions beyond the control of the Port Authority shall mean and include acts of God, the elements, weather conditions, tides, earthquakes, settlements, fire, acts of Governmental authority, war, shrotage of labor or materials, acts of third parties for which the Port Authority is not responsible, injunctions, labor troubles or disputes of every kind (including all those affecting the Port Authority, its contractors, suppliers or sub-contractors) or any other conditions or circumstances whether similar to or different from the foregoing (it being agreed that the foregoing enumeration shall not limit or be characteristic of such conditions or circumstances) which is beyond the control of the Port Authority or which could not be prevented or remedied by reasonable effort and at reasonable expense.

**and the extension of the Port Authority Bus Terminal, contiguous thereto and lying to the north thereof, all of which now constitutes the Port Authority Bus Terminal; and

Section 43. Grease Traps and Ventilation Ducts

Without in anywise limiting the Lessee's other obligations under this Agreement, the Lessee shall supply, replace, install, repair, maintain and keep clean all grease traps in all drainage pipes exclusively used by it in its operations hereunder whether such pipes are located on the premises or elsewhere at the Terminal. The Lessee shall also keep clean, repair and maintain (other than structurally) all ventilation ducts including the replacement of all filters where such ducts are exclusively used by it in its operations hereunder and whether such ducts are located on the premises or elsewhere at the Terminal.

Section 44. Limitation on the Supply of Services

Notwithstanding that the Port Authority may have agreed to supply any service under Section 14 of this Agreement, the Port Authority shall be under no obligation to supply any such service if and to the extent and during any period that the supplying of any such service or the use of any component necessary therefor shall be prohibited or rationed by any federal, state or municipal law, rule, regulation, requirement, order or direction and if the Port Authority deems it in the public interest to comply therewith, even though such law, rule, regulation, requirement, order or direction may not be mandatory on the Port Authority as a public agency. If by operation of this Section any service for which the Lessee has agreed to pay a flat sum in Section 14 is discontinued for any period of the letting, the Lessee shall be relieved of its obligation to pay for such service for any such period or if any such service is supplied during fewer hours or in lesser amounts than agreed during any period of the letting, the Lessee shall be relieved proportionately of its obligation to pay for any such service for any such period.

Section 45. Governmental Compliance

In the event that all or any portion of the premises is required by the Port Authority to comply with any present or future governmental law, rule, regulation, requirement, order or direction, the Port Authority shall give the Lessee notice that all or any such portion of the premises is so required and the Lessee shall deliver all or any such portion of the premises so required on the date specified in such notice and, if the Lessee does not so deliver, the Port Authority may take the same. No such taking or delivery shall be or be construed to be an eviction of the Lessee or a breach of this Agreement. In the event that the Lessee has received a notice hereunder it shall deliver all or any such portion of the premises so required in the same condition as that required hereunder for the delivery of the premises on the cessation of the letting. In the event of the taking or delivery of all the premises, this Agreement and the letting hereunder shall on the day of such taking or delivery cease and expire as if that day were the date originally stated herein for the expiration of this Agreement; and, in the event of the taking or delivery of any portion of the premises, then, from and after such taking or delivery, such portion of the premises shall cease to be a part of the premises hereunder. There shall be an abatement of the rental in the event of any such taking or delivery of a portion of the premises if so provided in Item 1 of Exhibit B.

Section 46. Extermination Service

The Lessee shall pay the Port Authority, upon demand, the cost of extermination service, if any, actually provided by the Port Authority in the enclosed portion of the premises, provided, however, that the Port Authority shall not be required hereby to furnish such service.

Section 47. Force Majeure

The Port Authority shall not be liable for any failure, delay or interruption in performing its obligations hereunder due to causes or conditions beyond the control of the Port Authority. Further, the Port Authority shall not be liable unless the failure, delay or interruption shall result from failure on the part of the Port Authority to use reasonable care to prevent or reasonable efforts to cure such failure, delay or interruption.

Section 48. Premises

The Lessee acknowledges that it has not relied upon any representation or statement of the Port Authority or its Commissioners, officers, employees or agents as to the condition of the premises or the suitability thereof for the operations permitted on the premises by this Agreement. The Lessee agrees that no portion of the premises will be used initially or at any time during the letting which is in a condition unsafe or improper for the conduct of the Lessee's operations hereunder so that there is a possibility of injury or damage to life or property and the Lessee further agrees that before any use it will immediately correct any such unsafe or improper condition.

Section 49. Finishes and Decorating by the Lessee

(a) The Port Authority shall deliver the premises to the Lessee in its "as is" condition. The Lessee acknowledges that it has thoroughly inspected the premises and agrees to take the same in such "as is" condition. Nothing contained herein shall or shall be construed to relieve the Lessee of its obligations under Section 12 to install in the premises all necessary or proper equipment or fixtures required for its operations in the premises. Subject to the provisions of this Section and Section 15 of this Agreement the Lessee agrees to and shall perform at its sole cost and expense all construction and installation work necessary or proper for its occupancy of the premises and its operations therein including, without limitation, (i) the installation of new heating, ventilation, air cooling, and smoke purge systems, including the

installation of new hangar supports, vibration isolators, piping, and controls required to install and operate such systems, and the installation of new duct work, (ii) the refurbishment of interior and demising walls, floors, and ceilings, (iii) the installation of new lighting, and (iv) the design and construction of new storefronts (the work described in this Section being sometimes hereinafter referred to as "the Construction Work"). The Lessee hereby covenants and agrees that it shall expend a minimum of Seven Hundred Fifty Thousand Dollars and No Cents (\$750,000.00) on the performance of the Construction Work. Prior to commencing the performance of any of the Construction Work the Lessee shall submit to the Port Authority for its approval an Alteration Application, in the form supplied by the Port Authority, and containing such terms and conditions as the Port Authority may include, setting forth in detail and by appropriate plans and specifications the work the Lessee proposes to perform and the manner of and time periods for performing the same. The data to be supplied by the Lessee shall identify separately each of the items constituting the Construction Work and shall describe in detail the fixtures and equipment to be installed by the Lessee. The Lessee shall be responsible at its sole expense for retaining all architectural, engineering and other technical consultants and services as may be directed by the Port Authority and for developing, completing and submitting detailed plans and specifications for the work. The plans and specifications to be submitted by the Lessee to the Port Authority shall bear the seal of a qualified architect or professional engineer, who shall be responsible for the administration of the work in accordance with the Port Authority's requirements, and shall be in sufficient detail for a contractor to perform the work. In connection with review by the Port Authority of the Lessee's submissions under this paragraph, the Lessee shall submit to the Port Authority, at the Port Authority's request, such additional data, detail or information as the Port Authority may require for such review. The Lessee shall not engage any contractor or permit the use of any subcontractor unless and until each such contractor or subcontractor has been approved by the Port Authority. The Lessee shall include in any such contract or subcontract such provisions as the Port Authority may approve or require, including, without limitation thereto, provisions regarding labor harmony. The Lessee shall cause each such contractor and subcontractor to obtain and maintain in force such insurance coverage and performance bonds as the Port Authority shall specify. All work to be performed by the Lessee hereunder shall be done in accordance with the said Alteration Application and final plans and specifications approved by the Port Authority, shall be subject to inspection by the Port Authority during the progress of the work and after the completion thereof and the

Lessee shall redo or replace at its own expense any work not done in accordance therewith. Upon completion of the Construction Work the Lessee shall supply the Port Authority with a certificate signed by the architect or engineer who sealed the Lessee's plans pursuant to the provisions of this paragraph that all of the work performed by the Lessee has been performed in accordance with the plans and specifications approved by the Port Authority and the provisions of this Agreement and the Lessee shall supply the Port Authority with as-built drawings in form and number as requested by the Port Authority.

(b) The Lessee shall not commence any portion of the Construction Work until the Alteration Application and plans and specifications covering the work to be performed, referred to in paragraph (a) of this Section, have been finally approved by the Port Authority. In the event of any inconsistency between the provisions of this Agreement and those of the Alteration Application, the provisions of this Agreement shall control.

(c) The Lessee shall be solely responsible for the plans and specifications used by it, and for the adequacy or sufficiency of such plans, specifications and all the improvements depicted thereon or covered thereby, regardless of the consent thereto or approval thereof by the Port Authority or the incorporation therein of any Port Authority requirements or recommendations. The Port Authority shall have no obligations or liabilities in connection with the performance of finishing, decorating or installation work performed by the Lessee, or on its behalf, or the contracts for the performance thereof entered into by the Lessee. Any warranties extended or available to the Lessee in connection with finishing, decorating, or installation work performed by or on behalf of the Lessee shall be for the benefit of the Port Authority as well as the Lessee. The Lessee recognizes that its obligation to pay basic rental shall commence on the Rental Payment Start Date established pursuant to Item 1(a)(4) of Exhibit B attached to this Agreement regardless of whether or not the Construction Work is then completed or whether the Lessee is then conducting the operations set forth in Section 3 of this Agreement in the premises. The Lessee shall conduct no such operations in the premises until the Port Authority shall have notified the Lessee in writing that the work in the premises has been completed or substantially completed to its satisfaction.

(d) Without limiting or affecting any other term or provision of this Agreement, the Lessee shall be solely responsible for the design, adequacy and operation of all utility, mechanical, electrical, communications and other systems installed

in the premises by the Lessee and shall do all preventive maintenance and make all repairs, replacements, rebuilding (ordinary or extraordinary, structural or non-structural) and painting necessary to keep such systems and all other improvements, additions and fixtures, finishes and decorations made or installed by the Lessee (whether the same involves structural or non-structural work) in the condition they were in when made or installed except for reasonable wear which does not adversely affect the watertight condition or structural integrity of the building or adversely affect the efficient or proper utilization or appearance of any part of the premises.

Section 50. Operating Names

Any name, designation or any service mark proposed to be used or displayed at the premises or at the Facility or for the Lessee's operations therein shall be approved in advance in writing by the Port Authority and the Lessee shall have the right to use and display the name, designation or mark only so long as this Agreement is in force and effect. If for any reason the Lessee ceases its operations in the premises, the Lessee's right to use such name, designation or service mark shall immediately cease and come to an end and the Port Authority or its designee shall have the sole right to use such name, designation or service mark and the Lessee hereby consents to such use thereof. Any registration or filing by the Lessee with respect of such name, designation or service mark shall indicate the Port Authority's interest therein and the form thereof shall be approved in advance by the Port Authority in writing. The Lessee agrees to assign and transfer to the Port Authority any such registration or filing and any other rights in or to the use of such name, designation or service mark promptly upon written request therefor from the Port Authority.

Section 51. Late Charges

If the Lessee should fail to pay any amount required under this Agreement when due to the Port Authority, including without limitation any payment of basic, percentage or other rental or any payment of utility or other charges, or if any such amount is found to be due as the result of an audit, then in such event the Port Authority may impose (by statement, bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period (hereinbelow described) during the entirety of which such amount remains unpaid, each such late charge not to exceed an amount equal to eight-tenths of one percent of such unpaid amount for each late charge period. There shall be twenty-four late

charge periods during each calendar year; each late charge period shall be for a period of at least fifteen (15) calendar days except one late charge period each calendar year may be for a period of less than fifteen (but not less than thirteen) calendar days. Without limiting the generality of the foregoing, late charge periods in the case of amounts found to have been owing to the Port Authority as a result of Port Authority audit findings shall consist of each late charge period following the date the unpaid amount should have been paid under this Agreement. Each late charge shall be payable immediately upon demand made at any time therefor by the Port Authority. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid late charge amount shall be deemed a waiver of the right of the Port Authority to payment of any late charge or late charges payable under the provisions of this Section with respect to such unpaid amount. Each late charge shall be recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the rental as set forth in Section 4 of this Agreement and Item 1 of Exhibit B annexed hereto. Nothing in this Section is intended to, or shall be deemed to affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Agreement, including without limitation the Port Authority's rights set forth in the section of this Agreement entitled "Termination" or (ii) any obligations of the Lessee under this Agreement. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Agreement shall be payable instead at such legal maximum.

Section 52. Additional Provision

Notwithstanding the provisions of paragraph (c) of Section 42 hereof, and without otherwise limiting the generality thereof, no monies, including, without limitation, fees and commissions, received or receivable by the Lessee from the sale or dispensing of Lottery Tickets issued by the Lottery Division of the New York State Department of Taxation and Finance shall be included in gross receipts under this Agreement. Without limiting the generality of the provisions of Section 14 hereof the Lessee shall display in such areas of the premises as shall be designated by the Port Authority only such signs and advertising relating to the sale of lottery tickets issued by the Lottery Division of the New York State Department of Taxation and Finance as may be supplied or approved in advance by the Port Authority. In addition to all other rights of termination contained in this Agreement, the Port Authority shall have the right at any time, on not less than thirty (30) days' written notice to the Lessee to withdraw the permission

herein granted for the sale or dispensing of lottery tickets and in such event the Lessee shall discontinue the sale or dispensing of lottery tickets on or before the effective date stated in the Port Authority's written notice to the Lessee.

Section 53. Affirmative Action

Without limiting any of the terms and conditions of this Agreement, the Lessee agrees, and agrees to require its contractors, to make every good faith effort, to the maximum extent feasible, to seek meaningful participation by minorities and women both as to Minority Business Enterprise (MBE) and Women-owned Business Enterprise (WBE) participation as contractors and subcontractors and as to the composition of the labor force on contracts and subcontracts entered into with respect to any construction work performed on the premises. The Port Authority has a long-standing practice of making its contracting opportunities available to MBEs and WBEs. The affirmative steps the Port Authority takes to maximize opportunities for MBEs and WBEs to participate in the performance of Port Authority construction contracts either directly or as subcontractors are hereby set forth for the Lessee's consideration in the schedule attached hereto, hereby made a part of this Agreement, and marked "Schedule E".

Section 54. Changes, Additions and Deletions to This Agreement

Prior to the execution of this Agreement by either of the parties hereto, the following changes, additions and deletions were made in the foregoing terms and conditions:

(a) Paragraphs (c) and (d) of Section 12 were deleted and the following paragraph (c) was inserted in lieu thereof:

"(c) The Lessee shall not sell any items hereunder at a price other than the pre-printed manufacturer's or distributor's recommended retail price, or the price stated in the schedule hereto attached, hereby made a part hereof and marked "Schedule B", provided, however, that if the price charged for the same item at any other establishment located at a transportation terminal within the Port of New York District which has any ownership, financial or management connection with the Lessee or any majority stockholder thereof is lower than the pre-printed manufacturer's or distributor's recommended retail price or the price stated in Schedule B, as the case may be, the Lessee shall notify the Port Authority in writing of that fact and shall charge only the lower price.

If the Lessee charges any price in excess of the prices described in this paragraph, the amount by which the actual price deviates from the approved price shall constitute an overcharge which will, upon demand of the Port Authority or the Lessee's customer, be promptly refunded to the customer. If the Lessee charges any price or applies any rate which is less than the prices or rates described in this paragraph the amount by which the actual price deviates from the approved price shall constitute an undercharge and an amount equivalent thereto shall be included in any gross receipts hereunder and the percentage rental, if any, shall be payable in respect thereto. Notwithstanding any repayment of overcharges to a customer by the Lessee or any inclusion of undercharges in gross receipts, any such overcharge or undercharge shall constitute a breach of the Lessee's obligations hereunder and the Port Authority shall have all remedies consequent upon breach which would otherwise be available to it at law, in equity or by reason of this Agreement. On each anniversary of the commencement date of the letting under this Agreement the Lessee may request an adjustment in the approved prices for the items described in Schedule B annexed to this Agreement for the period from such anniversary to the day preceding the following anniversary of the commencement date. The Port Authority may grant an increase in such prices if the Lessee can demonstrate to the satisfaction of the Port Authority that the requested adjustment and the amount thereof is comparable to and consistent with the prices and rates charged for such items at other transportation terminals located within the Port of New York District. At the request of the Port Authority the Lessee shall submit a representative schedule of charges and rates for such items then in effect at other transportation terminals located within the port of New York District. Notwithstanding the foregoing, and without otherwise limiting the generality thereof, the Lessee may request an adjustment in the approved prices for any of the items described in Schedule B annexed to this Agreement during the period prior to the first anniversary of the commencement date of the letting hereunder if such request is based solely on the changed wholesale cost of those items and is limited to the difference between the wholesale cost of those items on the commencement date of the letting and the actual wholesale cost of those items that will be incurred by the Lessee during such period. Any price adjustment requested by the Lessee pursuant to the provisions of this paragraph shall take effect, however, only upon the express written consent of the Port Authority. Nothing set forth in this paragraph shall be deemed to constitute an agreement on the part of the Port Authority to grant its consent or approval

to any requested price adjustment or to create an inference that the Port Authority will grant such consent or approval or that the Port Authority's discretion as to any such consents or approvals shall in any way be affected or impaired."

(b) Subparagraph (b)(2) of Section 24 hereof was deleted and the following subparagraph was inserted in lieu thereof:

"(2) On account of the Lessee's percentage rental obligation with respect to gross receipts under this Agreement, an amount equal to the excess over the Annual Fixed Rental Amount of the sum of the percentages stated in subparagraph (b) of Item 1 of Exhibit B applied respectively to the different types and amounts of gross receipts stated therein in accordance with the formula set forth in subparagraph (b) of said Item 1, which different types and amounts of gross receipts would have been received by the Lessee during the balance of the term if there had been no termination or cancellation (or re-entry, regaining, or resumption of possession); and for the purpose of calculation hereunder (i) the said different types and amounts of gross receipts shall be respectively derived by multiplying the number of days in the balance of the term originally fixed by the respective daily averages of the Lessee's said different types of gross receipts; (ii) the daily averages of the Lessee's said different types of gross receipts shall respectively be the Lessee's total actual gross receipts of each type during that part of the effective period of the letting (including all Annual Periods falling within the effective period) in which no abatement was in effect divided by the number of days included in such part of the effective period; (iii) the Annual Fixed Rental Amount for any period of less than a year shall be the product of the original Annual Fixed Rental Amount multiplied by a fraction the numerator of which shall be the number of days from the effective date of termination to the end of the Annual Period and the denominator shall be 365;"

(c) For the purposes of calculating the survival obligations of the Lessee on account of the Lessee's percentage rental obligation, the amount of fees or commissions received or receivable by the Lessee from the sale or dispensing of Lottery Tickets issued by the Lottery Division of the New York State Department of Taxation and Finance shall be projected in the same manner as the calculation of gross receipts provided for in subparagraph (b)(3) of Section 24.

(d) Section 33 was deleted in its entirety.

(e) The words "shall be made at the office of the Treasurer of the Port Authority, One World Trade Center, New York, New York 10048" appearing in the first and second lines of Section 37 shall be deemed deleted and the words "shall be mailed to the Port Authority of New York and New Jersey, P.O. Box 17309, Newark, New Jersey 07194" shall be deemed inserted in lieu thereof."

~~(f) In connection with the provisions of Section 20 hereof, the Lessee hereby certifies that its I.R.S. Taxpayer Identification Number is~~

It shall not be necessary to physically make the aforesaid changes additions and deletions in the aforesaid Sections of this Agreement.

TCL-8/8/73

SECTION 55 .Entire Agreement

This Agreement consists of the following: Pages 1 through 29 inclusive, and Exhibits A-1, A-2, A-3, A-4, A-5, A-6, and A-7, B and R, and Schedules A, B, B-1, B-2, B-3, B-4, B-5, B-6, B-7, B-8, B-9 and E
It constitutes the entire agreement of the parties on the subject matter hereof and may not be changed, modified, discharged or extended except by written instrument duly executed by the Port Authority and the Lessee. The Lessee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in this Agreement.

~~In Witness Whereof:~~ the parties hereto have executed these presents as of the day and year first above written.

ATTEST:

Lawrence S. Hofmeister
.....
ASSISTANT SECRETARY

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By *[Signature]*
.....
(Seal)

ATTEST:

[Signature]
.....

HUDSON COUNTY NEWS COMPANY T/A
HUDSON NEWS

By *[Signature]*
.....
Title *Executive Vice President*
(Corporate Seal)

WITNESS:

.....
By
A General Partner

WITNESS: (L. S.)

WITNESS: (L. S.)

WITNESS: (L. S.)



EXHIBIT B

Item 1: Rental Provisions

(a) Definitions:

(1) "Annual period" shall mean, as the context requires, the twelve-month period commencing with the Rental Payment Start Date established pursuant to the provisions of this Agreement and each of the twelve-month periods thereafter occurring during the term of the letting, provided, however, that if the Rental Payment Start Date occurs on a day which is other than the first day of a calendar month, the first annual period shall include the portion of the month in which the Rental Payment Start Date falls following such date plus the succeeding 12 calendar months and each such subsequent annual period shall commence on the anniversaries of the first day of the first full calendar month following the month in which the Rental Payment Start Date occurs.

(2) Annual Fixed Rental Amount shall mean the sum equivalent to the basic rental payable by the Lessee to the Port Authority in the first annual period pursuant to the provisions of this Agreement as such sum may be reduced by the operation of the abatement and/or proration provisions hereof.

(3) For the purposes of calculating the percentage rental due for any annual period which contains more or less than 365 days the Annual Fixed Rental Amount shall be prorated over the actual number of days contained in such annual period.

(4) "Rental Payment Start Date" shall mean the commencement date of the letting of the premises established pursuant to this Agreement.

(5) "Guaranteed minimum annual basic rental amount" shall mean for and during each annual period hereunder the greater of (i) the annual fixed rental amount established pursuant to the provisions of this Agreement, or (ii) the sum obtained by applying eighty percent (80%) to the total basic and percentage rental payable by the Lessee to the Port Authority in the immediately preceding annual period pursuant to the provisions of this Agreement, provided no abatement was in effect during the immediately preceding annual period. If an abatement was in effect during the immediately preceding annual period, then for the purpose of calculating the guaranteed minimum annual basic rental

amount the first preceding annual period in which no abatement was in effect shall be used.

Whenever reference is made to the guaranteed minimum annual basic rental amount, it shall mean the guaranteed minimum annual basic rental amount reduced by operation of the abatement and/or proration provisions hereof.

(b) Basic Rental

(i) During the first annual period the Lessee shall pay to the Port Authority a basic rental for the premises at the rate of Seven Hundred Thirty-three Thousand Eight Hundred Seventy-five Dollars and No Cents (\$733,875.00) per annum, payable in advance in monthly installments of Sixty-one Thousand One Hundred Fifty-six Dollars and Twenty-five Cents (\$61,156.25) on the Rental Payment Start Date and on the first day of each calendar month thereafter occurring during each annual period except that if the Rental Payment Start Date shall occur on a day other than the first day of a calendar month the installment of basic rental payable on the Rental Payment Start Date shall be an amount equal to the amount of the installment described in this paragraph multiplied by a fraction the numerator of which shall be the number of days from the Rental Payment Start Date to the last day of the calendar month in which the Rental Payment Start Date shall fall and the denominator of which shall be the number of days in that calendar month.

(2) Effective upon the commencement of the second annual period and during each annual period thereafter occurring during the term of the letting under this Agreement, the Lessee shall pay to the Port Authority a basic rental for the premises at a rate per annum equal to the guaranteed minimum annual basic rental amount established for each such annual period, payable in advance in monthly installments equal to 1/12th of the applicable basic rental on the first day of the second annual period and on the first day of each and every month thereafter occurring during each such annual period.

(3) If the letting hereunder is terminated effective on other than the last day of a month, the applicable basic rental payable for the premises for the portion of the month in which the effective date of termination shall occur during which the letting thereof remains effective shall be the amount of the applicable monthly installment of basic rental set forth in this paragraph prorated on a daily basis.

(4) If the expiration date of the term of the letting hereunder occurs on other than the last day of a month, the basic rental payable for the premises for the portion of the month in which the expiration date shall occur during which the letting thereof remains effective shall be the amount of the monthly installment of basic rental set forth in this paragraph prorated on a daily basis.

(c) Percentage Rental:

In addition to the basic rental payable hereunder, the Lessee shall pay to the Port Authority an annual percentage rental equivalent to the total of the following amounts:

(1) Twenty percent (20%) of all fees or commissions received or receivable by the Lessee during each annual period from the sale or dispensing of Lottery Tickets issued by the Lottery Division of the New York State Department of Taxation and Finance; and

(2) An amount equal to the excess over the Annual Fixed Rental Amount of nine and one-half (9.5%) percent of all other gross receipts of the Lessee arising from its operations in the premises during each annual period (including, without limitation, gross receipts arising from the sale of newspapers, magazines, periodicals, candies, gum, confections, cigarettes, cigars, tobacco and tobacco products, and postal cards, paperback books, soft drinks, ice-cream bars, and ice-cream cups).

The computation of percentage rental for each annual period, as hereinabove provided, or a portion of an annual period shall be individual to such annual period, or such portion of an annual period, and without relation to any other annual period, or any other portion of any annual period.

(c) Time of Payment of Percentage Rentals, Computations of Amounts and Accounting:

(1) The Lessee shall pay the percentage rental as follows: on the 20th day of the first month following the Rental Payment Start Date and on the 20th day of each and every month thereafter occurring during each annual period occurring during the term of the letting under this Agreement, including the month following the end of each annual period, the Lessee shall render to the Port Authority a sworn statement showing (i) the amount of

fees or commissions received or receivable by the Lessee during each annual period from the sale or dispensing of Lottery Tickets issued by the Lottery Division of the New York State Department of Taxation and Finance for the preceding month, and (ii) all its gross receipts for the preceding month, and also showing the cumulative amount of fees or commissions received or receivable by the Lessee during each annual period from the sale or dispensing of Lottery Tickets issued by the Lottery Division of the New York State Department of Taxation and Finance payable to the Lessee and the cumulative amount of gross receipts from the date of the commencement of the annual period for which the report is made through the last day of the preceding calendar month; the Lessee shall pay at the time of rendering the statement an amount equal to the percentage set forth in subparagraph (1) of paragraph (b) of this Item 1 applied to the amount of fees or commissions received or receivable by the Lessee from the sale or dispensing of Lottery Tickets issued by the Lottery Division of the New York State Department of Taxation and Finance for such month; in addition whenever any such statement shall show that percentage set forth in subparagraph (2) of paragraph (b) of this Item 1 applied to the cumulative amount of the Lessee's gross receipts from the date of the commencement of the annual period for which the report is made through the last day of the preceding calendar month is in excess of the Annual Fixed Rental Amount, the Lessee shall pay at the time of rendering such statement an amount equal to the excess of such sum over the Annual Fixed Rental Amount, and shall thereafter on the 20th day of each month during that annual period and the month following the end of that annual period pay an amount equal to the percentage set forth in subparagraph (2) of paragraph (b) of this Item 1 applied to the gross receipts arising during each subsequent month during that annual period in accordance with such subparagraph. At any time that the Annual Fixed Rental Amount is decreased by abatement as herein provided so that there is an excess of gross receipts as to which percentage rental has not been paid, such rental shall be payable to the Port Authority on demand.

(2) Upon any termination of the letting under this Agreement (even if stated to have the same affect as expiration), the Lessee shall, within twenty (20) days after the effective date of such termination, make a payment of rental computed as follows: first, if the term of the letting under this Agreement is terminated effective on a date other than the last day of a month, the basic rental for the portion of the month in which the effective date of termination occurs during which the letting remains effective shall be the amount of the applicable monthly installment of basic rental prorated on a daily basis, and if the

applicable monthly installment due on the first day of that month has not been paid the Lessee shall pay the prorated part of the amount of that installment; if the monthly installment has been paid, then the excess thereof shall be credited to the Lessee's other obligations; second, the Lessee shall within twenty (20) days after the effective date of termination render to the Port Authority a sworn statement of all fees or commissions received or receivable by the Lessee from the sale or dispensing of Lottery Tickets issued by the Lottery Division of the New York State Department of Taxation and Finance for the annual period in which the effective date of termination happens to fall together with a sworn statement of all its gross receipts for the annual period in which the effective date of termination happens to fall; and third, the payment then due on account of all percentage rental for the annual period in which the effective date of termination falls shall be the excess of the percentage rental, computed as follows, over the total of such percentage rental payments previously made for such annual period: an amount equal to the percentage set forth in subparagraph (1) of paragraph (b) of this Item 1 applied to the amount of fees or commissions received or receivable by the Lessee from the sale or dispensing of Lottery Tickets issued by the Lottery Division of the New York State Department of Taxation and Finance for such annual period plus an amount equal to the excess over the Annual Fixed Rental Amount of the percentage set forth in subparagraph (2) of paragraph (b) of this Item 1 applied to the gross receipts of the Lessee for such annual period in accordance with the formula set forth therein, provided, however, that the Annual Fixed Rental Amount for such annual period shall be prorated by multiplying the Annual Fixed Rental Amount set forth in this Agreement by a fraction, the numerator of which shall be the number of days from the commencement of such annual period to the effective date of termination and denominator of which shall be 365.

(d) Abatement:

(1) For every calendar day or major fraction thereof that the Lessee shall be entitled to abatement during the first annual period the basic rental shall be reduced by the product of Two Thousand Ten Dollars and Sixty-one Cents (\$2,010.61) multiplied by a fraction the numerator of which shall be the number of square feet of floor space as to which the abatement applies and the denominator of which shall be the total number of square feet in the premises.

(2) For every calendar day or major fraction thereof that the Lessee shall be entitled to abatement during the second annual period and during each annual period thereafter occurring during the term of the letting under this Agreement the basic rental established for the period the abatement is in effect shall be abated by the same percentage that the part of the premises the use of which is denied the Lessee is of the total area of the premises.

(3) During any annual period in which the Lessee shall be entitled to abatement, the Annual Fixed Rental Amount shall be reduced proportionately to the reduction of the basic rental.

(4) For the purpose of abatement, the ascertainment of the number of square feet contained in the premises to be measured shall be in accordance with the following: Areas of the premises and parts thereof will be computed by measuring from the inside plaster surface of outer building walls to the plaster surface of the corridor side of corridor partitions and to the center of partitions that separate the premises from adjoining rentable area; no deduction will be made for columns, pilaster, or projections necessary to the building or for toilets, porter's closets, and slop sinks used exclusively by the Lessee and contained within the premises. Permanent partitions enclosing elevator shafts, stairs, fire towers, vents, pipe shafts, meter closets, flues, stacks and any vertical shafts have the same relation to rentable areas as do outer building walls.

(e) Nothing contained in the foregoing shall affect the survival of the obligations of the Lessee as set forth in Section 24 of this Agreement.

Item 2: Liability Insurance Limits:

(a) The limits of liability insurance referred to in Section 11(b) shall be not less than the following and shall include full contractual liability coverage:

Comprehensive general liability insurance, covering bodily injury, including wrongful death products liability, and property-damage liability in the minimum amount of \$2,000,000 combined single limit per occurrence.

(b) Notwithstanding the provisions of Section 11(c) the Port Authority shall be included as an additional insured in any

policy of liability insurance required by the provisions of this Agreement and each such policy of insurance so required shall contain a 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 or the provisions of any statutes respecting suits against the Port Authority.

(c) The policy of comprehensive general liability insurance required by the provisions of this Agreement shall provide or contain an endorsement providing that the protections afforded the Lessee thereunder with respect to any claim or action against the Lessee by a third person shall pertain and apply with like effect with respect to any claims or action against the Lessee by the Port Authority and against the Port Authority by the Lessee, but such endorsement shall not limit, vary, change or affect the protections afforded the Port Authority thereunder as an additional insured.

Item 3: (a) Heat and Air Cooling:

(1) During the period from October 1, through April 30 in each year, during such days and hours as the Lessee conducts its business, the Port Authority shall supply without additional charge, heat to the Lessee sufficient to maintain the premises to an even and comfortable temperature. During the period from May 1, through September 30, in each year, during such days and hours as the Lessee conducts its business the Port Authority shall sell, furnish and supply to the Lessee chilled water at such temperature and with such other characteristics as may be determined by the Port Authority for use by the Lessee in such air conditioning systems as are installed in the premises. The Lessee shall be solely responsible for the distributing, handling and circulating of air conditioning within the premises. The Port Authority shall have no responsibility for the air conditioning of the premises or the maintenance of any specified temperature or comfort level therein. The Lessee shall be solely responsible for maintaining and repairing the systems and equipment installed in the premises for ventilating and air cooling the premises. The chilled water referred to above shall be paid for by the Lessee at an annual rate which shall be equal to Three Dollars and Sixty-Seven Cents (\$3.67) multiplied by the number of rentable square feet in the premises and which shall be payable in advance in equal monthly installments

at the same time, in the same manner and collectible with like remedies as if such payments and the monthly installments thereof were payments of basic rental under this Agreement. The charge for chilled water shall be subject to increase as provided in paragraph (g) of this Item 3. For the purposes of this Section the number of rentable square feet in the premises is 1,043 rentable square feet.

(2) If the Lessee, in accordance with the Sections of this Agreement entitled "Construction by the Lessee" or "Finishes to be Provided by the Lessee", or otherwise, erects any partitions or makes any improvements which stop, hinder, obstruct or interfere with the heating of the premises or the cooling of the air, or if the Lessee shall fail to close and keep closed the window coverings when the sun is shining on the windows of the premises, then no such action by the Lessee shall impose any obligations on the Port Authority to increase or augment the existing or presently contemplated supply of heat or air cooling and the Lessee shall not in any such event be relieved of any of its obligations hereunder. No consent or approvals given by the Port Authority in connection with the erection of partitions, the making of any improvements or the installation of any heating or air conditioning systems shall be or be deemed to be a representation that the work consented to or approved will not stop, hinder, obstruct or interfere with either the cooling of the air or heating of the premises or any portion thereof or that any system is sufficient or adequate for heating or air cooling of the premises. It is hereby understood further that the installation by the Lessee of any equipment which itself requires air cooling or which requires additional quantities of air cooling at the portion of the premises where such equipment is installed, or the concentration in any portion of the premises of such a number of people so as to require additional quantities of air cooling, shall not impose any obligation on the Port Authority to increase the capacity or output of initially existing facilities, equipment or fixtures for the supply of air cooling and the Lessee shall not in any such event be relieved of any of its obligations hereunder.

The Lessee shall not waste or dissipate heating nor draw any of the same into the premises from public areas contiguous thereto. Without otherwise affecting the Port Authority's rights or remedies in the event of any breach by the Lessee of its obligations under this Agreement, the Port Authority shall have the right to discontinue or reduce the said supply of steam during any period of such waste, dissipation or improper drawing and any failure of the Port Authority to supply any such

service under such conditions shall not affect any of the Lessee's obligations under this Agreement.

(b) Electricity:

300 ampere, 120/208V, 3 phase, 4 wire electric service, to be metered by the Port Authority and to be paid for by the Lessee at the greater of: (1) the rates (including the fuel or other adjustment factor if any) which the Lessee at the time of such purchase and under the service classification then applicable to it would have to pay for the same quantity of electricity to be used for the same purposes under the same conditions if it received the electricity directly from the public utility supplying the same to commercial buildings in the vicinity, or (2) the Port Authority's cost of obtaining and supplying the same quantity of electricity. Notwithstanding that the Port Authority has agreed to supply electricity to the Lessee, the Port Authority shall be under no obligation to provide or continue such service if the Port Authority is prevented by law, agreement or otherwise from metering as hereinabove set forth or elects not to so meter the same, then in any such event the Lessee shall make all arrangements and conversions necessary to obtain electricity directly from the public utility. Also in such event the Lessee shall perform the construction necessary for conversion and if any lines or equipment of the Port Authority are with the consent of the Port Authority used therefor the Port Authority may make an appropriate charge therefor to the Lessee based on its costs and expenses for the said lines and equipment.

(c) Domestic Cold Water: Not to be sold, furnished, or supplied by the Port Authority.

(d) Domestic Hot Water: Not to be sold, furnished, or supplied by the Port Authority.

(e) Steam: Not to be sold, furnished, or supplied by the Port Authority.

(f) Gas: Not to be sold, furnished, or supplied by the Port Authority.

(g) As used in this subparagraph:

(i) "Index" shall mean the Revised Consumer Price Index for All Urban Consumers - New York-Northern New Jersey-Long Island, NY-NJ-CT (All Items, Unadjusted 1967=100) published

by the Bureau of Labor Statistics of the United States Department of Labor.

(ii) "Base Period" shall mean the month of January 1, 1990.

(iii) "Adjustment Period" shall mean as the context requires the month of December, in the calendar year 1990 and the month of December in each calendar year thereafter occurring during the term of the letting under this Agreement as the same may hereafter be amended or extended.

(iv) "Anniversary Date" shall mean January 1, 1991 and each anniversary of such date occurring during the term of the letting under this Agreement as the same may hereafter be amended or extended.

(v) "Percentage increase" shall mean the percentage of increase in the Index on each Anniversary Date equal to a fraction the numerator of which shall be the Index for the Adjustment Period immediately preceding such Anniversary Date less the Index for the Base Period and the denominator of which shall be the Index for the Base Period.

The charge for chilled water set forth in subparagraph (a) (1) of this Item 3, shall be increased on each Anniversary Date occurring during the term of the letting under this Agreement as the same may hereafter be amended or extended by an amount equal to the product obtained by multiplying such charge by the Percentage Increase for such Anniversary Date, and such increased charge shall be payable by the Lessee during the twelve month period commencing with such Anniversary Date and continuing through to the following Anniversary Date in lieu of the charge set forth in subparagraph (a) (1) of this Item 3. There shall be no reduction in the charge for chilled water payable for any period in the event of any reduction in the Index.

In the event any Index to be used in computing an adjustment in the charge for chilled water referred to in subparagraph (a) (1) of this Item 3 is not available on the effective date of such adjustment, the Lessee shall continue to pay such charge at the annual rate then in effect subject to retroactive adjustment at such time as the specified Index becomes available, provided, however, that the Port Authority may at its option substitute for such Index the Index for the latest available twelve-month period ending during the preceding calendar year to

constitute the specified Index. In the event the Index shall hereafter be converted to a different standard reference base or otherwise revised or the United States Department of Labor shall cease to publish the Index, then for the purposes hereof there shall be substituted for the Index such other index properly reflecting changes in the value of current United States money in a manner similar to that established in the Index used in the latest adjustment as the Port Authority may in its discretion determine.

If after a charge for chilled water shall have been fixed for any period, the Index used for computing such charge shall be changed or adjusted, then the charge for chilled water for that period shall be recomputed and from and after notification of the change or adjustment, the Lessee shall make payments based upon the recomputed charge and upon demand shall pay any excess in the charge for chilled water due for such period as recomputed over amounts theretofore actually paid on account of such charge for such period. If such change or adjustment results in a reduction in the charge due for any period prior to notification, the Port Authority will credit the Lessee with the difference between the charge as recomputed for that period and amounts actually paid on account of such charge.

Item 4: New Construction: Not Applicable.

Item 5: Construction Liability Insurance Limits: The limits of liability insurance shall be not less than the amounts specified in the Alteration Application referred to in Section 50 herein.

Item 6: Cost and Proration Thereof:

(a) To the extent permitted by sound accounting practice, the sum of the following items of cost incurred by the Lessee for such equipment and fixtures and the installation thereof and the making of such improvements as are necessary to initially equip and improve the premises for the Lessee's commencement of operations hereunder, all as mentioned in the Section of the Agreement entitled "Termination and Reimbursement," and to the extent that

such sum does not exceed One Million Three Hundred Fifty Thousand Dollars and No Cents (\$1,350,000.00) shall constitute the "cost" under the said Section and under subdivisions (b), (c), (d), (e), (f), and (g) hereof:

(1) Direct labor and material costs;

(2) Contract costs for purchases and installation excluding those of the types mentioned in the following subdivision (3);

(3) Engineering, architectural, planning, designing, financing, interest, insurance, and other overhead or carrying charges which are due for a period ending not later than the date of completion of installation of any such initial equipment, fixtures or improvements for which they are incurred, and not to exceed 20% of the total of the amounts covered by subdivisions (1) and (2) above.

(b) A statement of the cost detailing all the foregoing including copies of invoices and contracts and certified by a responsible officer of the Lessee shall be delivered by the Lessee to the Port Authority not later than ninety (90) days after the complete supplying and the making of all such initial improvements, and the Lessee shall permit the Port Authority, by its agents, employees and representatives, at all reasonable times prior to a final settlement or determination of cost, to examine and audit the records and books of account within the Port of New York District during such time.

(c) If the Lessee includes in cost any items as having been incurred but which, in the opinion of the Port Authority, if so incurred is not an item properly chargeable to cost under sound accounting practice, then the Port Authority within ninety (90) days after receipt of the said statement of cost as mentioned in subparagraph (b) above, shall give written notice to the Lessee stating its objection to any such item and the grounds therefor. If such notice is given and if the dispute is not settled within thirty (30) days by agreement between the parties, then such dispute shall be disposed of by arbitration in accordance with the then existing rules of the American Arbitration Association or any successor association. Costs of said arbitration shall be borne equally by the Port Authority and the Lessee.

(d) In any such arbitration as to whether any item included by the Lessee in its computation of cost has been incurred, the question to be submitted to the arbitrators for decision shall be as follows:

"Was all or any part of such cost incurred by the Lessee; and if part but not all of such cost was incurred, what was the amount which was so incurred?"

(e) In any such arbitration as to whether any item included by the Lessee in its computation of costs is properly chargeable thereunder under sound accounting practice, the question to be submitted to the arbitrators for decision shall be as follows:

"Can it reasonably be held that all or any part of such cost is properly chargeable under sound accounting practice; and if part but not all of such cost can reasonably be held to be chargeable, then what amount can reasonably be held to be so chargeable?"

The arbitrators to whom such questions shall be submitted shall be accountants or auditors.

(f) The proration of cost as referred to in the Section of the Agreement entitled "Thirty Day Termination" shall be ascertained by multiplying the cost by a fraction, the numerator of which shall be the number of whole calendar months (in the term of the letting as originally set forth) subsequent to the effective date of termination, and the denominator of which shall be the total number of months in the term of the letting as originally set forth.

(g) Notwithstanding any other provision of the Section of the Agreement entitled "Thirty Day Termination" in ascertaining the amount that the Port Authority shall be obligated to pay to the Lessee under said Section, the cost computed as heretofore stated in this Item shall be diminished by the amount that any part of the components of cost as stated in subdivisions (1), (2), and (3) of subparagraph (a) above are secured by liens, mortgages, other encumbrances or conditional bills of sale on such equipment, fixtures and improvements, and less any other amounts whatsoever due under this Agreement from the Lessee to the Port Authority. In no event whatsoever shall cost, as defined and computed in accordance with this Item and as used in the Section of the Agreement entitled "Termination and Reimbursement" and in this Item, include any expenses, outlays or charges whatsoever by or for the account of the Lessee for or in connection with any equipment

or fixtures or the making of any improvement mentioned in said Section or in this Item unless said equipment, fixtures and/or improvements are actually and completely installed in and/or made to the premises.

Item 7: Cash Security: Not Applicable

Item 8: Performance Bond: Not Applicable



For the Port Authority

Initialled:



For the Lessee

SCHEDULE 'A'

DOMESTIC MAGAZINES

ASTROLOGY

American Astrology
Dell Horoscope

AUDIO/VIDEO

Audio & Specials
Auto Sound Sec.
Camcorder
Camcorder BG
Car Stereo Review
CD Auto Equip. BG
CD Buyer's Buide
Compact Disc BG
Sound & Image
Stereo Buyer's Guide
Stereo Review
Video Buyers Guide
Videogames
Videomaker

AUTOMOTIVE/CYCLE

Automobile Magazine
Auto Classics
Auto Week
Car
Car Craft
Car & Driver & Specials
Car Illustrated
Car Rating Guide
Car Sneak Preview
Chevy Hi-Perf.
Circle Track

Collectible Auto
Corvette Fever
Cycle
Cycle World
Cycle World BG
Dirt Rider
Drag Racing
Dune Buggies & Hot VW's
Dupont Registry
Engines
Fast Lane
Four Wheeler
High Performance
High Performance Pontiac
Hot Rod
Hot Truck
HR Mustang
Kit Car
Motorcyclist
Motor Trend & Specials
Muscle Car Classic
Mustang Monthly
Open Wheel
Peterson Sport Truck
Road & Track & Specials
Rod & Custom
Schneider Perf. Series
Sports Car Illustrated
Sports Car World
Sport Compact Car
Stock Car Racing
Super Ford

Automotive/Cycle Cont'd...

Super Stock
Thorobred Cars
Truckin
Vette
4-Wheel & Off Road

BLACK GENERAL/TEEN

Black Beat
Black Elegance
Black Enterprise
Black Hair Care
Black Teen
Black Tress
Class
Ebony
Ebony Man
Essence
Jet
Right On
Upscale
Word Up

BOATING/SAILING

Boat
Boating
Boat International
Classic Boat
Cruising World
Motorboat
Motorboat Sail
Motorboat & Yacht
Power & Motor Yacht
Sail
Sailing World
Yachting

Yachting Monthly
Yachting World

BOXING/WRESTLING

Boxing Illustrated
Boxing Scene
Boxing 91
Inside Wrestling
Knockout
K.O. Magazine
Pro Wrestling Annual
Pro Wrestling Illustrated
Ring
World Boxing
Wrestler
Wrestling Eye
Wrestling Fury
Wrestling USA

BRIDAL/PROM

Brides
Bridal Guide
Elegant Bride
For the Bride
Modern Bride
Weddings & Homes

BUSINESS

AD Week
Business Week & Specials
The Economist
Entrepreneur
Entrepreneurial Woman
Financial World
Forbes
Forbes 400

BUSINESS Cont'd...

Fortune & Specials
Inc.
Marketing Week
Money & Specials
Money Guide
Nations Business
Small Business Opportunity
Success
Working Mother
Working Woman

CHILDREN

Archie Digest line
DC Comic line
Disney Adventures
Disney Comic line
Marvel Comic line
Sesame Street

COMPUTER

Amigaworld
A+ incider
Byte
Compute
Computer BG HB
Computer Shopper
Gamepro
Mac World
Mac User
PC
PC Computing
PC Novice
PC Sources
PC Today
PC World

Portable Computer Rev.
Publish!
Run
Vulcan Computer BG

CRAFTS

Better Home & Garden/
Craft Specials
Crafts
McNeedle Crafts

FAMILY

Child
Parenting
Parents

FOOD & COOKING

Better Homes & Gardens/Specials
Bon Appetit
Chocolatier
Cooking Light
Decanter
Food & Wine
Gourmet
Martha Stewart Living
Pillsbury Classics
Weight Watchers
Wine & Food Cookbook
Wine & Spirit Buying Guide

HEALTH & FITNESS

American Health
Fitness Plus
Exercise for Men
Flex
Health

HEALTH/FITNESS Cont'd...

In Health

Ironman

Longevity

Men's Fitness

Men's Health

Men's Workout

Muscle & Fitness

Muscular Development

Natural Physique

New Body & Specials

Prevention

Self

Shape

Slim & Fit

HOME & GARDEN

American Home

Architectural Digest

Bedrooms & Baths

Better Homes & Gardens

Better Homes & Gardens Specials

Colonial Homes

Country Living

Elle Decor

Estates

Family Handyman

Home

Home Mechanix

House & Garden

House Beautiful

Metropolitan Home

Southern Accents

Traditional Homes

Victorian Homes

World of Interiors

LITERARY/POLITICAL

Atlantic Monthly

Connoisseur

Harpers

Interview

Mother Jones

National Review

The New Republic

The New Yorker

Reader's Digest

Smoking Singles

Spy

Town & Country

Utne Reader

Vanity Fair

MEN'S FASHION/LIFESTYLE

Esquire

Gentleman's Quarterly

M. Inc.

Men's Guide to Fashion (MGF)

MEN'S SOPHISTICATES

The Advocate

Advocate Men

Chic

Club

Club International

Fling

Forum & Specials

Fox

Gallery & Specials

Genesis & Specials

Gent

MEN'S SOPHISTICATES Cont'd...

High Society
Honcho
Hot Talk
Hustler & Specials
Inches & Specials
Leg Show
Mandate
MAX
Mayfair
Male Pictorial
Penthouse & Specials
Playboy & Specials
Playguy
Swank
Variations

MUSIC

Acoustic Guitar
Bass Player
Billboard
Circus & Specials
Creem
Drums & Drumming
EQ
Guitar
Guitar Player
Guitar School
Guitar World & BG
Jazziz
Keyboard
Musician
Opera Now
Q Magazine
Request
Rolling Stone

Select
Serious Hip Hop
The Source
Spin

NEWS/GENERAL INTEREST

Consumer Reports
Life & Specials
Newsweek & Specials
People Weekly
Time & Specials
U.S. News & World Report &
Specials

PHOTOGRAPHY

American Photo
Darkroom Techniques
Photographic
Photography Buyers Guide
Popular Photography
Shutterbug
Zoom

PUZZLES/GAMES

All Star Word Seek
Approved Crossword line
Classic Crossword
Daily Crosswords
Dell Crossword line
Dell Word Search
Easy-to-do Crossword line
Fill in puzzles
Fun & Easy Crosswords
Good Time fill in
Good Time Word Seek
Logic Problems

PUZZLES/GAMES Cont'd...

New Crosswords
Official Crossword line
Official Pen & Word game
Pencil Puzzle Games & YB's
Popular Crossword line
Popular Word Games
Quality fill-ins
Search-a-Word & Specials
Total Fill-ins
TV Crosswords
Variety Puzzle & Games
Word Seek Puzzles & Specials

REGIONAL

American Almanac
Big East Basketball
Boston
Business Journal of New Jersey
Dining Out in New York
Garden State Outdoors
Gerry Franks: Where to Find it,
Buy it; Sell it in New York
Gulf Coast
L.A. Style
Manhattan Cable TV Guide
New Jersey Home & Garden &
Specials
New Jersey Bride
New Jersey Garden State
New Jersey Monthly
New Jersey Skylander
New York
New York Epicurean Rendevous
New York Giants Yearbook
New York Hockey

New York's Nightlife
New York Woman
Philadelphia
Planning Your New York Wedding
The Book: New York
Washingtonian
World Almanac
Zagat: New York Restaurant
Guide

SCIENCE

Breakthroughs
Discover
"E" Magazine
Final Frontier
Omni
Popular Science
Scientific American

SPECIAL INTERESTS & HOBBIES

American Civil War
American Turf Monthly
Bow Hunting
Breeders Cup
Coin Prices
Coin's Magazine
Combat Handgun
Complete Rifleman
Deer Hunting Annual
Electronic Gaming Monthly
Field & Stream
Guns & Ammo & annual
Handguns Test Fire
Hunting
Hunting Annual
Martial Arts of China

SPECIAL INTERESTS/HOBBIES

Cont'd...

Military History & Specials
Offshore
Operation Desert Shield
Outdoor Life
Outside
Petersen's Fishing
Petersen's Handguns
Pocket Pistol Handbook
Popular Mechanics
Rifle & Shotguns
Shooting Times
Soldier of Fortune
Sports Afield
Vietnam Magazine
World War II

SPORTS GENERAL

Athlon's Specials
Dick Vitale Basketball
Don Heinrich College Football
Inside Hockey
Inside Sports
NCAA Basketball
Official Pro Basketball
Petersen's Pro Basketball
Preview Sports & Specials
Pro Football Weekly
Sport
Sports Illustrated & Specials
Street & Smith Annuals
Swimwear Illustrated
The Show
Topps Magazine
Who's Who in Basketball

SPORTS: INDIVIDUAL

Backpacker
Bicycling
Flying
Golf
Golf Digest
Golf Digest Master
Golf Illustrated
Golf for Women
Powder
Runners World
Ski
Skiing
Skin Diver
Tennis
World Tennis

TEEN

Bop & Specials
Cartoons
Cracked & Specials
National Lampoon
Rap Masters
Sassy
Seventeen
Superteen
Teen
Teen Beat
Teen Machine
Young Miss
Your Prom

TV/CELEBRITY/HAIRSTYLES

Best Hairdo Ideas
Buzz
Celebrity Hairstyles

TV/CELEBRITY/HAIRSTYLES

Cont'd...

Celebrity Sleuth
Daytime Digest
Daytime TV & Specials
Entertainment Weekly
Hairdo Ideas
Hairdo Original
Hairstyle
Hollywood Then & Now
Metal Edge
Movie Mirror
New Ideas Hair Styling
People
Premiere
Show World
Soap Opera Digest
Soap Opera Spectacular
Soap Opera Stars
TV Guide
TV Movie Screen
US
Variety & Specials

TRAVEL

Conde Nast Traveler
Country Inns/Bed & Breakfast
European Travel & Life
Snow Country
Travel & Leisure
Travel South

WOMEN'S FASHION

BBW-Big Beautiful Woman
Elle
Harpers Bazaar

Glamour

Mademoiselle

Vogue

"W"

WOMEN'S GENERAL

Cosmopolitan
Family Circle
First for Women
Good Housekeeping
Ladies Home Journal
Lears
McCalls & Specials
Ms.
Mirabella
New Woman
Redbook
Woman's Day & Specials
Woman's World

SCHEDULE 'A'
INTERNATIONAL PRESS

BRITISH

Arena
Blitz
British Brides
British Country Living
British Gentleman's Quarterly
British Homes & Gardens
British World Soccer
British Vogue
Country Home & Interior
Empire
For Him
Games Machine
Harpers & Queen
I.D.
I.T.
Marie Claire
Metal Forces
Miss Vogue
Motorsport
Raze
Royal Airforce Yearbook
Royalty Monthly
Selfridges
Tatler
The Face

FRENCH

French Glamour
Maison et Jardin
Paris Passion
Paris Vogue
Pixel Vision

Vogue Decoration
Vogue Hommes
Vogue Hommes International

GERMAN

German Vogue
Manner Vogue

RUSSIAN

Sputnik

ITALIAN

Casa Italian
Italian Vogue
Lei
Moda Viva
Vogue Bambini
Vogue L'Uomo

AUSTRALIAN

Australian Vogue
Vogue Living
Vogue Entertaining Guide

BRAZIL

Brazil-Vogue

SPAIN

Spanish Vogue

MEXICO

Mexican Vogue

SCHEDULE 'A'
DOMESTIC NEWSPAPERS AND WEEKLIES

DAILY (Local)

Daily News
Daily Racing Form
Investors Daily
National Sports Review
Newsday (L.I.)
New York Newsday
New York Post
New York Times
U.S.A. Today
Wall St. Journal
Womans Wear Daily

INTERNATIONAL

El Diario
Financial Times
International Herald Tribune
Japan Daily
Japan Weekly
Japanese Economic Journal
London Times (Sunday only)

REGIONAL DAILY

Asbury Park Press
Bergen Record
Boston Globe
Boston Herald
Chicago Tribune
Herald Statesman (Westch.)
Hudson Dispatch
L.A. Times
Newark Star Ledger
Philadelphia Inquirer

Reporter Dispatch (Westch.)
Washington Post

WEEKLY

Advertising Age
Amsterdam News
Back Stage
Barrons
Buylines
Car Buyers Market
Chief
City Sun
Crains N.Y. Business
E.C. Rocker
Electronic Media
English Forward
Giant Extra
Hockey News
Irish Echo
Irish Voice
Jewish Press
La Voz
L.I. Fisherman
National Enquirer
National Examiner
National Star
New American
New York Observer
Selling Post
Shoot
Show Business
Soap Opera Weekly

WEEKLY Cont'd...

Sporting News & Specials

The Sun

Village Voice

Weekly World News

WSJ National Employment

Retail Management Services Division
Hudson County News Company
T/A Hudson News

SCHEDULE B

Proposed Retail Price Structure
(Addendum)

| <u>Item of Category</u> | <u>Retail Price</u> |
|--|---------------------------------------|
| Newspapers | Manufacturers Price Published on Item |
| Magazines | Manufacturers Price Published on Item |
| Periodicals | Manufacturers Price Published on Item |
| Candies, Soda, Ice Cream, Packaged Snacks | (See Schedule B-1) |
| Gums | (See Schedule B1) |
| Mints, Cough Drops, Digestive Aids | (See Schedule B2) |
| Paperback Books | Manufacturers Price Published on Item |
| Cigarettes | (See Schedule B4) |
| Cigars, Tobacco & Tobacco Products | (See Schedule B5) |
| Souvenirs | (See Schedule B6) |
| Postal Cards | \$.50 |
| Stationery Supplies | (See Schedule B7) |
| HBA/Film/Batteries | (See Schedule B8) |
| Sundries | (See Schedule B9) |

HUDSON NEWS

Schedule B1

Itemization of all candy and packaged goods for sale at \$.60 retail price, plus appropriate sales tax, unless otherwise stated.

Item

| | |
|-----------------------------------|-----------------------------------|
| Almond Joy | Fifth Avenue Bar |
| Bounty Milk | Golden Almond Solitaires |
| Bounty Dark | Goobers |
| Bit-O-Honey | Good & Plenty |
| Breath Saver Assorted Mints | Good & Fruity |
| C & B Assorted Candies | Heide Gummi Bears |
| Certs Assorted Mints | Heide Juji Fruits |
| Certs Sugar Free Assorted Mints | Hershey Almond |
| Charms Assorted Mints | Hershey Almond King Size \$.92 |
| Charms Pops Assorted - \$.15 each | Hershey Milk Chocolate |
| Charlston Chews | Hershey Milk Choc. King Sz \$.92 |
| Chuckles | Hershey Small Bag Kisses |
| Chunky | Planters Peanut Bar |
| Clark Bar | Junior Mints |
| Clorets Gum | Keebler Cookies & Crackers |
| Clorets Mints | Kit Kat |
| Combos Snack Assorted \$.65 | Krackel |
| Cracker Jacks 1.5 oz box | Nibs Licorice |
| Kraft Caramel 2 1/2 oz | O'Henry Bar |
| Kraft Cheese & Cracker snacks | Payday |
| Lifesaver Assorted Mints | Peanut Chew |
| M & M Plain | Planters Cashews |
| M & M Peanut | Planters Dry Roasted Peanuts |
| M & M Peanut King Size \$.92 | Planters Peanuts |
| Mars Bar | Planters Honey Roast Peanuts |
| Milk Duds | Planters Cheez Balls |
| Milky Way Bar | Planters Corn Chips |
| Milky Way King Size \$.92 | Pumpkin Seeds |
| Mounds | Raisins |

Schedule B1 Cont'd...

| | |
|---|---------------------------|
| Mr. Goodbar | Raisinets |
| Mr. Goodbar King Size \$.92 | Reed Assorted Candies |
| Nabisco Assorted cookies/crackers | Reeses Peanut Butter Cups |
| Nabisco 2 oz. box cookies \$.92 | Reeses Pieces |
| Necco Canada Mints | Regal Crown Asst. Mints |
| Nestle 100 Grand Bar | Rolo |
| Nestle Crunch | Skittles Assorted flavors |
| Nestle Crunch King Size \$.92 | Smokehouse Almonds |
| Nestle Alpine White | Snickers |
| Nestle Milk | Snickers Peanut Butter |
| Nibs Cherry | Snickers King Size \$.92 |
| Sugar Babies | Sunflower Seeds |
| Sunkist Fruit Gems | Three Musketeers |
| Tootsie Roll | Tootsie Roll Pop - \$.25 |
| Twix Caramel | Twix Peanut Butter |
| Twizzler Strawberry | Velamints Assorted |
| Brachs Assorted Candies-Bags \$1.25 | York Mints |
| Frito Lay Assorted Cookies, Chips, packaged Cracker Snacks \$.75 | |
| House of Bazzini Assorted packaged Dried Fruit & Nuts \$1.25 | |
| Peppridge Farm Assorted packaged Cookies all with manufacturers pricing | |
| Cold Soda \$.90 | |
| Very Fine 11 oz. Juice (Assorted flavors) \$1.00 | |
| Evian Water 11 oz. \$1.00 | |

ICE CREAM

| | |
|------------------------------|--------|
| Haagan Daaz Bars (assorted) | \$1.75 |
| Haagan Daaz Cups (assorted) | 2.25 |
| Frozen Fruit Bars (assorted) | 1.10 |
| Bordens Ice Cream Sandwich | .75 |
| Neapolitan Sandwich | 1.25 |
| Yogurt Fruit Bar | 1.00 |

HUDSON NEWS

Schedule B

Itemization of gums for sale at \$.55 plus appropriate sales tax unless otherwise stated with respective retail price.

Bazooka Assorted Flavors

Big Red

Bubble Yum Assorted Flavors

Bubblicious Assorted Flavors

Carefree Assorted Flavors

Chicklet Assorted Flavors

Dentyne Assorted Flavors

Dentyne Valu-Pak Assorted Flavors - \$.92

Dentyne Sugar Free Assorted Flavors

Extra Assorted Flavors

Freedent Assorted Flavors

Freshen Up Assorted Flavors

Trident Assorted Flavors

Trident Valu-Pak Assorted Flavors - \$.92

Wrigley Assorted Flavors

HUDSON NEWS

Schedule B3

Itemization of cough drops, mints & digestive aids for sale at
\$.69 plus appropriate sales tax.

Halls Assorted Cough Drops

Luden Assorted Cough Drops

Pine Brothers Assorted Cough Drops

Rolaids Regular & Sodium Free Assorted

Smith Brothers Assorted Cough Drops

Tic Tac Assorted Mints

Tums Assorted

Vicks Assorted Cough Drops

HUDSON NEWS

Schedule B4

Itemization of cigarettes proposed for sale at \$2.22 plus appropriate sales tax. Listed below are brands we propose to carry including Boxed King, Soft King, Menthol, Regular, 100's, Filter Hard Pack, Light King, Light Boxed, Filter King and Generics, all of which will sell for the same retail plus sales tax.

| | | |
|---------------|--------------|--------------------|
| Barclay | Sterling | Philip Morris |
| Camel | Tareyton | Players |
| Capri | Triumph | Raleigh |
| Golden Lights | True | Salem |
| Kent | Vantage | Saratoga |
| Kool | Viceroy | Virginia Slim |
| L & M | Winston | Doral |
| Lark | B & H | Dunhill-\$2.50+tax |
| Lucky Strike | Belair | Rothman-\$2.50+tax |
| Marlboro | Chesterfield | |
| Merit | Eve | |
| Mild Seven | Max | |
| Newport | More | |
| Now | Pall Mall | |
| Parliament | Satin | |

HUDSON NEWS

Schedule 85

Itemization of cigars, tobacco and tobacco products proposed for sale.

Commercial Cigars

| <u>Item</u> | <u>Retail Price</u> |
|--------------------------|---------------------|
| Garcia & Vega Cigarillos | 1.15 |
| Chico | 1.55 |
| Miniatures | 1.20 |
| Panatella | 1.70 |
| Senators | 1.85 |
| Blunts | 1.99 |
| Bouquets | 1.99 |
| Tips | 1.10 |
| Bravura | 1.75 |
| Whiffs | 2.75 |
| Presidente | 1.99 |
| Gallante | 2.35 |
| Elegante | 2.35 |
| Gran Premio | 2.20 |
| English Coronas | 2.60 |
| Tiparillo Aromatic | .80 |
| Menthol | .80 |
| Regular | .80 |
| Sweet | .80 |
| White Owl | |
| Miniatures | 1.10 |
| Demi-Tip | 1.05 |
| Coronetta | 1.10 |
| New Yorker | 1.25 |
| Invincible | 1.80 |
| Robert Burns | |
| Blackwatch | 2.35 |
| Cigarillos | .80 |

Schedule B Cont'd...

| | | |
|----------------|----------|------|
| William Penn | Braves | 1.10 |
| | Perfecto | .99 |
| | Panatela | 1.30 |
| Tijuana Smalls | Aromatic | .80 |
| | Regular | .80 |
| | Cherry | .80 |

Pipe Tobacco

| <u>Item</u> | | <u>Retail Price</u> |
|---------------|------------|---------------------|
| Amphora | Regular | 3.10 |
| | Full Aroma | 3.10 |
| Sail | Natural | 3.05 |
| Captain Black | Supreme | 2.40 |
| | Gold | 2.40 |
| | Royal | 2.40 |
| | White | 2.40 |

Smoking Accessories

| <u>Item</u> | <u>Retail Price</u> |
|---------------------------|---------------------|
| BIC Mini lighters | .99 |
| BIC lighters | 1.25 |
| D'Jeep lighters | 1.49 |
| D'Jeep I Love NY lighters | 1.49 |
| BAMBU large | .79 |
| Skoal | 2.50 |
| Copenhagen | 2.50 |

HUDSON NEWS

Schedule B₆

Itemization of souvenirs and T-shirts proposed for sale.

| <u>Item</u> | <u>Retail Price</u> |
|--|---------------------|
| Assorted New York T-shirts (assorted sizes) | 9.95 |
| Assorted New York Sweatshirts (assorted sizes) | 15.95 |
| Assorted Sports (team) shirts (assorted sizes) | 10.95 |
| I Love New York ash tray 6" | 2.95 |
| " " salt & pepper set | 3.95 |
| " " cup & saucer set | 1.99 |
| " " piggy bank | 2.95 |
| " " ash tray 10" | 3.95 |
| " " mug | 3.95 |
| " " 3" bell | 2.95 |
| " " bear toothpick holder | 2.95 |
| " " shot glass | 1.95 |
| " " high ball glass | 2.95 |
| New York Times mug | 4.95 |
| " " toothpick holder | 1.95 |
| " " salt & pepper set | 5.95 |
| " " 12" plate | 8.95 |
| Big Apple mug | 3.95 |
| New York Brush Stroke mug | 4.95 |
| " " mini mug | 2.95 |
| " " shot glass | 2.95 |
| Statue of Liberty mug | 3.95 |
| " " mini mug | 2.95 |
| " " water globe | 2.95 |
| Plastic Statue of Liberty | 5.95 |
| New York T-shirt Teddy Bear | 7.95 |
| Small water globe | 1.95 |
| Large water globe | 3.95 |
| Heart water globe | 3.95 |

Schedule 36 Cont'd...

| | |
|--------------------------------------|------|
| Metal Statue of Liberty 6" | 3.95 |
| Metal Statue of Liberty 12" | 8.95 |
| Metal Empire State Building 6" | 3.95 |
| Metal Empire State Building 12" | 8.95 |
| New York assorted spoons | 4.95 |
| New York assorted brass key chains | 3.95 |
| New York assorted plastic key chains | 1.95 |
| I Love New York lighter | 1.99 |
| I Love New York glitter pen | 1.99 |
| New York scene tilt pen | 1.99 |
| I Love New York pencil | .59 |
| New York Neon Hats | 7.95 |
| New York Admirals cap | 5.95 |
| New York lapel pins (assorted) | 1.99 |

HUDSON NEWS

Schedule 87

Itemization of stationery supplies proposed for sale.

| <u>Item</u> | <u>Retail Price</u> |
|-----------------------------|----------------------------------|
| 8 x 10 plain notepad | 1.49 |
| 6 x 9 writing notepad | 1.29 |
| 3 x 5 memo pad | .75 |
| white memo pads (3-pack) | .99 |
| Scotch Tape | .99 |
| boxed envelopes (110 count) | .99 |
| sharpened pencils | .29 |
| Bic Stick Pens | .49 |
| Parker Boxed Pens | (Mfg. priced from 8.95 to 29.95) |
| hiliter | 1.50 |
| legal pads (2-pack) | 1.49 |
| small address book | 2.95 |
| large address book | 4.95 |
| Krazy Glue | 1.49 |

HUDSON NEWS

Schedule B&

Itemization of Health & Beauty Aids (HBA), Film and Batteries
proposed for sale.

Item

Retail Price

| | |
|---------------------------------------|------|
| Gillette Good News 2's | .99 |
| Advil 8's | 1.89 |
| Ajax Combs | .49 |
| Alka Seltzer 2's | .50 |
| Anacin Tins 12's | 1.89 |
| Aquanet Hair Spray (2.5 oz.) | 1.29 |
| Aspergum | 2.49 |
| Ban Roll On (1.5 oz.) | 3.99 |
| Band Aid 10's | 1.19 |
| Bates Emery Board | .99 |
| Bates Nail Clipper | .99 |
| Bayer Sleeve 12's | 1.89 |
| Binaca Spray (2 oz.) | 2.99 |
| Bufferin 12's | 2.05 |
| Chapstick | 1.19 |
| Colgate Tooth Paste (1-1/2 oz.) | 1.19 |
| Contact 12 Hr. Caps 10's | 5.69 |
| Crest Tooth Paste (1.4 oz.) | 1.19 |
| Dramamine 12 | 4.29 |
| Dristan 24's | 4.95 |
| Excedrin Tins 12's | 2.25 |
| Fluffy Facial Pack 8's | .50 |
| Foamy Shave Cream (6.25 oz.) | 1.49 |
| Hav a Hank | .99 |
| Johnson & Johnson Baby Oil (4 oz.) | 2.49 |
| Johnson & Johnson Baby Powder (4 oz.) | 2.99 |
| Johnson & Johnson Baby Shampoo | 2.99 |
| Kleenex Pocket Pack | .50 |
| Listerine (3 oz.) | 1.69 |
| Maalox Plus 12's | .79 |

Schedule 88 Cont'd...

| <u>Item</u> | <u>Retail Price</u> |
|--------------------------------------|---------------------|
| Midol 12's | 2.49 |
| Mylanta (5 oz.) | 2.65 |
| Nail Polish Remover (4 oz.) | 1.49 |
| Noxzema Skin Cream (2.5 oz.) | 2.25 |
| Nyquil (6 oz.) | 6.69 |
| Pepto Bismol 24's | 3.25 |
| Prell Shampoo (3 oz.) | 2.99 |
| Q-Tips Cotton Swabs 54's | 1.59 |
| Robitussin (4 oz.) | 4.50 |
| Right Guard Spray (4 oz.) | 3.99 |
| Scope Mouthwash (6 oz.) | 3.49 |
| Tampax 10's Regular & Improved | 2.25 |
| Tik Toothbrush (Firm, Medium & Soft) | .79 |
| Trojan Family Center | .99 each |
| Tylenol Tins 12's | 1.99 |
| Vaseline Petroleum Jelly (1.75 oz.) | 1.49 |
| Vicks Formula 44 (4 oz.) | 4.50 |
| Vicks Inhaler | 2.69 |
| Visine (5 oz.) | 3.29 |
| Kodak Batteries (2D or 2C) | 2.99 |
| Kodak Batteries (2AA) | 2.25 |
| Kodak Batteries (1-9 Volt) | 3.25 |
| Kodak Batteries (2 AAA) | 2.25 |
| Kodak Film 110 12-200 | 3.59 |
| Kodak Film 110 24-200 | 4.99 |
| Kodak Film 135 24-200 | 5.69 |
| Kodak Film 135 24-100 | 4.99 |
| Kodak Film 135 12-400 | 4.39 |
| Kodak Film 135 24-200 | 6.09 |
| Kodak Film Disc 15 | 4.39 |
| Kodak Film VR 1600 CF 135-24 | 7.09 |
| Kodak Film 135 36-100 | 5.09 |

Schedule #8 Cont'd...

| <u>Item</u> | <u>Retail Price</u> |
|-----------------------|---------------------|
| Kodak Film 135 12-100 | 3.69 |
| Kodak Film 135 36-200 | 6.59 |
| Kodak Film 135 36-400 | 7.09 |
| Kodak Fling Camera | 10.95 |

SCHEDULE E

For purposes hereof, Minority Business Enterprise (MBE) shall mean any business enterprise which is at least fifty-one percentum owned by one or more citizens or permanent resident aliens who are minorities and such ownership is real, substantial and continuing, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by citizens or permanent resident aliens who are minorities and such ownership is real, substantial and continuing. As used herein minority shall mean an individual member of any of the following racial groups

- (i) Black (all persons having origins in any of the Black African racial groups not of Hispanic origin;
- (ii) Hispanic (all persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American origin, regardless of race);
- (iii) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asian, the Indian Subcontinent, or the Pacific Islands) which includes persons whose origins are from Japan, China, Taiwan, Korea, Vietnam, Laos, Cambodia, the Philippines, Samoa, Guam, the U.S. Trust Territories of the Pacific, the Northern Marianas, India, Pakistan, Bangladesh, and Sri Lanka; and
- (iv) American Indian or Alaskan Native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification) which includes persons who are American Indians, Eskimos, Aleuts, or Native Hawaiians.

For the purposes hereof, Women-owned Business Enterprise (WBE) shall mean any business enterprise which is at least fifty-one percentum owned by one or more women and such ownership is real, substantial and continuing, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by one or more women and such ownership is real, substantial and continuing. "Meaningful participation" shall mean that at least twelve percent (12%) of the total dollar value of the contracts (including subcontracts) are for the participation of Minority Business Enterprises, and that at least five percent (5%) of the total dollar value of the contracts (including subcontracts) are for the participation of Women-owned Business Enterprises. Good faith efforts to include meaningful participation by MBEs and WBEs shall include at least the following:

(1) Dividing work into smaller portions where feasible.

(2) Actively and affirmatively soliciting bids and proposals for contracts or subcontracts to provide commodities and services from MBEs and WBEs including circulation of solicitations to minority and female contractor associations. The Lessee shall maintain records detailing the efforts it and its contractors have made to provide for meaningful MBE and WBE participation, including the names and addresses of all MBEs and WBEs contacted and, if any such MBE or WBE is not selected, the reason for such decision. The Lessee shall supply to the Port Authority such information, data, and documentation with respect to the efforts the Lessee has made to provide for meaningful MBE and WBE participation in contracts and subcontracts as the Port Authority may from time to time and at any time request.

(3) Providing prospective MBEs and WBEs with plans, specifications, and other necessary background materials with regard to prospective work available to MBEs and WBEs in sufficient time for review.

(4) Meeting regularly with representatives of the Port Authority to identify forthcoming business opportunities and suitable MBEs and WBEs, following up on specific recommendations made by such representatives, and utilizing the list of eligible MBEs and WBEs hereinafter described in this Schedule, maintained by the Port Authority, or seeking minorities and women from other sources for the purpose of soliciting contractors, subcontractors, and suppliers.

(5) Encouraging the formation of joint ventures, partnerships or other similar arrangements among contractors, where appropriate, to insure that the Lessee and its contractors will meet their obligations hereunder.

(6) Insuring that provision is made to provide progress payments to MBEs and WBEs on a timely basis, where appropriate.

(7) Not requiring bonds from and/or providing bonds and insurance for MBEs and WBEs, where appropriate.

The Port Authority has compiled a list, which may be supplemented and revised from time to time by the Port Authority, of the firms the Port Authority has determined satisfy the criteria for MBE and WBE certification. Such list shall be made available to the Lessee and its contractors upon request. The Port Authority makes no representation as to the financial responsibility of such firms, their technical competence to perform, or any other performance-related qualifications. Only listed MBEs and WBEs and such firms as are not so listed but as are certified by the Port Authority as MBEs and WBEs hereunder will count toward the MBE and WBE goals.

Certification of MBE's and WBEs hereunder shall be made by the Office of Business and Job Opportunity of the Port Authority. If the Contractor wishes to utilize a firm not so listed but which the Contractor believes should be certified because it is an MBE or WBE the Contractor shall submit to the Port Authority a written request for a determination that the proposed firm is eligible for certification. This shall be done by completing and forwarding such form as may be required by the Port Authority from time to time. All such requests shall be in writing addressed to Mr. John Alexander or other designee of the Office of Business and Job Opportunity, the Port Authority of New York and New Jersey, One World Trade Center, 37 South, New York, N.Y. 10048. If any such firm is determined eligible for certification it shall only be by a writing over the name of the Director in charge of such Office. The determination of the Port Authority shall be final and binding on the Contractor. For inquiries or assistance, please contact Mr. John Alexander at (212) 432-4188.

The following organizations may be able to refer the Contractor to firms which the referring organization has a reasonable basis to believe may meet the Port Authority's criteria for certification as an MBE or WBE. Any referrals which are not listed shall be submitted to the Port Authority for a determination as to eligibility as provided above.

- | | |
|---|---|
| <p>1. National Minority Bus. Council, Inc. 235 East 42nd Street New York, N.Y. 10017 (212) 573-2385</p> | <p>4. The Council For Airport Opportunity 2 World Trade Center Suite 2228 New York, N.Y. 10048 (212) 466-1091</p> |
| <p>2. N.Y./N.J. Minority Purchasing Council 1412 Broadway - 11th floor New York, N.Y. 10018 (212) 944-2442</p> | <p>5. Assoc. of Minority Enterprises of N.Y. (AMENY) 165-40A Baisley Blvd. Suite #3 Jamaica, N.Y., 11434</p> |
| <p>3. Newark, Paterson, Jersey City Business Development Center 60 Park Place, Suite 1307 Newark, N.J. 01702 (201) 623-7712</p> | <p>6. Air Services Development Office 90-04 161st Street Jamaica, N.Y. 11432 (718) 262-9012</p> |

In the event that the participation of any MBE or WBE selected by the Lessee or any of its contractors to participate in any contracts or subcontracts entered into with respect to any construction work performed on the premises, is cancelled or terminated for any reason, the Lessee agrees and agrees to require its contractors to make every good faith effort, to the

maximum extent feasible, and consistent with the Lessee's exercise of good business judgment, including, without limitation, the consideration of cost competitiveness, to utilize other MBEs and WBEs so as to maintain appropriate participation by MBEs and WBEs in such contracts.

Labor Force Utilization

Without limiting the the provisions of paragraphs (a) and (b) of this Section, and without limiting any of the other terms and conditions of this Agreement, the Lessee agrees and agrees to require its construction and maintenance contractors and subcontractors at each tier of any construction undertaken pursuant to the provisions of this Agreement to make good faith efforts to achieve a supervisory and non-supervisory work force on each contract that is representative of the local community labor force with respect to minority and female participation and will work with the Port Authority's Office of Business and Job Opportunity to identify referral sources when needed. The Lessee will cooperate with the Port Authority to develop on the job training programs and will participate in apprenticeship and other training programs that expressly include minority and female workers. The Lessee agrees to require its contractors and subcontractors to participate in such programs and to make a good faith effort to utilize apprentices or other trainees in the work as appropriate. The Lessee agrees to and shall require its contractors and subcontractors to appoint an executive of their respective companies to assume the responsibility for the implementation of the contractors' good faith efforts to achieve minority and female participation in the work force under the contract.

The goals for minority and female participation, expressed in percentage terms for the aggregate workforce in each trade on all construction work are as follows:

Journey level trade workers

Minority participation: 30%

Female participation: 6.9%

Laborers and other unskilled workers

Minority participation: 40%

Female participation: 6.9%

These goals are applicable to all construction work performed in and for the premises. Compliance with the goals will be measured against the total work hours performed.

(d) The Lessee agrees to require its contractors and subcontractors to provide written notification to the Lessee and the Lessee agrees to provide written notification to the Office of Business and Job Opportunity of the Port Authority within 10 working days of award of any construction contract or subcontract in excess of \$10,000.00 at any tier for construction work. The notification shall list the name, address, telephone number and employer identification number of the contractor or subcontractor; and the estimated starting and completion dates of the contract or subcontract. As used herein, "Employer identification number" shall mean the Federal Social Security Number used on the Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941. The term minority shall mean an individual member of any of the racial groups described in this Schedule.

(e) The Lessee agrees to require its contractors and subcontractors, at any tier, whenever they subcontract a portion of the construction work involving any construction trade, to physically include in each subcontract in excess of \$10,000 those provisions which include the applicable goals for minority and female participation.

(f) The Lessee agrees to require its contractors and subcontractors to implement the specific affirmative action standards provided in subparagraphs (1) through (16) of paragraph (i) hereof. The goals set forth above are expressed as percentages of the total hours of employment and training of minority and female utilization the Lessee's contractors and subcontractors should reasonably be able to achieve in each construction trade in which it has employees on the premises. The Lessee agrees and agrees to require its contractors and subcontractors to use good faith efforts to make substantially uniform progress toward its goals in each craft during the period specified.

(g) The Lessee agrees to provide in its construction contracts that neither the provisions of any collective bargaining agreement, nor the failure by a union with which the contractor has a collective bargaining agreement, to refer either minorities or women shall excuse the contractor's obligations thereunder.

(h) The Lessee further agrees to provide in its agreements with its contractors that in order for the nonworking training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees shall be employed by the contractor during the training period, and the contractor shall have made a commitment to employ the apprentices and trainees at the completion of their training, subject to the availability of employment opportunities. Trainees shall be trained pursuant to training programs approved by the U. S. Department of Labor.

(i) The Lessee agrees to require its contractors and subcontractors to take specific affirmative actions to ensure equal employment opportunity ("EEO"). The Lessee's evaluation of the contractor's compliance with these provisions shall be based upon the contractor's good faith effort to achieve maximum results from its actions. The Lessee agrees to require its contractors and subcontractors to document these efforts fully, and to implement affirmative action steps at least as extensive as the following:

(1) Ensure and maintain a working environment free of harassment, intimidation, and coercion at all portions of the premises at which the contractor's employees are assigned to work. The contractor, where possible, will assign two or more women to each phase of the construction project. The contractor shall specifically ensure that all foremen, superintendents, and other supervisory personnel at the premises are aware of and carry out the contractor's obligation to maintain such a working environment, with specific attention to minority or female individuals working at the premises.

(2) Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the contractor or its unions have employment opportunities available, and maintain a record of the organizations' responses.

(3) Maintain a current file of the names, addresses and telephone numbers of each minority and female off-the-street applicant and minority or female referral from a union, a recruitment source or community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the contractor by the union or, if referred, not employed by the contractor, this shall be documented in the file with the reason therefor, along with whatever additional action the contractor may have taken.

(4) Provide immediate written notification to the Lessee when the union or unions with which the contractor has a collective bargaining agreement has not referred to the contractor a minority person or woman sent by the contractor, or when the contractor has other information that the union referral process has impeded the contractor's efforts to meet its obligations.

(5) Develop on-the-job training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and trainee

programs relevant to the contractor's employment needs, especially those programs funded or approved by the Department of Labor. The contractor shall provide notice of these programs to the sources compiled under subparagraph (2) above.

(6) Disseminate the contractor's EEO policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the contractor's newspaper, annual report, etc.; by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and by posting the contractor's EEO policy on bulletin boards accessible to all employees at each location where the construction work is performed.

(7) Review, at least every six months, the contractor's EEO policy and affirmative action obligations hereunder with all employees having any responsibility for hiring, assignment, layoff, termination or other employment decisions including specific review of these items with on-area supervisory personnel such as Superintendents, General Foremen, etc., prior to the initiation of construction work at the premises. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.

(8) Disseminate the contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the contractor's EEO policy with other contractors and Subcontractors with whom the contractor does or anticipates doing business.

(9) Direct its recruitment efforts, both oral and written, to minority, female and community organizations, to schools with minority and female students, to minority and female recruitment and training organizations and to State certified minority referral agencies serving the contractor's recruitment area and employment needs. Not later than one month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the contractor shall send written notification to organizations such as the above, describing the openings, screening procedures, and tests to be used in the selection process.

(10) Encourage present minority and female employees to recruit other minority persons and women and, where reasonable, provide after school, summer and vacation employment to minority and female youth both on the premises and in other areas of a contractor's workforce.

(11) Tests and other selection requirements shall comply with 41 CFR Part 60-3.

(12) Conduct, at least every six months, an inventory and evaluation of all minority and female personnel for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.

(13) Ensure that seniority practices, job classifications, work assignments and other personnel practices, do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the contractor's obligations hereunder are being carried out.

(14) Ensure that all facilities and company activities are nonsegregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.

(15) Document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitations to minority and female contractor associations and other business associations.

(16) Conduct a review, at least every six months, of all supervisors' adherence to and performance under the contractor's EEO policies and affirmative action obligations.

(j) The Lessee shall encourage its contractors to participate in voluntary associations which assist in fulfilling one or more of the affirmative action obligations set forth in subparagraphs (1)-(16) of paragraph (i) of this Section. The efforts of a contractor association, joint contractor-union, contractor-community, or other similar group of which the contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under paragraph (i) hereof provided that the contractor actively participates in the group, makes every effort to assure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the contractor's minority and female workforce participation,

makes a good faith effort to meet its individual goals and timetables, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the contractor. The requirement for good faith efforts to comply, however, shall remain with the contractor and the Lessee shall provide in its agreements with the contractor that failure of such a group to fulfill an obligation shall not be a defense for the contractor's non-compliance.

(k) Goals for minorities and a separate single goal for women have been established. The Lessee, however, agrees to require its contractors and subcontractors to provide equal employment opportunity and to take affirmative action for all minority groups, both male and female, and all women, both minority and non-minority, and to provide that consequently, the contractor may be in violation of its agreement with the Lessee if a particular group is employed in a substantially disparate manner (for example, even though the contractor has achieved its goals for women generally, the contractor may be in violation if a specific minority group of women is under-utilized).

(l) The Lessee agrees to provide that the contractor shall not use the goals and timetables or affirmative action standards to discriminate against any person because of race, color, religion, sex, or national origin.

(m) The Lessee agrees that it will not enter into any contract with any person or firm debarred from Government contracts pursuant to Executive Order 11246, and agrees to require that its contractors and subcontractors not enter into any subcontract with any such person or firm.

(n) The Lessee agrees to carry out such sanctions and penalties for violation of these provisions including suspension, termination and cancellation of existing contracts and subcontracts as may be required and the Lessee further agrees to require its contractors and subcontractors to agree to carry out such sanctions and penalties for violation of these provisions including suspension, termination and cancellation of existing contracts and subcontracts as may be imposed or ordered by the Lessee.

(o) The Lessee agrees to require its contractors and subcontractors, in fulfilling their obligations to the Lessee, to implement specific affirmative action steps, at least as extensive as those standards prescribed in paragraph (i) hereof so as to achieve maximum results from their efforts to ensure equal employment opportunity. If the contractor fails to comply with such requirements, the Lessee shall proceed accordingly.

(p) The Lessee agrees to require its contractors and subcontractors to designate a responsible official to monitor all employment related activity to ensure that the company EEO policy is being carried out, to submit reports relating to the

contractor's EEO obligations as may be required, and to keep records. The Lessee agrees to provide that records shall at least include for each employee the name, address, telephone numbers, construction trade, union affiliation if any, employee identification number when assigned, social security number, race, sex, status (e.g. mechanic, apprentice, trainee, helper, or laborer), date of changes in status, hours worked per week in the indicated trade, rate of pay, and location at which the work was performed. The Lessee further agrees to provide that records shall be maintained in an easily understandable and retrievable form; however, to the degree that existing records satisfy this requirement, contractors need not be required to maintain separate records.

(q) Nothing herein provided shall be construed as a limitation upon the application of any laws which establish different standards of compliance or upon the application of requirements for the hiring of local or other area residents (e.g., those under the Public Works Employment Act of 1977 and the Community Development Block Grant Program).

(r) Without limiting any other term or provision of this Agreement, the Lessee agrees and agrees to require its contractors and subcontractors to cooperate with all federal, state, or local agencies established for the purpose of implementing affirmative action compliance programs and the Lessee agrees and agrees to require its contractors and subcontractors to comply with all procedures which may be agreed to by and between the Port Authority and the Lessee.

(s) In addition to and without limiting any of the terms and provisions of this Agreement, the Lessee agrees to provide in its contracts and all subcontracts covering construction work, or any portion thereof, that:

(i) The contractor shall not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status, and shall undertake or continue existing programs of affirmative action to ensure that minority group persons are afforded equal employment opportunity without discrimination. Such programs shall include, but not be limited to, recruitment, employment, job assignment, promotion, upgrading, demotion, transfer, layoff, termination, rates of pay or other forms of compensation, and selections for training or retraining, including apprenticeships and on-the-job training;

(ii) At the request of either the Port Authority or the Lessee, the contractor shall request such employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding and which is involved in the performance of the contract with the Lessee to furnish a written statement that such employment agency, labor union or representative shall not

discriminate because of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will cooperate in the implementation of the contractor's obligations hereunder;

(iii) The contractor will state, in all solicitations or advertisements for employees placed by or on behalf of the contractor in the performance of the contract, that all qualified applicants will be afforded equal employment opportunity without discrimination because of race, creed, color, national origin, sex, age, disability or marital status;

(iv) The contractor will include the provisions of subdivisions (i) through (iii) of this paragraph in every subcontract or purchase order in such a manner that such provisions will be binding upon each subcontractor or vendor as to its work in connection with the contract;

(v) "Contractor" as used in subdivisions (i) through (iv) of this paragraph shall include each contractor and subcontractor at any tier of construction.

**RULES AND REGULATIONS FOR
THE PORT AUTHORITY BUS TERMINAL**

PURPOSE

1. Purpose. These rules are established by the Port Authority of New York and New Jersey to facilitate the proper use of the Port Authority Bus Terminal and to protect the terminal and its patrons.

DEFINITIONS

2. Definitions. As used herein:

(a) Bus shall mean a self-propelled highway vehicle designed and constructed for the carriage of passengers for hire, employing as a source of motive power (either directly or by electrical transmission) a reciprocating internal-combustion or a turbine engine (not including a jet-propulsion engine) utilizing as fuel gasoline, diesel oil, or any other substance utilized by highway vehicles for fuel and permitted both by the laws of New York and by those of New Jersey then in effect and also under the then existing rules and regulations governing the use of the Lincoln Tunnel (and then only in strict compliance with the requirements of such laws, rules and regulations), and having Overall dimensions not in excess of the following: length, 60 feet; width, 102 inches; height, 11 feet six inches and having a maximum gross loaded weight not in excess of 42,000 (unladen weight) pounds avoirdupois, distributed to provide not more than 20,000 pounds per axle. Articulated buses up to 65 feet overall length shall, for the purposes of these regulations, be included in the definition.

(b) Carrier shall mean an operator of one or more vehicles for the transportation of passengers for hire.

(c) Driver shall mean the person who is in actual physical control of a vehicle.

(d) Express shall mean and include property other than baggage, mail, manifest baggage and newspapers, transported or to be transported by a carrier in accordance with its published tariffs, and shall be defined as defined in the published tariffs of any carrier, except that it shall not include acid, animals, articles packed in wet ice or water, dangerous articles, explosives, gases, inflammable materials, intoxicating beverages, jewelry, lottery tickets, materials having or capable of producing strong, offensive odors, meat, meat products, money, securities, watches, or wet batteries; provided, however, that by notice given within 60 days after the effective date of any reissue, revision or supplement of a tariff of any carrier, the Port Authority may exclude therefrom any

article, material or thing listed therein for the first time; and provided, further, that express shall not include any parcel or piece the overall dimensions of which are greater than 24 inches by 24 inches by 45 inches.

(e) Highway vehicle shall mean and include an automobile, a bus, a truck, a tractor equipped with rubber tires, a trailer, or a semi-trailer.

(f) I.C.C. regulations shall mean regulations of the Interstate Commerce Commission in effect on the effective date hereof issued under the authority of the Interstate Commerce Commission.

(g) Manifest baggage shall mean and include property checked through on the line of any carrier (or of a carrier connecting with any carrier) on a ticket or tickets for passenger transportation, in accordance with and as defined by local and joint baggage tariff 500-G of the Interstate Commerce Commission, issued June 15, 1949 and effective July 20, 1949, as the same may be hereafter supplemented or amended; provided, however, that by notice given to the carrier within 60 days of any supplement, revision or reissue of the tariff of such carrier, the Port Authority may exclude any article, material or thing therein listed for the first time.

(h) Parking shall mean the halting of a vehicle on a roadway or other area while not actually engaged in receiving or discharging passengers, except when halted in obedience to traffic regulations, signs or signals, and without regard to the presence or absence of the driver.

(i) Permission shall mean permission granted by the manager except where otherwise specifically provided.

(j) Person shall mean any individual, firm, partnership, corporation, or incorporated or unincorporated association, and shall include any assignee, receiver, trustee, executor, administrator or similar representative appointed by a court, and shall mean the United States of America or any department of the government thereof, any state or political subdivision thereof, or any foreign government or political subdivision thereof or the United Nations.

(k) Port Authority shall mean The Port Authority of New York and New Jersey.

(l) Port Authority rules and regulations shall mean the rules and regulations set forth in this Part and all amendments and supplements thereto.

(m) Published tariff; see tariff.

(n) Stand shall mean to halt a bus for the purpose of loading or unloading or for Waiting in position for loading or unloading.

(o) Manager of the terminal or manager shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the said manager by these rules and regulations, and shall mean the manager or acting manager of the terminal for the time being or his duly designated representative or representatives.

(p) Tariff or published tariff shall mean the schedule of rates, terms and conditions of transportation under which a carrier conducts its operation and which has been approved by the Interstate Commerce Commission or by other governmental regulatory body having jurisdiction over the operations of the carrier.

(q) Terminal shall mean the two buildings that represent the North and South Wing of the bus facility which are connected above and below West 41st Street. The South Wing shall mean the building on the block bounded by West 40th Street, Ninth Avenue, West 41st Street and Eighth Avenue in the borough of Manhattan, in the City, County and State of New York. The North Wing shall mean the building on a portion of the block bounded by East 42nd Street, Eighth Avenue, West 41st Street and the east face of the building at 330 West 42nd Street in the borough of Manhattan, in the City, County and State of New York. The terminal also includes the overhead viaducts from the South Wing to the west side of 9th Avenue as well as the tunnel leading from the North Wing to Dyer Avenue.

(r) Vehicle shall mean and include automobiles, trucks, buses, tractors, trailers, semi-trailers, horse-drawn carts or wagons and any other devices in or upon or by means of which any person or property is or may be transported, carried or drawn upon land only, except railroad rolling equipment or other devices designed to operate on stationary rails or tracks.

(s) Vehicular level shall mean and include any floor or story at the terminal designed for use by highway vehicles.

GENERAL

3. Permission to use terminal conditional. Any permission granted by the Port Authority directly or indirectly, expressly or by implication, to any person or persons to enter upon or use the terminal or any part thereof, is conditioned upon acceptance of and compliance with the Port Authority rules and regulations, as from time to time may be changed, and entry upon or into the terminal by any person shall be deemed to constitute an agreement by such person to comply with the said rules and regulations; provided, however, that such rules and regulations will not apply to premises or space occupied or used under the

provisions of a written agreement made with the Port Authority unless provision is made therein for the application of the said rules and regulations.

4. Use of terminal may be denied persons violating law or rules. The Manager of the terminal shall have authority to deny the use of the terminal to any individual violating Port Authority rules and regulations or laws, ordinances or regulations of the United States government, the State of New York, or the City of New York.

5. Permission to enter certain areas of the building.

- (a) Closed Areas - No person except person assigned to duty therein shall enter without permission any area of the terminal posted as being closed to Public.
- (b) Restricted Areas - No person shall enter without authorization any area of the terminal posted as restricted unless such person complies with such restriction.
- (c) Persons entering the terminal when not fully open for business - During such days and hours as the terminal is partially closed such as late hours of the night and early hours of the morning, any person shall, when entering, remaining, or leaving the terminal, if requested by a Port Authority representative, exhibit such authorization as prescribed by the manager.

6. Abandonment of property prohibited. No person shall abandon any property at the terminal.

7. Permission required to carry on commercial activity. No person shall carry on any commercial activity at the terminal without permission.

8. Gambling prohibited. No person shall gamble or conduct or engage in any game of chance at the terminal unless such game of chance is permitted by local state and federal law and has been approved by the manager.

9. Permission required to solicit funds or contributions. No person shall solicit funds or contributions for any purpose at the terminal without permission.

10. Permission required to post or distribute commercial signs, advertisements, etc. No person shall post, distribute or display commercial signs, advertisements, circulars or printed or written material within the terminal without permission. The manager of the terminal reserves the right to set standards for the location, appearance, size and content of

all signs, posters, notices, displays and advertisements and may prohibit installation of such or subsequent removal, if necessary.

11. **Lost Articles.** All persons finding lost articles at the terminal shall deliver them to the Parcel Check Room. Articles unclaimed by the owner or owners within three months after the finding thereof will be turned over to the finders, except when found by Port Authority employees on duty.

12. **Trash, garbage, waste, etc. to be deposited in receptacles provided therefor.** No persons shall throw, discharge or deposit trash, garbage, waste, oil or other petroleum products or any other waste material into or upon any portion of the terminal except by depositing such material in receptacles provided therefor. All such receptacles shall be subject to the approval of the manager.

13. **Defacing, damaging, etc. terminal or property therein prohibited.** No person shall deface, mark, break, or otherwise damage any part of the terminal, or any property thereat.

14. **Non-commercial distribution of leaflets, carrying of placards and holding of discussions restricted.**

(a) The non-commercial distribution of leaflets, the setting up of card tables to aid in that distribution, the carrying of placards and the holding of discussions with terminal patrons shall be permitted in the following manner at the locations on the subway mezzanine passageway, main floor, second floor and fourth floor and not within 10 feet of an escalator or elevator as designated on a diagram of the terminal on display in the manager's office and on file in the secretary's office. All areas shall be unavailable during major holiday periods, i.e., the periods commencing on the day preceding major holidays (e.g. Friday before Labor Day, day before Thanksgiving, the day before three-day weekends) through and including the concluding day of the holiday period. The manager may grant exception to this rule for holidays which do not give rise to three-day weekends and for which traffic forecasts indicate that traffic in the terminal shall not substantially exceed that which occurs on a normal day.

(1) Subway mezzanine passageway between North and South Wings. Five persons shall be permitted to distribute leaflets and/or carry placards and hold discussions in this area.

EXHIBIT R

(2) Main Floor

(i) Area A. Six persons shall be permitted to distribute leaflets, carry placards and hold discussions. Additionally, these persons may set up two card tables at the location in this area designated on the diagram of the terminal on display in the manager's office and on file in the secretary's office.

(ii) Area B. This area shall be available to eight persons for the distribution of leaflets, the carrying of placards and the holding of discussions. Additionally, these persons may set up two card tables in the location in this area designated on the diagram of the terminal displayed in the manager's office and on file in the secretary's office.

(3) Second Floor

(i) Area A. This area shall be available to six persons for the distribution of leaflets, the carrying of placards and the holding of discussions with patrons of the terminal at all times when the area is open to the general public, except when this area is being used as a passenger holding area.

(ii) Area B. Two persons may distribute leaflets and set up one card table to aid in this distribution in the location designated as area B on the diagram of the terminal displayed in the manager's office and on file in the secretary's office. Because of the small size of this area and its proximity to escalators, the area shall be unavailable to these persons for discussions with terminal patrons.

(iii) Area C.

(a) This area shall be available to three persons for the distribution of leaflets, the carrying of placards and the holding of discussions with terminal patrons. Additionally, one card table may be set up for the distribution of leaflets at the specified location within area C shown on the diagram displayed in the manager's office and on file in the secretary's office.

EXHIBIT R

(b) This area will be unavailable for these activities when being used as a passenger holding area.

4. Fourth Floor

(i) Area A. This area shall be available at all times to three persons for the distribution of leaflets, carrying of placards and the holding of discussions with terminal patrons. Additionally, one card table may be set up for the distribution of leaflets by these persons in the location designated on area A of the upper bus level shown on the diagram of the terminal displayed in the manager's office and on file in the secretary's office.

(ii) Area B. This area shall be available at all times to two persons for the distribution of leaflets, the carrying of placards and the holding of discussions with terminal patrons.

(b) In addition to the above, a total of 10 persons shall be permitted to walk on the concourses and walkways within the terminal which are open to the public, for the purpose of distributing noncommercial leaflets at all times, provided that such activities shall be subject to the limitations described above.

(c) (1) Any person or group who wishes to conduct any of the above activities at the locations specified shall apply to the manager on forms provided by him for this purpose. Application shall be made not less than 36 hours nor more than one week before commencement of the activities. The application shall set forth the type of activities to be conducted, the time, location and duration of the activities, and the name, address and telephone number of the person making the application (in case of a group it shall be sufficient to supply the name, address and telephone number of one person who can be contacted if problems arise concerning the grant of the application).

(2) The manager shall grant all such applications on a first come, first served basis so long as the number of persons, the activities and the time, duration and location applied for are in compliance with the provisions set forth in subdivision (a).

(3) The grant of the application by the manager shall be in the form of a permit which shall set forth the number of persons covered by the permit, the activities which are permitted, the permitted time and duration of those activities, and the location at which the activities may be conducted.

(4) The duration of each permit issued shall not be in excess of two weeks. Any person or group may renew a permit for successive two week periods. Renewal applications shall be made on the same form as new applications and shall be processed as if they were new applications.

(d) No signs, placards or other material shall be affixed to the bus terminal. No leaflets or other material shall be distributed by leaving them unattended throughout the terminal.

(e) The manager may refuse the grant of any permit or suspend any permit already granted in the event of emergencies, such as snowstorms, traffic accidents, power failures, transportation strikes or other conditions which render the traffic flow in any of the areas covered by the permit such that conduct of the activities would create a dangerous condition or substantially interfere with traffic in the terminal.

15. Creation of obnoxious odors, noxious gases, smoke or fumes prohibited. No person shall create, or permit any vehicle or machine of which he is in charge to create, obnoxious odors, noxious gases, smoke or fumes in the terminal. The creation of internal-combustion engine exhaust-fumes by vehicles in the terminal, so long as such vehicles are maintained and are being operated in a proper manner, shall not be an infraction of this section. No person shall spit, urinate or defecate on any part of the terminal other than in a urinal or toilet intended for that purpose.

16. Vehicular use of terminal restricted. No person shall travel, or remain on, or shall permit any vehicle of which he has charge to travel, or remain on, any portion of the terminal except upon the roadways, walks or other places or areas provided for the particular class of traffic. No person shall occupy or shall permit any vehicle of which he has charge to occupy the walks, roadways, entrances, exits, waiting rooms or other areas of the terminal in such a manner as to hinder or obstruct their use by others. Only parties authorized by the manager are permitted to operate vehicles on terminal premises; unauthorized vehicular operation on terminal premises may be considered trespass.

17. Loitering in or about terminal prohibited. No person shall loiter in or about the terminal or any part thereof.

18. Authorization required for sale of merchandise, solicitation of trade, entertainment of persons or solicitation of alms. No person, unless duly authorized by the Port Authority, shall, in or upon any area, platform, stairway, station, waiting room or any other appurtenance of the terminal:

- a) sell, offer for sale any article of merchandise; or
- b) solicit any business or trade, including the carrying of baggage for hire; the shining of shoes or boot blacking; or
- c) entertain any persons by singing, dancing or playing any musical instrument; or
- d) solicit alms

19. Persons unable to give satisfactory explanation of presence prohibited from loitering in terminal. No person, who is unable to give satisfactory explanation of his presence, shall loiter in or about any toilet, area, station, station platform, waiting room or any other appurtenance of the terminal. No person shall bathe, shower, shave, launder or change clothes or remain undressed in any public restroom, sink, washroom or any other area within the terminal.

20. Animals barred from terminal. No person except a police officer or another person authorized by the manager shall enter in the terminal with any animal except a "seeing eye" dog or an animal properly confined for shipment.

21. Passage through loading gates restricted. No person shall pass through the loading gates on any vehicular level except:

- a) persons employed by or doing business with a carrier whose duties require such passage;
- b) authorized representatives of the Port Authority;
- c) persons having permission; and
- d) passengers immediately prior to boarding. buses or immediately after leaving buses

22. Photography and filming in the terminal. No person may make drawings or take still photographs or action pictures for commercial use within the terminal without permission from the manager.

23. Alcoholic beverages. No person shall drink or carry any open alcoholic beverage in any public part of the terminal.

SAFETY

24. Permission required to bring into or carry firearms or other weapons in terminal; exceptions. No persons, except authorized law-enforcement officers, post-office, customs and express employees, licensed armed guards, employees of a carrier, and members of the armed services of the United States or of any State thereof on official duty, shall bring into or carry in the terminal any firearms or other weapons, without permission.

25. Permission required to bring into or carry explosives, acids, inflammables, compressed gases, etc. in terminal; exceptions. No person shall bring into or carry in the terminal any explosives, acids, inflammables, compressed gases or articles or materials having or capable of producing strong offensive odors, or articles or materials likely to endanger persons or property, except with permission. No person shall bring or cause to be brought into or kept in the terminal any signal flare or any container filled with or which has been emptied or partially emptied of oil, gas petroleum products, paint or varnish, except with permission. When permission is given to bring into or keep at the terminal any such articles or materials it shall be conditioned upon the use of appropriate receptacles in rooms or areas approved therefor by the manager. Bringing in or keeping at the terminal without special permission gasoline or other motor fuel contained in tanks permanently attached to vehicles and not contained under pressure shall not be an infraction of this regulation. Bringing into and keeping in the terminal without special permission kerosene signal flares in good condition, of the type required or permitted by Interstate Commerce Commission regulations and properly stowed in buses, shall not be an infraction of this regulation.

26. Permission required to use inflammable liquids for cleaning at terminal. No person shall use inflammable liquids for cleaning at the terminal without permission.

27. Smoking or carrying lighted cigars, cigarettes, pipes, etc. in certain areas of terminal prohibited. No person shall smoke or carry lighted cigars, cigarettes, pipes, matches or any naked flame in areas of the terminal where smoking is prohibited by the Port Authority.

28. Unauthorized interference with or use of terminal systems or equipment prohibited. No person shall do or permit to be done anything which may interfere with the effectiveness or accessibility of the fire protection system, sprinkler system, drainage system, alarm system, telephone system, public announcement and intercommunication system, plumbing system, air-conditioning system, ventilation system, fire hydrants, hoses,

68. Causing an elevator or escalator to stop. No unauthorized person shall cause an elevator or escalator to stop by means of any emergency stopping device unless continued operation would appear to result in probable injury to a person or persons. Any such stopping should be reported immediately to a terminal representative.

69. Truck loading docks. Truck loading docks located in the terminal are designed to accomplish the immediate transfer of merchandise between the freight elevators and trucks. All person will confine their use of docks to such purpose as directed by the manager. No storage or holding of merchandise on the truck loading docks awaiting the arrival of trucks or awaiting transfer to premises or space at the terminal will be permitted.

(Port Authority Acknowledgment - N.Y.)

STATE OF NEW YORK }
COUNTY OF NEW YORK } SS.:

On the 27th day of August, 1991, before me personally came Anthony J. Baskin to me known, who, being by me duly sworn, did depose and say that he resides in Basking Ridge, NJ; that he is the Chief Operating Officer Executive Director of The Port Authority of New York and New Jersey, (one of) the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Commissioners of said corporation; and that he signed his name thereto by like order.

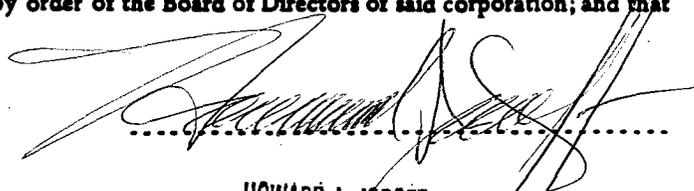


MARIE M. EDWARDS, NOTARY
Public, State of New York
No. 24-4959693
Qualified in Kings County 12/11/91
Commission Expires _____

(Corporate Acknowledgment - N.Y.)

STATE OF New Jersey }
COUNTY OF Hudson } SS.:

On the 2nd day of August, 1991, before me personally came James S. Cohen to me known, who, being by me duly sworn, did depose and say that he resides in Alpine, New Jersey; that he is the Executive Vice President of Hudson County News Co. / T/A Hudson News one of the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that he signed his name thereto by like order.



HOWARD I. JOROFF
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 1, 1992.

EXHIBIT R

article, material or thing listed therein for the first time; and provided, further, that express shall not include any parcel or piece the overall dimensions of which are greater than 24 inches by 24 inches by 45 inches.

(e) Highway vehicle shall mean and include an automobile, a bus, a truck, a tractor equipped with rubber tires, a trailer, or a semi-trailer.

(f) I.C.C. regulations shall mean regulations of the Interstate Commerce Commission in effect on the effective date hereof issued under the authority of the Interstate Commerce Commission.

(g) Manifest baggage shall mean and include property checked through on the line of any carrier (or of a carrier connecting with any carrier) on a ticket or tickets for passenger transportation, in accordance with and as defined by local and joint baggage tariff 500-G of the Interstate Commerce Commission, issued June 15, 1949 and effective July 20, 1949, as the same may be hereafter supplemented or amended; provided, however, that by notice given to the carrier within 60 days of any supplement, revision or reissue of the tariff of such carrier, the Port Authority may exclude any article, material or thing therein listed for the first time.

(h) Parking shall mean the halting of a vehicle on a roadway or other area while not actually engaged in receiving or discharging passengers, except when halted in obedience to traffic regulations, signs or signals, and without regard to the presence or absence of the driver.

(i) Permission shall mean permission granted by the manager except where otherwise specifically provided.

(j) Person shall mean any individual, firm, partnership, corporation, or incorporated or unincorporated association, and shall include any assignee, receiver, trustee, executor, administrator or similar representative appointed by a court, and shall mean the United States of America or any department of the government thereof, any state or political subdivision thereof, or any foreign government or political subdivision thereof or the United Nations.

(k) Port Authority shall mean The Port Authority of New York and New Jersey.

(l) Port Authority rules and regulations shall mean the rules and regulations set forth in this Part and all amendments and supplements thereto.

(m) Published tariff; see tariff.

**RULES AND REGULATIONS FOR
THE PORT AUTHORITY BUS TERMINAL**

PURPOSE

1. Purpose. These rules are established by the Port Authority of New York and New Jersey to facilitate the proper use of the Port Authority Bus Terminal and to protect the terminal and its patrons.

DEFINITIONS

2. Definitions. As used herein:

(a) Bus shall mean a self-propelled highway vehicle designed and constructed for the carriage of passengers for hire, employing as a source of motive power (either directly or by electrical transmission) a reciprocating internal-combustion or a turbine engine (not including a jet-propulsion engine) utilizing as fuel gasoline, diesel oil, or any other substance utilized by highway vehicles for fuel and permitted both by the laws of New York and by those of New Jersey then in effect and also under the then existing rules and regulations governing the use of the Lincoln Tunnel (and then only in strict compliance with the requirements of such laws, rules and regulations), and having Overall dimensions not in excess of the following: length, 60 feet; width, 102 inches; height, 11 feet six inches and having a maximum gross loaded weight not in excess of 42,000 (unladen weight) pounds avoirdupois, distributed to provide not more than 20,000 pounds per axle. Articulated buses up to 65 feet overall length shall, for the purposes of these regulations, be included in the definition.

(b) Carrier shall mean an operator of one or more vehicles for the transportation of passengers for hire.

(c) Driver shall mean the person who is in actual physical control of a vehicle.

(d) Express shall mean and include property other than baggage, mail, manifest baggage and newspapers, transported or to be transported by a carrier in accordance with its published tariffs, and shall be defined as defined in the published tariffs of any carrier, except that it shall not include acid, animals, articles packed in wet ice or water, dangerous articles, explosives, gases, inflammable materials, intoxicating beverages, jewelry, lottery tickets, materials having or capable of producing strong, offensive odors, meat, meat products, money, securities, watches, or wet batteries; provided, however, that by notice given within 60 days after the effective date of any reissue, revision or supplement of a tariff of any carrier, the Port Authority may exclude therefrom any

article, material or thing listed therein for the first time; and provided, further, that express shall not include any parcel or piece the overall dimensions of which are greater than 24 inches by 24 inches by 45 inches.

(e) Highway vehicle shall mean and include an automobile, a bus, a truck, a tractor equipped with rubber tires, a trailer, or a semi-trailer.

(f) I.C.C. regulations shall mean regulations of the Interstate Commerce Commission in effect on the effective date hereof issued under the authority of the Interstate Commerce Commission.

(g) Manifest baggage shall mean and include property checked through on the line of any carrier (or of a carrier connecting with any carrier) on a ticket or tickets for passenger transportation, in accordance with and as defined by local and joint baggage tariff 500-G of the Interstate Commerce Commission, issued June 15, 1949 and effective July 20, 1949, as the same may be hereafter supplemented or amended; provided, however, that by notice given to the carrier within 60 days of any supplement, revision or reissue of the tariff of such carrier, the Port Authority may exclude any article, material or thing therein listed for the first time.

(h) Parking shall mean the halting of a vehicle on a roadway or other area while not actually engaged in receiving or discharging passengers, except when halted in obedience to traffic regulations, signs or signals, and without regard to the presence or absence of the driver.

(i) Permission shall mean permission granted by the manager except where otherwise specifically provided.

(j) Person shall mean any individual, firm, partnership, corporation, or incorporated or unincorporated association, and shall include any assignee, receiver, trustee, executor, administrator or similar representative appointed by a court, and shall mean the United States of America or any department of the government thereof, any state or political subdivision thereof, or any foreign government or political subdivision thereof or the United Nations.

(k) Port Authority shall mean The Port Authority of New York and New Jersey.

(l) Port Authority rules and regulations shall mean the rules and regulations set forth in this Part and all amendments and supplements thereto.

(m) Published tariff; see tariff.

(n) Stand shall mean to halt a bus for the purpose of loading or unloading or for waiting in position for loading or unloading.

(o) Manager of the terminal or manager shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the said manager by these rules and regulations, and shall mean the manager or acting manager of the terminal for the time being or his duly designated representative or representatives.

(p) Tariff or published tariff shall mean the schedule of rates, terms and conditions of transportation under which a carrier conducts its operation and which has been approved by the Interstate Commerce Commission or by other governmental regulatory body having jurisdiction over the operations of the carrier.

(q) Terminal shall mean the two buildings that represent the North and South Wing of the bus facility which are connected above and below West 41st Street. The South Wing shall mean the building on the block bounded by West 40th Street, Ninth Avenue, West 41st Street and Eighth Avenue in the borough of Manhattan, in the City, County and State of New York. The North Wing shall mean the building on a portion of the block bounded by East 42nd Street, Eighth Avenue, West 41st Street and the east face of the building at 330 West 42nd Street in the borough of Manhattan, in the City, County and State of New York. The terminal also includes the overhead viaducts from the South Wing to the west side of 9th Avenue as well as the tunnel leading from the North Wing to Dyer Avenue.

(r) Vehicle shall mean and include automobiles, trucks, buses, tractors, trailers, semi-trailers, horse-drawn carts or wagons and any other devices in or upon or by means of which any person or property is or may be transported, carried or drawn upon land only, except railroad rolling equipment or other devices designed to operate on stationary rails or tracks.

(s) Vehicular level shall mean and include any floor or story at the terminal designed for use by highway vehicles.

GENERAL

3. Permission to use terminal conditional. Any permission granted by the Port Authority directly or indirectly, expressly or by implication, to any person or persons to enter upon or use the terminal or any part thereof, is conditioned upon acceptance of and compliance with the Port Authority rules and regulations, as from time to time may be changed, and entry upon or into the terminal by any person shall be deemed to constitute an agreement by such person to comply with the said rules and regulations; provided, however, that such rules and regulations will not apply to premises or space occupied or used under the

provisions of a written agreement made with the Port Authority unless provision is made therein for the application of the said rules and regulations.

4. Use of terminal may be denied persons violating law or rules. The Manager of the terminal shall have authority to deny the use of the terminal to any individual violating Port Authority rules and regulations or laws, ordinances or regulations of the United States government, the State of New York, or the City of New York.

5. Permission to enter certain areas of the building.

- (a) Closed Areas - No person except person assigned to duty therein shall enter without permission any area of the terminal posted as being closed to Public.
- (b) Restricted Areas - No person shall enter without authorization any area of the terminal posted as restricted unless such person complies with such restriction.
- (c) Persons entering the terminal when not fully open for business - During such days and hours as the terminal is partially closed such as late hours of the night and early hours of the morning, any person shall, when entering, remaining, or leaving the terminal, if requested by a Port Authority representative, exhibit such authorization as prescribed by the manager.

6. Abandonment of property prohibited. No person shall abandon any property at the terminal.

7. Permission required to carry on commercial activity. No person shall carry on any commercial activity at the terminal without permission.

8. Gambling prohibited. No person shall gamble or conduct or engage in any game of chance at the terminal unless such game of chance is permitted by local state and federal law and has been approved by the manager.

9. Permission required to solicit funds or contributions. No person shall solicit funds or contributions for any purpose at the terminal without permission.

10. Permission required to post or distribute commercial signs, advertisements, etc. No person shall post, distribute or display commercial signs, advertisements, circulars or printed or written material within the terminal without permission. The manager of the terminal reserves the right to set standards for the location, appearance, size and content of

all signs, posters, notices, displays and advertisements and may prohibit installation of such or subsequent removal, if necessary.

11. **Lost Articles.** All persons finding lost articles at the terminal shall deliver them to the Parcel Check Room. Articles unclaimed by the owner or owners within three months after the finding thereof will be turned over to the finders, except when found by Port Authority employees on duty.

12. **Trash, garbage, waste, etc. to be deposited in receptacles provided therefor.** No persons shall throw, discharge or deposit trash, garbage, waste, oil or other petroleum products or any other waste material into or upon any portion of the terminal except by depositing such material in receptacles provided therefor. All such receptacles shall be subject to the approval of the manager.

13. **Defacing, damaging, etc. terminal or property therein prohibited.** No person shall deface, mark, break, or otherwise damage any part of the terminal, or any property thereat.

14. **Non-commercial distribution of leaflets, carrying of placards and holding of discussions restricted.**

(a) The non-commercial distribution of leaflets, the setting up of card tables to aid in that distribution, the carrying of placards and the holding of discussions with terminal patrons shall be permitted in the following manner at the locations on the subway mezzanine passageway, main floor, second floor and fourth floor and not within 10 feet of an escalator or elevator as designated on a diagram of the terminal on display in the manager's office and on file in the secretary's office. All areas shall be unavailable during major holiday periods, i.e., the periods commencing on the day preceding major holidays (e.g. Friday before Labor Day, day before Thanksgiving, the day before three-day weekends) through and including the concluding day of the holiday period. The manager may grant exception to this rule for holidays which do not give rise to three-day weekends and for which traffic forecasts indicate that traffic in the terminal shall not substantially exceed that which occurs on a normal day.

(1) Subway mezzanine passageway between North and South Wings. Five persons shall be permitted to distribute leaflets and/or carry placards and hold discussions in this area.

EXHIBIT R

(2) Main Floor

(i) Area A. Six persons shall be permitted to distribute leaflets, carry placards and hold discussions. Additionally, these persons may set up two card tables at the location in this area designated on the diagram of the terminal on display in the manager's office and on file in the secretary's office.

(ii) Area B. This area shall be available to eight persons for the distribution of leaflets, the carrying of placards and the holding of discussions. Additionally, these persons may set up two card tables in the location in this area designated on the diagram of the terminal displayed in the manager's office and on file in the secretary's office.

(3) Second Floor

(i) Area A. This area shall be available to six persons for the distribution of leaflets, the carrying of placards and the holding of discussions with patrons of the terminal at all times when the area is open to the general public, except when this area is being used as a passenger holding area.

(ii) Area B. Two persons may distribute leaflets and set up one card table to aid in this distribution in the location designated as area B on the diagram of the terminal displayed in the manager's office and on file in the secretary's office. Because of the small size of this area and its proximity to escalators, the area shall be unavailable to these persons for discussions with terminal patrons.

(iii) Area C.

(a) This area shall be available to three persons for the distribution of leaflets, the carrying of placards and the holding of discussions with terminal patrons. Additionally, one card table may be set up for the distribution of leaflets at the specified location within area C shown on the diagram displayed in the manager's office and on file in the secretary's office.

EXHIBIT R

- (b) This area will be unavailable for these activities when being used as a passenger holding area.

4. Fourth Floor

(i) Area A. This area shall be available at all times to three persons for the distribution of leaflets, carrying of placards and the holding of discussions with terminal patrons. Additionally, one card table may be set up for the distribution of leaflets by these persons in the location designated on area A of the upper bus level shown on the diagram of the terminal displayed in the manager's office and on file in the secretary's office.

(ii) Area B. This area shall be available at all times to two persons for the distribution of leaflets, the carrying of placards and the holding of discussions with terminal patrons.

- (b) In addition to the above, a total of 10 persons shall be permitted to walk on the concourses and walkways within the terminal which are open to the public, for the purpose of distributing noncommercial leaflets at all times, provided that such activities shall be subject to the limitations described above.
- (c) (1) Any person or group who wishes to conduct any of the above activities at the locations specified shall apply to the manager on forms provided by him for this purpose. Application shall be made not less than 36 hours nor more than one week before commencement of the activities. The application shall set forth the type of activities to be conducted, the time, location and duration of the activities, and the name, address and telephone number of the person making the application (in case of a group it shall be sufficient to supply the name, address and telephone number of one person who can be contacted if problems arise concerning the grant of the application).
- (2) The manager shall grant all such applications on a first come, first served basis so long as the number of persons, the activities and the time, duration and location applied for are in compliance with the provisions set forth in subdivision (a).

(3) The grant of the application by the manager shall be in the form of a permit which shall set forth the number of persons covered by the permit, the activities which are permitted, the permitted time and duration of those activities, and the location at which the activities may be conducted.

(4) The duration of each permit issued shall not be in excess of two weeks. Any person or group may renew a permit for successive two week periods. Renewal applications shall be made on the same form as new applications and shall be processed as if they were new applications.

(d) No signs, placards or other material shall be affixed to the bus terminal. No leaflets or other material shall be distributed by leaving them unattended throughout the terminal.

(e) The manager may refuse the grant of any permit or suspend any permit already granted in the event of emergencies, such as snowstorms, traffic accidents, power failures, transportation strikes or other conditions which render the traffic flow in any of the areas covered by the permit such that conduct of the activities would create a dangerous condition or substantially interfere with traffic in the terminal.

15. Creation of obnoxious odors, noxious gases, smoke or fumes prohibited. No person shall create, or permit any vehicle or machine of which he is in charge to create, obnoxious odors, noxious gases, smoke or fumes in the terminal. The creation of internal-combustion engine exhaust-fumes by vehicles in the terminal, so long as such vehicles are maintained and are being operated in a proper manner, shall not be an infraction of this section. No person shall spit, urinate or defecate on any part of the terminal other than in a urinal or toilet intended for that purpose.

16. Vehicular use of terminal restricted. No person shall travel, or remain on, or shall permit any vehicle of which he has charge to travel, or remain on, any portion of the terminal except upon the roadways, walks or other places or areas provided for the particular class of traffic. No person shall occupy or shall permit any vehicle of which he has charge to occupy the walks, roadways, entrances, exits, waiting rooms or other areas of the terminal in such a manner as to hinder or obstruct their use by others. Only parties authorized by the manager are permitted to operate vehicles on terminal premises; unauthorized vehicular operation on terminal premises may be considered trespass.

17. Loitering in or about terminal prohibited. No person shall loiter in or about the terminal or any part thereof.

18. Authorization required for sale of merchandise, solicitation of trade, entertainment of persons or solicitation of alms. No person, unless duly authorized by the Port Authority, shall, in or upon any area, platform, stairway, station, waiting room or any other appurtenance of the terminal:

- a) sell, offer for sale any article of merchandise; or
- b) solicit any business or trade, including the carrying of baggage for hire; the shining of shoes or boot blacking; or
- c) entertain any persons by singing, dancing or playing any musical instrument; or
- d) solicit alms

19. Persons unable to give satisfactory explanation of presence prohibited from loitering in terminal. No person, who is unable to give satisfactory explanation of his presence, shall loiter in or about any toilet, area, station, station platform, waiting room or any other appurtenance of the terminal. No person shall bathe, shower, shave, launder or change clothes or remain undressed in any public restroom, sink, washroom or any other area within the terminal.

20. Animals barred from terminal. No person except a police officer or another person authorized by the manager shall enter in the terminal with any animal except a "seeing eye" dog or an animal properly confined for shipment.

21. Passage through loading gates restricted. No person shall pass through the loading gates on any vehicular level except:

- a) persons employed by or doing business with a carrier whose duties require such passage;
- b) authorized representatives of the Port Authority;
- c) persons having permission; and
- d) passengers immediately prior to boarding. buses or immediately after leaving buses

22. Photography and filming in the terminal. No person may make drawings or take still photographs or action pictures for commercial use within the terminal without permission from the manager.

23. Alcoholic beverages. No person shall drink or carry any open alcoholic beverage in any public part of the terminal.

SAFETY

24. Permission required to bring into or carry firearms or other weapons in terminal; exceptions. No persons, except authorized law-enforcement officers, post-office, customs and express employees, licensed armed guards, employees of a carrier, and members of the armed services of the United States or of any State thereof on official duty, shall bring into or carry in the terminal any firearms or other weapons, without permission.

25. Permission required to bring into or carry explosives, acids, inflammables, compressed gases, etc. in terminal; exceptions. No person shall bring into or carry in the terminal any explosives, acids, inflammables, compressed gases or articles or materials having or capable of producing strong offensive odors, or articles or materials likely to endanger persons or property, except with permission. No person shall bring or cause to be brought into or kept in the terminal any signal flare or any container filled with or which has been emptied or partially emptied of oil, gas petroleum products, paint or varnish, except with permission. When permission is given to bring into or keep at the terminal any such articles or materials it shall be conditioned upon the use of appropriate receptacles in rooms or areas approved therefor by the manager. Bringing in or keeping at the terminal without special permission gasoline or other motor fuel contained in tanks permanently attached to vehicles and not contained under pressure shall not be an infraction of this regulation. Bringing into and keeping in the terminal without special permission kerosene signal flares in good condition, of the type required or permitted by Interstate Commerce Commission regulations and properly stowed in buses, shall not be an infraction of this regulation.

26. Permission required to use inflammable liquids for cleaning at terminal. No person shall use inflammable liquids for cleaning at the terminal without permission.

27. Smoking or carrying lighted cigars, cigarettes, pipes, etc. in certain areas of terminal prohibited. No person shall smoke or carry lighted cigars, cigarettes, pipes, matches or any naked flame in areas of the terminal where smoking is prohibited by the Port Authority.

28. Unauthorized interference with or use of terminal systems or equipment prohibited. No person shall do or permit to be done anything which may interfere with the effectiveness or accessibility of the fire protection system, sprinkler system, drainage system, alarm system, telephone system, public announcement and intercommunication system, plumbing system, air-conditioning system, ventilation system, fire hydrants, hoses,

fire extinguishers, Port Authority towing equipment or other mechanical system, facility or equipment installed or located at the terminal including closed circuit television cameras and monitors, signs and notices; nor shall any person operate, adjust or otherwise handle or manipulate, without permission, any of the aforesaid systems or portions thereof, or any machinery, equipment or other devices installed or located at the terminal. Tags showing date of last inspection attached to units of fire extinguishing and fire fighting equipment shall not be removed therefrom. Nor shall any person plug a TV, radio or other electrical device into any outlet or connect any device to any utility at or in the terminal.

29. All persons required to exercise care to avoid or prevent injury to persons or damage to property. All persons at the terminal shall exercise the utmost care to avoid or prevent injury to persons or damage to property. Neither any inclusion in nor any omission from these rules and regulations set forth in this Part shall be construed to relieve any person from exercising the utmost care to avoid or prevent injury to persons or damage to property.

30. Permission and accompaniment by Port Authority employee required for entry into all designated Port Authority areas. No person shall enter any Port Authority area at the terminal except with permission and then only when accompanied by an employee of the Port Authority. This includes emergency stairwells except when an emergency conditions exists.

31. No sleeping in terminal. No person on or in the facility shall sleep, doze, lie, or sit down on the floors, hallways, platforms, stairs, landings or other places where such activity may be hazardous to such person or to others, or may interfere with the operation of the terminal's transportation system, pedestrian flow or comfort of its users or tenants.

32. No skateboarding, roller skating, or bicycle riding. No person shall skateboard, roller skate or ride a bicycle, scooter or any other self-propelled vehicle or device on or through any part of the terminal.

33. Noise. No person shall make, continue, cause or permit to be made or continued any unauthorized noise in the terminal.

34. Fire. No person shall cook, light a fire or otherwise create a fire in any part of the terminal.

35. Storage. No Person shall store bundles, paper, cloth, cardboard or any other material in solid, liquid or gas form that could in any way pose a fire or life safety hazard or obstruct or hinder passage without the approval of the manager.

36. No sound reproduction devices. Except with prior permission, no person shall operate or use any personal radio, television, phonograph, tape recorder or other sound reproduction device in the terminal in such a manner that the sound emanating from such sound reproduction device is audible to another person.

37. Use of lighting or sound reproduction equipment. No person shall without specific authorization from the manager operate or use or cause to be operated or use any lighting or sound reproduction device for commercial or business advertising purposes or for the purpose of attracting attention to any performance, show, sale or display of merchandise, or any commercial or business enterprise, in front or outside of any building, place or premises in the terminal.

38. Inspection of freight, articles and packages. The manager reserves the right to inspect all freight and other articles including hand-carried packages brought into or out of the Bus Terminal and to exclude therefrom all articles which violate any of these rules and regulations, and to require the occupants of space and others regularly doing business at the terminal to issue package passes (in such form as may be approved by the manager) for packages being carried to or from, or from one location to another within the terminal.

BAGGAGE AND EXPRESS

39. Leaking, loose, improperly packaged and marked baggage or express not accepted for handling. No piece of baggage or express will be accepted for handling at the terminal, if in a leaking or loose conditions. No piece of express will be accepted for handling if it is not properly packaged and parked.

40. Express, baggage or manifest baggage producing or capable of producing offensive odor or likely to cause damage or injury to persons or property not accepted for handling and subject to removal from terminal. No piece of express, baggage or manifest baggage will be accepted for handling at the terminal if it has or is capable of producing an offensive odor or is likely to damage other express or baggage or to endanger persons or property or to take any portion of the terminal untenable; and the same shall be subject to immediate removal by the Port Authority from the terminal or to another location or locations within the terminal, such removal to be at the risk and expense of the carrier involved.

41. Express, baggage and manifest baggage subject to I.C.C. regulations not handled unless in compliance with applicable provisions of such regulations. Express, baggage, and manifest baggage, subject to I.C.C. regulations, will not be handled at the terminal, unless it complies with the said regulations in every respect including without limiting the generality of such regulations proper condition for transportation, containers of adequate strength, packing, marking, labeling, description, certification, and quantity and

loading limitations.

VEHICLES

42. Vehicles not maintained, operated and registered in accordance with Port Authority rules and applicable laws, ordinances or regulations may be denied access to or removed from terminal. The manager of the terminal shall have authority to deny access to the terminal for any bus or other vehicle not maintained, operated and registered in accordance with these regulations, or which is otherwise in violation of the Port Authority Bus Terminal rules and regulations or the laws, ordinances or regulations of the United States government, the State of New York, or City of New York; and shall have authority to require removal of any such vehicle from the terminal on five minutes notice. In the event the vehicle is not so removed, the Port Authority may remove it under the provisions of section 59 herein.

43. Vehicles so loaded, constructed, operated, equipped or maintained as to endanger persons or property or obstruct traffic barred from terminal. No vehicle which is loaded in such a manner, or with such materials, or which is so constructed, operated, equipped or maintained as to endanger or to be likely to endanger persons or property, or to obstruct traffic, shall be permitted in or upon the terminal.

44. Vehicles having weights or dimensions in excess of described maxima or using prohibited fuels barred from terminal. No vehicle will be permitted in or upon the terminal which has a weight or dimensions larger than the maxima described herein for buses or which utilizes any fuel not permitted as a source of motive power for buses under the provisions of section 2 herein.

45. Vehicles lacking valid registration plate barred; exceptions. Except for vehicles owned by the government of the United States, and horse-drawn vehicles, no highway vehicle shall be permitted in the terminal unless a currently effective registration plate duly issued by appropriate governmental authority is attached thereto.

46. Persons driving highway vehicles within terminal required to be duly licensed to operate such vehicles. No person shall drive any highway vehicle (except a horse-drawn vehicle) in the terminal without a motor vehicle operator's or chauffeur's license issued by appropriate governmental authority permitting the driving by such person of the particular type of vehicle driven and valid within the State of New York.

47. Passenger boarding and discharge areas to be used so as to avoid blocking bus traffic. Except when standing a bus in space, the use of which has been licensed specifically to the operator of such bus by written agreement with the Port

Authority, drivers shall stand vehicles in the terminal only at space designated for such vehicles by the manager or other Port Authority representative. Where space is used in common by the buses of more than one carrier, such as on the unloading platforms, the drivers will cause their buses to stand in the most forward portion of such space available upon arrival and will continually move their buses forward, toward, and to the most forward vacant portion of the space. No buses shall discharge passengers on any active roadways including the viaducts leading to and from the terminal unless specifically directed by a terminal representative.

48. Procedure to be followed by driver in event of accident involving his vehicle. The driver of any vehicle involved in an accident resulting in injury or death to any person or damage to any property shall immediately stop such vehicle at the scene of the accident, render such assistance as may be needed, and give his name, address and driver's license, and the registration number of the vehicle to the person injured or to a Port Authority officer or representative. The driver, Operator, or owner of such vehicle shall make a report of such accident in accordance with the law of the State of New York.

49. Unauthorized tampering, starting, movement or interference with vehicles prohibited. No unauthorized person shall tamper with any vehicle, start the motor thereof, move the vehicle, or otherwise interfere with the operation thereof at the terminal.

50. Permission required to fuel, defuel, lubricate, clean or repair vehicles within terminal. No person shall fuel, defuel, lubricate, clean or repair a vehicle or any part thereof, at the terminal, without permission.

51. Vehicles entering terminal required to extinguish headlights. Every driver of a vehicle entering the terminal shall extinguish the headlights thereof and shall not relight them until leaving the terminal.

52. Prolonged sounding of vehicle horns prohibited. Prolonged sounding of the horns of vehicles in the terminal is forbidden.

53. Leaving vehicles unattended without turning off motor, locking vehicle and setting brakes prohibited. No person shall leave a vehicle unattended in the terminal without having first turned off its motor, locked all doors, and set its parking brakes.

54. Vehicles prohibited from remaining in terminal for more than 15 minutes. No vehicle shall remain in the terminal for longer than the time necessary for permitted operations in connection therewith, and, unless a shorter time limitation is elsewhere imposed, no vehicle shall remain in the terminal for

longer than 15 minutes unless at a designated gate or parking space and so as not to obstruct the operation of the terminal. The manager shall have authority to require, by five minutes' notice, which may be given orally to the driver, the removal from the terminal of any vehicle which shall have been standing or parked at the terminal for so long as 15 minutes; in the event the vehicle is not so removed, the Port Authority may remove it under the provisions of section 59 herein.

55. Operation of vehicles within terminal regulated. No person shall operate a vehicle in the terminal in a careless and negligent manner or in disregard of the right or safety of others, or without due caution, or at a speed in excess of speed limits posted in the area where the vehicle is being operated, or in any event at a speed in excess of 5 miles per hour, or at any speed or in any manner which endangers or is likely to endanger persons or property, or while under the influence of intoxicating liquor or any narcotic or habit-forming drug.

56. Compliance with authorized traffic orders, signals, signs or directions required. Drivers of vehicles in the terminal must at all times comply with any traffic order, signal or direction, given by voice or by hand, of an authorized representative of the Port Authority. When traffic is controlled by traffic lights or signs or by mechanical or electrical signals, such lights, signs and signals shall be obeyed unless an authorized representative of the Port Authority directs otherwise.

57. Drivers required to report arrival and departure and pay fees. Unless other applicable provision for reports is made in an agreement with a carrier, each driver of a bus of any carrier shall report to the Port Authority representative immediately upon arrival at the terminal, shall pay all fees required shall give information of the expected time of departure, and shall, immediately before departure, check out as directed by the Port Authority representative.

58. Disabled vehicles subject to removal. Unless other provisions for the removal of disabled vehicles has been made by agreement, the Port Authority shall have the right to require, by five minutes' notice which may be given orally to the driver, the removal from the terminal (or to a different location in the terminal), of any vehicle which has become disabled in the terminal. In the event such vehicle is not so removed, the Port Authority may remove it under the provisions of section 59 herein.

59. Removal of vehicles from terminal to be at owner's or operator's risk and expense. In the event the Port Authority is empowered to remove any bus or other vehicle from the terminal by any provision of the rules and regulations set forth in this Part, such removal shall be at the risk of the owner or operator of such vehicle, and the cost thereof shall be for the account of

such owner or operator and payable to the Port Authority on demand.

60. Time limit for engine idling. Every driver who causes a vehicle to park or stand in the terminal for three (3) or more minutes shall turn off its motor.

PARCEL CHECK ROOM

61. The Port Authority parcel check room will be operated as a public check room at which services will be provided to the public subject to regulations and fees established by the Executive Director or his representative.

PORTER SERVICE

62. The Port Authority of New York and New Jersey will furnish porter service to the public free of charge at the Port Authority bus terminal.

CHARTER BUS OPERATIONS

63. Use of terminal by charter buses permitted; restrictions; fees. Operators of charter bus transportation service between the City of New York and points outside the city who have not entered into agreements for space and services at the Port Authority bus terminal will be Permitted to use the enclosed vehicular levels of the terminal, such use to be limited to one-way and through operations originating at points outside New York City, and to round-trip operations, the initial portions of which originate at points outside New York City, the charge for each bus arrival or departure with passengers to be \$12.50.

PUBLIC VEHICULAR PARKING

64. The Port Authority public vehicular parking area. The Public vehicular parking area is operated and charges fees as established by the Executive Director of the Port Authority of New York and New Jersey or his designated representative.

ELEVATORS, ESCALATORS, AND LOADING DOCKS

65. Elevator Schedule. Elevators for passengers and freight handling service will be operated in accordance with a schedule established by the manager, unless the arrangements are made with the manager for operation at other times.

66. Prohibition. Passenger elevators and escalators may not be used to carry freight.

67. Controls. The use of any escalator, elevator, private right-of-way or truck loading dock at the terminal will be subject to the direct control of the manager.

fire extinguishers, Port Authority towing equipment or other mechanical system, facility or equipment installed or located at the terminal including closed circuit television cameras and monitors, signs and notices; nor shall any person operate, adjust or otherwise handle or manipulate, without permission, any of the aforesaid systems or portions thereof, or any machinery, equipment or other devices installed or located at the terminal. Tags showing date of last inspection attached to units of fire extinguishing and fire fighting equipment shall not be removed therefrom. Nor shall any person plug a TV, radio or other electrical device into any outlet or connect any device to any utility at or in the terminal.

29. All persons required to exercise care to avoid or prevent injury to persons or damage to property. All persons at the terminal shall exercise the utmost care to avoid or prevent injury to persons or damage to property. Neither any inclusion in nor any omission from these rules and regulations set forth in this Part shall be construed to relieve any person from exercising the utmost care to avoid or prevent injury to persons or damage to property.

30. Permission and accompaniment by Port Authority employee required for entry into all designated Port Authority areas. No person shall enter any Port Authority area at the terminal except with permission and then only when accompanied by an employee of the Port Authority. This includes emergency stairwells except when an emergency conditions exists.

31. No sleeping in terminal. No person on or in the facility shall sleep, dose, lie, or sit down on the floors, hallways, platforms, stairs, landings or other places where such activity may be hazardous to such person or to others, or may interfere with the operation of the terminal's transportation system, pedestrian flow or comfort of its users or tenants.

32. No skateboarding, rollerskating, or bicycle riding. No person shall skateboard, roller skate or ride a bicycle, scooter or any other self-propelled vehicle or device on or through any part of the terminal.

33. Noise. No person shall make, continue, cause or permit to be made or continued any unauthorized noise in the terminal.

34. Fire. No person shall cook, light a fire or otherwise create a fire in any part of the terminal.

35. Storage. No Person shall store bundles, paper, cloth, cardboard or any other material in solid, liquid or gas form that could in any way pose a fire or life safety hazard or obstruct or hinder passage without the approval of the manager.

36. No sound reproduction devices. Except with prior permission, no person shall operate or use any personal radio, television, phonograph, tape recorder or other sound reproduction device in the terminal in such a manner that the sound emanating from such sound reproduction device is audible to another person.

37. Use of lighting or sound reproduction equipment. No person shall without specific authorization from the manager operate or use or cause to be operated or use any lighting or sound reproduction device for commercial or business advertising purposes or for the purpose of attracting attention to any performance, show, sale or display of merchandise, or any commercial or business enterprise, in front or outside of any building, place or premises in the terminal.

38. Inspection of freight, articles and packages. The manager reserves the right to inspect all freight and other articles including hand-carried packages brought into or out of the Bus Terminal and to exclude therefrom all articles which violate any of these rules and regulations, and to require the occupants of space and others regularly doing business at the terminal to issue package passes (in such form as may be approved by the manager) for packages being carried to or from, or from one location to another within the terminal.

BAGGAGE AND EXPRESS

39. Leaking, loose, improperly packaged and marked baggage or express not accepted for handling. No piece of baggage or express will be accepted for handling at the terminal, if in a leaking or loose conditions. No piece of express will be accepted for handling if it is not properly packaged and parked.

40. Express, baggage or manifest baggage producing or capable of producing offensive odor or likely to cause damage or injury to persons or property not accepted for handling and subject to removal from terminal. No piece of express, baggage or manifest baggage will be accepted for handling at the terminal if it has or is capable of producing an offensive odor or is likely to damage other express or baggage or to endanger persons or property or to take any portion of the terminal untenable; and the same shall be subject to immediate removal by the Port Authority from the terminal or to another location or locations within the terminal, such removal to be at the risk and expense of the carrier involved.

41. Express, baggage and manifest baggage subject to I.C.C. regulations not handled unless in compliance with applicable provisions of such regulations. Express, baggage, and manifest baggage, subject to I.C.C. regulations, will not be handled at the terminal, unless it complies with the said regulations in every respect including without limiting the generality of such regulations proper condition for transportation, containers of adequate strength, packing, marking, labeling, description, certification, and quantity and

loading limitations.

VEHICLES

42. Vehicles not maintained, operated and registered in accordance with Port Authority rules and applicable laws, ordinances or regulations may be denied access to or removed from terminal. The manager of the terminal shall have authority to deny access to the terminal for any bus or other vehicle not maintained, operated and registered in accordance with these regulations, or which is otherwise in violation of the Port Authority Bus Terminal rules and regulations or the laws, ordinances or regulations of the United States government, the State of New York, or City of New York; and shall have authority to require removal of any such vehicle from the terminal on five minutes notice. In the event the vehicle is not so removed, the Port Authority may remove it under the provisions of section 59 herein.

43. Vehicles so loaded, constructed, operated, equipped or maintained as to endanger persons or property or obstruct traffic barred from terminal. No vehicle which is loaded in such a manner, or with such materials, or which is so constructed, operated, equipped or maintained as to endanger or to be likely to endanger persons or property, or to obstruct traffic, shall be permitted in or upon the terminal.

44. Vehicles having weights or dimensions in excess of described maxima or using prohibited fuels barred from terminal. No vehicle will be permitted in or upon the terminal which has a weight or dimensions larger than the maxima described herein for buses or which utilizes any fuel not permitted as a source of motive power for buses under the provisions of section 2 herein.

45. Vehicles lacking valid registration plate barred; exceptions. Except for vehicles owned by the government of the United States, and horse-drawn vehicles, no highway vehicle shall be permitted in the terminal unless a currently effective registration plate duly issued by appropriate governmental authority is attached thereto.

46. Persons driving highway vehicles within terminal required to be duly licensed to operate such vehicles. No person shall drive any highway vehicle (except a horse-drawn vehicle) in the terminal without a motor vehicle operator's or chauffeur's license issued by appropriate governmental authority permitting the driving by such person of the particular type of vehicle driven and valid within the State of New York.

47. Passenger boarding and discharge areas to be used so as to avoid blocking bus traffic. Except when standing a bus in space, the use of which has been licensed specifically to the operator of such bus by written agreement with the Port

Authority, drivers shall stand vehicles in the terminal only at space designated for such vehicles by the manager or other Port Authority representative. Where space is used in common by the buses of more than one carrier, such as on the unloading platforms, the drivers will cause their buses to stand in the most forward portion of such space available upon arrival and will continually move their buses forward, toward, and to the most forward vacant portion of the space. No buses shall discharge passengers on any active roadways including the viaducts leading to and from the terminal unless specifically directed by a terminal representative.

48. Procedure to be followed by driver in event of accident involving his vehicle. The driver of any vehicle involved in an accident resulting in injury or death to any person or damage to any property shall immediately stop such vehicle at the scene of the accident, render such assistance as may be needed, and give his name, address and driver's license, and the registration number of the vehicle to the person injured or to a Port Authority officer or representative. The driver, Operator, or owner of such vehicle shall make a report of such accident in accordance with the law of the State of New York.

49. Unauthorized tampering, starting, movement or interference with vehicles prohibited. No unauthorized person shall tamper with any vehicle, start the motor thereof, move the vehicle, or otherwise interfere with the operation thereof at the terminal.

50. Permission required to fuel, defuel, lubricate, clean or repair vehicles within terminal. No person shall fuel, defuel, lubricate, clean or repair a vehicle or any part thereof, at the terminal, without permission.

51. Vehicles entering terminal required to extinguish headlights. Every driver of a vehicle entering the terminal shall extinguish the headlights thereof and shall not relight them until leaving the terminal.

52. Prolonged sounding of vehicle horns prohibited. Prolonged sounding of the horns of vehicles in the terminal is forbidden.

53. Leaving vehicles unattended without turning off motor, locking vehicle and setting brakes prohibited. No person shall leave a vehicle unattended in the terminal without having first turned off its motor, locked all doors, and set its parking brakes.

54. Vehicles prohibited from remaining in terminal for more than 15 minutes. No vehicle shall remain in the terminal for longer than the time necessary for permitted operations in connection therewith, and, unless a shorter time limitation is elsewhere imposed, no vehicle shall remain in the terminal for

longer than 15 minutes unless at a designated gate or parking space and so as not to obstruct the operation of the terminal. The manager shall have authority to require, by five minutes' notice, which may be given orally to the driver, the removal from the terminal of any vehicle which shall have been standing or parked at the terminal for so long as 15 minutes; in the event the vehicle is not so removed, the Port Authority may remove it under the provisions of section 59 herein.

55. Operation of vehicles within terminal regulated. No person shall operate a vehicle in the terminal in a careless and negligent manner or in disregard of the right or safety of others, or without due caution, or at a speed in excess of speed limits posted in the area where the vehicle is being operated, or in any event at a speed in excess of 5 miles per hour, or at any speed or in any manner which endangers or is likely to endanger persons or property, or while under the influence of intoxicating liquor or any narcotic or habit-forming drug.

56. Compliance with authorized traffic orders, signals, signs or directions required. Drivers of vehicles in the terminal must at all times comply with any traffic order, signal or direction, given by voice or by hand, of an authorized representative of the Port Authority. When traffic is controlled by traffic lights or signs or by mechanical or electrical signals, such lights, signs and signals shall be obeyed unless an authorized representative of the Port Authority directs otherwise.

57. Drivers required to report arrival and departure and pay fees. Unless other applicable provision for reports is made in an agreement with a carrier, each driver of a bus of any carrier shall report to the Port Authority representative immediately upon arrival at the terminal, shall pay all fees required shall give information of the expected time of departure, and shall, immediately before departure, check out as directed by the Port Authority representative.

58. Disabled vehicles subject to removal. Unless other provisions for the removal of disabled vehicles has been made by agreement, the Port Authority shall have the right to require, by five minutes' notice which may be given orally to the driver, the removal from the terminal (or to a different location in the terminal), of any vehicle which has become disabled in the terminal. In the event such vehicle is not so removed, the Port Authority may remove it under the provisions of section 59 herein.

59. Removal of vehicles from terminal to be at owner's or operator's risk and expense. In the event the Port Authority is empowered to remove any bus or other vehicle from the terminal by any provision of the rules and regulations set forth in this Part, such removal shall be at the risk of the owner or operator of such vehicle, and the cost thereof shall be for the account of

such owner or operator and payable to the Port Authority on demand.

60. Time limit for engine idling. Every driver who causes a vehicle to park or stand in the terminal for three (3) or more minutes shall turn off its motor.

PARCEL CHECK ROOM

61. The Port Authority parcel check room will be operated as a public check room at which services will be provided to the public subject to regulations and fees established by the Executive Director or his representative.

PORTER SERVICE

62. The Port Authority of New York and New Jersey will furnish porter service to the public free of charge at the Port Authority bus terminal.

CHARTER BUS OPERATIONS

63. Use of terminal by charter buses permitted; restrictions; fees. Operators of charter bus transportation service between the City of New York and points outside the city who have not entered into agreements for space and services at the Port Authority bus terminal will be permitted to use the enclosed vehicular levels of the terminal, such use to be limited to one-way and through operations originating at points outside New York City, and to round-trip operations, the initial portions of which originate at points outside New York City, the charge for each bus arrival or departure with passengers to be \$12.50.

PUBLIC VEHICULAR PARKING

64. The Port Authority public vehicular parking area. The Public vehicular parking area is operated and charges fees as established by the Executive Director of the Port Authority of New York and New Jersey or his designated representative.

ELEVATORS, ESCALATORS, AND LOADING DOCKS

65. Elevator Schedule. Elevators for passengers and freight handling service will be operated in accordance with a schedule established by the manager, unless the arrangements are made with the manager for operation at other times.

66. Prohibition. Passenger elevators and escalators may not be used to carry freight.

67. Controls. The use of any escalator, elevator, private right-of-way or truck loading dock at the terminal will be subject to the direct control of the manager.

68. Causing an elevator or escalator to stop. No unauthorized person shall cause an elevator or escalator to stop by means of any emergency stopping device unless continued operation would appear to result in probable injury to a person or persons. Any such stopping should be reported immediately to a terminal representative.

69. Truck loading docks. Truck loading docks located in the terminal are designed to accomplish the immediate transfer of merchandise between the freight elevators and trucks. All person will confine their use of docks to such purpose as directed by the manager. No storage or holding of merchandise on the truck loading docks awaiting the arrival of trucks or awaiting transfer to premises or space at the terminal will be permitted.

(Port Authority Acknowledgment - N.Y.)

STATE OF NEW YORK }
COUNTY OF NEW YORK } SS.:

On the 27th day of August, 1991, before me personally came Anthony J. Sabatino to me known, who, being by me duly sworn, did depose and say that he resides in Basking Ridge, NJ; that he is the Chief Operating Officer Executive Director of The Port Authority of New York and New Jersey, (one of) the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Commissioners of said corporation; and that he signed his name thereto by like order.

Marie M. Edwards

MARIE M. EDWARDS, NOTARY
Public, State of New York
No. 24-4959693
Qualified in Kings County
Commission Expires 12/11/91

(Corporate Acknowledgment - N.Y.)

STATE OF New Jersey }
COUNTY OF Hudson } SS.:

On the 2nd day of August, 1991, before me personally came James S. Corbett to me known, who, being by me duly sworn, did depose and say that he resides in Monte Carlo, New Jersey; that he is the Executive Vice President of United States Trust Co. N.A. Hudson, NJ one of the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that he signed his name thereto by like order.

Howard I. Joroff

HOWARD I. JOROFF
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 1, 1992.

Commission Expires
Qualified in Kings County
194-400000
1000 Broadway, New York
N.Y. 10003
Library

Lease No. BT-527
Supplement No. 1

THIS AGREEMENT, made as of the 1st day of February, 1996, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and HUDSON NEWS COMPANY (formerly known as Hudson County News Company and hereinafter called "the Lessee")

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee heretofore entered into an agreement of lease dated July 11, 1991 and identified by the above Port Authority Lease Number (which agreement of lease, as the same has been heretofore supplemented and amended, is hereinafter called "the Lease") covering premises at the Port Authority Bus Terminal, in the Borough of Manhattan, City, County and State of New York, as more particularly described in the Lease; and

WHEREAS, the Port Authority and the Lessee desire to add to the premises under the lease and to amend the terms of the Lease in certain other respects;

NOW, THEREFORE, for and in consideration of the covenants and mutual agreements herein contained, the Port Authority and the Lessee hereby agree as follows:

1. In addition to the premises heretofore let to the Lessee under the Lease as herein amended, the letting as to which shall continue in full force and effect subject to and in accordance with all the terms, provisions, covenants and conditions of the Lease as herein amended, the Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority at the Port Authority Bus Terminal, in the Borough of Manhattan, City, County and State of New York, the space on the Main Floor of the South Wing thereof as shown in diagonal hatching on the sketch annexed hereto, made a part of the Lease as herein amended and marked "Exhibit A-8", the space on the Third Floor of the ^{South} Wing thereof as shown in diagonal hatching on the sketch annexed hereto, made a part hereof and marked "Exhibit A-9", and the space on the Lower Level of the South Wing thereof as shown in diagonal hatching on the sketch annexed hereto, made a part hereof and marked "Exhibit A-10" together with the fixtures, improvements and other property of the Port Authority located or to be located therein or thereon, the space, fixtures improvements and other property of the Port Authority shown on Exhibit A-8 being hereinafter sometimes called "Area A-8", the space, fixtures improvements and other property of the Port Authority shown on Exhibit A-9 being hereinafter sometimes called "Area A-9", and the space, fixtures improvements and other property of the Port Authority shown on Exhibit A-10 being hereinafter sometimes called "Area A-10, and Area A-8, Area A-9, Area A-3, and Area A-10 being hereinafter collectively referred as the "Additional Premises", to be and become a part of the premises under the Lease as herein amended from and after 12:01

o'clock A.M. on February 1, 1996 (said date being sometimes hereinafter in this Agreement called "the Additional Commencement Date") let to the Lessee, subject to and in accordance with all of the terms, provisions and covenants of the Lease as herein amended for and during the remainder of the term of the letting under the Lease as herein amended, unless sooner terminated. The parties acknowledge that the Additional Premises, as well as the premises heretofore covered by the Lease, meaning the portion of the premises shown on Exhibit A-1 annexed to the Lease constitutes non-residential real property.

2. The Lessee shall use the Additional Premises solely for the purposes set forth in Section 3 of the Lease and for no other purpose or purposes whatsoever.

3. The Port Authority shall deliver the Additional Premises to the Lessee in its presently existing "as is" condition. The Lessee acknowledges that prior to the execution of this Agreement, it has thoroughly examined and inspected the Additional Premises and has found the Additional Premises in good order and repair and has determined the Additional Premises to be suitable for the Lessee's operations under the Lease as herein amended. The Lessee agrees to and shall take the Additional Premises in its "as is" condition and the Port Authority shall have no obligation under the Lease as herein amended for finishing work or preparation of any portion of the Additional Premises for the Lessee's use.

4. The Port Authority makes no representations or warranties as to the location, size, adequacy or suitability of any portion of the Additional Premises for the purposes contemplated in this paragraph. The Lessee agrees that it has not relied on any representations or statement of the Port Authority, its Commissioners, officers, employees or agents as to the condition or the suitability of the Additional Premises for the operations permitted thereon by the Lease as herein amended. Without limiting any obligation of the Lessee under the Lease as herein amended to commence operations in the Additional Premises at the time and in the manner stated elsewhere in this Agreement, the Lessee agrees that no portion of the Additional Premises will be used initially or at any time during the term of the letting thereof which is in a condition unsafe or improper for the conduct of the Lessee's operations therein under the Lease as herein amended so that there is possibility of injury or damage to life or property and the Lessee further agrees that before any use of the premises it will immediately correct any such unsafe or improper condition.

5. All gross receipts arising from the Lessee's operations in the Additional Premises under the Lease as herein amended shall be included in the gross receipts of the Lessee under the Lease and shall be subject to the percentage rental payment therein provided. The Lessee shall maintain records, as set forth in Section 5 of the Lease and elsewhere in the Lease, of all gross receipts arising out of the Lessee's operations in the Additional Premises under the Lease as herein amended, and the same shall be submitted to the Port Authority at the times specified in the Lease as herein amended.

6. (a) Subject to all the provisions of the Lease as herein amended, including, without limitation, the provisions of Section 14 (f), (g), (h), and (i), of the Lease, the Port Authority will furnish and deliver to the Lessee in the Additional Premises to the extent that the Lessee's consumption does not exceed the capacity of feeders, risers or wiring in the Additional Premises or the Facility, (which capacity shall be the Lessee's sole responsibility in designing and constructing distribution systems for the Additional Premises) electricity for the Lessee's operations in the Additional Premises. The Lessee shall pay for the electricity supplied to the Additional Premises pursuant to the provisions of this paragraph at the rates set forth in paragraph (b) of Item 3 of Exhibit B annexed to the Lease, and the provisions of paragraph (b) of Item 3 of Exhibit B annexed to the Lease, together with the provisions of paragraphs (f), (g), (h) and (i), of Section 14 of the Lease, shall apply with respect to the supply of electricity to the Additional Premises during the term of the letting thereof under the Lease as herein amended and during the term of the letting of the Additional Premises under the Lease as herein amended all reference in paragraph (b) of Item 3 of Exhibit b annexed to the Lease, and in paragraphs (f), (g), (h) and (i), of Section 14 of the Lease, to the "premises" shall be deemed to include the Additional Premises under the Lease as herein amended.

(b) Notwithstanding that the Port Authority has agreed to supply electricity to the Lessee in the Additional Premises, the Port Authority shall be under no obligation to provide or continue such service if the Port Authority is prevented by law, agreement or otherwise from metering or measuring consumption and demand as hereinabove set forth or elects not to so meter or measure such consumption and demand and in any such event the Lessee shall make all arrangements and conversions necessary to obtain electricity directly from the public utility. Also, in such event, the Lessee shall perform the construction necessary for conversion and if any lines or equipment of the Port Authority are with the consent of the Port Authority used therefor the Port Authority may make an appropriate charge therefor to the Lessee based on its costs and expenses for such lines and equipment.

(c) The supply of electricity to the Additional Premises shall be made by the Port Authority to the Lessee at such points as the Port Authority shall designate for connection of the systems to be installed by the Lessee in the Additional Premises to the Port Authority's lines and conduits and the Port Authority shall have no responsibility for the distribution of electrical current therein. If for any reason any meter fails to record the consumption of electricity in the Additional Premises, the consumption thereof during any such period that the meter is out of service will be considered to be the same as the consumption for a like period either immediately before or immediately after the interruption as selected by the Port Authority.

(d) Except as set forth herein, the Port Authority shall not furnish, sell, or supply any services or utilities to the Lessee in the Additional Premises.

7. (a) In addition to the right of termination provided for in Section 26 (a) of the Lease, which shall be applicable to the Additional Premises as well, the Port Authority shall have the right to separately terminate the letting as to the Additional Premises at any time, without cause, on thirty days notice to the Lessee. Such termination shall not relieve the Lessee of any

liabilities or obligations which shall have accrued on or prior to the effective date of termination or which shall mature on such date. In the event the term of the letting of the entire premises under the Lease as herein amended is terminated pursuant to Section 26 (a) thereof during the term of the letting of the Additional premises under the lease as herein amended, or in the event the term of the letting of the Additional Premises under the Lease as herein amended is separately terminated pursuant to the provisions of this paragraph, the term of the letting of the Additional Premises under the Lease as herein amended shall cease and expire as if the effective date of termination stated in the notice were the date originally stated herein for the expiration of the term of the letting as to the Additional Premises under the Lease as herein amended. The separate termination of the letting as to the Additional Premises pursuant to the provisions of this paragraph shall not affect the letting as to the balance of the premises under the Lease as herein amended and the letting as to the balance of the premises shall continue in full force and effect notwithstanding such termination.

(b) The provisions of paragraph (b) of Section 26 and the provisions of Item 6 of Exhibit B annexed to the Lease shall not be applicable to any improvements, fixtures, trade fixtures, equipment, or other personal property installed or placed in the Additional Premises by the Lessee in the event the letting of the entire premises is terminated pursuant to Section 26 (a) of the Lease during the term of the letting of the Additional Premises under the Lease as herein amended, or in the event the letting as to the Additional Premises is separately terminated pursuant to the provisions of this paragraph. Nothing contained herein shall be deemed to affect the Port Authority's reimbursement obligation pursuant to the provisions of Section 26 (a) of the Lease and Item 6 of Exhibit B annexed thereto with respect to the fixtures, equipment, improvements and other property installed in Areas A-1, A-2, A-3, A-4, A-5, A-6, and A-7.

8. As hereby amended all the terms, provisions, covenants, agreements and conditions of the Lease shall be and remain in full force and effect.

9. The Lessee represents and warrants that no broker has been concerned in the negotiation of this Supplemental Agreement and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Lessee shall indemnify and save harmless the Port Authority for and from all claims for commission or brokerage made by and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

10. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof shall be charged personally by the Lessee with any liability, or held liable to the Lessee under any term or provision of this Supplemental Agreement, or because of its execution or attempted execution or because of any breach, or attempted or alleged breach thereof.

11. This Supplemental Agreement, together with the Lease (to which it is supplementary constitutes the entire agreement between the Port Authority and the Lessee on the subject matter, and may not be changed, modified, discharged or extended except by instrument in writing duly executed on behalf of both the Port Authority and the Lessee. The Lessee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in the Lease or in this Supplemental Agreement.

IN WITNESS WHEREOF, the Port Authority and the Lessee have executed these presents as of the date first above written.

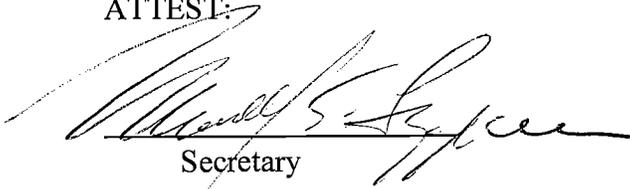
ATTEST:


Secretary

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By 
(Title) Director, T&T

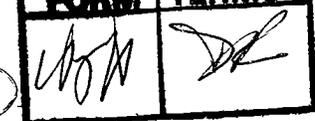
ATTEST:


Secretary

HUDSON NEWS COMPANY

By 
(Title) Senior Vice-President

**APPROVED FOR
TRANSMITTAL
FORM | TERMS**



STATE OF NEW YORK)

)ss

COUNTY OF NEW YORK)

On the 20th day of JUNE, 1998, before me personally came ERNESTO L. BUTCHER, to me known, who, being by me duly sworn, did depose and say that he resides in EAST ORANGE N.J.; that he is the DIRECTOR of the Port Authority of New York and New Jersey, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Commissioners of said corporation; and that he signed his name thereto by like order.

CONSTANCE DELLABARCA
Notary Public, State of New York
No. 03-4831312
Qualified in Bronx County
Commission Expires 2/28 1998

Constance DellaBarca
Notary Public

STATE OF N. J.)

ss

COUNTY OF Hudson)

On the 31st day of MAY, 1996, before me personally came MACRO DiDomenico, to me known, who, being by me duly sworn, did depose and say, that he resides at (Ex. 1) N.J.; that he is the Senior Vice-President of Hudson News Company, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that he signed his name thereto by like order.

Linda J. Manhart
Notary Public

LINDA J. MANHART
A Notary Public of New Jersey
My Commission Expires Oct. 26, 1999

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, dated as of the 20th day of May, 1997, by and between **THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY** (hereinafter called the "Port Authority") and **HUDSON NEWS COMPANY** (hereinafter called the "Lessee");

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee heretofore entered into an agreement of lease dated July 11, 1991 and identified by the above Port Authority Lease Number (which agreement of lease, as the same has been heretofore supplemented and amended, is hereinafter called the "Lease") covering premises at the Port Authority Bus Terminal, in the Borough of Manhattan, City, County and State of New York, as more particularly described in the Lease; and

WHEREAS, the Port Authority and the Lessee desire to extend the term of the letting under the Lease and to amend the same in certain other respects;

NOW, THEREFORE, for and in consideration of the covenants and mutual agreements herein contained, the Port Authority and the Lessee hereby agree as follows:

1. The term of the letting under the Lease is hereby extended for the period ending on the 14th day of October, 2001, unless sooner terminated, at the basic and percentage rental heretofore set forth in the Lease as herein amended, payable at the time and in the manner set forth therein.

2. From and after ~~May~~ ^{JUNE} 1, 1997, in addition to the rights of user set forth in the Lease, the Lessee shall use the premises for the sale at retail of such souvenir items as may be approved in advance in writing from time to time by the Port Authority. The Port Authority may at any time and from time to time on ten (10) days' notice to the Lessee withdraw its approval as to any previously approved souvenir item.

3. In addition to the basic rental and percentage rental payable under the Lease as herein amended, the Lessee shall pay to the Port Authority an annual percentage rental equivalent to twenty percent (20%) of all gross receipts arising from the sale of souvenir items pursuant to the provisions of paragraph 2 hereof. The amount of gross receipts from such sale of souvenir items shall be excluded from gross receipts for the purpose of calculating the percentage rental payable in accordance with the terms of subparagraph (2) of paragraph (c) of Item 1 of Exhibit B annexed to the Lease as herein amended. The Lessee shall maintain separate and distinct records, as set forth in Section 5 of the Lease and elsewhere in the Lease, of all gross receipts arising out of the sale of souvenir items under the Lease as herein amended and the same shall be submitted to the Port Authority at the times the Lessee's statements of gross receipts are submitted in accordance with the provisions of subparagraph (2) of paragraph (c) of Item 1 of Exhibit B annexed to the Lease as herein amended. The Lessee shall pay at the time of rendering the statement an amount equal to the percentage set forth in this paragraph applied to the gross receipts arising from the sale of

souvenir items under the Lease as herein amended. Upon any termination of the letting under the Lease as herein amended (even if stated to have the same affect as expiration), the Lessee shall, within twenty (20) days after the effective date of such termination, render to the Port Authority a statement showing the amount of gross receipts arising from the sale of souvenir items during the annual period in which the effective date of termination occurs and shall pay at the time of rendering the statement an amount equal to the percentage set forth in this paragraph applied to the gross receipts of the Lessee for such annual period which arise from the sale of souvenir items, less the total of percentage rental payments previously made for such annual period on account of the sale of souvenir items.

4. The Lessee represents and warrants that no broker has been concerned in the negotiation or execution of this Agreement or the extension of the term of the letting hereunder and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Lessee shall indemnify and save harmless the Port Authority of and from any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Agreement.

5. Neither the Commissioners of the Port Authority, nor any of them, nor any officer, agent or employee thereof, shall be charged personally by the Lessee with any liability, or held liable to it under any term or provision of this Agreement, or because of its execution or attempted execution or because of any breach thereof.

6. As hereby amended, all the terms, covenants, provisions, conditions and agreements of the Lease shall be and remain in full force and effect.

7. This Agreement and the Lease which it amends and supplements constitute the entire agreement between the Port Authority and the Lessee on the subject matter, and may not be changed, modified, discharged or extended except by instrument in writing duly executed on behalf of both the Port Authority and the Lessee. The Lessee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in the Lease or this Agreement.

IN WITNESS WHEREOF, the Port Authority and the Lessee have executed these presents as of the date first above written.

ATTEST:

**THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY**

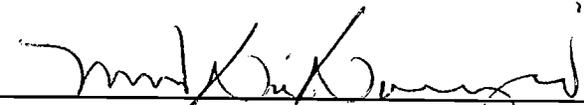

Secretary

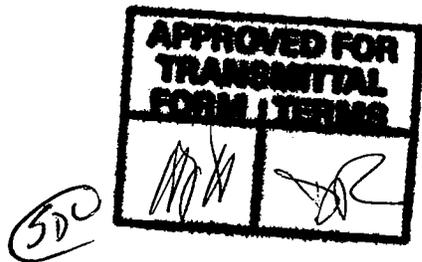
By 
(Title) Deputy Director
(Seal)

ATTEST:

HUDSON NEWS COMPANY


Secretary

By 
(Title) Senior Vice - President
(Corporate Seal)



(Port Authority Acknowledgment)

STATE OF NEW YORK)
)ss.:
COUNTY OF NEW YORK)

On the 24th day of July, 1997, before me personally came Cherrie Nanninga to me known, who, being by me duly sworn, did depose and say that he resides at (Ex. 1)

that he is the Deputy Director of Finance of the Port Authority of New York and New Jersey, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Commissioners of said corporation; and that he signed his name thereto by like order.

Sylvia Shepherd
(notarial seal and stamp)

(Corporate Acknowledgment)

STATE OF New Jersey)
)ss.:
COUNTY OF Hudson)

SYLVIA SHEPHERD
Notary Public, State of New York
No. 41-4082176
Qualified in Queens County
Commission Expires June 12, 1999

On the 30th day of May, 1997, before me personally came Mario Di Domizio to me known, who, being by me duly sworn, did depose and say that he resides at (Ex. 1)

that he is the Senior Vice-President of Hudson News Company, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that he signed his name thereto by like order.

Linda J. Manhart
(notarial seal and stamp)
LINDA J. MANHART
A Notary Public of New Jersey
My Commission Expires Oct. 25, 1999

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, dated as of the 31st day of January, 1998, by and between **THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY** (hereinafter called the "Port Authority") and **HUDSON NEWS COMPANY** (hereinafter called the "Lessee");

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee heretofore entered into an agreement of lease dated July 11, 1991 and identified by the above Port Authority Lease Number (which agreement of lease, as the same has been heretofore supplemented and amended, is hereinafter called the "Lease") covering premises at the Port Authority Bus Terminal, in the Borough of Manhattan, City, County and State of New York, as more particularly described in the Lease; and

WHEREAS, the Port Authority and the Lessee desire to add to the premises under the Lease and to amend the same in certain other respects;

NOW, THEREFORE, for and in consideration of the covenants and mutual agreements herein contained, the Port Authority and the Lessee hereby agree as follows:

1. In addition to the premises heretofore let to the Lessee under the Lease, the letting as to which shall continue in full force and effect subject to and in accordance with all the terms, provisions, covenants and conditions of the Lease as herein amended, the Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority at the Port Authority Bus Terminal the space shown in diagonal hatching on the sketch annexed hereto, hereby made a part hereof and marked "Exhibit A-11" together with the fixtures, improvements and other property, if any, of the Port Authority located or to be located therein or thereon, the said space, fixtures, improvements and other property (all of which is sometimes hereinafter in this Agreement collectively called "Area A-11") to be and become a part of the premises under the Lease, as herein amended, as of 12:01 o'clock a.m. on February 1, 1998 (said time and date sometimes hereinafter in this Agreement collectively called the "Area A-11 Commencement Date"), let to the Lessee subject to and in accordance with all the terms, provisions, covenants and conditions of the Lease, as herein amended, for a term then commencing and expiring, unless sooner terminated, on December 31, 1998. The Port Authority and the Lessee hereby acknowledge that Area A-11 constitutes non-residential real property.

2. The Lessee shall use Area A-11 for storage purposes in connection with the Lessee's operations being conducted elsewhere at the Facility in accordance with Section 3 of the Lease and for no other purpose or purposes whatsoever.

3. The Port Authority shall deliver Area A-11 in its presently existing "as is" condition. The Lessee acknowledges that it has inspected Area A-11 and agrees to take the same in its "as is" condition and the Port Authority shall have no obligation under the Lease as herein amended for finishing work or for preparation of Area A-11 for the Lessee's

use. The Lessee acknowledges that it has not relied upon any representation or statement of the Port Authority or of its Commissioners, officers, agents or employees as to the suitability of Area A-11 for the operations permitted thereon by the Lease as herein amended. Without limiting any obligation of the Lessee to commence operations in Area A-11 at the time and in the manner stated elsewhere in this Agreement, the Lessee agrees that no portion of Area A-11 will be used initially or at any time during the term of the letting thereof which is in a condition unsafe or improper for the conduct of the Lessee's operations therein under the Lease as herein amended so that there is possibility of injury or damage to life or property and the Lessee further agrees that before any use of Area A-11, it will immediately correct any such unsafe or improper condition.

4. The provisions of paragraphs (a), (b), (c), (d) and (e) of Section 14 of the Lease and the provisions of Item 3 of Exhibit B annexed to the Lease shall not apply to Area A-11. Subject to the provisions of paragraphs (f), (g), (h) and (i) of Section 14 of the Lease, the Port Authority shall, without additional charge, furnish to the Lessee in Area A-11 electricity for illumination only, by which is meant the energizing of fluorescent bulbs (to be supplied and installed by the Lessee) through existing wires, conduits and outlets, if any. Except as provided herein, the Port Authority shall not supply any services or utilities to the Lessee in Area A-11.

5. (a) In addition to the rental and fees heretofore payable under the Lease as herein amended, the Lessee shall pay to the Port Authority a basic rental for Area A-11 at the annual rate of Four Thousand Five Hundred Dollars and No Cents (\$4,500.00), payable in advance in monthly installments each in the amount of Three Hundred Seventy-five Dollars and No Cents (\$375.00) on February 1, 1998 and on the first day of each and every calendar month thereafter and continuing to the expiration date of the term of the letting of Area A-11 under this Agreement.

(b) Payment of the basic rental for Area A-11 set forth in this paragraph shall not affect or diminish the Lessee's obligation to pay the basic and percentage rental for the premises heretofore let to the Lessee under the Lease as herein amended nor shall the applicable annual fixed rental amount as defined therein be changed or affected thereby.

6. (a) For every calendar day or major fraction thereof that the Lessee shall be entitled to abatement with respect to Area A-11, the basic rental for Area A-11 shall be reduced by the product of Twelve Dollars and Thirty-three Cents (\$12.33) multiplied by a fraction, the numerator of which shall be the number of square feet of floor space as to which the abatement applies and the denominator of which shall be the total number of square feet in Area A-11.

(b) For the purpose of abatement with respect to Area A-11, the ascertainment of the number of square feet contained in Area A-11 shall be measured in accordance with the provisions of subparagraph (4) of paragraph (d) of Item 1 of Exhibit B annexed to the Lease.

7. In addition to all other rights of termination contained in the Lease, as herein amended, including, without limitation, the right of termination provided for in paragraph (a) of Section 26 of the Lease as herein amended, the Port Authority and the Lessee shall each have the respective right to separately terminate the letting as to Area A-11 at any time, without cause, on thirty (30) days' notice to the other party. Such termination shall not relieve the Lessee of any liabilities or obligations which shall have accrued on or prior to the effective date of termination or which shall mature on such date. In the event the term of the letting of the entire premises under the Lease as herein amended is terminated pursuant to paragraph (a) of Section 26 of the Lease as herein amended during the term of the letting of Area A-11 under the Lease as herein amended or in the event the term of the letting of Area A-11 under the Lease as herein amended is separately terminated pursuant to the provisions of this paragraph, the term of the letting of Area A-11 under the Lease shall cease and expire as if the effective date of termination stated in the notice were the date originally stated herein for the expiration of the term of the letting as to Area A-11 under the Lease. The separate termination of the letting as to Area A-11 pursuant to the provisions of this paragraph shall not affect the letting as to the balance of the premises under the Lease as herein amended and the letting as to the balance of the premises shall continue in full force and effect notwithstanding such termination. The Port Authority shall have no reimbursement obligation with respect to Area A-11 in the event the letting of the entire premises is terminated pursuant to paragraph (a) of Section 26 of the Lease during the term of the letting of Area A-11 under the Lease as herein amended or in the event the letting as to Area A-11 is separately terminated pursuant to the provisions of this paragraph. Nothing contained herein shall be deemed to affect the Port Authority's reimbursement obligation pursuant to the provisions of Item 6 of Exhibit B annexed to the Lease with respect to fixtures, equipment, improvements and other property installed in the balance of the premises under the Lease as herein amended in accordance with the terms of that agreement.

8. The Lessee represents and warrants that no broker has been concerned in the negotiation or execution of this Agreement or the letting of Area A-11 and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Lessee shall indemnify and save harmless the Port Authority of and from any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Agreement or the letting of Area A-11.

9. Neither the Commissioners of the Port Authority, nor any of them, nor any officer, agent or employee thereof, shall be charged personally by the Lessee with any liability, or held liable to it under any term or provision of this Agreement, or because of its execution or attempted execution or because of any breach thereof.

10. As hereby amended, all the terms, covenants, provisions, conditions and agreements of the Lease shall be and remain in full force and effect.

11. This Agreement and the Lease which it amends and supplements constitute the entire agreement between the Port Authority and the Lessee on the subject matter and may not be changed, modified, discharged or extended except by instrument in writing duly executed on behalf of both the Port Authority and the Lessee. The Lessee agrees that no

representations or warranties shall be binding upon the Port Authority unless expressed in writing in the Lease or this Agreement.

IN WITNESS WHEREOF, the Port Authority and the Lessee have executed these presents as of the date first above written.

ATTEST:

**THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY**

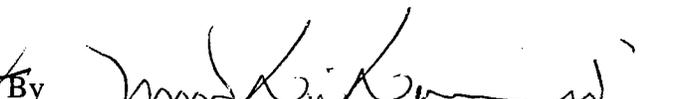

Secretary

By 
(Title) Deputy Director
(Seal)

ATTEST:

HUDSON NEWS COMPANY


Secretary

By 
(Title) Senior Vice - President
(Corporate Seal)

| | |
|---|---|
| APPROVED FOR TRANSMITTAL FORM TERMS | |
|  |  |

(50)

(Port Authority Acknowledgement)

STATE OF NEW YORK)
)ss.:
COUNTY OF NEW YORK)

On the 19th day of March, 1998, before me personally came
Charie Nanninga
to me known, who, being by me duly sworn, did depose and say that she resides at
250 West 24th Street, New York, NY 10011

that she is the Deputy Director of Finance of the Port Authority of New York and New Jersey, one of the corporations described in and which executed the foregoing instrument; that she knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Commissioners of said corporation; and that she signed ~~his~~ her name thereto by like order.

Dilcia Hernandez
(notarial seal and stamp)

DILCIA HERNANDEZ
Notary Public, State of New York
No. 01HE5078300
Qualified in Orange County
Commission Expires May 27, 1999

(Corporate Acknowledgment)

STATE OF NEW JERSEY)
)ss.:
COUNTY OF BERGEN)

On the 3rd day of MARCH, 1998, before me personally came
MARIO DI DOMIZIO
to me known, who, being by me duly sworn, did depose and say that he resides at
441 VANCE AVENUE, WYCKOFF, NJ 07481

that he is the President of Hudson News Company, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that he signed his name thereto by like order.

MARY E. CONTINO
A NOTARY PUBLIC OF NEW JERSEY
NO. 2205393
COMMISSION EXPIRES SEPT. 11, 2002
Mary E. Contino
(notarial seal and stamp)

Lease No. L-BT-527
Supplement No. 4

THIS AGREEMENT, made as of the 14th day of June, 1998, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority") and HUDSON NEWS COMPANY (hereinafter called "the Lessee")

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee heretofore entered into an agreement of lease dated July 11, 1991 and identified by the above Port Authority Lease Number (which agreement of lease, as the same has been heretofore supplemented and amended, is hereinafter called "the Lease") covering premises at the Port Authority Bus Terminal in the Borough of Manhattan, City, County and State of New York, as more particularly described in the Lease; and

WHEREAS, The Port Authority and the Lessee desire to add to the premises under the Lease, and to amend the terms of the Lease in certain other respects;

NOW, THEREFORE, for and in consideration of the covenants and mutual agreements herein contained, The Port Authority and the Lessee hereby agree as follows:

1. In addition to the premises heretofore let to the Lessee under the Lease as herein amended, the letting as to which shall continue in full force and effect subject to and in accordance with all the terms, provisions, covenants and conditions of the Lease as herein amended, the Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority at the Port Authority Bus Terminal, in the Borough of Manhattan, City, County and State of New York, the space on the Subway Level of the South Wing thereof shown in diagonal hatching on the sketch hereto attached, hereby made a part of the Lease as herein amended and marked "Exhibit A-13, together with the fixtures, improvements and other property, if any, of the Port Authority located or to be located therein or thereon (the space, fixtures, improvements and other property of the Port Authority shown on Exhibit A-13 being hereinafter collectively called "the Third Additional Premises") to be and become a part of the premises under the Lease as herein amended from and after 12:01 o'clock A.M. on June 15, 1998 (which date is sometimes hereinafter in this Agreement called "the Third Additional Premises Commencement Date") let to the Lessee, subject to and in accordance with all of the terms, provisions and covenants of the Lease as herein amended for and during the remainder of the term of the letting under the Lease as herein amended, unless sooner terminated. The parties acknowledge that the Third Additional Premises constitutes non-residential real property.

2. The Lessee shall use the Third Additional Premises solely for the purposes set forth in Section 3 of the Lease and for no other purpose or purposes whatsoever.

3. The Port Authority shall deliver the Third Additional Premises to the Lessee in its presently existing "as is" condition. The Lessee acknowledges that prior to the execution of this Agreement, it has thoroughly examined and inspected the Third Additional Premises and has found the Second Additional Premises in good order and repair and has determined the Third Additional Premises to be suitable for the Lessee's operations under the Lease as herein amended. The Lessee agrees to and shall take the Third Additional Premises in its "as is" condition and the Port Authority shall have no obligation under the Lease as herein amended for finishing work or preparation of any portion of the Third Additional Premises for the Lessee's use.

4. The Port Authority makes no representations or warranties as to the location, size, adequacy, or suitability of any portion of the Third Additional Premises for the purposes contemplated in the Lease as herein amended. The Lessee agrees that it has not relied upon any representation or statement of the Port Authority or its Commissioners, officers, employees or agents as to the condition or suitability of the Third Additional Premises for the operations permitted thereon by the Lease as herein amended. Without limiting any obligation of the Lessee under the Lease as herein amended to commence operations in the Third Additional Premises at the time and in the manner stated elsewhere in this Agreement, the Lessee agrees that no portion of the Third Additional Premises will be used initially or at any time during the term of the letting thereof which is in a condition unsafe or improper for the conduct of the Lessee's operations therein under the Lease as herein amended so that there is possibility of injury or damage to life or property and the Lessee further agrees that before any use of the Third Additional Premises it will immediately correct any such unsafe or improper condition.

5. (a) In addition to the basic rental payable for the premises under the Lease as herein amended, the Lessee shall pay a basic rental for the Third Additional Premises under the Lease as herein amended at the annual rate of Twenty-five Thousand Twenty Dollars and No Cents (\$25,020.00) payable in advance in monthly installments each in the amount of Two Thousand Eighty-five Dollars and No Cents (\$2,085.00), each on July 1, 1998 and on the first day of each calendar month thereafter occurring during the term of the letting of the Third Additional Premises under the Lease as herein amended. The installment of basic rental payable on the Third Additional Premises Commencement Date established under the Lease as herein amended shall be an amount equal to the amount of the installment described in this subparagraph multiplied by a fraction the numerator of which shall be the number of days from the Third Additional Premises Commencement Date established under the Lease as herein amended to the last day of the calendar month in which the Third Additional Premises Commencement Date established under the Lease as herein amended shall fall and the denominator of which shall be the number of days in that calendar month.

(b) For every calendar day or major fraction thereof that the Lessee shall be entitled to abatement with respect to the Third Additional Premises, the basic rental for the Third Additional Premises shall be reduced by the product of Sixty-eight Dollars and Fifty-four Cents (\$68.54) multiplied by a fraction the numerator of which shall be the number of square feet of floor space as to which the abatement applies and the denominator of which shall be the total number of square feet in the Third Additional Premises.

(c) During any annual period in which the Lessee shall be entitled to abatement with respect to the Third Additional Premises, the Third Additional Premises annual exemption amount, as hereinafter defined, established for such annual period shall be reduced proportionately to the reduction of the basic rental.

(d) For the purpose of abatement, the ascertainment of the number of square feet contained in the Third Additional Premises shall be measured shall be in accordance with the provisions of subparagraph (4) of paragraph (d) of Item 1 of Exhibit B annexed to the Lease as herein amended.

6. (a) As used herein:

(1) "Annual Period" shall mean, with respect to the Third Additional Premises, as the context requires, the twelve-month period commencing with the Third Additional Premises Commencement Date and each of the twelve-month periods thereafter occurring during the term of the letting under this Agreement commencing on each anniversary of that date occurring during the term of the letting under this Agreement, provided, however, that the first annual period shall include the portion of the month in which the Third Additional Premises Commencement Date shall occur following such date plus the succeeding twelve calendar months and each subsequent annual period shall commence on the anniversary of the first full calendar month following the Third Additional Premises Commencement Date, provided, further, however, that the last annual period shall expire in any event on the expiration date of the term of the letting of the Third Additional Premises under the Lease as herein amended.

(3) "Third Additional Premises annual exemption amount" shall mean the sum of Two Hundred Seventy-seven Thousand Dollars and No Cents (\$277,000.00) as such sum may be reduced by operation of the abatement and/or proration provisions hereof.

(4) For the purpose of calculating the percentage rental due for the Third Additional Premises for any annual period which contains more or less than 365 days the Third Additional Premises annual exemption amount shall be prorated over the actual number of days contained in such annual period.

(b) The Lessee shall pay to the Port Authority an annual percentage rental equivalent to the sum of the following percentages of all of the gross receipts of the Lessee arising during each annual period from its operations in the Third Additional Premises:

(i) Twenty percent (20%) of all gross receipts of the Lessee arising during each annual period from the sale or dispensing at or from the Third Additional Premises of lottery tickets issued by the Lottery Division of the New York State Department of Taxation and Finance which receipts are retained or retainable, or received or receivable by the Lessee as fees, commissions or otherwise; and

(ii) Nine percent (9%) of all other gross receipts of the Lessee arising during each annual period from its operations in the Third Additional Premises which are in excess of the Third Additional Premises annual exemption amount.

The computation of percentage rental for the Third Additional Premises for each annual period, or a portion of an annual period as hereinafter provided, shall be individual to such annual period, or such portion of an annual period, and without relation to any other annual period, or any other portion of any annual period. The time for making payment of the percentage rental and the method calculation thereof shall be as set forth in subparagraph (c) of this paragraph.

(c) The Lessee shall pay the percentage rental established for the Third Additional Premises as follows: on the 20th day of the first month following the Third Additional Premises Commencement Date and on the 20th day of each and every month thereafter occurring during each annual period occurring during the term of the letting of the Third Additional Premises under the Lease as herein amended, including the month following the end of each annual period, the Lessee shall render to the Port Authority a sworn statement showing all its gross receipts for the preceding month arising from its operation in the Third Additional Premises, specifying the different types of gross receipts set forth in subdivisions (i) and (ii) of subparagraph (b) of this paragraph, and also showing the cumulative amount of the type of gross receipts set forth in subdivision (ii) of subparagraph (b) of this paragraph from the date of the commencement of the annual period for which the report is made through the last day of the preceding calendar month; the Lessee shall pay at the time of rendering such statement an amount equal to the percentage set forth in subdivision (i) of subparagraph (b) of this paragraph applied to the type of gross receipts described in subdivision (i) of subparagraph (b) of this paragraph arising during the month for which the report is made; in addition, whenever any such statement shall show that the the percentage set forth in subdivision (ii) of subparagraph (b) of this paragraph applied to the cumulative amount of the type of gross receipts set forth in subdivision (ii) of subparagraph (b) of this paragraph from the date of the commencement of the annual period for which the report is made through the last day of the preceding calendar month is in excess of the Third Additional Premises annual exemption amount the Lessee shall pay at the time of rendering such statement an amount equal to the excess of such sum over the Third Additional Premises annual exemption amount, and shall thereafter on the 20th day of each month during that annual period and the month following the end of that annual period pay an amount equal to the sum of the percentages set forth in subdivisions (i) and (ii) of subparagraph (b) of this paragraph applied to the different types of gross receipts described in subdivisions (i) and (ii) of subparagraph (b) of this paragraph arising during each subsequent month during that annual period in accordance with such subdivisions. At any time that the Third Additional Premises annual exemption amount is decreased by abatement as herein provided so that there is an excess of gross receipts as to which percentage rental has not been paid, such rental shall be payable to the Port Authority on demand.

(d) Upon any termination of the letting of the Third Additional Premises under the Lease as herein amended (even if stated to have the same affect as expiration), the Lessee shall,

within twenty (20) days after the effective date of such termination, make a payment of rental computed as follows: first, if the term of the letting of the Third Additional Premises under the Lease as herein amended is terminated effective on a date other than the last day of a month, the basic rental for the Third Additional Premises for the portion of the month in which the effective date of termination occurs during which the letting of the Third Additional Premises remains effective shall be the amount of the monthly installment of basic rental established for the Third Additional Premises prorated on a daily basis, and if the applicable monthly installment due on the first day of that month has not been paid the Lessee shall pay the prorated part of the amount of that installment; if the monthly installment has been paid, then the excess thereof shall be credited to the Lessee's other obligations; second, the Lessee shall within twenty (20) days after the effective date of termination render to the Port Authority a sworn statement of all its gross receipts arising from its operations in the Third Additional Premises for the annual period in which the effective date of termination happens to fall specifying the different types of gross receipts set forth in subdivisions (i) and (ii) of subparagraph (b) of this paragraph; and third, the payment then due on account of all percentage rental for the Third Additional Premises for the annual period in which the effective date of termination falls shall be the excess of the percentage rental established for the Third Additional Premises, computed as follows, over the total of such percentage rental payments previously made for such annual period: an amount equal to the sum of (1) the percentage set forth in subdivision (i) of subparagraph (b) of this paragraph applied to the type of gross receipts described in subdivision (i) of subparagraph (b) of this paragraph arising during such annual period and (2) the percentage set forth in subdivision (ii) of subparagraph (b) of this paragraph applied to the cumulative amount of the type of gross receipts set forth in subdivision (ii) of subparagraph (b) of this paragraph from the date of the commencement of the annual period in which the effective date of termination shall occur which are in excess of the Third Additional Premises annual exemption amount provided, however, that the Third Additional Premises annual exemption amount shall be prorated by multiplying the Third Additional Premises annual exemption amount by a fraction, the numerator of which shall be the number of days from the commencement of such annual period to the effective date of termination and denominator of which shall be 365.

(e) The computation of percentage rental for the Third Additional Premises shall be made separate and apart from the computation of percentage rental for the balance of the premises, and without relation thereto. For the purposes of computing percentage rental for the Third Additional Premises all gross receipts arising from the Lessee's operations in the balance of the premises under the Lease as herein amended shall not be included in the gross receipts of the Lessee under the Lease and shall not be subject to the percentage rental payment herein provided, and for the purposes of computing percentage rental for the balance of the premises under the Lease as herein amended gross receipts arising from the Lessee's operations in the Third Additional Premises under the Lease as herein amended shall not be included in the gross receipts of the Lessee under the Lease as herein amended and shall not be subject to the percentage rental payment therein provided. The Lessee shall maintain separate and distinct records, as set forth in Section 5 of the Lease and elsewhere in the Lease, of all gross receipts arising out of the Lessee's operations in the Third Additional Premises under the Lease as herein

amended, and the same shall be submitted to the Port Authority at the times specified in the Lease as herein amended.

7. (a) Subject to all the provisions of the Lease as herein amended, including, without limitation, the provisions of Section 14 (f), (g), (h) and (i) of the Lease, the Port Authority will furnish and deliver to the Lessee in the Third Additional Premises to the extent that the Lessee's consumption does not exceed the capacity of feeders, risers or wiring in the Third Additional Premises or the Facility, (which capacity shall be the Lessee's sole responsibility in designing and constructing distribution systems for the Third Additional Premises) electricity for the Lessee's operations in the Third Additional Premises. The Lessee shall pay for the electricity supplied to the Third Additional Premises pursuant to the provisions of this subparagraph at the rates set forth in paragraph (b) of Item 3 of Exhibit B annexed to the Lease; and the provisions of paragraph (b) of Item 3 of Exhibit B annexed to the Lease, together with the provisions of paragraphs (f), (g), (h), and (i) of Section 14 of the Lease, shall apply with respect to the supply of electricity to the Third Additional Premises during the term of the letting thereof under the Lease as herein amended, and during the term of the letting of the Third Additional Premises under the Lease as herein amended all reference in paragraph (b) of Item 3 of Exhibit b annexed to the Lease, and in paragraphs (f), (g), (h), and (i) of Section 14 of the Lease, to the "premises" shall be deemed to include the Third Additional Premises under the Lease as herein amended.

(b) Notwithstanding that the Port Authority has agreed to supply electricity to the Lessee in the Third Additional Premises, the Port Authority shall be under no obligation to provide or continue such service if the Port Authority is prevented by law, agreement or otherwise from metering or measuring consumption and demand as hereinabove set forth or elects not to so meter or measure such consumption and demand and in any such event the Lessee shall make all arrangements and conversions necessary to obtain electricity directly from the public utility. Also, in such event, the Lessee shall perform the construction necessary for conversion and if any lines or equipment of the Port Authority are with the consent of the Port Authority used therefor the Port Authority may make an appropriate charge therefor to the Lessee based on its costs and expenses for such lines and equipment.

(c) The supply of electricity to the Third Additional Premises shall be made by the Port Authority to the Lessee at such points as the Port Authority shall designate for connection of the systems to be installed by the Lessee in the Third Additional Premises to the Port Authority's lines and conduits, and the Port Authority shall have no responsibility for the distribution of electrical current in the Third Additional Premises, or for the maintenance therein of any specified electrical usage. If for any reason any meter fails to record the consumption of electricity in the Third Additional Premises, the consumption thereof during any such period that the meter is out of service will be considered to be the same as the consumption for a like period either immediately before or immediately after the interruption as selected by the Port Authority.

(d) Except as set forth herein, the Port Authority shall not furnish, sell, or supply any services or utilities to the Lessee in the Third Additional Premises.

8. (a) In addition to the right of termination provided for in Section 26 (a) of the Lease, which shall be applicable to the Third Additional Premises as well, the Port Authority shall have the right to separately terminate the letting as to the Third Additional Premises, at any time, without cause, on thirty days notice to the Lessee. Such termination shall not relieve the Lessee of any liabilities or obligations with respect to the affected area or areas which shall have accrued on or prior to the effective date of termination or which shall mature on such date. In the event the term of the letting of the entire premises under the Lease as herein amended is terminated pursuant to Section 26 (a) thereof during the term of the letting of the Third Additional Premises under the Lease as herein amended, or in the event the term of the letting of the Third Additional Premises under the Lease as herein amended is separately terminated pursuant to the provisions of this paragraph, the term of the letting of the Third Additional Premises under the Lease as herein amended shall cease and expire as if the effective date of termination stated in the notice were the date originally stated herein for the expiration of the term of the letting as to the Third Additional Premises under the Lease as herein amended. The separate termination of the letting as to the Third Additional Premises pursuant to the provisions of this paragraph shall not affect the letting as to the balance of the premises under the Lease as herein amended and the letting as to the balance of the premises shall continue in full force and effect notwithstanding such termination.

(b) The provisions of paragraph (b) of Section 26 of the Lease and the provisions of Item 6 of Exhibit B annexed to the Lease shall not be applicable to any improvements, fixtures, trade fixtures, equipment or other personal property installed or placed in the Third Additional Premises by the Lessee in the event the letting of the entire premises is terminated pursuant to Section 26 (a) of the Lease during the term of the letting of the Third Additional Premises under the Lease as herein amended, or in the event the letting as to the Third Additional Premises is separately terminated pursuant to the provisions of this paragraph. Nothing contained herein shall be deemed to affect the Port Authority's reimbursement obligation pursuant to the provisions of Section 26 (b) of the Lease and the provisions of Item 6 of Exhibit B annexed to the Lease with respect to improvements, fixtures, trade fixtures, equipment and other personal property installed or placed in Areas A-1, A-2, A-3, A-4, A-5, A-6, and A-7.

9. As hereby amended all the terms, provisions, covenants, agreements and conditions of the Lease shall be and remain in full force and effect.

10. The Lessee represents and warrants that no broker has been concerned in the negotiation of this Supplemental Agreement and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Lessee shall indemnify and save harmless the Port Authority for and from all claims for commission or brokerage made by and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

11. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof shall be charged personally by the Lessee with any liability, or held liable to the Lessee under any term or provision of this Supplemental Agreement, or because of its execution or attempted execution or because of any breach, or attempted or alleged breach thereof.

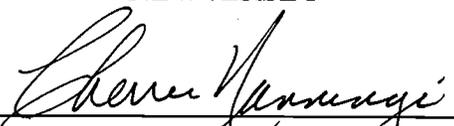
12. This Supplemental Agreement, together with the Lease (to which it is supplementary constitutes the entire agreement between the Port Authority and the Lessee on the subject matter, and may not be changed, modified, discharged or extended except by instrument in writing duly executed on behalf of both the Port Authority and the Lessee. The Lessee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in the Lease or in this Supplemental Agreement.

IN WITNESS WHEREOF, the Port Authority and the Lessee have executed these presents as of the date first above written.

ATTEST:


Secretary

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By 

DIRECTOR OF REAL ESTATE
(Title) _____

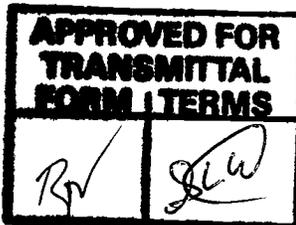
ATTEST:


Secretary

HUDSON NEWS COMPANY

✓ By 

(Title) Senior V. Co - President



SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, dated as of the 31st day of May, 1999, by and between **THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY** (hereinafter called the "Port Authority") and **HUDSON NEWS COMPANY** (hereinafter called the "Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee heretofore entered into an agreement of lease dated July 11, 1991 and identified by the above Port Authority Lease Number (which agreement of lease, as the same has been heretofore supplemented and amended, is hereinafter called the "Lease") covering premises at the Port Authority Bus Terminal, in the Borough of Manhattan, City, County and State of New York, as more particularly described in the Lease; and

WHEREAS, the Port Authority and the Lessee desire to add to the premises under the Lease and to amend the same in certain other respects;

NOW, THEREFORE, for and in consideration of the covenants and mutual agreements herein contained, the Port Authority and the Lessee hereby agree as follows:

1. In addition to the premises heretofore let to the Lessee under the Lease, the letting as to which shall continue in full force and effect subject to and in accordance with all the terms, provisions, covenants and conditions of the Lease as herein amended, the Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority at the Port Authority Bus Terminal the space shown in diagonal hatching on the sketch annexed hereto, hereby made a part hereof and marked "Exhibit A-14" together with the fixtures, improvements and other property, if any, of the Port Authority located or to be located therein or thereon, the said space, fixtures, improvements and other property (all of which is sometimes hereinafter in this Agreement collectively called "Area A-12") to be and become a part of the premises under the Lease, as herein amended, as of 12:01 o'clock a.m. on June 1, 1999 (said time and date sometimes hereinafter in this Agreement collectively called the "Area A-12 Commencement Date"), let to the Lessee subject to and in accordance with all the terms, provisions, covenants and conditions of the Lease as herein amended for and during the remainder of the term of the letting under the Lease as herein amended, unless sooner terminated. The parties hereby acknowledge that Area A-12 constitutes non-residential real property.

2. The Lessee shall use Area A-12 for storage purposes in connection with the Lessee's operations being conducted elsewhere at the Facility in accordance with Section 3 of the Lease and for no other purpose or purposes whatsoever.

3. The Port Authority shall deliver Area A-12 in its presently existing "as is" condition. The Lessee acknowledges that it has inspected Area A-12 and agrees to take the same in its "as is" condition and the Port Authority shall have no obligation under the Lease as herein amended for finishing work or for preparation of Area A-12 for the Lessee's use. The Lessee

acknowledges that it has not relied upon any representation or statement of the Port Authority or of its Commissioners, officers, agents or employees as to the suitability of Area A-12 for the operations permitted thereon by the Lease as herein amended. Without limiting any obligation of the Lessee to commence operations in Area A-12 at the time and in the manner stated elsewhere in this Agreement, the Lessee agrees that no portion of Area A-12 will be used initially or at any time during the term of the letting thereof which is in a condition unsafe or improper for the conduct of the Lessee's operations therein under the Lease as herein amended so that there is possibility of injury or damage to life or property and the Lessee further agrees that before any use of Area A-12, it will immediately correct any such unsafe or improper condition.

4. The provisions of paragraphs (a), (b), (c), (d) and (e) of Section 14 of the Lease and the provisions of Item 3 of Exhibit B annexed to the Lease shall not apply to Area A-12. Subject to the provisions of paragraphs (f), (g), (h) and (i) of Section 14 of the Lease, the Port Authority shall, without additional charge, furnish to the Lessee in Area A-12 electricity for illumination only, by which is meant the energizing of fluorescent bulbs (to be supplied and installed by the Lessee) through existing wires, conduits and outlets, if any. Except as provided herein, the Port Authority shall not supply any services or utilities to the Lessee in Area A-12.

5. (a) In addition to the rental and fees heretofore payable under the Lease as herein amended, the Lessee shall pay to the Port Authority a basic rental for Area A-12 at the annual rate of One Thousand Eight Hundred Dollars and No Cents (\$1,800.00), payable in advance in monthly installments each in the amount of One Hundred Fifty Dollars and No Cents (\$150.00) on June 1, 1999 and on the first day of each and every calendar month thereafter and continuing to the expiration date of the term of the letting of Area A-12 under this Agreement.

(b) Payment of the basic rental for Area A-12 set forth in this paragraph shall not affect or diminish the Lessee's obligation to pay the basic and percentage rental for the premises heretofore let to the Lessee under the Lease as herein amended nor shall the applicable annual fixed rental amount as defined therein be changed or affected thereby.

6. (a) For every calendar day or major fraction thereof that the Lessee shall be entitled to abatement with respect to Area A-12, the basic rental for Area A-12 shall be reduced by the product of Four Dollars and Ninety-three Cents (\$4.93) multiplied by a fraction, the numerator of which shall be the number of square feet of floor space as to which the abatement applies and the denominator of which shall be the total number of square feet in Area A-12.

(b) For the purpose of abatement with respect to Area A-12, the ascertainment of the number of square feet contained in Area A-12 shall be measured in accordance with the provisions of subparagraph (4) of paragraph (d) of Item 1 of Exhibit B annexed to the Lease.

7. In addition to all other rights of termination contained in the Lease, as herein amended, including, without limitation, the right of termination provided for in paragraph (a) of Section 26 of the Lease as herein amended, the Port Authority and the Lessee shall each have the respective right to separately terminate the letting as to Area A-12 at any time, without cause, on thirty (30) days' notice to the other party. Such termination shall not relieve the Lessee of any liabilities or obligations which shall have accrued on or prior to the effective date of termination or which shall mature on such date. In the event the term of the letting of the entire premises under the

Lease as herein amended is terminated pursuant to paragraph (a) of Section 26 of the Lease as herein amended during the term of the letting of Area A-12 under the Lease as herein amended or in the event the term of the letting of Area A-12 under the Lease as herein amended is separately terminated pursuant to the provisions of this paragraph, the term of the letting of Area A-12 under the Lease as herein amended shall cease and expire as if the effective date of termination stated in the notice were the date originally stated herein for the expiration of the term of the letting as to Area A-12 under the Lease as herein amended. The separate termination of the letting as to Area A-12 pursuant to the provisions of this paragraph shall not affect the letting as to the balance of the premises under the Lease as herein amended and the letting as to the balance of the premises shall continue in full force and effect notwithstanding such termination. The Port Authority shall have no reimbursement obligation with respect to Area A-12 in the event the letting of the entire premises is terminated pursuant to paragraph (a) of Section 26 of the Lease during the term of the letting of Area A-12 under the Lease as herein amended or in the event the letting as to Area A-12 is separately terminated pursuant to the provisions of this paragraph. Nothing contained herein shall be deemed to affect the Port Authority's reimbursement obligation pursuant to the provisions of Item 6 of Exhibit B annexed to the Lease with respect to fixtures, equipment, improvements and other property installed in the balance of the premises under the Lease as herein amended in accordance with the terms of that agreement.

8. The Lessee represents and warrants that no broker has been concerned in the negotiation or execution of this Agreement or the letting of Area A-12 and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Lessee shall indemnify and save harmless the Port Authority of and from any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Agreement or the letting of Area A-12.

9. Neither the Commissioners of the Port Authority, nor any of them, nor any officer, agent or employee thereof, shall be charged personally by the Lessee with any liability, or held liable to it under any term or provision of this Agreement, or because of its execution or attempted execution or because of any breach thereof.

10. As hereby amended, all the terms, covenants, provisions, conditions and agreements of the Lease shall be and remain in full force and effect.

11. This Agreement and the Lease which it amends and supplements constitute the entire agreement between the Port Authority and the Lessee on the subject matter and may not be changed, modified, discharged or extended except by instrument in writing duly executed on behalf of both the Port Authority and the Lessee. The Lessee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in the Lease or this Agreement.

IN WITNESS WHEREOF, the Port Authority and the Lessee have executed these presents as of the date first above written.

ATTEST:

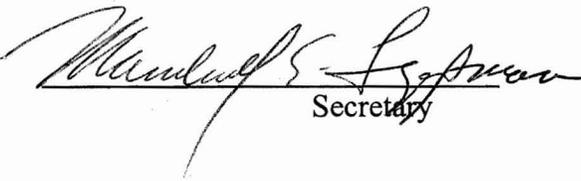
**THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY**

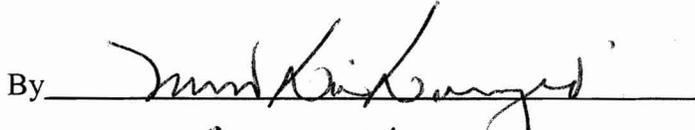

Secretary

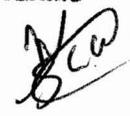
By 
(Title) **DIRECTOR OF REAL ESTATE**
(Seal)

ATTEST:

HUDSON NEWS COMPANY


Secretary

By 
(Title) **SENIOR VICE - President**
(Corporate Seal)

| "APPROVED" | |
|---|--|
| FORM | TERMS |
|  R&V |  |

(Port Authority Acknowledgement)

STATE OF NEW YORK)
)ss.:
COUNTY OF NEW YORK)

On the 23rd day of August, 1999, before me personally came Cherrie Nanninga to me known, who, being by me duly sworn, did depose and say that he resides at (Ex. 1)

that he is the Director of Real Estate of the Port Authority of New York and New Jersey, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Commissioners of said corporation; and that he signed his name thereto by like order.

Sylvia Shepherd
(notarial seal and stamp)

SYLVIA SHEPHERD
Notary Public, State of New York
No. 41-4952176
Qualified in Queens County
Commission Expires June 12, 2001

(Corporate Acknowledgment)

STATE OF New Jersey)
)ss.:
COUNTY OF Bergen)

On the 12th day of August, 1999, before me personally came MARIO DiDOMIZIO to me known, who, being by me duly sworn, did depose and say that he resides at (Ex. 1)

that he is the Senior Vice-President of Hudson News Company, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that he signed his name thereto by like order.

Catherine R. Bogden
(notarial seal and stamp)

Catherine R. Bogden
Notary Public, State of New Jersey
No. 2217080
Qualified in Bergen County
Commission Expires September 11, 2003

Book corner

**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
BUS AND TRUCK TERMINAL LEASE**

AGREEMENT OF LEASE

between

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

and

HUDSON COUNTY NEWS COMPANY T/A HUDSON NEWS

Dated as of: May 22, 1997

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Exhibit A

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TCL 8/8/73

THIS AGREEMENT made as of the 22nd day of May 1997, by and between **THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY** (hereinafter called the "Port Authority") a body corporate and politic, created by Compact between the States of New York and New Jersey, with the consent of the Congress of the United States of America, and having an office at One World Trade Center, in the Borough of Manhattan, City, County and State of New York, and **HUDSON COUNTY NEW COMPANY T/A HUDSON NEWS** (hereinafter called the "Lessee"), a corporation organized and existing under the laws of the State of New Jersey and having an office and place of business at 1305 Paterson Plank Road, North Bergen, New Jersey 07047, whose representative is Mario DiDomizio

WITNESSETH THAT

The Port Authority and the Lessee, for and in consideration of the rents, covenants and agreements hereinafter contained, mutually covenant and agree as follows:

Section 1. Letting

The Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority, at the Port Authority Bus Terminal in the Borough of Manhattan, City, County and State of New York, the space shown in diagonal hatching on the sketch annexed hereto, hereby made a part hereof and marked "Exhibit A", together with the fixtures, improvements and other property of the Port Authority located or to be located therein or thereon, all said space, fixtures, improvements and other property of the Port Authority being hereinafter collectively referred to as the "premises". The Port Authority and the Lessee hereby acknowledge that the premises constitute non-residential real property.

Section 2. Term

SEE SECTION 50.

Section 3. Rights of User by the Lessee

The Lessee shall use the premises for the following purposes only and for no other purpose whatsoever: for the operation of a store for the sale at retail of hard cover and paperback books, lottery tickets issued by the Lottery Division of the New York State Department of Taxation and Finance, and such other related items as may be consented to in advance in writing by the Port Authority.

Section 4. Rental

(a) The Lessee agrees to pay to the Port Authority a basic rental for the premises at the rate set forth in Item 1 of Exhibit B attached hereto and hereby made a part hereof.

(b) The Lessee agrees to pay to the Port Authority the percentage rental, if any, stated in Item 1 of Exhibit B, attached hereto and made a part hereof.

(c) The time for making payments of rental and the method of computation and abatement thereof are set forth in Item 1 of Exhibit B.

SECTION 5. *Obligations in Connection with Any Percentage Rental*

If any rental hereunder is measured by a percentage of the Lessee's gross receipts, the Lessee shall:

(a) Take all reasonable measures in every proper manner to maintain, develop and increase the business conducted by it hereunder;

(b) Not divert or cause or allow to be diverted any business from the Terminal;

(c) Maintain in accordance with accepted accounting practice during the letting and for one year thereafter and for such further period until the Lessee shall receive written permission from the Port Authority to do otherwise, records and books of account recording all transactions at, through or in any-wise connected with the Terminal, which records and books of account shall be kept at all times within the Port of New York District and permit, in ordinary business hours during such time, the examination and audit by the officers, employees and representatives of the Port Authority of such records and books of account and also any records and books of account of any company which is owned or controlled by the Lessee, if said company performs services, similar to those performed hereunder by the Lessee, anywhere in the Port of New York District;

(d) Permit in ordinary business hours the inspection by the officers, employees and representatives of the Port Authority of any equipment used by the Lessee, including but not limited to cash registers and recording tapes;

(e) Furnish on or before the twentieth day of each month following the commencement date of the letting a sworn statement of gross receipts arising out of the operations of the Lessee hereunder for the preceding month;

(f) Install and use such cash registers, sales slips, invoicing machines and any other equipment or devices for recording orders taken or services rendered as may be appropriate to the Lessee's business and necessary or desirable to keep accurate records of gross receipts.

SECTION 6. *Governmental Requirements*

(a) The Lessee shall procure from all governmental authorities having jurisdiction over the operations of the Lessee at the premises all licences, certificates, permits or other authorization which may be necessary for the conduct of its operations.

(b) The Lessee 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.

(c) The Lessee 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 operations of the Lessee on the premises or its occupancy thereof, and the Lessee shall, in accordance with and subject to the provisions of Section 15 hereof, make any and all structural and nonstructural improvements, alterations or repairs of the premises that may be required at any time hereafter by any such present or future law, rule, regulation, requirement, order or direction.

(d) The obligation of the Lessee to comply with governmental requirements is provided herein for the purpose of assuring proper safeguards for the protection of persons and property on the premises and a proper operation by the Lessee. Such provision is not to be construed as a submission by the Port Authority to the application to itself of such requirements or any of them.

SECTION 7. *Rules and Regulations*

The Lessee covenants and agrees to observe and obey (and to compel its officers, members, employees, agents, representatives, contractors, customers, guests, invitees and those doing business with it to observe and obey) the special rules and regulations of the Port Authority for the government of the conduct and operations of the Lessee, a copy of which is attached hereto, made a part hereof and marked "Exhibit R", and such further reasonable rules and regulations as may from time to time during the letting be promulgated by the Port Authority for reasons of safety, health, or preservation of property, or for the maintenance of the good and orderly appearance of the premises and the Terminal.

The Port Authority agrees that, except in cases of emergency, it will give notice to the Lessee of every such further rule or regulation adopted by it at least five (5) days before the Lessee shall be required to comply therewith.

SECTION 8. *Various Obligations of the Lessee*

(a) The Lessee shall conduct its operations in an orderly and proper manner and so as not to annoy, disturb or be offensive to others at the Terminal. The Lessee shall take all reasonable measures to eliminate vibrations tending to damage the premises and to keep the sound level of its operations as low as possible.

(b) The Lessee shall control the conduct, demeanor and appearance of its officers, members, employees, agents, representatives, contractors, customers, guests, invitees and those doing business with it, and upon objection from the Port Authority concerning the conduct, demeanor or appearance of any such shall immediately take all steps necessary to remove the cause of the objection.

(c) No garbage, debris or other waste materials (whether solid or liquid) shall be allowed to collect or accumulate in the premises and the Lessee shall remove from the premises and the Terminal all garbage, debris and other waste materials (whether solid or liquid) arising out of its occupancy or use of the premises. The Lessee shall use extreme care when effecting removal of all such waste and in no event shall use any facilities of the Port Authority without its prior consent in writing and shall effect such removal only during such hours as are prescribed by the Superintendent of the Terminal.

(d) If the premises have an entrance or exit opening out on a sidewalk the Lessee shall keep all sidewalks and curbs adjacent to the premises and all exclusive lobbies, vestibules and steps free from snow, ice, dirt and rubbish.

(e) The Lessee shall provide and its employees shall wear or carry badges or other suitable means of identification which shall be subject to the prior written approval of the Superintendent of the Terminal.

(f) If the Lessee is permitted under this Agreement to sell food and/or beverages, it shall, in connection with any preparation, packaging, handling, storage, delivery and dispensing of such food and/or beverages, comply with the following:

(1) Its employees shall wear clean, washable uniforms and female employees shall wear caps or nets. The employees shall be clean in their habits and shall thoroughly wash their hands before beginning work and immediately after each visit to the toilet and shall keep them clean during the entire work period. No person affected with any disease in a communicable form or who is a carrier of such disease shall work or be permitted to work for the Lessee.

(2) All food and beverages shall be clean, fresh, pure, of first-class quality and safe for human consumption.

(3) The premises and all equipment and materials used by the Lessee shall at all times be clean, sanitary, and free from rubbish, refuse, dust, dirt, offensive or unclean material, flies and other insects, rodents and vermin. All apparatus, utensils, devices, machines and piping used by the Lessee shall be constructed so as to facilitate the cleaning and inspection thereof and shall be properly cleaned after each period of use (which shall at no time exceed eight hours) with hot water and a suitable soap or detergent and shall be rinsed by flushing with hot water. Where deemed necessary by the Port Authority, final treatment by live steam under pressure or other sterilizing procedure shall be used. All trays, dishes, crockery, glassware, cutlery, and other equipment of such type shall be cleaned and sterilized immediately before using same.

(4) All packing materials, including but not limited to wrappers, stoppers, caps, enclosures and containers, shall be clean and sterile and shall be so stored as to be protected from dust, dirt, flies and other insects, rodents, vermin, unsanitary handling and unclean materials.

(5) It is intended that the standards and obligations imposed by this subdivision (f) shall be maintained or complied with by the Lessee in addition to its compliance with all applicable governmental laws, ordinances and regulations, and in the event that any of said laws, ordinances and regulations shall be more stringent than such standards and obligations, the Lessee agrees that it will comply with such laws, ordinances and regulations in its operations hereunder.

SECTION 9. *Prohibited Acts*

The Lessee shall not: (a) commit any nuisance on the premises, or do or permit to be done anything which may result in the creation or commission of a nuisance on the premises; (b) cause or produce or permit to be caused or produced upon the premises, or to emanate therefrom, any unusual,

in the condition existing as of the commencement date of the letting and to keep all improvements and fixtures made or installed subsequent to the commencement date of the letting in the condition existing as of the date such improvements are made and such fixtures installed.

(d) In the event the Lessee fails to commence so to make or do non-structural repairs, replacements, rebuilding or painting within a period of ten (10) days after notice from the Port Authority so to do or fails diligently to continue to completion the repair, replacement, rebuilding or painting of all the premises required to be repaired, replaced, rebuilt or painted by the Lessee under the terms of this Agreement, the Port Authority may, at its option, and in addition to any other remedies which may be available to it, repair, replace, rebuild or paint all or any part of the premises included in the said notice, the cost thereof to be paid by the Lessee on demand.

(e) The Lessee shall not lay any linoleum, asphalt tile or other such affixed floor covering in direct contact with the floor of the premises. If the Lessee lays any linoleum, asphalt tile or other such affixed covering on the floor of the premises, an interlining of builder's deadening felt shall first be affixed to the floor with water-soluble paste or other water-soluble material, the use of cement or other adhesive non-soluble in water being expressly prohibited.

(f) The Lessee shall maintain and pay the premiums on a policy of plate and mirror glass insurance covering all plate and mirror glass which is a part of or is located on or in the premises.

(g) In the event that, as a result of any casualty, the premises are damaged, without the fault of the Lessee, its officers, members, employees, agents, representatives, contractors, customers, guests, invitees or other persons doing business with it, so as to render them untenable in whole or part, then

(1) if in the opinion of the Port Authority the necessary repairs or rebuilding can be completed within ninety (90) days after the occurrence of the damage, the Port Authority shall repair or rebuild with due diligence, and the rental hereunder shall, if so provided in Item 1 of Exhibit B, be abated only for the period from the occurrence of the damage to the completion of the repairs or rebuilding, whether or not the work of repair or rebuilding is actually completed within the said ninety (90) days; or

(2) if in the opinion of the Port Authority such repairs or rebuilding cannot be completed within ninety (90) days after the occurrence of the damage or if the entire premises require rebuilding, then the Port Authority shall have options: (i) to proceed with due diligence to repair or to rebuild as necessary; or (ii) to terminate the letting as to the damaged portion of the premises only, or (iii) to cancel this Agreement and terminate the letting as to the entire premises; and the rental hereunder shall, if so provided in Item 1 of Exhibit B, be abated, either, as the case may require, for the period from the occurrence of the damage to the completion of repairs and rebuilding or for the period from the occurrence of the damage to the effective date of termination.

(h) The parties hereby stipulate that if the premises are in the State of New Jersey neither the provisions of Titles 46:8-6 and 46:8-7 of the Revised Statutes of New Jersey nor those of any other similar statute shall extend or apply to this Agreement, and if the premises are in the State of New York, neither the provisions of Section 227 of the Real Property Law of New York nor those of any other similar statute shall extend or apply to this Agreement.

(i) In the event of a partial or total destruction of the premises, the Lessee shall immediately remove any and all of its property and/or debris from the premises or the portion thereof destroyed and if the Lessee does not promptly so remove, the Port Authority may remove such property to a public warehouse for deposit or retain the same in its own possession and sell the same at public auction, the proceeds of which shall be applied first to the expenses of removal, storage and sale, second to any sums owed by the Lessee to the Port Authority, with any balance remaining to be paid to the Lessee; if the expenses of such removal, storage and sale shall exceed the proceeds of sale, the Lessee shall pay such excess to the Port Authority upon demand.

SECTION 11. *Indemnity; Liability Insurance*

(a) The Lessee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, agents and employees from all claims and demands of third persons including but not limited to those for death, for personal injuries, or for property damages, arising out of the use or occupancy of the premises by the Lessee or out of any of the acts or omissions of the Lessee, its officers, members, employees, agents, representatives, contractors, customers, guests, invitees and other persons doing business with it where such acts or omissions are on the premises or arising out of any acts or omissions of the Lessee, its officers, members, employees, agents and representatives where such acts or omissions are elsewhere at the Terminal.

charge based on such actual rate deviates from the approved price or a charge based on the approved rates shall constitute an undercharge and an amount equivalent thereto shall be included in any gross receipts hereunder and the percentage rental, if any, shall be payable in respect thereto. Notwithstanding any repayment of overcharges to a customer by the Lessee or any inclusion of undercharges in gross receipts, any such overcharge or undercharge shall constitute a breach of the Lessee's obligations hereunder and the Port Authority shall have all remedies consequent upon breach which would otherwise be available to it at law, in equity or by reason of this Agreement.

(d) In the event that the Lessee in its operations hereunder offers for sale such a variety of items that the submission of schedules, under the preceding subdivision of this Section, is not feasible in the opinion of the Port Authority, then the Lessee shall be under no obligation to submit such schedules of prices but the Lessee shall not then sell any items hereunder at a price other than the manufacturer's or distributor's recommended retail price, *provided, however*, that if the price charged for the same item at any other establishment within the Port of New York District which has any ownership, financial or management connection with the Lessee or any majority stockholder thereof is lower than the manufacturer's or distributor's recommended retail price, the Lessee shall notify the Port Authority in writing of that fact and shall charge only the lower price. If the Lessee wishes to charge a price different from the manufacturer's or distributor's recommended retail price or different from the lower price at any other establishment, as the case may be, then the Lessee shall prepare and submit to the Port Authority schedules therefor in the same manner and subject to the same conditions as set forth in the preceding subdivision of this Section. Any overcharge or undercharge resulting from a breach by the Lessee of its obligations under this subdivision shall be respectively refunded to the customer or included in gross receipts, all in the same manner and subject to the conditions as set forth in the preceding subdivision of this Section for overcharges or undercharges.

(e) The Lessee shall be open for and shall conduct business and furnish services twenty-four hours a day, seven days a week, or for such other hours and days as the Port Authority, from time to time by notice to the Lessee, may determine to properly serve the needs of the public. The determination of proper business hours and days made by the Port Authority shall be controlling.

SECTION 13. Signs

(a) Except with the prior written consent of the Port Authority, the Lessee shall not erect, maintain or display any signs or any advertising at or on the exterior parts of the premises or in the premises so as to be visible through the windows or exterior doors thereof.

(b) Upon the expiration or termination of the letting, the Lessee shall remove, obliterate or paint out, as the Port Authority may direct, any and all signs and advertising on the premises or elsewhere at the Terminal if pertaining to the Lessee, and in connection therewith shall restore the premises and the Terminal to the same condition as prior to the placement of any such signs or advertising. In the event that there is a failure by the Lessee so to remove, obliterate or paint out each and every sign or advertising and so to restore the premises and the Terminal, the Port Authority may, at its option, perform the necessary work at the expense of the Lessee, and the charge therefore shall be paid by the Lessee to the Port Authority on demand.

SECTION 14. Services

(a) Unless otherwise stated in Item 3 of Exhibit B, the Port Authority, shall, without additional charge, heat the premises to an even and comfortable working temperature during the hours and days stated in said Item 3.

(b) The Port Authority shall also, without additional charge, furnish non-exclusive toilet and washroom facilities for the employees of the Lessee if toilet and washroom facilities are not a part of the premises.

(c) The Port Authority agrees to sell, furnish and supply to the Lessee in the premises and the Lessee agrees to take and pay the Port Authority for the following:

(1) Unless otherwise stated in Item 3 of Exhibit B, electricity, in reasonable quantities, for illumination (all bulbs to be supplied and installed by the Lessee) and power; said electricity unless otherwise specified in said Item 3 to be 60 cycle, alternating current, single phase, at 110 volts, and to be paid for by the Lessee at the rates specified in said Item 3.

(2) Unless otherwise stated in Item 3 of Exhibit B, cold water, in reasonable quantities, of the character furnished by the municipality or utility company supplying in the vicinity and to be paid for by the Lessee at the rates specified in said Item 3.

(ii) The risk of death, injury or damage, direct or consequential, to the Port Authority, its Commissioners, officers, agents and employees, and to its or their property, arising out of or in connection with the performance of the work. The Lessee shall indemnify the Port Authority, its Commissioners, officers, agents and employees, for all such deaths, injuries and damages, and for all loss suffered by reason thereof.

(iii) The risk of claims and demands, just or unjust, by third persons against the Port Authority, its Commissioners, officers, agents and employees arising or alleged to arise out of the performance of the work. The Lessee shall indemnify the Port Authority, its Commissioners, officers, agents and employees, against and from all such claims and demands, and for all loss and expense incurred by it and by them in the defense, settlement or satisfaction thereof.

(2) All construction work done pursuant to this Section shall be done in accordance with drawings and specifications to be submitted to and approved by the Chief Engineer of the Port Authority prior to the commencement of the work, shall be done to his satisfaction and shall be subject to his inspection during the progress of such work and after completion thereof; and the Lessee shall re-do or replace at its own expense any work not approved by the said Chief Engineer. Unless otherwise expressly provided herein, all workmanship and materials are required to be first class.

(3) The Lessee shall pay all claims lawfully made against it by its contractors, subcontractors, materialmen and workmen and all claims lawfully made against it by other third persons arising out of or in connection with or because of the performance of the work and shall cause its contractors and subcontractors to pay all such claims lawfully made against them.

(4) The Lessee shall procure and maintain comprehensive public liability insurance, or, if the work is to be done by an independent contractor, the Lessee shall require such contractor to procure and maintain such insurance in the name of the contractor, in either case, in limits not lower than those set forth for such categories of insurance in Item 5 of Exhibit B.

(5) As soon as such structure, repair, alteration, improvement or addition shall have been completed to the satisfaction of the Chief Engineer of the Port Authority, then (subject to the provisions of the following subdivision (c)) title thereto shall immediately and without execution of any further instrument vest in the Port Authority, and every said structure and all such repairs, alterations, improvements or additions, shall thereupon become and thereafter be part of the premises.

(c) The Port Authority shall have the option, exercisable by notice delivered on or before a date sixty (60) days after expiration, cancellation or termination hereof, to require the Lessee to remove any or all such structures, alterations, improvements or additions, and to restore the premises to the condition thereof prior to the construction or installation thereof. In the event of a failure on the part of the Lessee so to remove and restore, the Port Authority may do so, and the Lessee shall pay the cost thereof to the Port Authority on demand.

SECTION 16. *Injury and Damage to Person or Property*

The Port Authority shall not be liable to the Lessee, or to any person, for injury or death to any person or persons whomsoever, or damage to any property whatsoever at any time in the premises or elsewhere in the Terminal, including but not limited to any such injury, death or damage from falling material, water, rain, hail, snow, gas, steam, and/or electricity, whether the same may leak into, or fall, issue, or flow from any part of the Terminal, or from any other place or quarter, unless said damage, injury or death shall be due to the negligence of the Port Authority, its employees or agents.

SECTION 17. *Additional Rent and Charges*

(a) If the Port Authority has paid any sum or sums or has incurred any obligations or expense which the Lessee has agreed to pay or reimburse the Port Authority for, or if the Port Authority is required or elects to pay any sum or sums or incurs any obligations or expense by reason of the failure, neglect or refusal of the Lessee to perform or fulfill any one or more of the conditions, covenants or agreements contained in this Agreement or as a result of an act or omission of the Lessee contrary to the said conditions, covenants and agreements, the Lessee agrees to pay the sum or sums so paid or the expense so incurred, including all interest, costs, damages and penalties, and the same may be added to any installment of rent thereafter due hereunder, and each and every part of the same shall be and become additional rent, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the basic rental, or if there is no basic rental as a part of the percentage rental, all as set forth in Section 4 hereof.

(c) In the event of a taking by any governmental agency or agencies of a part of the premises, then the letting as to such part only shall, as of the date possession thereof is taken from the Port Authority by such agency or agencies, cease and determine, and the rentals thereafter to be paid by the Lessee to the Port Authority shall, if so provided in Item 1 of Exhibit B, be abated from and after the date of such taking.

SECTION 20. *Assignment and Sublease*

(a) The Lessee shall not assign, sell, convey, transfer, mortgage, or pledge this Agreement, or the letting, or any part thereof.

(b) The Lessee shall not sublet the premises or any part thereof.

(c) If the Lessee assigns, sells, conveys, transfers, mortgages, pledges or sublets in violation of subdivisions (a) or (b) of this Section or if the premises are occupied by anybody other than the Lessee, the Port Authority may collect rent from any assignee, sublessee or anyone who claims a right to this Agreement or letting or who occupies the premises, and shall apply the net amount collected to the rental herein reserved; and no such collection shall be deemed a waiver by the Port Authority of the covenants contained in subdivisions (a) and (b) of this Section nor an acceptance by the Port Authority of any such assignee, sublessee, claimant or occupant as Lessee, nor a release of the Lessee by the Port Authority from the further performance by the Lessee of the covenants contained herein.

(d) The Lessee shall not use, or permit any person to use, the premises or any portion thereof, except for the purposes set forth in Section 3 hereof.

SECTION 21. *Termination*

(a) If any one or more of the following events shall occur, that is to say:

(1) The Lessee shall become insolvent, or shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy or a petition or answer seeking an arrangement or its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any other law or statute of the United States or of any State thereof, or consent to the appointment of a receiver, trustee, or liquidator of all or substantially all its property; or

(2) By order or decree of a court the Lessee shall be adjudged bankrupt or an order shall be made approving a petition filed by any of the creditors or, if the Lessee is a corporation, by any of the stockholders of the Lessee, seeking its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any law or statute of the United States or of any State thereof; or

(3) A petition under any part of the federal bankruptcy laws or an action under any present or future insolvency law or statute shall be filed against the Lessee and shall not be dismissed within thirty (30) days after the filing thereof; or

(4) The letting hereunder or the interest or estate of the Lessee under this Agreement shall be transferred to, pass to or devolve upon, by operation of law or otherwise, any other person, firm or corporation; or

(5) The Lessee, if a corporation, shall, without the prior written approval of the Port Authority, become a possessor or merged corporation in a merger, a constituent corporation in a consolidation, or a corporation in dissolution; or

(6) The Lessee is, or the Lessees collectively are doing business as, or constitute a copartnership, and the said copartnership shall be dissolved as the result of any act or omission of its copartners or any of them, or by operation of law or the order or decree of any court having jurisdiction, or for any other reason whatsoever; or

(7) By or pursuant to, or under authority of any legislative act, resolution or rule, or any order or decree of any court or governmental board, agency or officer having jurisdiction, a receiver, trustee, or liquidator shall take possession or control of all or substantially all of the property of the Lessee, and such possession or control shall continue in effect for a period of fifteen (15) days; or

(8) Any type of strike or other labor activity is directed against the Lessee at the Terminal 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 Terminal or the operations of other lessees or licensees thereat, whether or not the same is due to the fault of the Lessee, and whether caused by the employees of the Lessee or by others; or

(b) The amount of damages for the period of time subsequent to termination or cancellation (or re-entry, regaining or resumption of possession) shall be:

(1) On account of the Lessee's basic rental obligation, the amount of the total of all annual basic rentals, less the installments thereof payable prior to the effective date of termination except that the credit to be allowed for the installment payable on the first day of the month in which the termination is effective shall be prorated for the part of the month the letting remains in effect, on the basis of a 30-day month;

(2) On account of the Lessee's percentage rental obligation in the event that a basic rental is also reserved under this Agreement, an amount equal to the percentage stated in Item 1 of Exhibit B applied to the amount of gross receipts in excess of the annual exemption amount or amounts, which gross receipts would have been received by the Lessee during the balance of the term if there had been no termination or cancellation (or re-entry, regaining or resumption of possession), and for the purpose of calculation hereunder (i) the said amount of gross receipts shall be derived by multiplying the number of days in the balance of the term originally fixed, by the Lessee's average daily gross receipts; (ii) the average daily gross receipts shall be the total actual gross receipts of the Lessee during that part of the effective period of the letting (including all annual periods falling within the effective period) in which no abatement was in effect, divided by the number of days included in such part of the effective period; (iii) the annual exemption amount for any period of less than a year shall be the product of the original annual exemption amount multiplied by a fraction, the numerator of which shall be the number of days from the effective date of termination to the end of the annual period and the denominator shall be 365;

(3) On account of the Lessee's percentage rental obligation in the event that no basic rental is reserved under this Agreement, an amount equal to the percentage stated in Item 1 of Exhibit B applied to the amount of gross receipts which would have been received by the Lessee during the balance of the term if there had been no termination or cancellation (or re-entry, regaining or resumption of possession), and for the purpose of calculation hereunder (i) the said amount of gross receipts shall be derived by multiplying the number of days in the balance of the term originally fixed, by the Lessee's average daily gross receipts; (ii) the average daily gross receipts shall be the total actual gross receipts of the Lessee during that part of the effective period of the letting (including all annual periods falling within the effective period) divided by the number of days included in such part of the effective period.

(c) It is understood and agreed that the statement of damages under the preceding subdivision (b) shall not affect or be construed to affect the Port Authority's right to damages in the event of termination or cancellation (or re-entry, regaining or resumption of possession) where the Lessee has not received any actual gross receipts under this Agreement.

SECTION 25. *Reletting by the Port Authority*

The Port Authority, upon termination or cancellation pursuant to Section 21 hereof, or upon any re-entry, regaining or resumption of possession pursuant to Section 22 hereof, may occupy the premises or may relet the premises, and shall have the right to permit any person, firm or corporation to enter upon the premises and use the same. Such reletting may be of part only of the premises or of the premises or a part thereof together with other space, and for a period of time the same as or different from the balance of the term hereunder remaining, and on terms and conditions the same as or different from those set forth in this Agreement. The Port Authority shall also, upon termination or cancellation pursuant to the said Section 21, or upon its re-entry, regaining or resumption of possession pursuant to the said Section 22, have the right to repair or to make structural or other changes in the premises, including changes which alter the character of the premises and the suitability thereof for the purposes of the Lessee under this Agreement, without affecting, altering or diminishing the obligations of the Lessee hereunder. In the event either of any reletting or of any actual use and occupancy by the Port Authority (the mere right to use and occupy not being sufficient however) there shall be credited to the account of the Lessee against its survived obligations hereunder any net amount remaining after deducting from the amount actually received from any lessee, licensee, permittee or other occupier in connection with the use of the said premises or portion thereof during the balance of the letting as the same is originally stated in this Agreement, or from the market value of the occupancy of such portion of the premises as the Port Authority may during such period actually use and occupy, all expenses, costs and disbursements incurred or paid by the Port Authority in connection therewith. No such reletting shall be or be construed to be an acceptance of surrender.

SECTION 30. *Requirement of Deposit or Bond*

(a) Unless Item 7 of Exhibit B indicates that no deposit is required, then, prior to the commencement of the letting, the Lessee shall deposit with the Port Authority the sum stated in the said Item 7, in negotiable bonds of the United States of America, or of The Port of New York Authority or in cash, as security for the full, faithful and prompt performance of and compliance with, on the part of the Lessee, all the covenants, terms and conditions of this Agreement on its part to be fulfilled, kept, performed and observed. The said cash or bonds shall remain on deposit with the Port Authority throughout the letting. If bonds are deposited, the fair market value thereof shall be equivalent at the time of the deposit to the sum stated in the said Item 7; and, if at any time throughout the letting the fair market value thereof declines, the Lessee shall, upon ten (10) days' notice from the Port Authority, deposit additional bonds to the extent necessary to maintain the sum stated in the said Item 7. In addition to any and all other remedies available to it under this Agreement or otherwise, the Port Authority shall have the right, at its option at any time and from time to time, to use the deposit or any part thereof in whole or partial satisfaction of any of its claims or demands against the Lessee. 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 on the part of the Lessee. In the event that the Port Authority shall at any time or times so use the deposit or a part thereof, the Lessee shall, on demand of the Port Authority and within two (2) days thereafter, deposit with the Port Authority additional bonds satisfactory to the Port Authority or additional cash so as to maintain the deposit at all times to the full amount stated in the said Item 7; all such additional deposits shall be subject to all the conditions of this Section. After the expiration of the letting and upon written request therefor by the Lessee, the Port Authority will return the deposit to the Lessee, less the amount of any and all unpaid claims and damages of the Port Authority under this Agreement. Upon a termination of the letting, the Port Authority may, at its option, retain the deposit until the date fixed in Section 2 hereof for the expiration of the letting (or until the final date of any extended term, as the case may be) and shall thereafter upon demand of the Lessee return the same to the Lessee less the amount of any and all unpaid claims and damages, including but not limited to estimated damages of the Port Authority under this Agreement. The Lessee agrees that it will not assign, mortgage or encumber the deposit. The Lessee may collect or receive annually 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 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. Without limiting the foregoing provisions of this Section, with respect to any bonds deposited by the Lessee, the Port Authority shall have the right, in order to satisfy any of its claims or demands against the Lessee, 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 any claims, equities or rights of redemption of the Lessee. The Lessee hereby waives any right to participate therein or any right to prior notice or demand of the amount or amounts of the Port Authority's claims or demands against the Lessee. The proceeds of any such sale shall be applied by the Port Authority first to the costs and expenses of the sale (including but not limited to any advertising or commission expenses) and then to the amounts due the Port Authority from the Lessee. Any balance remaining shall be retained in cash toward bringing the security deposit to the sum specified in said Item 7 provided that this shall not relieve the Lessee from maintaining the deposit in the full amount stated in said Item 7.

(b) Unless Item 8 of Exhibit B indicates that no performance bond is required, the Lessee shall furnish and pay the premium for a bond in the sum stated in the said Item 8, conditioned upon the full, faithful and prompt performance of and compliance with, on the part of the Lessee, all the covenants, terms and conditions of this Agreement on its part to be fulfilled, kept, performed and observed. The bond so furnished shall be in the form attached hereto, hereby made a part hereof and marked "Exhibit U", shall be effective throughout the letting and shall be made either by a surety company or companies qualified to carry on a surety business in the State of New Jersey if the premises are in New Jersey or in the State of New York if the premises are in New York, and satisfactory to the Port Authority or by an individual or individuals satisfactory to the Port Authority.

(c) In the event Items 7 and 8 of Exhibit B indicate that both a deposit and a performance bond are required, the Lessee shall, unless said Items 7 and 8 state otherwise, have the option of fulfilling either the provisions of subdivision (a) or those of subdivision (b) of this Section.

Section 31. *Brokerage*

The Lessee represents and warrants that no broker has been concerned in the negotiation of this Agreement and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Lessee shall indemnify and save harmless the Port Authority of and from any claim for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Agreement.

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SECTION 37. *Place of Payments*

All payments required of the Lessee by this Agreement shall be made at the office of the Treasurer of the Port Authority, One World Trade Center, New York, New York 10048, or to such other officer or address as may be substituted therefor.

SECTION 38. *Quiet Enjoyment*

The Port Authority covenants and agrees that as long as it remains the owner of the Terminal, the Lessee, upon paying all rentals hereunder and performing all the covenants, conditions and provisions of this Agreement on its part to be performed, shall and may peaceably and quietly have, hold and enjoy the premises free of any act or acts of the Port Authority except as expressly permitted in this Agreement.

SECTION 39. *Headings*

The section headings and the paragraph headings, if any, 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.

SECTION 40. *Construction and Application of Terms*

(a) Wherever in this Agreement a third person singular neuter pronoun or adjective is used, referring to the Lessee, the same shall be taken and understood to refer to the Lessee, regardless of the actual gender or number thereof.

(b) Whenever in this Agreement, the Lessee is placed under an obligation or covenants to do or to refrain from or is prohibited from doing, or is entitled or privileged to do, any act or thing, the following shall apply:

(1) If the Lessee is a corporation, its obligations shall be performed or its rights or privileges shall be exercised only by its officers and employees; or

(2) If the Lessee is an unincorporated association or a business or "Massachusetts" trust, the obligation shall be that of its members or trustees, as well as of itself, and shall be performed only by its members or trustees, and officers and employees, and the rights or privileges shall be exercised only by its members or trustees, and its officers and employees; or

(3) If the Lessee is a copartnership, the obligation shall be that of its partners and shall be performed only by its partners and employees and the rights or privileges shall be exercised only by its partners and employees; or

(4) If the Lessee is an individual, the obligations shall be that of himself (or herself) and shall be performed only by himself (or herself) and his (or her) employees and the rights or privileges shall be exercised only by himself (or herself) and his (or her) employees.

(5) None of the privileges of this subdivision (b) shall be taken to alter, amend or diminish any obligation of the Lessee assumed in relation to its invitees, customers, agents, representatives, contractors or other persons, firms or corporations doing business with it.

(c) In the event that more than one individual or other legal entity are the Lessee under this Agreement, then and in that event each and every obligation under this Agreement shall be the joint and several obligation of each such individual or other legal entity.

(d) The Lessee's representative, hereinbefore specified (or such substitute as the Lessee may hereafter designate in writing) shall have full authority to act for the Lessee in connection with this Agreement and any things done or to be done hereunder, and to execute on the Lessee's behalf any amendments or supplements to this Agreement or any extension thereof.

*shall be made by mail to the Port Authority of New York and New Jersey, P. O. Box 17309, Newark, New Jersey 07194.

Section 43. Grease Traps and Ventilation Ducts

Without in anywise limiting the Lessee's other obligations under this Agreement, the Lessee shall supply, replace, install, repair, maintain and keep clean all grease traps in all drainage pipes exclusively used by it in its operations hereunder whether such pipes are located on the premises or elsewhere at the Terminal. The Lessee shall also keep clean, repair and maintain (other than structurally) all ventilation ducts including the replacement of all filters where such ducts are exclusively used by it in its operations hereunder and whether such ducts are located on the premises or elsewhere at the Terminal.

Section 44. Limitation on the Supply of Services

Notwithstanding that the Port Authority may have agreed to supply any service under Section 14 of this Agreement, the Port Authority shall be under no obligation to supply any such service if and to the extent and during any period that the supplying of any such service or the use of any component necessary therefor shall be prohibited or rationed by any federal, state or municipal law, rule, regulation, requirement, order or direction and if the Port Authority deems it in the public interest to comply therewith, even though such law, rule, regulation, requirement, order or direction may not be mandatory on the Port Authority as a public agency. If by operation of this Section any service for which the Lessee has agreed to pay a flat sum in Section 14 is discontinued for any period of the letting, the Lessee shall be relieved of its obligation to pay for such service for any such period or if any such service is supplied during fewer hours or in lesser amounts than agreed during any period of the letting, the Lessee shall be relieved proportionately of its obligation to pay for any such service for any such period.

Section 45. Governmental Compliance

In the event that all or any portion of the premises is required by the Port Authority to comply with any present or future governmental law, rule, regulation, requirement, order or direction, the Port Authority shall give the Lessee notice that all or any such portion of the premises is so required and the Lessee shall deliver all or any such portion of the premises so required on the date specified in such notice and, if the Lessee does not so deliver, the Port Authority may take the same. No such taking or delivery shall be or be construed to be an eviction of the Lessee or a breach of this Agreement. In the event that the Lessee has received a notice hereunder it shall deliver all or any such portion of the premises so required in the same condition as that required hereunder for the delivery of the premises on the cessation of the letting. In the event of the taking or delivery of all the premises, this Agreement and the letting hereunder shall on the day of such taking or delivery cease and expire as if that day were the date originally stated herein for the expiration of this Agreement; and, in the event of the taking or delivery of any portion of the premises, then, from and after such taking or delivery, such portion of the premises shall cease to be a part of the premises hereunder. There shall be an abatement of the rental in the event of any such taking or delivery of a portion of the premises if so provided in Item 1 of Exhibit B.

Section 46. Extermination Service

The Lessee shall pay the Port Authority upon demand the cost of extermination service, if any, actually provided by the Port Authority in the enclosed portion of the premises, provided, however, that the Port Authority shall not be required hereby to furnish such service.

Section 47. Force Majeure

The Port Authority shall not be liable for any failure, delay or interruption in performing its obligations hereunder due to causes or conditions beyond its control. Further, the Port Authority shall not be liable unless the failure, delay or interruption shall result from failure on the part of the Port Authority to use reasonable care to prevent or reasonable efforts to cure such failure, delay or interruption.

Section 48. Premises

The Port Authority shall deliver the premises to the Lessee in its presently existing "as is" condition. The Lessee acknowledges that prior to the execution of this Agreement it has thoroughly examined and inspected the premises and has found the premises in good order and repair and has determined it to be suitable for the Lessee's operations hereunder. The Lessee agrees to and shall take the premises in its "as is" condition, and the Port Authority shall have no obligation to perform any finishing or decorating work in the premises. The Lessee acknowledges that it has not relied upon any representation or statement of the Port Authority or its Commissioners, officers, employees or agents as to the condition of the premises or the suitability thereof for the operations permitted on the premises by this Agreement. The Lessee agrees that no portion of the premises will be used initially or at any time during the letting which is in a condition unsafe or improper for the conduct of the Lessee's operations hereunder so that there is a possibility of injury or damage to life or property and the Lessee further agrees that before any use it will immediately correct any such unsafe or improper condition.

Section 49. Late Charges

If the Lessee should fail to pay any amount required under this Agreement when due to the Port Authority, including without limitation any payment of basic, percentage or other rental or any payment of utility or other charges or if any such amount is found to be due as the result of an audit, then, in such event, the Port Authority may impose (by statement, bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period (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 Agreement. Each late charge shall be payable immediately upon demand made at any time therefor by the Port Authority. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid late charge amount shall be deemed a waiver of the right of the Port Authority to payment of any late charge or late charges payable under the provisions of this Section with respect to such unpaid amount. Each late charge shall be and become additional rent, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the rental as set forth in the section of this Agreement entitled "Rental". Nothing in this Section is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Agreement, including without limitation the Port Authority's rights set forth in the section of this Agreement entitled "Termination" or (ii) any obligations of the Lessee under this Agreement. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Agreement shall be payable instead at such legal maximum.

Section 50. Commencement Date and Term of the Letting

(a) The term of the letting under this Agreement shall commence on June 1, 1997 (which date is sometimes hereinafter referred to as "the Commencement Date"), subject to postponement in accordance with the provisions of paragraph (b) of this Section, and shall expire, unless sooner terminated, or unless extended, at 11:59 o'clock P.M. on May 31, 2005.

(b) If on the Commencement Date fixed in paragraph (a) of this Section the premises are not available or ready for occupancy or use by the Lessee, by reason of the fact that the premises or any part thereof, or any part of the Facility, are in the course of construction, repair, alteration or improvement or by reason of the fact that the occupant of the premises, or a part thereof, failed or refused to deliver possession, or by reason of any causes or conditions beyond the control of the Port Authority, the Port Authority may postpone the letting and the Port Authority shall not be subject to any liability for such postponement or failure to give possession on such date. No such postponement or failure to give possession on such date shall affect the validity of this Agreement or the obligations of the Lessee hereunder. In the event the Commencement Date is postponed as herein provided, then the Port Authority shall tender possession of the premises to the Lessee by notice given at least five (5) days prior to the effective date of the tender and in such event the Rental Payment Start Date established pursuant to the provisions of Item 1 of Exhibit B attached to this Agreement (unless the Rental Payment Start Date is defined herein as a stated period following the Commencement Date of the term of the letting) shall be postponed for the same number of days that the Commencement Date is postponed. Also, in such event, the expiration date of the letting (unless defined herein as a stated period following the Rental Payment Start Date) shall be postponed for a period of time equivalent to the period from the Commencement Date stated in paragraph (a) of this Section and the last day of the calendar month in which the actual Commencement Date shall fall. In the event that notice of tender of the premises is not given for possession to commence on or before three hundred sixty-five (365) days after the Commencement Date fixed in paragraph (a) of this Section, then this Agreement shall be deemed cancelled, except that each party shall and does release and discharge the other party from any and all claims or demands based on this Agreement, or a breach or alleged breach thereof.

Section 51. Operating Names

Any name, designation or any service mark proposed to be used or displayed at the premises or at the Facility or for the Lessee's operations therein shall be approved in advance in writing by the Port Authority and the Lessee shall have the right to use and display the name, designation or mark only so long as this Agreement is in force and effect. If for any reason the Lessee ceases its operations in the premises, the Lessee's right to use such name, designation or service mark shall immediately cease and come to an end and the Port Authority or its designee shall have the sole right to use such name, designation

or service mark and the Lessee hereby consents to such use thereof. Any registration or filing by the Lessee with respect to such name, designation or service mark shall be approved in advance by the Port Authority in writing. The Lessee agrees to assign and transfer to the Port Authority any such registration or filing and any other rights in or to the use of such name, designation or service mark promptly upon written request therefor from the Port Authority.

Section 52. Affirmative Action

Without limiting any of the terms and conditions of this Agreement, the Lessee agrees, and agrees to require its contractors, to make every good faith effort, to the maximum extent feasible, to seek meaningful participation by minorities and women both as to Minority Business Enterprise (MBE) and Women-owned Business Enterprise (WBE) participation as contractors and subcontractors and as to the composition of the labor force on contracts and subcontracts entered into with respect to any construction work performed on the premises. The Port Authority has a long-standing practice of making its contracting opportunities available to MBEs and WBEs. The affirmative steps the Port Authority takes to maximize opportunities for MBEs and WBEs to participate in the performance of Port Authority construction contracts either directly or as subcontractors are hereby set forth for the Lessee's consideration in the schedule attached hereto, hereby made a part of this Agreement, and marked "Schedule E".

Section 53. Trash Removal

(a) Subject to all of the terms, conditions and provisions of this Agreement and in implementation of the provisions of Section 8(c) hereof, the Lessee agrees to remove from the premises all garbage, debris and other waste materials (whether solid or liquid) arising out of its occupancy or use of the premises by delivering the same daily to the Port Authority compaction unit located at the Terminal, and the Port Authority hereby grants to the Lessee the privilege to use the Port Authority compaction unit during such hours and in such manner as may be specified by the Port Authority for the compaction of all such garbage, debris and waste materials. The Port Authority shall thereafter arrange, through its agents, employees or contractors, for the collection and removal of all such debris, garbage and waste material from the Terminal. The privilege granted hereunder to the Lessee is non-exclusive and the Port Authority and all persons, firms or corporations designated by it shall have the right to use the said compaction unit and to enter upon the space designated for the location thereof for the purposes set forth herein. Nothing contained herein shall limit or be deemed to limit any rights the Port Authority or its designees may have under this Agreement, or otherwise, to enter upon or use such space.

(b) Prior to delivery to the Port Authority compaction unit, the Lessee shall store all garbage, debris and waste materials in suitable garbage and waste receptacles, to be provided by the Lessee at its sole cost and expense. All such receptacles shall be of a design

safely and properly to contain whatever may be placed therein and shall be kept closed or covered except when being filled and maintained in a clean and sanitary condition at all times. The Lessee shall exercise extreme care in bringing all such garbage, debris and waste materials to the Port Authority compaction unit and shall pick up and clean all spillage and accumulations thereof. Without limiting the applicability thereof in any way, the Lessee's indemnity, repair and maintenance obligations under this Agreement shall extend to and include its activities under this Section.

(c) During the effective period of the permission granted pursuant to the provisions of this Section, the Lessee shall not contract for waste, rubbish or garbage removal services and shall not dispose of garbage, debris or other waste materials except in the manner specified in this Agreement. The Port Authority shall have the right to temporarily discontinue the Lessee's non-exclusive right to use the compaction unit when necessary or desirable in the opinion of the Port Authority in order to make any repairs, alterations, changes or improvements thereto. Nothing contained herein shall impose or be construed to impose on the Port Authority any obligation to make any repairs, alterations, changes or improvements or to create any liability for any failure to do so. The Port Authority shall have the right to revoke the privilege granted hereunder to use the Port Authority compaction unit on thirty (30) days' prior written notice to the Lessee, provided, however, that it may be revoked by the Port Authority upon five (5) days' notice if the Lessee shall fail to keep, perform and observe each and every condition, term and provision contained herein. Revocation shall not relieve the Lessee of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of revocation. The exercise of the foregoing rights by the Port Authority shall not release, relieve or discharge the Lessee from any of its obligations under this Agreement and upon the exercise of such rights, the Lessee shall dispose of all garbage, debris or other waste material in accordance with the provisions of Section 8(c) of this Agreement.

(d) The Lessee shall pay to the Port Authority for the right to use the Port Authority compaction unit in accordance with the provisions of paragraph (a) of this Section an annual fee (hereinafter referred to as the "Trash Removal Fee") at the rate of Two Thousand Six Hundred Fifty-two Dollars and No Cents (\$2,652.00) per annum payable in monthly installment each in the amount of Two Hundred Twenty-one Dollars and No Cents (\$221.00) on the Commencement Date, and on the first day of each and every month thereafter occurring during the effective period of the permission granted pursuant to the provisions of this Section, provided, however, that, if the Commencement Date established for the premises occurs on a day which is other than the first day of a month, the Trash Removal Fee for the portion of the month during which the Commencement Date occurs following such date shall be the amount of the monthly installment set forth in this paragraph prorated on a daily basis. The Trash Removal Fee described in this paragraph, and the monthly installments thereof shall be payable, together with all applicable New York State and New York City taxes, at the same time and collectable with like remedies as if all such payments were payments of basic rental under this Agreement. The Trash Removal Fee set forth in

this paragraph shall be adjusted during the term of the letting under this Agreement in accordance with the provisions of paragraph (g) of this Section.

(e) The Lessee understands that the Port Authority will supply trash removal services hereunder through a contractor or contractors of its choice and that the Port Authority will choose a single contractor or that combination of contractors which in the Port Authority's opinion will result in the lowest total cost for the Terminal consistent with adequate performance of the services. In the event that pursuant to such contract or contracts as the Port Authority may enter into the Port Authority's cost of supplying trash removal services to the Terminal increases, then, at the option of the Port Authority, exercised at any time and from time to time by notice to the Lessee, the amount of such increase or the portion thereof allocated by the Port Authority to the premises or the Lessee's operations therein shall be added to the monthly fee specified in paragraph (d) above.

(f) No failure, delay or interruption in the service set forth herein shall be or be construed to be an eviction of the Lessee, shall be grounds for any diminution or abatement of any rentals payable under this Agreement or shall constitute grounds for any claim by the Lessee for damages consequential, or otherwise, unless due to the negligence of the Port Authority, its employees or agents.

(g) As used in this paragraph:

(i) "Index" shall mean the Revised Consumer Price Index for All Urban Consumers - New York-Northern New Jersey-Long Island, NY-NJ-CT (All Items, Unadjusted 1982-84=100) published by the Bureau of Labor Statistics of the United States Department of Labor.

(ii) "Base Period" shall mean the calendar month in which the Commencement Date established pursuant to the provisions of Section 50 of this Agreement shall occur.

(iii) "Adjustment Period" shall mean as the context requires the calendar month immediately preceding the calendar month in which the first anniversary of the Commencement Date established pursuant to the provisions of Section 50 of this Agreement shall occur, and the calendar month immediately preceding the calendar month in which each subsequent anniversary of the Commencement Date established pursuant to the provisions of Section 50 of this Agreement shall occur in each calendar year thereafter occurring during the term of the letting hereunder.

(iv) "Anniversary Date" shall mean the first anniversary of the Commencement Date established pursuant to the provisions of Section 50 of this Agreement and each subsequent anniversary of that date thereafter occurring during the term of the letting hereunder.

(v) "Percentage Increase" shall mean the percentage of increase in the Index on each Anniversary Date equal to a

fraction the numerator of which shall be the Index for the Adjustment Period immediately preceding such Anniversary Date less the Index for the Base Period and the denominator of which shall be the Index for the Base Period.

Commencing on each Anniversary Date occurring during the term of the letting under this Agreement and for the period commencing with such Anniversary Date and continuing through the day preceding the following Anniversary Date, both dates inclusive, in lieu of the Trash Removal Fee set forth in paragraph (d) of this Section the Lessee shall pay a Trash Removal Fee equal to the sum obtained by adding the Trash Removal Fee payable immediately prior to such Anniversary Date (but excluding therefrom any amount included therein as a result of prior adjustments thereof pursuant to the provisions of this subparagraph) to the product obtained by multiplying the Trash Removal Fee payable immediately prior to such Anniversary Date (but excluding therefrom any amount included therein as a result of prior adjustments thereof pursuant to the provisions of this subparagraph) by the Percentage Increase for such Anniversary Date, and such increased Trash Removal Fee shall be payable by the Lessee during the twelve month period commencing with such Anniversary Date and continuing through to the following Anniversary Date in lieu of the Trash Removal Fee set forth in paragraph (d) of this Section. There shall be no reduction in the Trash Removal Fee payable for any period in the event of any reduction in the Index.

In the event any Index to be used in computing an adjustment in the Trash Removal Fee referred to in paragraph (d) above is not available on the effective date of such adjustment, the Lessee shall continue to pay the said Fee at the annual rate then in effect subject to retroactive adjustment at such time as the specified Index becomes available, provided, however, that the Port Authority may at its option substitute for such Index the Index for the latest available twelve-month period ending during the preceding calendar year to constitute the specified Index. In the event the Index shall hereafter be converted to a different standard reference base or otherwise revised or the United States Department of Labor shall cease to publish the said Index, then for the purposes hereof there shall be substituted for the Index such other Index properly reflecting changes in the value of current United States money in a manner similar to that established in the Index used in the latest adjustment as the Port Authority may in its discretion determine.

If after a Trash Removal Fee shall have been fixed for any period, the Index used for computing such Fee shall be changed or adjusted, then the Trash Removal Fee for that period shall be recomputed and from and after notification of the change or adjustment, the Lessee shall make payments based upon the recomputed Fee and upon demand shall pay any excess in the Trash Removal Fee due for such period as recomputed over amounts theretofore actually paid on account of the said Fee for such period. If such change or adjustment results in a reduction in the Fee due for any period prior to notification, the Port Authority will credit the Lessee with the difference between the Fee as recomputed for that period and amounts actually paid on account of said Fee.

Section 54. Amendments

Prior to the execution of this Agreement by either of the parties hereto, the following changes, additions and deletions were made:

(a) Paragraphs (b) of Section 23 was deleted in its entirety.

(b) Section 33 was deleted in its entirety.

(c) The words "shall be made at the office of the Treasurer of the Port Authority, One World Trade Center, New York, New York 10048" appearing in the first and second lines of Section 37 shall be deemed deleted and the words "mailed to the Port Authority of New York and New Jersey, P.O. Box 17309, Newark, New Jersey 07194", shall be deemed inserted in lieu thereof.

(d) Notwithstanding that the Port Authority has agreed to supply electricity to the Lessee, the Port Authority shall be under no obligation to provide or continue such service if the Port Authority is prevented by law, agreement or otherwise from metering or measuring consumption and demand as hereinabove set forth or elects not to so meter or measure the same, then in any such event the Lessee shall make all arrangements and conversions necessary to obtain electricity directly from the public utility. Also in such event the Lessee shall perform the construction necessary for conversion and if any lines or equipment of the Port Authority are with the consent of the Port Authority used therefor the Port Authority may make an appropriate charge therefor to the Lessee based on its costs and expenses for the said lines and equipment.

(e) Notwithstanding the provisions of paragraph (c) of Section 42 of this Agreement, and without otherwise limiting the generality thereof, for the purposes of calculating the percentage rental payable hereunder on account of the sale or dispensing of lottery tickets issued by the Lottery Division of the New York State Department of Taxation and Finance, there shall be included in gross receipts under this Agreement only the fees and commissions received, or receivable, by the Lessee from the sale or dispensing of such lottery tickets. Without limiting the generality of the provisions Section 14 of this Agreement the Lessee shall display in such areas of the premises as shall be designated by the Port Authority only such signs and advertising relating to the sale or dispensing of lottery tickets issued by the Lottery Division of the New York State Department of Taxation and Finance, as may be supplied or approved in advance by the Port Authority. In addition to all rights of termination contained in this Agreement, the Port Authority shall have the right to withdraw permission for the sale or dispensing of lottery tickets issued by the Lottery Division of the New York State Department of Taxation and Finance, at any time during the term of the letting under this Agreement, on thirty (30) days' notice to the Lessee and the Lessee shall discontinue and cease the sale or dispensing of lottery issued by the Lottery of the New York State

Department of Taxation and Finance on or before the effective date set forth in any such notice from the Port Authority.

It shall not be necessary to physically make the aforesaid changes in the aforesaid Sections of this Agreement.

Section 55. No Gifts, Gratuities, Offers of Employment

(a) During the term of the letting under this Agreement, the Lessee shall not offer, give or agree to give anything of value either to a Port Authority employee, agent, job shopper, consultant, construction manager or other person or firm representing the Port Authority, or to a member of the immediate family (i.e., a spouse, child, parent, brother or sister) of any of the foregoing, in connection with the performance by such employee, agent, job shopper, consultant, construction manager or other person or firm representing the Port Authority, of duties involving transactions with the Lessee on behalf of the Port Authority, whether or not such duties are related to this Agreement or any other Port Authority lease, contract or matter. Any such conduct shall be deemed a material breach of this Agreement.

(b) As used herein "anything of value" shall include but not be limited to any (1) favors, such as meals, entertainment, transportation (other than that contemplated by this Agreement or any other Port Authority lease or contract), etc. which might tend to obligate the Port Authority employee to the Lessee, and (2) gift, gratuity, money, goods, equipment, services, lodging, discounts not available to the general public, offers or promises of employment, loans or the cancellation thereof, preferential treatment or business opportunity. Such term shall not include compensation contemplated by this Agreement or any other Port Authority lease or contract.

(c) In addition, during the term of the letting under this Agreement, the Lessee shall not make an offer of employment or use confidential information in a manner proscribed by the Code of Ethics and Financial Disclosure dated as of July 18, 1994 (a copy of which is available upon request to the Office of the Secretary of the Port Authority).

(d) The Lessee shall include the provisions of this Section 55 in each sublease, contract or subcontract entered into under and pursuant to the provisions of this Agreement.

(e) The Lessee certifies that it has not made any offers or agreements, or given, or agreed to give anything of value (as defined in this Section 55) or taken any other action with respect to any Port Authority employee or former employee or immediate family members of either which would constitute a breach of ethical standards under the Code of Ethics and Financial Disclosure dated as of July 18, 1994, nor does the Lessee have any knowledge of any act on the part of a Port Authority employee or former Port Authority employee relating either directly or indirectly to the Lessee which constitutes a breach of ethical standards set forth in said Code.

Section 56. Entire Agreement

This Agreement consists of the following: Pages 1 through 29 inclusive, Exhibits A , B, and R and Schedule E.

It constitutes the entire agreement of the parties on the subject matter hereof and may not be changed, modified, discharged or extended except by written instrument duly executed by the Port Authority and the Lessee. The Lessee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed these presents as of the day and year first above written.

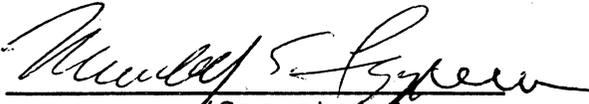
ATTEST:


SECRETARY

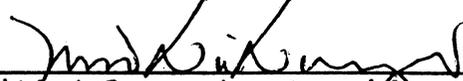
THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By 
(Title) Deputy Director
(Seal)

ATTEST:


(Secretary)

HUDSON COUNTY NEWS COMPANY T/A
HUDSON NEWS

By 
(Title) Senior Vice President
(Corporate Seal)

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| APPROVED FOR TRANSMITTAL FORM TERMS | |
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EXHIBIT B

Item 1: Rental Provisions

(a) Definitions:

(1) "Rental Payment Start Date" shall mean the commencement date of the term of the letting of the premises established pursuant to this Agreement.

(2) "Annual period" shall mean, as the context requires, the twelve-month period commencing with the Rental Payment Start Date established pursuant to the provisions of this Agreement and each of the twelve-month periods thereafter occurring during the term of the letting under this Agreement, provided, however, that if the Rental Payment Start Date shall occur on a day other than the first day of a calendar month, the first annual period shall include the portion of the month in which the Rental Payment Start Date shall occur following such date plus the succeeding twelve calendar months and each subsequent annual period shall commence on the anniversary of the first day of the first full calendar month following the calendar month in which the Rental Payment Start Date shall occur, provided, further, however, that the last annual period shall expire in any event on the expiration date of the term of the letting under this Agreement.

(3) "Annual exemption amount" shall mean for and during each of the first three annual periods hereunder the sum of Six Hundred Four Thousand One Hundred Ninety Dollars and No Cents (\$604,190.00), as the same may be reduced by the operation of the abatement and/or proration provisions hereof. For and during each annual period occurring during the period from the commencement of the fourth annual period and continuing through the expiration of the term of the letting under this Agreement, the annual exemption amount shall mean the sum of Seven Hundred One Thousand Six Hundred Forty Dollars and No Cents (\$701,640.00) as the same may be reduced by the operation of the abatement and/or proration provisions hereof.

(4) For the purpose of calculating the percentage rental due for any annual period which contains more or less than 365 days the applicable annual exemption amount mentioned in subparagraph (3) of this paragraph shall be prorated over the actual number of days contained in such annual period.

(b) Basic Rental:

(1) The Lessee shall pay to the Port Authority a basic rental for the premises at the rate of Sixty Thousand Four Hundred Fifty Dollars and No Cents (\$60,450.00) per annum for the period from the Rental Payment Start Date and continuing to the end of the third annual period, both dates inclusive, payable in advance in monthly installments each in the amount of Five Thousand Thirty-

seven Dollars and Fifty Cents (\$5,037.50) on the Rental Payment Start Date and on the first day of each and every month thereafter occurring during such period, provided, however, that, if the Rental Payment Start Date occurs on other than the first day of a month, the installment of basic rental payable on the Rental Payment Start Date shall be the amount of the monthly installment set forth in this subparagraph prorated on a daily basis over the number of days in that month from the Rental Payment Start Date to the last day of that month, both dates inclusive.

(2) The Lessee shall pay to the Port Authority a basic rental for the premises at the rate of Seventy Thousand Two Hundred Dollars and No Cents (\$70,200.00) per annum for the period from the commencement of the fourth annual period and continuing to the expiration date of the term of the letting under this Agreement, both dates inclusive, payable in advance in monthly installments each in the amount of Five Thousand Eight Hundred Fifty Dollars and No Cents (\$5,850.00) on the first day of the fourth annual period and on the first day of each and every month thereafter occurring during such period.

(3) If the expiration date of the term of the letting shall occur on a day other than the last day of a calendar month, the installment of basic rental payable on the first day of the calendar month in which the expiration date of the term of the letting shall occur shall be an amount equal to the amount of the monthly installment described in this subparagraph multiplied by a fraction the numerator of which shall be the number of days from the first day of the calendar month in which the expiration date of the term of the letting shall occur to the expiration date of the term of the letting, both dates inclusive, and the denominator of which shall be the full number of days in that calendar month.

(4) If the letting hereunder shall terminate on a day other than the last day of a calendar month, the installment of basic rental payable on the first day of the calendar month in which the effective date of termination shall occur shall be an amount equal to the amount of the applicable installment described in this paragraph multiplied by a fraction the numerator of which shall be number of days from the first day of the calendar month in which the effective date of termination shall occur to the effective date of termination, both dates inclusive, and the denominator of which shall be the full number of days in that calendar month.

(c) Percentage Rental:

The Lessee shall pay to the Port Authority an annual percentage rental equivalent to ten percent (10%) of all gross receipts of the Lessee arising during each annual period which are in excess of the annual exemption amount established for such annual period. The computation of percentage rental for each annual period, or a portion of an annual period, as hereinabove provided, shall be individual to such annual period, or such

portion of an annual period, and without relation to any other annual period, or any other portion of any annual period.

(d) Time of Payment of Rentals, Computations of Amounts and Accounting:

(1) The Lessee shall pay the percentage rental as follows: on the 20th day of the first month following the Rental Payment Start Date and on the 20th day of each and every month thereafter occurring during each annual period occurring during the term of the letting under this Agreement, including the month following the end of each annual period, the Lessee shall render to the Port Authority a statement showing the amount of gross receipts arising from its operations in the premises during the preceding month, and the cumulative amount of such gross receipts arising from its operations in the premises from the date of the commencement of the annual period for which the report is made through the last day of the preceding calendar month; whenever any such statement shall show that the cumulative amount of gross receipts for that annual period are in excess of the annual exemption amount established for that annual period, the Lessee shall pay at the time of rendering the statement an amount equal to the percentage set forth in paragraph (c) of this Item 1 applied to such excess and shall thereafter on the 20th day of each month during that annual period and the month following the end of that annual period pay an amount equal to the percentage set forth in paragraph (c) of this Item 1 applied to the gross receipts arising during each subsequent month during that annual period. At any time that the applicable annual exemption amount is decreased by abatement as herein provided so that there is an excess of gross receipts as to which the percentage rental has not been paid, such percentage rental shall be payable to the Port Authority on demand. The Lessee's statement following the close of each annual period shall report total gross receipts for such annual period and total percentage rental due therefor and if any adjustments are required, the same shall be made at the time such report is rendered.

(2) Upon any termination of the letting under this Agreement (even if stated to have the same effect as expiration), the Lessee, shall within twenty (20) days after the effective date of such termination, make a payment of rental computed as follows: first, if the term of the letting under this Agreement is terminated effective on a date other than the last day of a month, the basic rental for the portion of that month in which the effective date of termination occurs during which the letting remains effective shall be the amount of the applicable monthly installment of basic rental prorated on a daily basis, and if the applicable monthly installment due on the first day of that month has not been paid the Lessee shall pay the prorated part of the amount of that installment; if the applicable monthly installment has been paid, then the excess thereof shall be credited to the Lessee's other obligations; second, the Lessee shall within twenty (20) days after the effective date of termination render to the Port Authority a sworn statement of all its gross receipts for the annual period in which the effective date of termination happens

to fall; and third, the payment then due on account of all percentage rental for the annual period in which the effective date of termination falls shall be the excess of the percentage rental, computed as follows, over the total of such percentage rental payments previously made for such annual period: an amount equal to the percentage set forth in paragraph (c) of this Item 1 applied to the gross receipts of the Lessee for such annual period which are in excess of the annual exemption amount established for the annual period in which the effective date of termination occurs, except that such annual exemption amount shall be multiplied by a fraction, the numerator of which shall be the number of days from the commencement of that annual period to the effective date of termination and the denominator of which shall be 365.

(e) Repayment Amount:

(i) As further consideration of the making of this Agreement by the Port Authority, and as a condition thereto, the Lessee hereby agrees to pay to the Port Authority the sum of Fifty Thousand Dollars and No Cents (\$50,000.00) (said sum being hereinafter referred to as the "Repayment Amount") in advance in monthly installments, each in the amount of Eight Hundred Thirty-three Dollars and Thirty-three Cents (\$833.33), on the Rental Payment Start Date, and on the first day of each calendar month thereafter through the end of the fifth annual period, so that the Lessee shall have paid sixty (60) consecutive monthly installments of the Repayment Amount. The Repayment Amount shall be payable in the same manner and collectible with like remedies as if the same and the monthly installments thereof were a part of the basic rental reserved hereunder, except that the Repayment Amount and the monthly installments thereof shall not be subject to abatement or suspension for any reason whatsoever either in accordance with the provisions of this Agreement or otherwise.

(ii) In the event the Lessee shall fail to pay any installment of the Repayment Amount or in the event of the cancellation or termination of the Lease for any reason whatsoever during the first five annual periods, the Lessee shall pay to the Port Authority, without demand or notice from the Port Authority, the entire unpaid balance of the Repayment Amount then remaining due. Nothing contained herein shall be deemed in any way to affect the Lessee's obligations to pay the rentals and other charges payable under this Agreement during the balance of the term of the letting hereunder. Anything contained herein to the contrary notwithstanding, any failure of the Lessee to pay any installment of the Repayment Amount when due may, at the election of the Port Authority, also be deemed an event of default under the provisions of the Section of this Agreement entitled "Termination". The Lessee may prepay in whole or in part at any time the unpaid balance of the Repayment Amount. No acceptance by the Port Authority of any payment hereunder after the occurrence of any default in the payment of any installment described in this paragraph shall be deemed a waiver on the part or the Port Authority of its right to accelerate the remaining unpaid balance of the Repayment Amount.

(iii) Notwithstanding the obligation of the Lessee to pay the Repayment Amount as part of its obligation under this Agreement, the Lessee hereby agrees, as a separate and independent covenant that it shall pay to the Port Authority the total amount of the Repayment Amount at the times and in the amounts set forth in subparagraph (i) of this paragraph (e). It is expressly understood that the Repayment Amount has not been incorporated in the provisions of Section 24 of this Agreement setting forth the damages of the Port Authority in the event of termination or cancellation of this Agreement or the re-entry, regaining or resumption of possession by the Port Authority as therein set forth. In lieu thereof it is hereby expressly understood and agreed that the provisions of subparagraph (ii) hereof including the Lessee's obligations to pay the entire unpaid balance as stated therein shall be in effect. All of the provisions of subparagraph (ii) above and of this subparagraph (iii) shall be deemed to be obligations and covenants of the Lessee separate and independent of the obligation to pay the Repayment Amount in the manner set forth under this Agreement. If, however, these provisions are not given full and complete effect by any court of competent jurisdiction, then and at the election of the Port Authority, all unpaid installments of the Repayment Amount shall be and be deemed to be a part of the damages of the Port Authority under Section 24 of this Agreement, and all of the provisions of said Section 24 shall apply and pertain thereto.

(f) Abatement:

(1) For every calendar day or major fraction thereof that the Lessee shall be entitled to abatement during the period commencing on the Rental Payment Start Date and continuing through the last day of the third annual period, both dates inclusive, the basic rental established for such period shall be reduced by the product of One Hundred Sixty-five Dollars and Sixty-two Cents (\$165.62) multiplied by a fraction the numerator of which shall be the number of square feet of floor space as to which the abatement applies and the denominator of which shall be the total number of square feet in the premises.

(2) For every calendar day or major fraction thereof that the Lessee shall be entitled to abatement during the period commencing on the first day of the fourth annual period and continuing through the expiration date of the term of the letting, both dates inclusive, the basic rental established for such period shall be reduced by the product of One Hundred Ninety-two Dollars and Thirty-three Cents (\$192.33) multiplied by a fraction the numerator of which shall be the number of square feet of floor space as to which the abatement applies and the denominator of which shall be the total number of square feet in the premises.

(3) For the purpose of abatement, the ascertainment of the number of square feet contained in the premises to be measured shall be in accordance with the following: Areas of the premises and parts thereof will be computed by measuring from the

inside plaster surface of outer building walls to the plaster surface of the corridor side of corridor partitions and to the center of partitions that separate the premises from adjoining rentable area; no deduction will be made for columns, pilasters, or projections necessary to the building or for toilets, porter's closets, and slop sinks used exclusively by the Lessee and contained within the premises. Permanent partitions enclosing elevator shafts, stairs, fire towers, vents, pipe shafts, meter closets, flues, stacks and any vertical shafts have the same relation to rentable areas as do outer building walls.

(g) Nothing contained in the foregoing provisions of this Item 1 shall affect the survival of the obligations of the Lessee as set forth in Section 24 of this Agreement.

Item 2: Liability Insurance Limits:

(a) The liability insurance referred to in Section 11(b) shall be in limits of not less than the following and shall include a full contractual liability endorsement covering the indemnity obligations assumed by the Lessee: Comprehensive general liability insurance, covering bodily injury, including wrongful death, products liability, and property-damage liability in the minimum amount of \$2,000,000 combined single limit per occurrence.

(b) Notwithstanding the provisions of Section 11(c) the Port Authority shall be included as an additional insured in any policy of liability insurance required by the provisions of this Agreement and each such policy of insurance so required shall contain a 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 or the provisions of any statutes respecting suits against the Port Authority.

(c) The policy of comprehensive general liability insurance required by the provisions of this Agreement shall provide or contain an endorsement providing that the protection afforded the Lessee thereunder with respect to any claim or action against the Lessee by a third person shall pertain and apply with like effect with respect to any claims or action against the Lessee by the Port Authority and against the Port Authority by the Lessee, but such endorsement shall not limit, vary, change or affect the protection afforded the Port Authority thereunder as an additional insured.

Item 3: (a) Heat and Air Cooling:

(1) During the period from October 1, through April 30 in each year, during such days and hours as the Lessee conducts its business, the Port Authority shall supply without additional charge, heat to the Lessee sufficient to maintain the premises to an even and comfortable temperature. During the period from May 1, through September 30, in each year, during such days and hours as the Lessee conducts its business the Port Authority shall sell, furnish and supply to the Lessee chilled water at such temperature and with such other characteristics as may be determined by the Port Authority for use by the Lessee in such air conditioning systems as are installed in the premises, but only on such days as the return chilled water temperature exceeds sixty-five degrees (65°) Fahrenheit. The Lessee shall be solely responsible for the distributing, handling and circulating of air conditioning within the premises. The Port Authority shall have no responsibility for the air conditioning of the premises or the maintenance of any specified temperature or comfort level therein. The Lessee shall be solely responsible for maintaining and repairing the systems and equipment installed in the premises for ventilating and air cooling the premises. The chilled water referred to above shall be paid for by the Lessee at an annual rate which shall be equal to Four Dollars and Eighty-five Cents (\$4.85) multiplied by the number of rentable square feet in the premises and which shall be payable in advance in equal monthly installments at the same time, in the same manner and collectible with like remedies as if such payments and the monthly installments thereof were payments of basic rental under this Agreement. The charge for chilled water shall be subject to increase as provided in paragraph (g) of this Item 3. For the purposes of this Section the number of rentable square feet in the premises is 1,950 rentable square feet.

(2) If the Lessee, in accordance with the Sections of this Agreement entitled "Construction by the Lessee" or "Finishes to be Provided by the Lessee", or otherwise, erects any partitions or makes any improvements which stop, hinder, obstruct or interfere with the heating of the premises or the cooling of the air, or if the Lessee shall fail to close and keep closed the window coverings when the sun is shining on the windows of the premises, then no such action by the Lessee shall impose any obligations on the Port Authority to increase or augment the existing or presently contemplated supply of heat or air cooling and the Lessee shall not in any such event be relieved of any of its obligations hereunder. No consent or approvals given by the Port Authority in connection with the erection of partitions, the making of any improvements or the installation of any heating or air conditioning systems shall be or be deemed to be a representation that the work consented to or approved will not stop, hinder, obstruct or interfere with either the cooling of the air or heating of the premises or any portion thereof or that any system is sufficient or adequate for heating or air cooling of the premises. It is hereby understood further that the installation

by the Lessee of any equipment which itself requires air cooling or which requires additional quantities of air cooling at the portion of the premises where such equipment is installed, or the concentration in any portion of the premises of such a number of people so as to require additional quantities of air cooling, shall not impose any obligation on the Port Authority to increase the capacity or output of initially existing facilities, equipment or fixtures for the supply of air cooling and the Lessee shall not in any such event be relieved of any of its obligations hereunder.

The Lessee shall not waste or dissipate heating nor draw any of the same into the premises from public areas contiguous thereto. Without otherwise affecting the Port Authority's rights or remedies in the event of any breach by the Lessee of its obligations under this Agreement, the Port Authority shall have the right to discontinue or reduce the said supply of steam during any period of such waste, dissipation or improper drawing and any failure of the Port Authority to supply any such service under such conditions shall not affect any of the Lessee's obligations under this Agreement.

(b) Electricity:

60 ampere, 120/208V, 3 phase, 4 wire electric service, to be metered by the Port Authority and to be paid for by the Lessee at the greater of: (1) the rates (including the fuel or other adjustment factor if any) which the Lessee at the time of such purchase and under the service classification then applicable to it would have to pay for the same quantity of electricity to be used for the same purposes under the same conditions if it received the electricity directly from the public utility supplying the same to commercial buildings in the vicinity; or (2) the Port Authority's cost of obtaining and supplying the same quantity of electricity. Notwithstanding that the Port Authority has agreed to supply electricity to the Lessee, the Port Authority shall be under no obligation to provide or continue such service if the Port Authority is prevented by law, agreement or otherwise from metering as hereinabove set forth or elects not to so meter the same, then in any such event the Lessee shall make all arrangements and conversions necessary to obtain electricity directly from the public utility. Also in such event the Lessee shall perform the construction necessary for conversion and if any lines or equipment of the Port Authority are with the consent of the Port Authority used therefor the Port Authority may make an appropriate charge therefor to the Lessee based on its costs and expenses for the said lines and equipment.

(c) Domestic Cold Water: Not to be sold, furnished or supplied by the Port Authority.

(d) Domestic Hot Water: Not to be sold, furnished or supplied by the Port Authority.

(e) Steam: Not to be sold, furnished or supplied by the Port Authority.

(f) Gas: Not to be sold, furnished or supplied by the Port Authority.

(g) As used in this subparagraph:

(i) "Index" shall mean the Revised Consumer Price Index for All Urban Consumers - New York-Northern New Jersey-Long Island, NY-NJ-CT (All Items, Unadjusted 1982-84=100) published by the Bureau of Labor Statistics of the United States Department of Labor.

(ii) "Base Period" shall mean the month of January 1997.

(iii) "Adjustment Period" shall mean as the context requires the month of December, in the calendar year 1997 and the month of December in each calendar year thereafter occurring during the term of the letting under this Agreement as the same may hereafter be amended or extended.

(iv) "Anniversary Date" shall mean January 1, 1998 and each anniversary of such date occurring during the term of the letting under this Agreement as the same may hereafter be amended or extended.

(v) "Percentage increase" shall mean the percentage of increase in the Index on each Anniversary Date equal to a fraction the numerator of which shall be the Index for the Adjustment Period immediately preceding such Anniversary Date less the Index for the Base Period and the denominator of which shall be the Index for the Base Period.

The charge for chilled water set forth in subparagraph (a) (1) of this Item 3 shall be increased on each Anniversary Date occurring during the term of the letting under this Agreement as the same may hereafter be amended or extended by an amount equal to the product obtained by multiplying such charge by the Percentage Increase for such Anniversary Date, and such increased charge shall be payable by the Lessee during the twelve month period commencing with such Anniversary Date and continuing through to the following Anniversary Date in lieu of the charge set forth in subparagraph (a) (1) of this Item 3. There shall be no reduction in the charge for chilled water payable for any period in the event of any reduction in the Index.

In the event any Index to be used in computing an adjustment in the charge for chilled water referred to in subparagraph (a) (1) of this Item 3 is not available on the effective date of such adjustment, the Lessee shall continue to pay such charge at the annual rate then in effect subject to retroactive adjustment at such time as the specified Index becomes

available, provided, however, that the Port Authority may at its option substitute for such Index the Index for the latest available twelve-month period ending during the preceding calendar year to constitute the specified Index. In the event the Index shall hereafter be converted to a different standard reference base or otherwise revised or the United States Department of Labor shall cease to publish the said Index, then for the purposes hereof there shall be substituted for the Index such other Index properly reflecting changes in the value of current United States money in a manner similar to that established in the Index used in the latest adjustment as the Port Authority may in its discretion determine.

If after the charge for chilled water shall have been fixed for any period, the Index used for computing such charge shall be changed or adjusted, then the charge for chilled water for that period shall be recomputed, and from and after notification of the change or adjustment, the Lessee shall make payments based upon the recomputed charge, and upon demand shall pay any excess in the charge for chilled water due for such period as recomputed over amounts theretofore actually paid on account of such charge for such period. If such change or adjustment results in a reduction in the charge due for any period prior to notification, the Port Authority will credit the Lessee with the difference between the charge as recomputed for that period and amounts actually paid on account of such charge. In the event that there are no amounts owing to the Port Authority by the Lessee, the Port Authority shall, upon demand by the Lessee promptly refund said amount to the Lessee.

Item 4: New Construction: None

Item 5: Construction Liability Insurance Limits: Not applicable.

SCHEDULE E

For purposes hereof, Minority Business Enterprise (MBE) shall mean any business enterprise which is at least fifty-one percentum owned by one or more citizens or permanent resident aliens who are minorities and such ownership is real, substantial and continuing, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by citizens or permanent resident aliens who are minorities and such ownership is real, substantial and continuing. As used herein minority shall mean an individual member of any of the following racial groups

- (i) Black (all persons having origins in any of the Black African racial groups not of Hispanic origin;
- (ii) Hispanic (all persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American origin, regardless of race);
- (iii) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asian, the Indian Subcontinent, or the Pacific Islands) which includes persons whose origins are from Japan, China, Taiwan, Korea, Vietnam, Laos, Cambodia, the Philippines, Samoa, Guam, the U.S. Trust Territories of the Pacific, the Northern Marianas, India, Pakistan, Bangladesh, and Sri Lanka; and
- (iv) American Indian or Alaskan Native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification) which includes persons who are American Indians, Eskimos, Aleuts, or Native Hawaiians.

For the purposes hereof, Women-owned Business Enterprise (WBE) shall mean any business enterprise which is at least fifty-one percentum owned by one or more women and such ownership is real, substantial and continuing, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by one or more women and such ownership is real, substantial and continuing. "Meaningful participation" shall mean that at least seventeen percent (17%) of the total dollar value of the contracts (including subcontracts) are for the participation of Minority Business Enterprises and Women-owned

Business Enterprises. Good faith efforts to include meaningful participation by MBEs and WBEs shall include at least the following:

- (1) Dividing work into smaller portions where feasible.
- (2) Actively and affirmatively soliciting bids and proposals for contracts or subcontracts to provide commodities and services from MBEs and WBEs including circulation of solicitations to minority and female contractor associations. The Lessee shall maintain records detailing the efforts it and its contractors have made to provide for meaningful MBE and WBE participation, including the names and addresses of all MBEs and WBEs contacted and, if any such MBE or WBE is not selected, the reason for such decision. The Lessee shall supply to the Port Authority such information, data, and documentation with respect to the efforts the Lessee has made to provide for meaningful MBE and WBE participation in contracts and subcontracts as the Port Authority may from time to time and at any time request.
- (3) Providing prospective MBEs and WBEs with plans, specifications, and other necessary background materials with regard to prospective work available to MBEs and WBEs in sufficient time for review.
- (4) Meeting regularly with representatives of the Port Authority to identify forthcoming business opportunities and suitable MBEs and WBEs, following up on specific recommendations made by such representatives, and utilizing the list of eligible MBEs and WBEs hereinafter described in this Schedule, maintained by the Port Authority, or seeking minorities and women from other sources for the purpose of soliciting contractors, subcontractors, and suppliers.
- (5) Encouraging the formation of joint ventures, partnerships or other similar arrangements among contractors, where appropriate, to insure that the Lessee and its contractors will meet their obligations hereunder.
- (6) Insuring that provision is made to provide progress payments to MBEs and WBEs on a timely basis, where appropriate.
- (7) Not requiring bonds from and/or providing bonds and insurance for MBEs and WBEs, where appropriate.

The Port Authority has compiled a list, which may be supplemented and revised from time to time by the Port Authority, of the firms the Port Authority has determined satisfy the criteria for MBE and WBE certification. Such list shall be made available to the Lessee and its contractors upon request. The Port Authority makes no representation as to the financial responsibility of such firms, their technical competence to

perform, or any other performance-related qualifications. Only listed MBEs and WBEs and such firms as are not so listed but as are certified by the Port Authority as MBEs and WBEs hereunder will count toward the MBE and WBE goals.

Certification of MBE's and WBEs hereunder shall be made by the Office of Business and Job Opportunity of the Port Authority. If the Contractor wishes to utilize a firm not so listed but which the Contractor believes should be certified because it is an MBE or WBE the Contractor shall submit to the Port Authority a written request for a determination that the proposed firm is eligible for certification. This shall be done by completing and forwarding such form as may be required by the Port Authority from time to time. All such requests shall be in writing addressed to Mr. John Alexander or other designee of the Office of Business and Job Opportunity, the Port Authority of New York and New Jersey, One World Trade Center, 37 South, New York, N.Y. 10048. If any such firm is determined eligible for certification it shall only be by a writing over the name of the Director in charge of such Office. The determination of the Port Authority shall be final and binding on the Contractor. For inquiries or assistance, please contact Mr. John Alexander at (212) 432-4188.

The following organizations may be able to refer the Contractor to firms which the referring organization has a reasonable basis to believe may meet the Port Authority's criteria for certification as an MBE or WBE. Any referrals which are not listed shall be submitted to the Port Authority for a determination as to eligibility as provided above.

1. National Minority Bus.
Council, Inc.
235 East 42nd Street
New York, N.Y. 10017
(212) 573-2385
2. N.Y./N.J. Minority
Purchasing Council
1412 Broadway - 11th floor
New York, N.Y. 10018
(212) 944-2442
3. Newark, Paterson, Jersey
City Business Development
Center
60 Park Place, Suite 1307
Newark, N.J. 01702
(201) 623-7712
4. The Council For Airport
Opportunity
2 World Trade Center
Suite 2228
New York, N.Y. 10048
(212) 466-1091
5. Assoc. of Minority
Enterprises of N.Y.
(AMENY)
165-40A Baisley Blvd.
Suite #3
Jamaica, N.Y., 11434
6. Air Services Development
Office
90-04 161st Street
Jamaica, N.Y. 11432
(718) 262-9012

In the event that the participation of any MBE or WBE selected by the Lessee or any of its contractors to participate in any contracts or subcontracts entered into with respect to any construction work performed on the premises, is cancelled or terminated for any reason, the Lessee agrees and agrees to require its contractors to make every good faith effort, to the maximum extent feasible, and consistent with the Lessee's exercise of good business judgment, including, without limitation, the consideration of cost competitiveness, to utilize other MBEs and WBEs so as to maintain appropriate participation by MBEs and WBEs in such contracts.

Labor Force Utilization

Without limiting the foregoing provisions of this Schedule, and without limiting any of the terms and conditions of the Agreement to which this Schedule is attached, the Lessee agrees and agrees to require its construction and maintenance contractors and subcontractors at each tier of any construction undertaken pursuant to the provisions of the Agreement to which this Schedule is attached to make good faith efforts to achieve a supervisory and non-supervisory work force on each contract that is representative of the local community labor force with respect to minority and female participation and will work with the Port Authority's Office of Business and Job Opportunity to identify referral sources when needed. The Lessee will cooperate with the Port Authority to develop on the job training programs and will participate in apprenticeship and other training programs that expressly include minority and female workers. The Lessee agrees to require its contractors and subcontractors to participate in such programs and to make a good faith effort to utilize apprentices or other trainees in the work as appropriate. The Lessee agrees to and shall require its contractors and subcontractors to appoint an executive of their respective companies to assume the responsibility for the implementation of the contractors' good faith efforts to achieve minority and female participation in the work force under the contract.

The goals for minority and female participation, expressed in percentage terms for the aggregate workforce in each trade on all construction work are as follows:

Journey level trade workers

Minority participation: 30%

Female participation: 6.9%

Laborers and other unskilled workers

Minority participation: 40%

Female participation: 6.9%

These goals are applicable to all construction work performed in and for the premises. Compliance with the goals will be measured against the total work hours performed.

(a) The Lessee agrees to require its contractors and subcontractors to provide written notification to the Lessee and the Lessee agrees to provide written notification to the Office of Business and Job Opportunity of the Port Authority within 10 working days of award of any construction contract or subcontract in excess of \$10,000.00 at any tier for construction work. The notification shall list the name, address, telephone number and employer identification number of the contractor or subcontractor; and the estimated starting and completion dates of the contract or subcontract. As used herein, "Employer identification number" shall mean the Federal Social Security Number used on the Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941. The term minority shall mean an individual member of any of the racial groups described in this Schedule.

(b) The Lessee agrees to require its contractors and subcontractors, at any tier, whenever they subcontract a portion of the construction work involving any construction trade, to physically include in each subcontract in excess of \$10,000 those provisions which include the applicable goals for minority and female participation.

(c) The Lessee agrees to require its contractors and subcontractors to implement the specific affirmative action standards provided in subparagraphs (1) through (16) of paragraph (f) hereof. The goals set forth above are expressed as percentages of the total hours of employment and training of minority and female utilization the Lessee's contractors and subcontractors should reasonably be able to achieve in each construction trade in which it has employees on the premises. The Lessee agrees and agrees to require its contractors and subcontractors to use good faith efforts to make substantially uniform progress toward its goals in each craft during the period specified.

(d) The Lessee agrees to provide in its construction contracts that neither the provisions of any collective bargaining agreement, nor the failure by a union with which the contractor has a collective bargaining agreement, to refer either minorities or women shall excuse the contractor's obligations thereunder.

(e) The Lessee further agrees to provide in its agreements with its contractors that in order for the nonworking training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees shall be employed by the contractor during the training period, and the

contractor shall have made a commitment to employ the apprentices and trainees at the completion of their training, subject to the availability of employment opportunities. Trainees shall be trained pursuant to training programs approved by the U. S. Department of Labor.

(f) The Lessee agrees to require its contractors and subcontractors to take specific affirmative actions to ensure equal employment opportunity ("EEO"). The Lessee's evaluation of the contractor's compliance with these provisions shall be based upon the contractor's good faith effort to achieve maximum results from its actions. The Lessee agrees to require its contractors and subcontractors to document these efforts fully, and to implement affirmative action steps at least as extensive as the following:

(1) Ensure and maintain a working environment free of harassment, intimidation, and coercion at all portions of the premises at which the contractor's employees are assigned to work. The contractor, where possible, will assign two or more women to each phase of the construction project. The contractor shall specifically ensure that all foremen, superintendents, and other supervisory personnel at the premises are aware of and carry out the contractor's obligation to maintain such a working environment, with specific attention to minority or female individuals working at the premises.

(2) Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the contractor or its unions have employment opportunities available, and maintain a record of the organizations' responses.

(3) Maintain a current file of the names, addresses and telephone numbers of each minority and female off-the-street applicant and minority or female referral from a union, a recruitment source or community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the contractor by the union or, if referred, not employed by the contractor, this shall be documented in the file with the reason therefor, along with whatever additional action the contractor may have taken.

- (4) Provide immediate written notification to the Lessee when the union or unions with which the contractor has a collective bargaining agreement has not referred to the contractor a minority person or woman, sent by the contractor, or when the contractor has other information that the union referral process has impeded the contractor's efforts to meet its obligations.
- (5) Develop on-the-job training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and trainee programs relevant to the contractor's employment needs, especially those programs funded or approved by the Department of Labor. The contractor shall provide notice of these programs to the sources compiled under subparagraph (2) above.
- (6) Disseminate the contractor's EEO policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the contractor's newspaper, annual report, etc.; by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and by posting the contractor's EEO policy on bulletin boards accessible to all employees at each location where the construction work is performed.
- (7) Review, at least every six months, the contractor's EEO policy and affirmative action obligations hereunder with all employees having any responsibility for hiring, assignment, layoff, termination or other employment decisions including specific review of these items with on-area supervisory personnel such as Superintendents, General Foremen, etc., prior to the initiation of construction work at the premises. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.
- (8) Disseminate the contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the contractor's EEO policy with other contractors and subcontractors with whom the contractor does or anticipates doing business.

- (9) Direct its recruitment efforts, both oral and written, to minority, female and community organizations, to schools with minority and female students, to minority and female recruitment and training organizations and to State certified minority referral agencies serving the contractor's recruitment area and employment needs. Not later than one month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the contractor shall send written notification to organizations such as the above, describing the openings, screening procedures, and tests to be used in the selection process.
- (10) Encourage present minority and female employees to recruit other minority persons and women and, where reasonable, provide after school, summer and vacation employment to minority and female youth both on the premises and in other areas of a contractor's workforce.
- (11) Tests and other selection requirements shall comply with 41 CFR Part 60-3.
- (12) Conduct, at least every six months, an inventory and evaluation of all minority and female personnel for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.
- (13) Ensure that seniority practices, job classifications, work assignments and other personnel practices, do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the contractor's obligations hereunder are being carried out.
- (14) Ensure that all facilities and company activities are nonsegregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.
- (15) Document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitations to minority and female contractor associations and other business associations.
- (16) Conduct a review, at least every six months, of

all supervisors' adherence to and performance under the contractor's EEO policies and affirmative action obligations.

(g) The Lessee shall encourage its contractors to participate in voluntary associations which assist in fulfilling one or more of the affirmative action obligations set forth in subparagraphs (1)-(16) of paragraph (f) of this Section. The efforts of a contractor association, joint contractor-union, contractor-community, or other similar group of which the contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under paragraph (f) hereof provided that: the contractor actively participates in the group, makes every effort to assure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the contractor's minority and female workforce participation, makes a good faith effort to meet its individual goals and timetables, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the contractor. The requirement for good faith efforts to comply, however, shall remain with the contractor and the Lessee shall provide in its agreements with the contractor that failure of such a group to fulfill an obligation shall not be a defense for the contractor's non-compliance.

(h) Goals for minorities and a separate single goal for women have been established. The Lessee, however, agrees to require its contractors and subcontractors to provide equal employment opportunity and to take affirmative action for all minority groups, both male and female, and all women, both minority and non-minority, and to provide that consequently, the contractor may be in violation of its agreement with the Lessee if a particular group is employed in a substantially disparate manner (for example, even though the contractor has achieved its goals for women generally, the contractor may be in violation if a specific minority group of women is under-utilized).

(i) The Lessee agrees to provide that the contractor shall not use the goals and timetables or affirmative action standards to discriminate against any person because of race, color, religion, sex, or national origin.

(j) The Lessee agrees that it will not enter into any contract with any person or firm debarred from Government contracts pursuant to Executive Order 11246, and agrees to require that its contractors and subcontractors not enter into any subcontract with any such person or firm.

(k) The Lessee agrees to carry out such sanctions and penalties for violation of these provisions including suspension, termination and cancellation of existing contracts and subcontracts as may be required and the Lessee further agrees to

require its contractors and subcontractors to agree to carry out such sanctions and penalties for violation of these provisions including suspension, termination and cancellation of existing contracts and subcontracts as may be imposed or ordered by the Lessee.

(l) The Lessee agrees to require its contractors and subcontractors, in fulfilling their obligations to the Lessee, to implement specific affirmative action steps, at least as extensive as those standards prescribed in paragraph (f) hereof so as to achieve maximum results from their efforts to ensure equal employment opportunity. If the contractor fails to comply with such requirements, the Lessee shall proceed accordingly.

(m) The Lessee agrees to require its contractors and subcontractors to designate a responsible official to monitor all employment related activity to ensure that the company EEO policy is being carried out, to submit reports relating to the contractor's EEO obligations as may be required, and to keep records. Records shall at least include for each employee the name, address, telephone numbers, construction trade, union affiliation if any, employee identification number when assigned, social security number, race, sex, status (e.g. mechanic, apprentice, trainee, helper, or laborer), date of changes in status, hours worked per week in the indicated trade, rate of pay, and location at which the work was performed. Records shall be maintained in an easily understandable and retrievable form; however, to the degree that existing records satisfy this requirement, contractors need not be required to maintain separate records.

(n) Nothing herein provided shall be construed as a limitation upon the application of any laws which establish different standards of compliance or upon the application of requirements for the hiring of local or other area residents (e.g., those under the Public Works Employment Act of 1977 and the Community Development Block Grant Program).

(o) Without limiting any other term or provision of this Agreement, the Lessee agrees and agrees to require its contractors and subcontractors to cooperate with all federal, state, or local agencies established for the purpose of implementing affirmative action compliance programs and the Lessee agrees and agrees to require its contractors and subcontractors to comply with all procedures which may be agreed to by and between the Port Authority and the Lessee.

(p) In addition to and without limiting any of the terms and provisions of this Agreement, the Lessee agrees to provide in its contracts and all subcontracts covering construction work, or any portion thereof, that:

(i) The contractor shall not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status, and shall undertake or continue existing programs of affirmative action to ensure that minority group persons are afforded equal employment opportunity without discrimination. Such programs shall include, but not be limited to, recruitment, employment, job assignment, promotion, upgrading, demotion, transfer, layoff, termination, rates of pay or other forms of compensation, and selections for training or retraining, including apprenticeships and on-the-job training;

(ii) At the request of either the Port Authority or the Lessee, the contractor shall request such employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding and which is involved in the performance of the contract with the Lessee to furnish a written statement that such employment agency, labor union or representative shall not discriminate because of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will cooperate in the implementation of the contractor's obligations hereunder;

(iii) The contractor will state, in all solicitations or advertisements for employees placed by or on behalf of the contractor in the performance of the contract, that all qualified applicants will be afforded equal employment opportunity without discrimination because of race, creed, color, national origin, sex, age, disability or marital status;

(iv) The contractor will include the provisions of subdivisions (i) through (iii) of this paragraph in every subcontract or purchase order in such a manner that such provisions will be binding upon each subcontractor or vendor as to its work in connection with the contract;

(v) "Contractor" as used in subdivisions (i) through (iv) of this paragraph shall include each contractor and subcontractor at any tier of construction.

Initialed:



For the Port Authority



For the Lessee

**RULES AND REGULATIONS FOR
THE PORT AUTHORITY BUS TERMINAL**

PURPOSE

1. Purpose. These rules are established by the Port Authority of New York and New Jersey to facilitate the proper use of the Port Authority Bus Terminal and to protect the terminal and its patrons.

DEFINITIONS

2. Definitions. As used herein:

(a) Bus shall mean a self-propelled highway vehicle designed and constructed for the carriage of passengers for hire, employing as a source of motive power (either directly or by electrical transmission) a reciprocating internal-combustion or a turbine engine (not including a jet-propulsion engine) utilizing as fuel gasoline, diesel oil, or any other substance utilized by highway vehicles for fuel and permitted both by the laws of New York and by those of New Jersey then in effect and also under the then existing rules and regulations governing the use of the Lincoln Tunnel (and then only in strict compliance with the requirements of such laws, rules and regulations), and having Overall dimensions not in excess of the following: length, 60 feet; width, 102 inches; height, 11 feet six inches and having a maximum gross loaded weight not in excess of 42,000 (unladen weight) pounds avoirdupois, distributed to provide not more than 20,000 pounds per axle. Articulated buses up to 65 feet overall length shall, for the purposes of these regulations, be included in the definition.

(b) Carrier shall mean an operator of one or more vehicles for the transportation of passengers for hire.

(c) Driver shall mean the person who is in actual physical control of a vehicle.

(d) Express shall mean and include property other than baggage, mail, manifest baggage and newspapers, transported or to be transported by a carrier in accordance with its published tariffs, and shall be defined as defined in the published tariffs of any carrier, except that it shall not include acid, animals, articles packed in wet ice or water, dangerous articles, explosives, gases, inflammable materials, intoxicating beverages, jewelry, lottery tickets, materials having or capable of producing strong, offensive odors, meat, meat products, money, securities, watches, or wet batteries; provided, however, that by notice given within 60 days after the effective date of any reissue, revision or supplement of a tariff of any carrier, the Port Authority may exclude therefrom any article, material or thing listed therein for the first time; and provided, further, that express shall not include any parcel or piece the overall dimensions of which are greater than 24 inches by 24 inches by 45 inches.

(e) Highway vehicle shall mean and include an automobile, a bus, a truck, a tractor equipped with rubber tires, a trailer, or a semi-trailer.

(f) I.C.C. regulations shall mean regulations of the Interstate Commerce Commission in effect on the effective date hereof issued under the authority of the Interstate Commerce Commission.

(g) Manifest baggage shall mean and include property checked through on the line of any carrier (or of a carrier connecting with any carrier) on a ticket or tickets for passenger transportation, in accordance with and as defined by local and joint baggage tariff 500-G of the Interstate Commerce Commission, issued June 15, 1949 and effective July 20, 1949, as the same may be hereafter supplemented or amended; provided, however, that by notice given to the carrier within 60 days of any supplement, revision or reissue of the tariff of such carrier, the Port Authority may exclude any article, material or thing therein listed for the first time.

(h) Parking shall mean the halting of a vehicle on a roadway or other area while not actually engaged in receiving or discharging passengers, except when halted in obedience to traffic regulations, signs or signals, and without regard to the presence or absence of the driver.

(i) Permission shall mean permission granted by the manager except where otherwise specifically provided.

(j) Person shall mean any individual, firm, partnership, corporation, or incorporated or unincorporated association, and shall include any assignee, receiver, trustee, executor, administrator or similar representative appointed by a court, and shall mean the United States of America or any department of the government thereof, any state or political subdivision thereof, or any foreign government or political subdivision thereof or the United Nations.

(k) Port Authority shall mean The Port Authority of New York and New Jersey.

(l) Port Authority rules and regulations shall mean the rules and regulations set forth in this Part and all amendments and supplements thereto.

(m) Published tariff; see tariff.

(n) Stand shall mean to halt a bus for the purpose of loading or unloading or for waiting in position for loading or unloading.

(o) Manager of the terminal or manager shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the said manager by these rules and regulations, and shall mean the manager or acting manager of the terminal for the time being or his duly designated representative or representatives.

(p) Tariff or published tariff shall mean the schedule of rates, terms and conditions of transportation under which a carrier conducts its operation and which has been approved by the Interstate Commerce Commission or by other governmental regulatory body having jurisdiction over the operations of the carrier.

(q) Terminal shall mean the two buildings that represent the North and South Wing of the bus facility which are connected above and below West 41st Street. The South Wing shall mean the building on the block bounded by West 40th Street, Ninth Avenue, West 41st Street and Eighth Avenue in the borough of Manhattan, in the City, County and State of New York. The North Wing shall mean the building on a portion of the block bounded by East 42nd Street, Eighth Avenue, West 41st Street and the east face of the building at 330 West 42nd Street in the borough of Manhattan, in the

City, County and State of New York. The terminal also includes the overhead viaducts from the South Wing to the west side of 9th Avenue as well as the tunnel leading from the North Wing to Dyer Avenue.

(r) Vehicle shall mean and include automobiles, trucks, buses, tractors, trailers, semi-trailers, horse-drawn carts or wagons and any other devices in or upon or by means of which any person or property is or may be transported, carried or drawn upon land only, except railroad rolling equipment or other devices designed to operate on stationary rails or tracks.

(s) Vehicular level shall mean and include any floor or story at the terminal designed for use by highway vehicles.

GENERAL

3. Permission to use terminal conditional. Any permission granted by the Port Authority directly or indirectly, expressly or by implication, to any person or persons to enter upon or use the terminal or any part thereof, is conditioned upon acceptance of and compliance with the Port Authority rules and regulations, as from time to time may be changed, and entry upon or into the terminal by any person shall be deemed to constitute an agreement by such person to comply with the said rules and regulations; provided, however, that such rules and regulations will not apply to premises or space occupied or used under the provisions of a written agreement made with the Port Authority unless provision is made therein for the application of the said rules and regulations.

4. Use of terminal may be denied persons violating law or rules. The Manager of the terminal shall have authority to deny the use of the terminal to any individual violating Port Authority rules and regulations or laws, ordinances or regulations of the United States government, the State of New York, or the City of New York.

5. Permission to enter certain areas of the building.

- (a) Closed Areas - No person except person assigned to duty therein shall enter without permission any area of the terminal posted as being closed to Public.
- (b) Restricted Areas - No person shall enter without authorization any area of the terminal posted as restricted unless such person complies with such restriction.
- (c) Persons entering the terminal when not fully open for business - During such days and hours as the terminal is partially closed such as late hours of the night and early hours of the morning, any person shall, when entering, remaining, or leaving the terminal, if requested by a Port Authority representative, exhibit such authorization as prescribed by the manager.

6. Abandonment of property prohibited. No person shall abandon any property at the terminal.

7. Permission required to carry on commercial activity. No person shall carry on any commercial activity at the terminal without permission.

8. Gambling prohibited. No person shall gamble or conduct or engage in any game of chance at the terminal unless such game of chance is permitted by local state and federal law and has been approved by the manager.

9. Permission required to solicit funds or contributions. No person shall solicit funds or contributions for any purpose at the terminal without permission.

10. Permission required to post or distribute commercial signs, advertisements, etc. No person shall post, distribute or display commercial signs, advertisements, circulars or printed or written material within the terminal without permission. The manager of the terminal reserves the right to set standards for the location, appearance, size and content of all signs, posters, notices, displays and advertisements and may prohibit installation of such or subsequent removal, if necessary.

11. Lost Articles. All persons finding lost articles at the terminal shall deliver them to the Parcel Check Room. Articles unclaimed by the owner or owners within three months after the finding thereof will be turned over to the finders, except when found by Port Authority employees on duty.

12. Trash, garbage, waste, etc. to be deposited in receptacles provided therefor. No persons shall throw, discharge or deposit trash, garbage, waste, oil or other petroleum products or any other waste material into or upon any portion of the terminal except by depositing such material in receptacles provided therefor. All such receptacles shall be subject to the approval of the manager.

13. Defacing, damaging, etc. terminal or property therein prohibited. No person shall deface, mark, break, or otherwise damage any part of the terminal, or any property thereat.

14. Non-commercial distribution of leaflets, carrying of placards and holding of discussions restricted.

(a) The non-commercial distribution of leaflets, the setting up of card tables to aid in that distribution, the carrying of placards and the holding of discussions with terminal patrons shall be permitted in the following manner at the locations on the subway mezzanine passageway, main floor, second floor and fourth floor and not within 10 feet of an escalator or elevator as designated on a diagram of the terminal on display in the manager's office and on file in the secretary's office. All areas shall be unavailable during major holiday periods, i.e., the periods commencing on the day preceding major holidays (e.g. Friday before Labor Day, day before Thanksgiving, the day before three-day weekends) through and including the concluding day of the holiday period. The manager may grant exception to this rule for holidays which do not give rise to three-day weekends and for which traffic forecasts indicate that traffic in the terminal shall not substantially exceed that which occurs on a normal day.

(1) Subway mezzanine passageway between North and South Wings. Five persons shall be permitted to distribute leaflets and/or carry placards and hold discussions in this area.

(2) Main Floor

(i) Area A. Six persons shall be permitted to distribute leaflets, carry placards and hold discussions. Additionally, these persons may set up two card tables at the location in this area designated on the diagram of the terminal on display in the manager's office and on file in the secretary's office.

(ii) Area B. This area shall be available to eight persons for the distribution of leaflets, the carrying of placards and the holding of discussions. Additionally, these persons may set up two card tables in the location in this area designated on the diagram of the terminal displayed in the manager's office and on file in the secretary's office.

(3) Second Floor

(i) Area A. This area shall be available to six persons for the distribution of leaflets, the carrying of placards and the holding of discussions with patrons of the terminal at all times when the area is open to the general public, except when this area is being used as a passenger holding area.

(ii) Area B. Two persons may distribute leaflets and set up one card table to aid in this distribution in the location designated as area B on the diagram of the terminal displayed in the manager's office and on file in the secretary's office. Because of the small size of this area and its proximity to escalators, the area shall be unavailable to these Persons for discussions with terminal patrons.

(iii) Area C.

(a) This area shall be available to three persons for the distribution of leaflets, the carrying of placards and the holding of discussions with terminal patrons. Additionally, one card table may be set up for the distribution of leaflets at the specified location within area C shown on the diagram displayed in the manager's office and on filed in the secretary's office.

(b) This area will be unavailable for these activities when being used as a passenger holding area.

4. Fourth Floor

(i) Area A. This area shall be available at all times to three persons for the distribution of leaflets, carrying of placards and the holding of discussions with terminal patrons. Additionally, one card table may be set up for the distribution of leaflets by these persons in the location designated on area A of the upper bus level shown on the diagram of the terminal displayed in the manager's office and on file in the secretary's office.

EXHIBIT R

- (ii) Area B. This area shall be available at all times to two persons for the distribution of leaflets, the carrying of placards and the holding of discussions with terminal patrons.
- (b) In addition to the above, a total of 10 persons shall be permitted to walk on the concourses and walkways within the terminal which are open to the public, for the purpose of distributing noncommercial leaflets at all times, provided that such activities shall be subject to the limitations described above.
- (c) (1) Any person or group who wishes to conduct any of the above activities at the locations specified shall apply to the manager on forms provided by him for this purpose. Application shall be made not less than 36 hours nor more than one week before commencement of the activities. The application shall set forth the type of activities to be conducted, the time, location and duration of the activities, and the name, address and telephone number of the person making the application (in case of a group it shall be sufficient to supply the name, address and telephone number of one person who can be contacted if problems arise concerning the grant of the application).
- (2) The manager shall grant all such applications on a first come, first served basis so long as the number of persons, the activities and the time, duration and location applied for are in compliance with the provisions set forth in subdivision (a).
- (3) The grant of the application by the manager shall be in the form of a permit which shall set forth the number of persons covered by the permit, the activities which are permitted, the permitted time and duration of those activities, and the location at which the activities may be conducted.
- (4) The duration of each permit issued shall not be in excess of two weeks. Any person or group may renew a permit for successive two week periods. Renewal applications shall be made on the same form as new applications and shall be processed as if they were new applications.
- (d) No signs, placards or other material shall be affixed to the bus terminal. No leaflets or other material shall be distributed by leaving them unattended throughout the terminal.
- (e) The manager may refuse the grant of any permit or suspend any permit already granted in the event of emergencies, such as snowstorms, traffic accidents, power failures, transportation strikes or other conditions which render the traffic flow in any of the areas covered by the permit such that conduct of the activities would create a dangerous condition or substantially interfere with traffic in the terminal.

15. Creation of obnoxious odors, noxious gases, smoke or fumes prohibited. No person shall create, or permit any vehicle or machine of which he is in charge to create, obnoxious odors, noxious gases, smoke or fumes in the terminal. The creation of internal-combustion engine exhaust-fumes by vehicles in the terminal, so long as such vehicles are maintained and are being operated in a proper manner, shall not be an infraction of this section. No person shall spit, urinate or defecate on any part of the terminal other than in a urinal or toilet intended for that purpose.

16. Vehicular use of terminal restricted. No person shall travel, or remain on, or shall permit any vehicle of which he has charge to travel, or remain on, any portion of the terminal except upon the roadways, walks or other places or areas provided for the particular class of traffic. No person shall occupy or shall permit any vehicle of which he has charge to occupy the walks, roadways, entrances, exits, waiting rooms or other areas of the terminal in such a manner as to hinder or obstruct their use by others. Only parties authorized by the manager are permitted to operate vehicles on terminal premises; unauthorized vehicular operation on terminal premises may be considered trespass.

17. Loitering in or about terminal prohibited. No person shall loiter in or about the terminal or any part thereof.

18. Authorization required for sale of merchandise, solicitation of trade, entertainment of persons or solicitation of alms. No person, unless duly authorized by the Port Authority, shall, in or upon any area, platform, stairway, station, waiting room or any other appurtenance of the terminal:

- (a) sell, offer for sale any article of merchandise; or
- (b) solicit any business or trade, including the carrying of baggage for hire; the shining of shoes or boot blacking; or
- (c) entertain any persons by singing, dancing or playing any musical instrument; or
- (d) solicit alms

19. Persons unable to give satisfactory explanation of presence prohibited from loitering in terminal. No person, who is unable to give satisfactory explanation of his presence, shall loiter in or about any toilet, area, station, station platform, waiting room or any other appurtenance of the terminal. No person shall bathe, shower, shave, launder or change clothes or remain undressed in any public restroom, sink, washroom or any other area within the terminal.

20. Animals barred from terminal. No person except a police officer or another person authorized by the manager shall enter in the terminal with any animal except a "seeing eye" dog or an animal properly confined for shipment.

21. Passage through loading gates restricted. No person shall pass through the loading gates on any vehicular level except:

- (a) persons employed by or doing business with a carrier whose duties require such passage;
- (b) authorized representatives of the Port Authority;

- (c) persons having permission; and
- (d) passengers immediately prior to boarding. buses or immediately after leaving buses

22. Photography and filming in the terminal. No person may make drawings or take still photographs or action pictures for commercial use within the terminal without permission from the manager.

23. Alcoholic beverages. No person shall drink or carry any open alcoholic beverage in any public part of the terminal.

SAFETY

24. Permission required to bring into or carry firearms or other weapons in terminal; exceptions. No persons, except authorized law-enforcement officers, post-office, customs and express employees, licensed armed guards, employees of a carrier, and members of the armed services of the United States or of any State thereof on official duty, shall bring into or carry in the terminal any firearms or other weapons, without permission.

25. Permission required to bring into or carry explosives, acids, inflammables, compressed gases, etc. in terminal; exceptions. No person shall bring into or carry in the terminal any explosives, acids, inflammables, compressed gases or articles or materials having or capable of producing strong offensive odors, or articles or materials likely to endanger persons or property, except with permission. No person shall bring or cause to be brought into or kept in the terminal any signal flare or any container filled with or which has been emptied or partially emptied of oil, gas petroleum products, paint or varnish, except with permission. When permission is given to bring into or keep at the terminal any such articles or materials it shall be conditioned upon the use of appropriate receptacles in rooms or areas approved therefor by the manager. Bringing in or keeping at the terminal without special permission gasoline or other motor fuel contained in tanks permanently attached to vehicles and not contained under pressure shall not be an infraction of this regulation. Bringing into and keeping in the terminal without special permission kerosene signal flares in good condition, of the type required or permitted by Interstate Commerce Commission regulations and properly stowed in buses, shall not be an infraction of this regulation.

26. Permission required to use inflammable liquids for cleaning at terminal. No person shall use inflammable liquids for cleaning at the terminal without permission.

27. Smoking or carrying lighted cigars, cigarettes, pipes, etc. in certain areas of terminal prohibited. No person shall smoke or carry lighted cigars, cigarettes, pipes, matches or any naked flame in areas of the terminal where smoking is prohibited by the Port Authority.

28. Unauthorized interference with or use of terminal systems or equipment prohibited. No person shall do or permit to be done anything which may interfere with the effectiveness or accessibility of the fire protection system, sprinkler system, drainage system, alarm system, telephone system, public announcement and intercommunication system, plumbing system, airconditioning system, ventilation system, fire hydrants, hoses, fire extinguishers, Port Authority towing equipment or

other mechanical system, facility or equipment installed or located at the terminal including closed circuit television cameras and monitors, signs and notices; nor shall any person operate, adjust or otherwise handle or manipulate, without permission, any of the aforesaid systems or portions thereof, or any machinery, equipment or other devices installed or located at the terminal. Tags showing date of last inspection attached to units of fire extinguishing and fire fighting equipment shall not be removed therefrom. Nor shall any person plug a TV, radio or other electrical device into any outlet or connect any device to any utility at or in the terminal.

29. All persons required to exercise care to avoid or prevent injury to persons or damage to property. All persons at the terminal shall exercise the utmost care to avoid or prevent injury to persons or damage to property. Neither any inclusion in nor any omission from these rules and regulations set forth in this Part shall be construed to relieve any person from exercising the utmost care to avoid or prevent injury to persons or damage to property.

30. Permission and accompaniment by Port Authority employee required for entry into all designated Port Authority areas. No person shall enter any Port Authority area at the terminal except with permission and then only when accompanied by an employee of the Port Authority. This includes emergency stairwells except when an emergency conditions exists.

31. No sleeping in terminal. No person on or in the facility shall sleep, doze, lie, or sit down on the floors, hallways, platforms, stairs, landings or other places where such activity may be hazardous to such person or to others, or may interfere with the operation of the terminal's transportation system, pedestrian flow or comfort of its users or tenants.

32. No skateboarding, rollerskating, or bicycle riding. No person shall skateboard, roller skate or ride a bicycle, scooter or any other self-propelled vehicle or device on or through any part of the terminal.

33. Noise. No person shall make, continue, cause or permit to be made or continued any unauthorized noise in the terminal.

34. Fire. No person shall cook, light a fire or otherwise create a fire in any part of the terminal.

35. Storage. No Person shall store bundles, paper, cloth, cardboard or any other material in solid, liquid or gas form that could in any way pose a fire or life safety hazard or obstruct or hinder passage without the approval of the manager.

36. No sound reproduction devices. Except with prior permission, no person shall operate or use any personal radio, television, phonograph, tape recorder or other sound reproduction device in the terminal in such a manner that the sound emanating from such sound reproduction device is audible to another person.

37. Use of lighting or sound reproduction equipment. No person shall without specific authorization from the manager operate or use or cause to be operated or use any lighting or sound reproduction device for commercial or business advertising purposes or for the purpose of attracting attention to any performance, show, sale or display of merchandise, or any commercial or business enterprise, in front or outside of any building, place or premises in the terminal.

38. Inspection of freight, articles and packages. The manager reserves the right to inspect all freight and other articles including hand-carried packages brought into or out of the Bus Terminal and to exclude therefrom all articles which violate any of these rules and regulations, and to require the occupants of space and others regularly doing business at the terminal to issue package passes (in such form as may be approved by the manager) for packages being carried to or from, or from one location to another within the terminal.

BAGGAGE AND EXPRESS

39. Leaking, loose, improperly packaged and marked baggage or express not accepted for handling. No piece of baggage or express will be accepted for handling at the terminal, if in a leaking or loose conditions. No piece of express will be accepted for handling if it is not properly packaged and parked.

40. Express, baggage or manifest baggage producing or capable of producing offensive odor or likely to cause damage or injury to persons or property not accepted for handling and subject to removal from terminal. No piece of express, baggage or manifest baggage will be accepted for handling at the terminal if it has or is capable of producing an offensive odor or is likely to damage other express or baggage or to endanger persons or property or to take any portion of the terminal untenable; and the same shall be subject to immediate removal by the Port Authority from the terminal or to another location or locations within the terminal, such removal to be at the risk and expense of the carrier involved.

41. Express, baggage and manifest baggage subject to I.C.C. regulations not handled unless in compliance with applicable provisions of such regulations. Express, baggage, and manifest baggage, subject to I.C.C. regulations, will not be handled at the terminal, unless it complies with the said regulations in every respect including without limiting the generality of such regulations proper condition for transportation, containers of adequate strength, packing, marking, labeling, description, certification, and quantity and loading limitations.

VEHICLES

42. Vehicles not maintained, operated and registered in accordance with Port Authority rules and applicable laws, ordinances or regulations may be denied access to or removed from terminal. The manager of the terminal shall have authority to deny access to the terminal for any bus or other vehicle not maintained, operated and registered in accordance with these regulations, or which is otherwise in violation of the Port Authority Bus Terminal rules and regulations or the laws, ordinances or regulations of the United States government, the State of New York, or City of New York; and shall have authority to require removal of any such vehicle from the terminal on five minutes notice. In the event the vehicle is not so removed, the Port Authority may remove it under the provisions of section 59 herein.

43. Vehicles so loaded, constructed, operated, equipped or maintained as to endanger persons or property or obstruct traffic barred from terminal. No vehicle which is loaded in such a manner, or with such materials, or which is so constructed, operated, equipped or maintained as to endanger or to be likely to endanger persons or property, or to obstruct traffic, shall be permitted in or upon the terminal.

44. Vehicles having weights or dimensions in excess of described maxima or using prohibited fuels barred from terminal. No vehicle will be permitted in or upon the

terminal which has a weight or dimensions larger than the maxima described herein for buses or which utilizes any fuel not permitted as a source of motive power for buses under the provisions of section 2 herein.

45. Vehicles lacking valid registration plate barred; exceptions. Except for vehicles owned by the government of the United States, and horse-drawn vehicles, no highway vehicle shall be permitted in the terminal unless a currently effective registration plate duly issued by appropriate governmental authority is attached thereto.

46. Persons driving highway vehicles within terminal required to be duly licensed to operate such vehicles. No person shall drive any highway vehicle (except a horse-drawn vehicle) in the terminal without a motor vehicle operator's or chauffeur's license issued by appropriate governmental authority permitting the driving by such person of the particular type of vehicle driven and valid within the State of New York.

47. Passenger boarding and discharge areas to be used so as to avoid blocking bus traffic. Except when standing a bus in space, the use of which has been licensed specifically to the operator of such bus by written agreement with the Port Authority, drivers shall stand vehicles in the terminal only at space designated for such vehicles by the manager or other Port Authority representative. Where space is used in common by the buses of more than one carrier, such as on the unloading platforms, the drivers will cause their buses to stand in the most forward portion of such space available upon arrival and will continually move their buses forward, toward, and to the most forward vacant portion of the space. No buses shall discharge passengers on any active roadways including the viaducts leading to and from the terminal unless specifically directed by a terminal representative.

48. Procedure to be followed by driver in event of accident involving his vehicle. The driver of any vehicle involved in an accident resulting in injury or death to any person or damage to any property shall immediately stop such vehicle at the scene of the accident, render such assistance as may be needed, and give his name, address and driver's license, and the registration number of the vehicle to the person injured or to a Port Authority officer or representative. The driver, Operator, or owner of such vehicle shall make a report of such accident in accordance with the law of the State of New York.

49. Unauthorized tampering, starting, movement or interference with vehicles prohibited. No unauthorized person shall tamper with any vehicle, start the motor thereof, move the vehicle, or otherwise interfere with the operation thereof at the terminal.

50. Permission required to fuel, defuel, lubricate, clean or repair vehicles within terminal. No person shall fuel, defuel, lubricate, clean or repair a vehicle or any part thereof, at the terminal, without permission.

51. Vehicles entering terminal required to extinguish headlights. Every driver of a vehicle entering the terminal shall extinguish the headlights thereof and shall not relight them until leaving the terminal.

52. Prolonged sounding of vehicle horns prohibited. Prolonged sounding of the horns of vehicles in the terminal is forbidden.

53. Leaving vehicles unattended without turning off motor, locking vehicle and setting brakes prohibited. No person shall leave a vehicle unattended in the terminal without having first turned off its motor, locked all doors, and set its parking brakes.

54. Vehicles prohibited from remaining in terminal for more than 15 minutes. No vehicle shall remain in the terminal for longer than the time necessary for permitted operations in connection therewith, and, unless a shorter time limitation is elsewhere imposed, no vehicle shall remain in the terminal for longer than 15 minutes unless at a designated gate or parking space and so as not to obstruct the operation of the terminal. The manager shall have authority to require, by five minutes' notice, which may be given orally to the driver, the removal from the terminal of any vehicle which shall have been standing or parked at the terminal for so long as 15 minutes; in the event the vehicle is not so removed, the Port Authority may remove it under the provisions of section 59 herein.

55. Operation of vehicles within terminal regulated. No person shall operate a vehicle in the terminal in a careless and negligent manner or in disregard of the right or safety of others, or without due caution, or at a speed in excess of speed limits posted in the area where the vehicle is being operated, or in any event at a speed in excess of 5 miles per hour, or at any speed or in any manner which endangers or is likely to endanger persons or property, or while under the influence of intoxicating liquor or any narcotic or habit-forming drug.

56. Compliance with authorized traffic orders, signals, signs or directions required. Drivers of vehicles in the terminal must at all times comply with any traffic order, signal or direction, given by voice or by hand, of an authorized representative of the Port Authority. When traffic is controlled by traffic lights or signs or by mechanical or electrical signals, such lights, signs and signals shall be obeyed unless an authorized representative of the Port Authority directs otherwise.

57. Drivers required to report arrival and departure and pay fees. Unless other applicable provision for reports is made in an agreement with a carrier, each driver of a bus of any carrier shall report to the Port Authority representative immediately upon arrival at the terminal, shall pay all fees required shall give information of the expected time of departure, and shall, immediately before departure, check out as directed by the Port Authority representative.

58. Disabled vehicles subject to removal. Unless other provisions for the removal of disabled vehicles has been made by agreement, the Port Authority shall have the right to require, by five minutes' notice which may be given orally to the driver, the removal from the terminal (or to a different location in the terminal), of any vehicle which has become disabled in the terminal. In the event such vehicle is not so removed, the Port Authority may remove it under the provisions of section 59 herein.

59. Removal of vehicles from terminal to be at owner's or operator's risk and expense. In the event the Port Authority is empowered to remove any bus or other vehicle from the terminal by any provision of the rules and regulations set forth in this Part, such removal shall be at the risk of the owner or operator of such vehicle, and the cost thereof shall be for the account of such owner or operator and payable to the Port Authority on demand.

60. Time limit for engine idling. Every driver who causes a vehicle to park or stand in the terminal for three (3) or more minutes shall turn off its motor.

PARCEL CHECK ROOM

61. The Port Authority parcel check room will be operated as a public check room at which services will be provided to the public subject to regulations and fees established by the Executive Director or his representative.

PORTER SERVICE

62. The Port Authority of New York and New Jersey will furnish porter service to the public free of charge at the Port Authority Bus Terminal.

CHARTER BUS OPERATIONS

63. Use of terminal by charter buses permitted; restrictions; fees. Operators of charter bus transportation service between the City of New York and points outside the city who have not entered into agreements for space and services at the Port Authority bus terminal will be Permitted to use the enclosed vehicular levels of the terminal, such use to be limited to one-way and through operations originating at points outside New York City, and to round-trip operations, the initial portions of which originate at points outside New York City, the charge for each bus arrival or departure with passengers to be \$12.50.

PUBLIC VEHICULAR PARKING

64. The Port Authority public vehicular parking area. The Public vehicular parking area is operated and charges fees as established by the Executive Director of the Port Authority of New York and New Jersey or his designated representative.

ELEVATORS, ESCALATORS, AND LOADING DOCKS

65. Elevator Schedule. Elevators for passengers and freight handling service will be operated in accordance with a schedule established by the manager, unless the arrangements are made with the manager for operation at other times.

66. Prohibition. Passenger elevators and escalators may not be used to carry freight.

67. Controls. The use of any escalator, elevator, private right-of-way or truck loading dock at the terminal will be subject to the direct control of the manager.

68. Causing an elevator or escalator to stop. No unauthorized person shall cause an elevator or escalator to stop by means of any emergency stopping device unless continued operation would appear to result in probable injury to a person or persons. Any such stopping should be reported immediately to a terminal representative.

69. Truck loading docks. Truck loading docks located in the terminal are designed to accomplish the immediate transfer of merchandise between the freight elevators and trucks. All person will confine their use of docks to such purpose as directed by the manager. No storage or holding of merchandise on the truck loading docks awaiting the arrival of trucks or awaiting transfer to premises or space at the terminal will be permitted.

(Port Authority Acknowledgment - N.Y.)

STATE OF NEW YORK }
COUNTY OF NEW YORK } SS.:

On the 15th day of July, 1997, before me personally came Cherric Nanninge
....., who, being by me duly sworn, did depose and say that
he resides in (Ex. 1); that he is the Deputy Director of Finance
Executive Director of The Port Authority of New York and New Jersey, (one of) the corporations
described in and which executed the foregoing instrument; that he knows the seal of said corporation; that
the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of
Commissioners of said corporation; and that he signed his name thereto by like order.

Sylvia Shepherd

SYLVIA SHEPHERD
Notary Public, State of New York
No. 41-4952176
Qualified in Queens County
Commission Expires June 12, 1999

(Corporate Acknowledgment - N.Y.)

STATE OF New Jersey }
COUNTY OF Hudson } SS.:

On the 23rd day of June, 1997, before me personally came
Mario Di Domizio me known, who, being by me duly sworn, did depose and say that
(Ex. 1)
resides in; that he is the Senior Vice President
of Hudson County News Company One of the corporations described in and which executed the
foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is
such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that
he signed his name thereto by like order.

Linda J. Manhart

LINDA J. MANHART
A Notary Public of New Jersey
My Commission Expires Oct. 25, 1999

* T/A Hudson News

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, made as of the 10th day of April, 2000 by and between **THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY** (hereinafter called the "Port Authority") and **HUDSON NEWS COMPANY** (formerly known as Hudson County News Company and hereinafter called the "Lessee"),

WITNESSETH, THAT:

WHEREAS, the Port Authority and the Lessee heretofore and as of the 22nd day of May, 1997 entered into an agreement of lease identified by the above Port Authority Lease Number covering premises located at the Port Authority Bus Terminal in the Borough of Manhattan, City, County and State of New York (which agreement of lease, as the same may have been heretofore supplemented and amended, is hereinafter called the "Lease"); and

WHEREAS, the Port Authority and the Lessee desire to extend the letting of the premises under the Lease and to amend the Lease in certain other respects;

NOW, THEREFORE, for and in consideration of the covenants and mutual agreements herein contained, the Port Authority and the Lessee hereby agree as follows:

1. The term of the letting of the entire premises under the Lease is hereby extended for the period ending on October 14, 2006, unless sooner terminated, at a basic rental at the annual rate of Seventy-five Thousand Dollars and No Cents (\$75,000.00), payable in advance in equal monthly installments of Six Thousand Two Hundred Fifty Dollars and No Cents (\$6,250.00) on June 1, 2005 and on the first day of each calendar month thereafter throughout the balance of the extended term of the letting under the Lease. Subject to the provisions of paragraph 2 of this Agreement, the Lessee shall continue to pay the percentage rental on account of its operations under the Lease as herein amended and extended as set forth in paragraph (c) of Item 1 of Exhibit B annexed thereto.

2. (a) As used in this Agreement, "annual fixed rental amount" shall mean the sum of Seventy Thousand One Hundred Sixty-four Dollars and No Cents (\$70,164.00) as the same may be reduced by operation of the abatement and/or proration provisions of the Lease as herein amended and extended.

(b) Notwithstanding anything to the contrary contained in the Lease as herein amended and extended, in addition to the basic rental payable under the Lease as herein amended and extended and in lieu of the percentage rental payable under the Lease as herein amended, from and after June 1, 2005, the Lessee shall pay to the Port Authority an annual percentage rental equivalent to the excess over the annual fixed rental amount set forth hereinabove of the sum of (x) twenty percent (20%) of the total amount arising from the fees and commissions received, or receivable, by the Lessee from the sale or dispensing of lottery tickets issued by the

Lottery Division of the New York State Department of Taxation and Finance and (y) ten percent (10%) of all other gross receipts arising out of or in connection with the Lessee's operations under the Lease as herein amended and extended, during each annual period occurring during the extended term of the letting under the Lease. The computation of percentage rental for each annual period or a portion of an annual period as provided under the Lease as herein amended and extended shall be individual to such annual period or such portion of an annual period and without relation to any other annual period or any other portion of any annual period.

3. The Lessee represents and warrants that no broker has been concerned in the negotiation or execution of this Agreement or the extension of the term of the letting under the Lease as herein amended and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Lessee shall indemnify and save harmless the Port Authority of and from any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Agreement or the extension of the term under the Lease as herein amended.

4. Neither the Commissioners of the Port Authority, nor any of them, nor any officer, agent or employee thereof, shall be charged personally by the Lessee with any liability, or held liable to it under any term or provision of this Agreement, or because of its execution or attempted execution or because of any breach thereof.

5. As hereby amended, all the terms, covenants, provisions, conditions and agreements of the Lease shall be and remain in full force and effect.

6. This Agreement and the Lease which it amends and supplements constitute the entire agreement between the Port Authority and the Lessee on the subject matter, and may not be changed, modified, discharged or extended except by instrument in writing duly executed on behalf of both the Port Authority and the Lessee. The Lessee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in the Lease or this Agreement.

IN WITNESS WHEREOF, the Port Authority and the Lessee have executed these presents as of the date first above written.

ATTEST:

PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

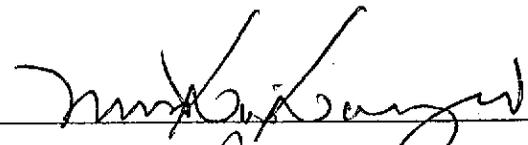

Secretary

By 
(Title) DIRECTOR OF REAL ESTATE
(Seal)

ATTEST:

HUDSON NEWS COMPANY


Secretary
Jay C. Marshall

By 
(Title) Vice President President
(Corporate Seal)

"APPROVED"
FORM | TERMS
 | 

(Port Authority Acknowledgment)

STATE OF NEW YORK)
)ss.:
COUNTY OF NEW YORK)

On the 30th day of April in the year 2000, before me, the undersigned, a Notary Public in and for said state, personally appeared

Cherrie Nanninga

personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged that he executed the same in his capacity as Director of Real Estate for the Port Authority of New York and New Jersey, and that by his signature on the instrument, the individual, or the corporation upon behalf of which the individual acted, executed the instrument.



ABRAHAM S. FRIEDMAN
Notary Public, State of New York
No. 24,490,1929

Qualified in Kingston (Signature of Notary Public)
Commission Expires 7/11/01

(Corporate Acknowledgment)

STATE OF New Jersey)
)ss.:
COUNTY OF Bergen)

On the 4th day of December in the year 2000, before me, the undersigned, a Notary Public in and for said state, personally appeared MARIO DI DOMIZIO

personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged that he executed the same in his capacity as Vice President of Hudson News Company, and that by his signature on the instrument, the individual, or the corporation upon behalf of which the individual acted, executed the instrument.



(Signature of Notary Public)

Catherine R. Bogdan
Notary Public, State of New Jersey
No. 2217080
Qualified in Bergen County
Commission Expires September 11, 2003

**SUPPLEMENTAL AGREEMENT AND
ASSIGNMENT WITH ASSUMPTION AND CONSENT**

THIS AGREEMENT, made as of May 31, 2004 by and among **THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY** (hereinafter called the "Port Authority"), **HUDSON NEWS COMPANY** (hereinafter called the "Assignor"), a corporation organized and existing under the laws of the State of New Jersey, with an office for the transaction of business at One Meadowlands Plaza, Suite 902, East Rutherford, New Jersey 07063, and **AIRPORT MANAGEMENT SERVICES, LLC** (hereinafter called the "Assignee"), a limited liability company organized and existing under the laws of the State of Delaware, with an office for the transaction of business at One Meadowlands Plaza, Suite 902, East Rutherford, New Jersey 07063, the representative of which is Joseph DiDomizio, its Executive Vice President,

WITNESSETH, THAT:

WHEREAS, heretofore and as of May 22, 1997, the Port Authority and the Assignor entered into an agreement of lease (which agreement of lease, as the same has been heretofore amended, modified, supplemented and extended, is hereinafter called the "Lease") covering premises at the Port Authority Bus Terminal in the Borough of Manhattan, in the City, County and State of New York;

WHEREAS, the Port Authority and the Assignor desire to extend the letting of the premises under the Lease and to amend the Lease in certain other respects;

WHEREAS, further, the Assignor desires to assign the Lease to the Assignee and the Assignee is desirous of acquiring the Lease and becoming the Lessee thereunder;

WHEREAS, the Port Authority is willing to consent to such assignment of the Lease from the Assignor to the Assignee on certain terms, provisions, covenants and conditions as hereinafter set forth; and

NOW, THEREFORE, for and in consideration of the covenants and mutual agreements herein contained, the Port Authority, Assignor and the Assignee hereby agree as follows:

1. Effective as of June 1, 2004, payments of the rentals and fees made under the Lease, as herein amended, shall be sent to the following address: The Port Authority of New York and New Jersey, P. O. Box 95000-1517, Philadelphia, Pennsylvania 19195-1517; or made via the following wire transfer instructions: Bank: Commerce Bank; Bank ABA Number: (EX. 1) Account Number: (EX. 1) (for monthly fees) or (EX. 1) (for percentage fees); or to such other address as may hereafter be substituted therefor by the Port Authority from time to time, by notice.

2. The term of the letting of the entire premises under the Lease is hereby extended for the period ending on ~~June 30, 2008~~ **DECEMBER 31, 2008** (with initials), unless sooner terminated, at the basic rental rates as set forth in the Lease, as herein amended.

3. Effective as of October 13, 2005:

(a) The following shall be deemed added to the end of Section 5 of the Lease:

“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 Lessee, the Lessee shall be obligated, and hereby agrees, to pay to the Port Authority a service charge in the amount of five percent (5%) of each amount determined by the Port Authority audit findings to be unpaid. Each such service charge shall be payable immediately upon demand (by notice, bill or otherwise) made at any time therefor by the Port Authority. Such service charge(s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority by the Lessee under this Agreement or otherwise. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid service charge shall be deemed a waiver of the right of the Port Authority to payment of any late charge(s) or other service charge(s) payable under the provisions of this 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 rental to be paid hereunder. Nothing in this Section is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Agreement, including, without limitation, the Port Authority’s rights to terminate this Agreement or (ii) any obligations of the Lessee under this Agreement.

(b) The following subparagraph (4) shall be deemed added to paragraph (b) of Section 24 of the Lease:

“(4) An amount equal to all costs and expenses reasonably incurred by the Port Authority in connection with such termination, cancellation, re-entry, regaining or resumption of possession, collecting all amounts due to the Port Authority, the restoration of the premises (on failure of the Lessee to have restored), the reletting of the premises, the care and maintenance of the premises during any period of vacancy of the premises, the foregoing to include without limitation, personnel costs and legal expenses (including but not limited to the cost to the Port Authority of in-house legal services), brokerage fees and commissions, repairing and altering the premises and putting the premises in order (such as but not limited to cleaning and decorating the premises).”

4. The Assignor does hereby assign, transfer and set over to the Assignee and its successors, to its and their own proper use, benefit and behoof forever, the Lease, to have and to hold the same unto the Assignee, and its successors, from October 15, 2006 (hereinafter called the “Effective Date”), for and during the balance of the term of the letting under the Lease, as herein amended and extended, subject nevertheless to all the terms, provisions and conditions therein contained.

5. Notwithstanding anything to the contrary contained in the Lease, as herein amended and extended, the Lessee hereby agrees that this Agreement, and the Lease to which it is supplementary, is one of the “Agreements”, as such term is defined in that certain security agreement entered into between the Port Authority and the Permittee, dated as of October 15, 2006, and identified by Port Authority Agreement No. LBT-715 (the “Security Agreement”), and that a breach or failure to perform or comply with any of the terms and conditions of the Security Agreement, including without limitation failure to provide a letter of credit in accordance with the terms and

provisions of the Security Agreement at any time during the term under any of the Agreements valid and available to the Port Authority or any failure of any banking institution issuing a letter of credit to make one or more payments as provided in such letter of credit, shall constitute a material breach of this Supplemental Agreement and the Security Agreement thereby entitling the Port Authority to immediately exercise any and all rights available to it, including without limitation the right to terminate the Lease for cause.

6. The Port Authority hereby consents to the foregoing assignment. Notwithstanding anything herein to the contrary, the granting of such consent by the Port Authority shall not be, or be deemed to operate as, a waiver of the requirement for consent (or consents) to each and every subsequent assignment by the Assignee or by any subsequent assignee, nor shall the Assignor be relieved of liability under the terms, provisions, covenants and conditions of the Lease, as herein amended, by reason of this consent of the Port Authority or of one (1) or more other consents to one (1) or more other assignments thereof.

7. The Assignor agrees that this assignment of the Lease and this consent of the Port Authority thereto shall not in any way whatsoever affect or impair the liability of the Assignor to perform all the terms, provisions, covenants and conditions, including without limitation thereto the obligation to pay rent, of the Lease, as herein amended, on the part of the lessee or tenant thereunder to be performed, and that the Assignor shall continue to be fully liable for the performance of all the terms, provisions, covenants and conditions including, without limitation thereto the obligation to pay rent, on the part of the lessee or tenant thereunder to be performed. The liability of the Assignor as set forth in this paragraph shall remain and continue in full force and effect as to any and every renewal, modification or extension of the Lease, whether in accordance with the terms of the Lease or by a separate or additional document, and notwithstanding any such renewal, modification or extension, whether or not the Assignor has specifically consented to such renewal, modification or extension. The liability of the Assignor hereunder shall in no way be affected by the failure of the Port Authority to obtain the Assignor's consent to any such renewal, modification or extension, notwithstanding that the Port Authority had previously obtained such consent with respect to a prior renewal, modification or extension.

8. The Assignee does hereby assume the performance of and does hereby agree to perform all the terms, provisions, covenants and conditions including, without limitation thereto, the obligation to pay rent, contained in the Lease on the part of the lessee or tenant thereunder to be performed, as though the Assignee were the original signatory to the Lease. The execution of this instrument by the Port Authority does not constitute a representation by it that the Assignor has performed or fulfilled every obligation required by the Lease; as to such matters, the Assignee agrees to rely solely upon the representation of the Assignor.

9. The liability of the Assignor hereunder shall in no way be affected by:

(a) The release or discharge of the Assignee in any creditors', receivership, bankruptcy or other similar proceeding; or

(b) The impairment, limitation or modification of the liability of the Assignee or its estate in bankruptcy, or of any remedy for the enforcement of the Assignee's said liability under the Lease, resulting from the operation of any present or future provision of the Bankruptcy Code or any other statute or from the decision of any court having jurisdiction over the Assignee or its estate; or

(c) The rejection or disaffirmance of the Lease in any creditors',

receivership, bankruptcy or other similar proceeding; or

(d) Any disability or any defense of the Assignee.

10. Without in any way limiting the provisions set forth in the Sections of the Lease, as herein amended, entitled "Termination", "Right of Re-entry" and "Survival of the Obligations of the Lessee", unless otherwise notified by the Port Authority in writing, in the event the Assignee remains in possession of the premises after the expiration or termination of the term of the letting under the Lease, as herein amended and extended, as it may be extended from time to time, in addition to any damages to which the Port Authority may be entitled under the Lease or other remedies the Port Authority may have by law or otherwise, the Assignee shall pay to the Port Authority a rental for the period commencing on the day immediately following the date of such expiration or the effective date of such termination and ending on the date that the Assignee shall surrender and completely vacate the premises at an annual rate equal to twice the sum of: (i) the basic rental as provided for under the Lease; and (ii) the percentage rental provided for under the Lease with respect to the premises by the Assignee at the annual rate in effect during the three-hundred-sixty-five (365) day period immediately preceding such date. Nothing herein contained shall give, or be deemed to give, the Assignee any right to remain in possession of the premises after the expiration or termination of the letting under the Lease, as herein amended and extended. The Assignee acknowledges that the failure of the Assignee to surrender, vacate and yield up the premises to the Port Authority on the effective date of such expiration or termination will or may cause the Port Authority injury, damage or loss. The Assignee hereby assumes the risk of such injury, damage or loss and hereby agrees that it shall be responsible for the same and shall pay the Port Authority for the same whether such are foreseen or unforeseen, special, direct, consequential or otherwise and the Assignee hereby expressly agrees to indemnify and hold the Port Authority harmless against any such injury, damage or loss.

11. The Assignee waives its right to trial by jury in any summary proceeding or action that may hereafter be instituted by the Port Authority against the Assignee in respect of the premises and/or in any action that may be brought by the Port Authority to recover fees, damages, or other sums due and owing under this Agreement or the Lease, as herein amended. The Assignee specifically agrees that it shall not interpose any claims as counterclaims in any summary proceeding or action for non-payment of rents, fees or other amounts which may be brought by the Port Authority unless such claims would be deemed waived if not so interposed.

12. The Assignor and the Assignee each represent and warrant that no broker has been concerned in the negotiation or execution of this Agreement or the extension of the term of the letting of the Lease hereunder and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Assignor and the Assignee shall each indemnify and save harmless the Port Authority of and from any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Agreement.

13. Neither the Commissioners of the Port Authority, nor any of them, nor any officer, agent or employee thereof, shall be charged personally by the Assignor or the Assignee with any liability, or held liable to it under any term or provision of this Agreement, or because of its execution or attempted execution or because of any breach thereof.

14. As hereby amended, all the terms, covenants, provisions, conditions and agreements of the Lease shall be and remain in full force and effect.

15. This Agreement and the Lease which it amends and supplements constitute the entire agreement between the Port Authority, the Assignor and the Assignee on the subject matter, and may not be changed, modified, discharged or extended except by instrument in writing duly executed on behalf of the Port Authority, the Assignor and the Assignee. The Assignor and the Assignee each agree that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in the Lease or this Agreement.

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SIGNATURE PAGE IMMEDIATELY FOLLOWS.]

IN WITNESS WHEREOF, the Port Authority, the Assignor and the Assignee have executed these presents as of the date first above written.

ATTEST:

PORT AUTHORITY TRANS-HUDSON CORPORATION

By _____
Secretary

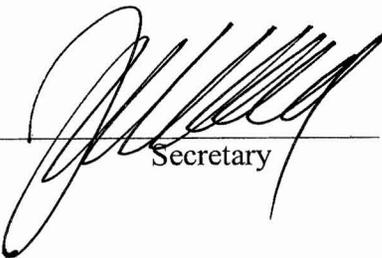
By _____

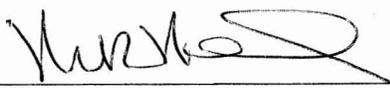
Name _____
(Please Print Clearly)

(Title) _____
(Seal)

ATTEST:

HUDSON NEWS COMPANY, Assignor

By  _____
Secretary

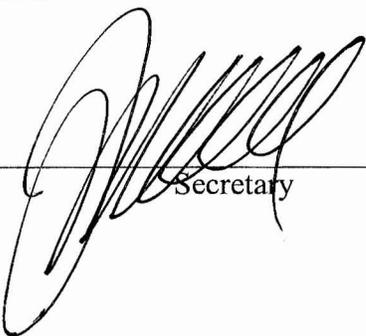
By  _____

Name Michael P. Mulvaney
(Please Print Clearly)

(Title) Senior Vice President
(Seal)

ATTEST:

AIRPORT MANAGEMENT SERVICES, LLC, Assignee

By  _____
Secretary

By  _____

Name MICHAEL P. MULVANEY
(Please Print Clearly)

(Title) Senior Vice President
Manager
(Corporate Seal)

| Port Authority Use Only: | |
|--------------------------|----------------------|
| Approval as to Terms: | Approval as to Form: |
| | |

MdIR/ALQ

(Port Authority Acknowledgment)

STATE OF NEW YORK)
)ss.:
COUNTY OF NEW YORK)

On the _____ day of _____ in the year 20____, before me, the undersigned, a Notary Public in and for said state, personally appeared

personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(notary seal and stamp)

(Assignor Acknowledgment)

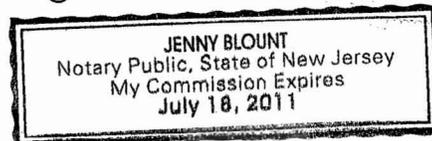
STATE OF New Jersey)
)ss.:
COUNTY OF Bergen)

On the 18th day of JANUARY in the year 2008, before me, the undersigned, a Notary Public in and for said state, personally appeared

Michael R. Mullane
personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

J Blount

(notary seal and stamp)



(Assignee Acknowledgment)

STATE OF New Jersey)
)ss.:
COUNTY OF Bergen)

On the 18th day of JANUARY in the year 2008, before me, the undersigned, a Notary Public in and for said state, personally appeared Michael R. Mullane personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

J. Blount

(notary seal and stamp)

JENNY BLOUNT
Notary Public, State of New Jersey
My Commission Expires
July 18, 2011

**ASSIGNMENT OF LEASE
WITH ASSUMPTION AND CONSENT**

(Lease No. LRR-111)

THIS AGREEMENT made as of the 31st day of December, 2003 by **THE PORT AUTHORITY TRANS-HUDSON CORPORATION** (hereinafter called "PATH"), a corporation organized and existing under the laws of the States of New York and New Jersey, having an office for the transaction of business at One PATH Plaza, in the City of Jersey City, County of Hudson, State of New Jersey, and **HUDSON NEWS COMPANY** (hereinafter called the "Assignor"), a corporation organized and existing under the laws of the State of New Jersey, with an office for the transaction of business at One Meadowlands Plaza, Suite 902, East Rutherford, New Jersey 07063, and **AIRPORT MANAGEMENT SERVICES, LLC** (hereinafter called the "Assignee"), a limited liability company organized and existing under the laws of the State of Delaware, with an office for the transaction of business at One Meadowlands Plaza, Suite 902, East Rutherford, New Jersey 07063, the representative of which is Joseph DiDomizio, its Executive Vice President,

WITNESSETH, That:

WHEREAS, the Assignor desires to assign to the Assignee that certain Agreement of Lease dated as of the 2nd day of September, 1992, made by and between PATH and the Assignor, and as the same has heretofore been supplemented and amended, hereinafter called the "Lease", covering premises at the PATH Journal Square Transportation Center, in the City of Jersey City, County of Hudson, and State of New Jersey; and

WHEREAS, PATH is willing to consent to such assignment on certain terms, provisions, covenants and conditions:

NOW, THEREFORE, in consideration of the covenants and mutual agreements herein contained, PATH, the Assignor and the Assignee hereby agree as follows:

1. The Assignor does hereby assign, transfer and set over to the Assignee and its successors, to its and their own proper use, benefit and behoof forever, the Lease, to have and to hold the same unto the Assignee, and its successors, from January 1, 2004 (hereinafter called the "Effective Date"), for and during the balance of the term of the letting under the Lease, subject nevertheless to all the terms, provisions and conditions therein contained, and the Assignor does hereby assign, transfer and set over unto the Assignee, and its successors, all right, title and interest of the Assignor in and to a certain deposit (whether of cash or bonds) in the amount of Thirteen Thousand Dollars and No Cents (\$13,000.00) made by the Assignor with PATH as security for the performance of the terms, provisions, covenants and conditions of the Lease but subject to the provisions of the Lease and to any claim or right to the said deposit or any part thereof heretofore or hereafter made or to be made on the part of PATH. For purposes of this Agreement, the Assignee hereby represents that its federal taxpayer identification number is (Ex. 1)

2. PATH hereby consents to the foregoing assignment. Notwithstanding anything herein to the contrary, the granting of such consent by PATH shall not be, or be deemed to operate as, a waiver of the requirement for consent (or consents) to each and every subsequent assignment by the Assignee or by any subsequent assignee, nor shall the Assignor be relieved of liability under the terms, provisions, covenants and conditions of the Lease by reason of this consent of PATH or of one (1) or more other consents to one (1) or more other assignments thereof.

3. The Assignor agrees that this assignment of the Lease and this consent of PATH thereto shall not in any way whatsoever affect or impair the liability of the Assignor to perform all the terms, provisions, covenants and conditions, including without limitation thereto the obligation to pay rent, of the Lease on the part of the lessee or tenant thereunder to be performed, and that the Assignor shall continue to be fully liable for the performance of all the terms, provisions, covenants and conditions including, without limitation thereto the obligation to pay rent, on the part of the lessee or tenant thereunder to be performed. The liability of the Assignor as set forth in this paragraph shall remain and continue in full force and effect as to any and every renewal, modification or extension of the Lease, whether in accordance with the terms of the Lease or by a separate or additional document, and notwithstanding any such renewal, modification or extension, whether or not the Assignor has specifically consented to such renewal, modification or extension. The liability of the Assignor hereunder shall in no way be affected by the failure of PATH to obtain the Assignor's consent to any such renewal, modification or extension, notwithstanding that PATH had previously obtained such consent with respect to a prior renewal, modification or extension.

4. The Assignee does hereby assume the performance of and does hereby agree to perform all the terms, provisions, covenants and conditions including, without limitation thereto, the obligation to pay rent, contained in the Lease on the part of the lessee or tenant thereunder to be performed, as though the Assignee were the original signatory to the Lease. The execution of this instrument by PATH does not constitute a representation by it that the Assignor has performed or fulfilled every obligation required by the Lease; as to such matters, the Assignee agrees to rely solely upon the representation of the Assignor.

5. The liability of the Assignor hereunder shall in no way be affected by:

(a) The release or discharge of the Assignee in any creditors', receivership, bankruptcy or other similar proceeding; or

(b) The impairment, limitation or modification of the liability of the Assignee or its estate in bankruptcy, or of any remedy for the enforcement of the Assignee's said liability under the Lease, resulting from the operation of any present or future provision of the Bankruptcy Code or any other statute or from the decision of any court having jurisdiction over the Assignee or its estate; or

(c) The rejection or disaffirmance of the Lease in any creditors', receivership, bankruptcy or other similar proceeding; or

(d) Any disability or any defense of the Assignee.

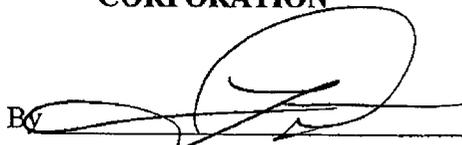
6. Neither the Directors of PATH, nor any of them, nor any officer, agent or employee thereof shall be charged personally by the Assignor or by the Assignee with any liability or be held liable to either of them under any term or provision of this Agreement, or because of its execution or attempted execution, or because of any breach or attempted or alleged breach thereof.

IN WITNESS WHEREOF, the parties hereto have executed these presents as of the day and year first above written.

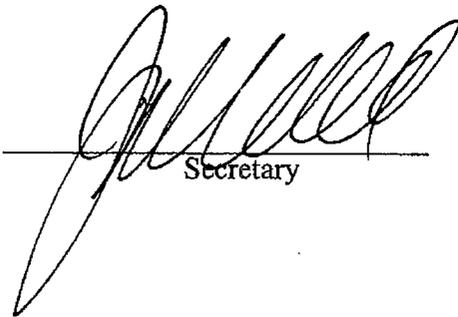
ATTEST:


ASSISTANT Secretary

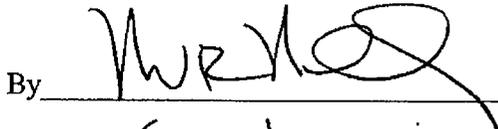
PORT AUTHORITY TRANS-HUDSON CORPORATION

By 
(Title) Francis A. Dimola
Director, Real Estate Department

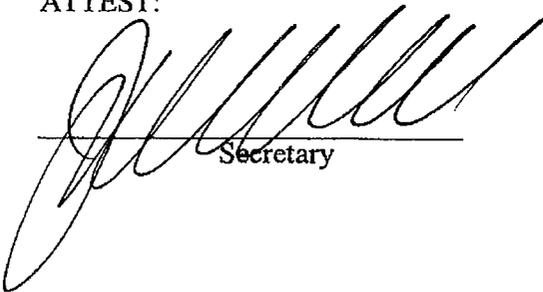
ATTEST:


Secretary

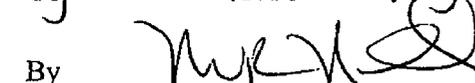
ASSIGNOR:
HUDSON NEWS COMPANY

By 
(Title) Senior Vice President
(Corporate Seal)

ATTEST:


Secretary

ASSIGNEE:
AIRPORT MANAGEMENT SERVICES, LLC
By Hudson News Company, Manager/Member

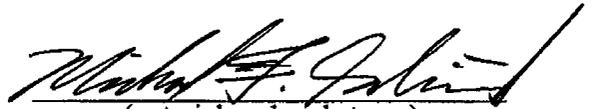
By 
(Title) Michael R. Mullane, Senior Vice President
~~Manager/Member~~
(Seal)

| | |
|---|-------------|
| APPROVED | |
| TERMS  | FORM RMS |

(PATH Acknowledgment)

STATE OF NEW YORK)
)ss.:
COUNTY OF NEW YORK)

On this 3rd day of November, 2005, before me, the subscriber, a notary public of New York, personally appeared Francis A. Di Mola, the Director, Real Estate Department of Port Authority Trans-Hudson Corporation, who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

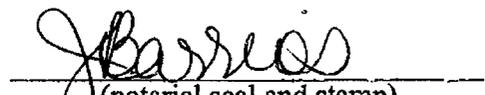

(notarial seal and stamp)

MICHAEL F. SCHMIDT
Notary Public, State of New York
No. 01SC6118149
Qualified in New York County
Commission Expires November 1, 2008

(Assignor Acknowledgment)

STATE OF New Jersey)
)ss.:
COUNTY OF Bergen)

On this 30th day of September, 2005, before me, the subscriber, a notary public of Bergen County, New Jersey, personally appeared Michael R. Hollanay, the Senior Vice President of Hudson News Company, who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

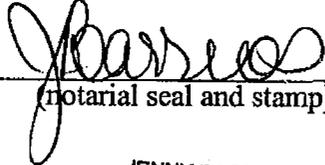

(notarial seal and stamp)

JENNY L.
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires July 18, 2006

(Assignee Acknowledgment)

STATE OF New Jersey)
COUNTY OF Bergen) ss.:

On this 30th day of September, 2005, before me, the subscriber,
a notary public of Bergen County, New Jersey, personally appeared Hudson News Company,
Michael R. Hillaney, the Senior Vice President of Airport Manager,
Management Services, LLC, who I am satisfied is the person who has signed the within instrument; Member
and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed
with the corporate seal and delivered the same as such officer aforesaid and that the within
instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its
Managers/Members.



(notarial seal and stamp)

JENNY BARRIOS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires July 18, 2006

THIS AGREEMENT, made as of the 2nd day of September, 1992 by and between PORT AUTHORITY TRANS-HUDSON CORPORATION (hereinafter called "PATH"), a corporation organized and existing under the laws of the States of New York and New Jersey, and having an office at One World Trade Center, in the City, County and State of New York, and HUDSON COUNTY NEWS COMPANY, (hereinafter called "the Lessee"), a corporation organized and existing under and by virtue of the laws of the State of New Jersey, having an office and place of business at 1305 Paterson Plank Road, North Bergen, New Jersey, 07047

whose representative is Robert B. Cohen

WITNESSETH That:

PATH and the Lessee, for and in consideration of the rents, covenants and agreements hereinafter contained, mutually covenant and agree as follows:

Section 1. Letting

PATH hereby lets to the Lessee and the Lessee hereby hires and takes from PATH, at the PATH, Journal Square Transportation Center in City of Jersey City, County of Hudson, and State of New Jersey the area on the Concourse Level thereof shown in diagonal hatching on the sketch annexed hereto, hereby made a part hereof and marked "Exhibit A", together with the fixtures, improvements and other property of PATH located or to be located therein or thereon, all the said space, fixtures, improvements, and other property of PATH being hereinafter collectively called "the premises". PATH and the Lessee hereby acknowledge that the aforesaid premises constitute non-residential real property.

Section 2. Term

The term of the letting under this Agreement shall commence at 12:01 o'clock A.M. on December 1, 1992 (which date is sometimes hereinafter referred to as "the Commencement Date") and shall, unless sooner terminated or unless extended, expire at 11:59 o'clock P.M. on November 30, 1999.

Section 3. Rights of User by the Lessee

The Lessee shall use the premises for the following purposes only and for no other purpose whatsoever:

construction and operation of newsstands for the sale, at retail, of newspapers, magazines, periodicals, candies, paperback books, gum, confections, cigarettes, cigars, tobacco and tobacco products, smoking accessories, postal cards, soft drinks, ice cream bars, ice-cream cups, lottery tickets issued by the Lottery Commission of the State of New Jersey, and such other items as may from time to time be consented to in advance in writing by the Port Authority.

Section 4. Rental

(a) The Lessee agrees to pay to PATH a basic rental for the premises at the rate ~~of~~ set forth in Item 1 of Exhibit B, attached hereto, and hereby made a part hereof ~~per annum~~

(b) The Lessee agrees to pay to PATH the percentage rental, ~~if any,~~ stated in Item 1 of Exhibit B, ~~attached hereto and made a part hereof.~~

(c) The time for making payments of rental and the method of computation and abatement thereof are set forth in Item 1 of Exhibit B.

Section 5. Obligations in Connection with Any Percentage Rental

If any rental hereunder is measured by a percentage of the Lessee's gross receipts, the Lessee shall:

(a) Take all reasonable measures in every proper manner to maintain, develop and increase the business conducted by it hereunder;

(b) Not divert or cause or allow to be diverted any business from the premises;

(c) Maintain in accordance with accepted accounting practice during the letting and for one year thereafter and for such further period until the Lessee shall receive written permission from PATH to do otherwise, records and books of account recording all transactions at, through or in any wise connected with the premises, which records and books of account shall be kept at all times within the Port of New York District and permit, in ordinary business hours during such time, the examination and audit

by the officers, employees and representatives of PATH of such records and books of account and also any records and books of account of any company which is owned or controlled by the Lessee, if said company performs services, similar to those performed hereunder by the Lessee, anywhere in the Port of New York District;

(d) Permit in ordinary business hours the inspection by the officers, employees and representatives of PATH of any equipment used by the Lessee, including but not limited to cash registers and recording tapes;

(e) ~~Furnish on or before the twentieth day of each month following the commencement date of the letting a sworn statement of gross receipts arising out of the operations of the Lessee hereunder for the preceding month;~~

(f) Install and use such cash registers, sales slips, invoicing machines and any other equipment or devices for recording orders taken or services rendered as may be appropriate to the Lessee's business and necessary or desirable to keep accurate records of gross receipts.

Section 6. Governmental Requirements

(a) The Lessee shall procure from all governmental authorities having jurisdiction over the operations of the Lessee at the premises all licenses, certificates, permits or other authorization which may be necessary for the conduct of its operations.

(b) The Lessee 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.

(c) The Lessee 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 operations of the Lessee on the premises or its occupancy thereof, and the Lessee shall, in accordance with and subject to the provisions of Section 15 hereof, make any and all structural and nonstructural improvements, alterations or repairs of the premises that may be required at any time hereafter by any such present or future law, rule, regulation, requirement, order or direction.

(d) The obligation of the Lessee to comply with governmental requirements is provided herein for the purpose of assuring proper safeguards for the protection of persons and property on the premises and a proper operation by the Lessee. Such provision is not to be construed as a submission by PATH to the application to itself of such requirements or any of them.

Section 7. Rules and Regulations

The Lessee covenants and agrees to observe and obey (and to compel its officers, members, employees, agents, representatives, contractors, customers, guests, invitees and those doing business with it to observe and obey) present and future rules and regulations of PATH for the Facility or building.

Section 8. Various Obligations of the Lessee

(a) The Lessee shall conduct its operations in an orderly and proper manner and so as not to annoy, disturb or be offensive to others. ~~The Lessee shall take all reasonable measures to eliminate vibrations tending to damage the premises and to keep the sound level of its operations as low as possible.~~

(b) The Lessee shall control the conduct, demeanor and appearance of its officers, members, employees, agents, representatives, contractors, customers, guests, invitees and those doing business with it, and upon objection from PATH concerning the conduct, demeanor or appearance of any such shall immediately take ~~all steps necessary to remove the cause of the objection.~~

(c) No garbage, debris or other waste materials (whether solid or liquid) shall be allowed to collect or accumulate in the premises and the Lessee shall remove from the premises and from the building and Facility, which the premises may be a part, all garbage, debris and other waste materials (whether solid or liquid) arising out of its occupancy or use of the premises. The Lessee shall use extreme care when effecting removal of all such waste and in no event shall use any facilities of PATH without its prior consent in writing and shall effect such removal only during such hours as are prescribed by PATH.

(d) If the premises have an entrance or exit opening out on a sidewalk the Lessee shall keep all sidewalks and curbs adjacent to the premises and all exclusive lobbies, vestibules and steps free from snow, ice, dirt and rubbish.

(e) If PATH deems it advisable for security reasons the Lessee shall provide and its employees shall wear or carry badges or other suitable means of identification which shall be subject to the prior written approval of PATH.

(f) If the Lessee is permitted under this Agreement to sell food and/or beverages, it shall, in connection with any preparation, packaging, handling, storage, delivery and dispensing of such food and/or beverages, comply with the following:

(1) Its employees shall wear clean, washable uniforms and female employees shall wear caps or nets. The employees shall be clean in their habits and shall thoroughly wash their hands before beginning work and immediately after

each visit to the toilet and shall keep them clean during the entire work period. No person affected with any disease in a communicable form or who is a carrier of such disease shall work or be permitted to work for the Lessee.

(2) All food and beverages shall be clean, fresh, pure, of first-class quality and safe for human consumption.

(3) The premises and all equipment and materials used by the Lessee shall at all times be clean, sanitary, and free from rubbish, refuse, dirt, offensive or unclean material, flies and other insects, rodents and vermin. All apparatus, utensils, devices, machines and piping used by the Lessee shall be constructed so as to facilitate the cleaning and inspection thereof and shall be properly cleaned after each period of use (which shall at no time exceed eight hours) with hot water and a suitable soap or detergent and shall be rinsed by flushing with hot water. Where deemed necessary by PATH, final treatment by live steam under pressure or other sterilizing procedure shall be used. All trays, dishes, crockery, glassware, cutlery, and other equipment of such type shall be cleaned and sterilized immediately before using same.

(4) All packing materials, including but not limited to wrappers, stoppers, caps, enclosures and containers, shall be clean and sterile and shall be so stored as to be protected from dust, dirt, flies and other insects, rodents, vermin, unsanitary handling and unclean materials.

(5) It is intended that the standards and obligations imposed by this subdivision (f) shall be maintained or complied with by the Lessee in addition to its compliance with all applicable governmental laws, ordinances and regulations, and in the event that any of said laws, ordinances and regulations shall be more stringent than such standards and obligations, the Lessee agrees that it will comply with such laws, ordinances and regulations in its operations hereunder.

(g) In the event that all or any portion of the premises is required by PATH to comply with any present or future governmental law, rule, regulation, requirements, order or direction, PATH shall give the Lessee notice that all or any such portion of the premises is so required and the Lessee shall deliver all or any such portion of the premises so required on the date specified in such notice and, if the Lessee does not so deliver, PATH may take the same. No such taking or delivery shall be or be construed to be an eviction of the Lessee or a breach of this Agreement. In the event that the Lessee has received a notice hereunder it shall deliver all or any such portion of the premises so required in the same condition as that required hereunder for the delivery of the premises on the cessation of the letting. In the event of the taking or delivery of all the premises, this Agreement and the letting hereunder shall on

the day of such taking or delivery cease and expire as if that day were the date originally stated herein for the expiration of this Agreement; and, in the event of the taking or delivery of any portion of the premises, then, from and after such taking or delivery, such portion of the premises shall cease to be a part of the premises hereunder. There shall be an abatement of the rental in the event of any such taking or delivery of a portion of the premises if so provided in Item 1 of Exhibit B.

Section 9. Prohibited Acts

The Lessee shall not: (a) commit any nuisance on the premises, or do or permit to be done anything which may result in the creation or commission of a nuisance on the premises; (b) cause or produce or permit to be caused or produced upon the premises, or to emanate therefrom, any unusual, noxious or objectionable smokes, gases, vapors, or odors; (c) use the premises for lodgings or sleeping purposes or for any immoral purposes; (d) install window shades or venetian blinds on the windows of the premises unless and until the type, size and color of the same shall have been previously approved in writing by PATH; (e) obstruct or permit the obstruction of light, air or passage in the building or Facility of which the premises may be a part; (f) do or permit to be done anything which may interfere with the effectiveness or accessibility of existing and future utilities systems or portions thereof on the premises, including therein without limitation thereto systems for the supply of heat, water hot and cold, gas, electricity and fuel and for the furnishing of fire-alarm, fire-protection, sprinkler, sewerage, drainage, air-conditioning, telephone, telegraph, tele-register, pneumatic-tube dispatch and inter-communications services, including lines, pipes, mains, wires, conduits and equipment connected with or appurtenant to all such systems, nor do or permit to be done anything which may interfere with free access and passage in the premises, or in the building or Facility of which the premises may be a part, or in the streets and sidewalks adjacent thereto; (g) do or permit to be done anything which may interfere with the effectiveness or accessibility of any elevators or escalators, including lines, pipes, wires, conduits and equipment connected with or appurtenant thereto; (h) overload any floor in the premises; (i) place any furniture, machine or equipment over any expansion or contraction joint unless one end of such furniture, machine or equipment is free to permit expansion or contraction; (j) place any additional lock of any kind upon any window or interior or exterior door in the premises unless a key therefor is delivered to PATH, nor make any change in any existing door or window lock or the mechanism thereof, except with the prior written approval of PATH, and upon the expiration or sooner termination of the letting hereof, the Lessee shall surrender to PATH any and all keys to interior and exterior doors on the premises, whether said keys were furnished to or were otherwise procured by the Lessee, and in the event of the loss of any keys furnished by PATH to the Lessee, the Lessee shall pay to PATH on demand the cost of replacement thereof; (k) do or permit to be done any act or thing upon

the premises which will invalidate or conflict with any insurance policies covering the premises or any part thereof, or covering the building or Facility of which the premises may be a part, or which, in the opinion of PATH, may constitute an extra-hazardous condition, so as to increase the risks normally attendant upon the operations contemplated by Section 3 hereof, and the Lessee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of the New York Board of Fire Underwriters, the New York Fire Insurance Exchange, or if the premises are located in New Jersey of the National Board of Fire Underwriters, the Fire Insurance Rating Organization of N.J., or of any other board or organization exercising or which may exercise similar functions, which may pertain or apply to the operations of the Lessee on the premises, and the Lessee shall, subject to and in accordance with the provisions of Section 15 hereof, make any and all non-structural improvements, alterations or repairs of the premises that may be required at any time hereafter by any such present or future rule, regulation, requirement, order or direction, and if by reason of any failure on the part of the Lessee to comply with the provisions of this subdivision, any insurance rate on the premises or any part thereof, or on the building or Facility of which the premises may be a part, shall at any time be higher than it otherwise would be, then the Lessee shall pay to PATH on demand that part of all insurance premiums paid by PATH which shall have been charged because of such violation or failure by the Lessee; (1) unless otherwise expressly permitted so to do elsewhere in this Agreement, install, maintain or operate, or permit the installation, maintenance or operation on the premises of any vending-machine or device designed to dispense or sell food, beverages, tobacco products or merchandise of any kind, whether or not included in the above categories, or of any restaurant, cafeteria, kitchen, stand or other establishment of any type for the preparation, dispensing or sale of food, beverages, tobacco or tobacco products, or of any telephone pay-stations.

Section 10. Maintenance and Repair

(a) The Lessee shall at all times keep in a clean and orderly condition and appearance the premises and all the Lessee's fixtures, equipment and personal property.

(b) The Lessee shall repair, replace, rebuild and paint all or any part of the premises, or of the building or Facility of which the premises may be a part, including therein, without limitation thereto, walls, partitions, floors, ceilings, columns, windows, doors, glass of every kind, fixtures, systems for the supply of heat, water hot and cold, gas, electricity and fuel and for the furnishing of fire-alarm, fire-protection, sprinkler, sewerage, drainage, air-conditioning, telephone, tele-register, pneumatic-tube dispatch and inter-communication services, including lines, pipes, mains, wires, conduits and equipment connected with or appurtenant to all such systems, which may be damaged or destroyed by the acts or omissions of the Lessee, its officers, members, employees, agents, representatives, contractors, customers, guests, invitees or other persons doing business with it.

(c) The Lessee shall take good care of the premises, including therein, without limitation thereto, walls, partitions, floors, ceilings, columns, windows, doors, glass of every kind, fixtures, and shall make or do all non-structural repairs, replacements, rebuilding and painting necessary to keep the premises in the condition existing as of the commencement date of the letting and to keep all improvements and fixtures made or installed subsequent to the commencement date of the letting in the condition existing as of the date such improvements are made and such fixtures installed.

(d) The Lessee shall not lay any linoleum, asphalt tile or other such affixed floor covering in direct contact with the floor of the premises. If the Lessee lays any linoleum, asphalt tile or other such affixed covering on the floor of the premises, an interlining of builder's deadening felt shall first be affixed to the floor with water-soluble paste or other water-soluble material, the use of cement or other adhesive non-soluble in water being expressly prohibited.

(e) The Lessee shall maintain and pay the premiums on a policy of plate and mirror glass insurance covering all plate and mirror glass which is a part of or is located on or in the premises and shall replace any of such plate or mirror glass which is damaged or destroyed from any cause whatsoever.

(f) In the event that, as a result of any casualty, the premises are damaged, without the fault of the Lessee, its officers, members, employees, agents, representatives, contractors, customers, guests, invitees or other persons doing business with it, so as to render them untenable in whole or part, then

(1) if in the opinion of PATH the necessary repairs or rebuilding can be completed within ninety (90) days after the occurrence of the damage, PATH shall repair or rebuild with due diligence, and the rental hereunder shall, if so provided in Item 1 of Exhibit B, be abated only for the period from the occurrence of the damage to the completion of the repairs or rebuilding, whether or not the work of repair or rebuilding is actually completed within the said ninety (90) days; or

(2) if in the opinion of PATH such repairs or rebuilding cannot be completed within ninety (90) days after the occurrence of the damage or if the entire premises require rebuilding, then PATH shall have options: (i) to proceed with due diligence to repair or to rebuild as necessary; or (ii) to terminate the letting as to the damaged portion of the premises only, or (iii) to cancel this Agreement and terminate the letting as to the entire premises; and the rental hereunder shall, if so provided in Item 1 of Exhibit B, be abated, either, as the case may require, for the period from the occurrence of the damage to the completion of repairs and rebuilding or for the period from the occurrence of the damage to the effective date of termination.

(g) The parties hereby stipulate that if the premises are in the State of New Jersey neither the provisions of Titles 46:8-6 and 46:8-7 of the Revised Statutes of New Jersey nor those of any other similar statute shall extend or apply to this Agreement, and if the premises are in the State of New York, neither the provisions of Section 227 of the Real Property Law of New York, nor those of any other similar statute shall extend or apply to this Agreement.

(h) In the event of a partial or total destruction of the premises, the Lessee shall immediately remove any and all of its property and/or debris from the premises or the portion thereof destroyed and if the Lessee does not promptly so remove, PATH may remove such property to a public warehouse for deposit or retain the same in its own possession and sell the same at public auction, the proceeds of which shall be applied first to the expenses of removal, storage and sale, second to any sums owed by the Lessee to PATH, with any balance remaining to be paid to the Lessee; if the expenses of such removal, storage and sale shall exceed the proceeds of sale, the Lessee shall pay such excess to PATH upon demand.

Section 11. Indemnity; Liability Insurance

(a) The Lessee shall indemnify and hold harmless PATH, its Directors, officers, agents, representatives and employees from all claims and demands of third persons, including but not limited to those due to death or personal injuries or for property damage arising wholly or partially out of the use or occupancy of the premises by the Lessee or out of any of the acts or omissions of the Lessee, its officers, members, employees, agents, representatives, contractors, customers, guests, invitees, and other persons doing business with it where such acts or omissions are on the premises or, if the premises are a part of a Facility or of a building, out of any acts or omissions of the Lessee, its officers, members, employees, agents and representatives, where such acts or omissions are elsewhere in the Facility or the building. Such indemnification shall include all expenses incurred or assumed in connection with such claims and demands.

(b) In addition to the obligations set forth in the above subdivision, the Lessee in its own name as assured shall maintain and pay the premiums on a policy or policies of comprehensive public liability insurance, including products liability, which shall cover its operations hereunder and shall be effective throughout the letting, in limits not lower than those set out in Item 2 of Exhibit B.

(c) PATH shall not be named as an insured in any policy of liability insurance required by this Section, unless PATH shall, at any time during the letting, direct otherwise in writing, in which case the Lessee shall cause PATH to be so named. As to any insurance required by the provisions of this or any other Section of this Agreement to be secured by or at the direction of the Lessee, a certified copy of each of the policies or a certificate or certificates evidencing the existence thereof or binders shall be delivered to PATH within ten (10) days after the execution of this Agreement or, in the case of insurance required under the provisions of Section 15, prior to the commencement of the work. In the event any binder is delivered, it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy or certificate shall contain a valid provision or endorsement that the policy may not be cancelled, terminated, changed or modified without giving ten (10) days' written advance notice thereof to PATH. A renewal policy shall be delivered to PATH at least fifteen (15) days prior to the expiration date of each expiring policy, except for any policy expiring after the date of expiration of the letting. If at any time any of the policies shall be or become unsatisfactory to PATH as to form or substance or if any of the carriers issuing such policies shall be or become unsatisfactory to PATH, the Lessee shall promptly obtain a new and satisfactory policy in replacement.

Section 12. Sales and Services by the Lessee

(a) A principal purpose of PATH in entering into this Agreement is to have available for all members of the public, the merchandise and/or services which the Lessee is permitted to sell and/or render hereunder, all for the better accommodation, convenience and welfare of such individuals and in fulfillment of PATH's obligation to operate facilities for the use and benefit of the public, and the Lessee agrees that it will conduct a first class operation and will furnish and install all necessary or proper equipment, fixtures, improvements (subject to Section 15), personnel, supplies, materials and other facilities and replacements therefor and all such fixtures and improvements (except trade fixtures removable without injury to the premises) shall on installation become the property of PATH and a part of the premises, provided, however, that PATH shall have the option, exercisable by notice delivered to the Lessee on or before a date sixty (60) days after expiration or termination hereof, to require the Lessee to remove any or all such fixtures, equipment and improvements and to restore

the premises to the condition thereof prior to any installation and in the event of a failure on the part of the Lessee so to remove and restore, PATH may do so, and the Lessee shall pay the cost thereof to PATH on demand. All equipment, fixtures and improvements to be used in the premises and the installation thereof shall be subject to the prior written approval of PATH as to type and quality. PATH may by written authorization allow the Lessee to enter and occupy the premises, prior to the commencement date of the letting stated or referred to in Sections 2 or 33, solely for the purpose of installing fixtures and making improvements. In the event that the Lessee receives such written authorization the Lessee shall use and occupy the premises in accordance with and shall be subject to all the provisions of this Agreement other than those relating to the conducting of a business and the payment of rental.

(b) The Lessee shall furnish good, prompt and efficient service hereunder, adequate to meet all demands therefor; shall furnish said service on a fair, equal and non-discriminatory basis to all users thereof; and shall charge fair, reasonable and non-discriminatory prices for all items and/or services which it is permitted to sell and/or render hereunder.

(c) The Lessee shall, prior to selling any items or rendering any services hereunder, prepare schedules of prices and rates for said items and services. Such schedules shall be submitted to PATH for its prior written approval as to compliance by the Lessee with its obligations under this Agreement. PATH shall examine such schedules and make such modifications therein as may be necessary. Any changes thereafter in the schedules shall be similarly submitted to PATH for its prior written approval, and, if necessary, modification. All such schedules shall be made available to the public by the Lessee at locations designated from time to time by PATH. The Lessee agrees to adhere to the prices and rates stated in the approved schedules. If the Lessee charges any price or applies any rate in excess of the approved prices or rates, the amount by which the actual price or the charge based on such actual rate deviates from the approved price or a charge based on the approved rates shall constitute an overcharge which will, upon demand of PATH or the Lessee's customer, be promptly refunded to the customer. If the Lessee charges any price or applies any rate which is less than the approved prices or rates, the amount by which the actual price or the charge based on such actual rate deviates from the approved price or a charge based on the approved rates shall constitute an undercharge and an amount equivalent thereto shall be included in any gross receipts hereunder and the percentage rental, if any, shall be payable in respect thereto. Notwithstanding any repayment of overcharges to a customer by the Lessee or any inclusion of undercharges in gross receipts, any such overcharge or undercharge shall constitute a breach of the Lessee's obligations hereunder and PATH shall have all remedies consequent upon breach which would otherwise be available to it at law, in equity or by reason of this Agreement.

(d) In the event that the Lessee in its operations hereunder offers for sale such a variety of items that the submission of schedules, under the preceding subdivision of this Section, is not feasible in the opinion of PATH, then the Lessee shall be under no obligation to submit such schedules of prices but the Lessee shall not then sell any items hereunder at a price other than the manufacturer's or distributor's recommended retail price, provided, however, that if the price charged for the same item at any other establishment within the Port of New York District which has any ownership, financial or management connection with the Lessee or any majority stockholder thereof is lower than the manufacturer's or distributor's recommended retail price, the Lessee shall notify PATH in writing of that fact and shall charge only the lower price. If the Lessee wishes to charge a price different from the manufacturer's or distributor's recommended retail price or different from the lower price at any other establishment, as the case may be, then the Lessee shall prepare and submit to PATH schedules therefor in the same manner and subject to the same conditions as set forth in the preceding subdivision of this Section. Every overcharge or undercharge resulting from a breach by the Lessee of its obligations under this subdivision shall be respectively refunded to the customer or included in gross receipts, all in the same manner and subject to the conditions as set forth in the preceding subdivision of this Section for overcharges or undercharges.

(e) The Lessee shall be open for and conduct business and furnish services twenty-four hours a day, seven days a week, or for such other hours and days as PATH, from time to time by notice to the Lessee, may determine to properly serve the needs of the public. The determination of proper business hours and days made by PATH shall be controlling.

Section 13. Displays

(a) Except with the prior approval of PATH, the Lessee shall not erect, maintain or display any sign, lettering, or any advertising at or on the exterior part of the premises or in the premises so as to be visible through the windows or exterior doors thereof. Without limiting the effect of the above, it is agreed that all signs, lettering, advertising, decorating and displays of merchandise or services anywhere in or on the premises shall be subject to the continuing approval of PATH, and on direction of PATH at any time given the exhibition thereof shall be immediately discontinued. PATH may in its discretion in any way change the appearance, design or size of any show window, exterior door or other display area which is a part of the premises.

(b) Upon the expiration or termination of the letting, the Lessee shall remove, obliterate or paint out, as PATH may direct, any and all signs, lettering, advertising, decorating and displays on the premises, or elsewhere in the building or Facility of which the premises may be a part, and in connection therewith

shall restore the premises or building or Facility to the same condition as prior to the placement thereof. In the event that there is a failure by the Lessee so to remove, obliterate or paint out and so to restore, PATH may, at its option, perform the necessary work at the expense of the Lessee, and the charge therefor shall be paid by the Lessee to PATH on demand.

(c) The exercise of any right hereunder by PATH shall not be or be construed to be an eviction of the Lessee, nor grounds for any diminution or abatement of the rentals payable hereunder, nor constitute grounds for any claim by the Lessee for damages, consequential or otherwise, unless due to the negligence of PATH, its employees or agents.

Section 14. Services

(a) Unless otherwise stated in Item 3 of Exhibit B, PATH shall, without additional charge, heat the premises to an even and comfortable working temperature during the hours and days stated in said Item 3.

(b) PATH shall also, without additional charge, furnish non-exclusive toilet and washroom facilities for the employees of the Lessee if toilet and washroom facilities are not a part of the premises.

(c) PATH agrees to sell, furnish and supply to the Lessee in the premises and the Lessee agrees to take and pay PATH for the following:

(1) Unless otherwise stated in Item 3 of Exhibit B, electricity, in reasonable quantities, for illumination (all bulbs to be supplied and installed by the Lessee) and power; said electricity unless otherwise specified in said Item 3 to be 60 cycle, alternating current, single phase, at 110 volts, and to be paid for by the Lessee at the rates specified in said Item 3.

(2) Unless otherwise stated in Item 3 of Exhibit B, cold water, in reasonable quantities, of the character furnished by the municipality or utility company supplying in the vicinity and to be paid for by the Lessee at the rates specified in said Item 3.

(3) Unless otherwise stated in Item 3 of Exhibit B, hot water, in reasonable quantities, at the temperature stated in said Item 3 and to be paid for by the Lessee at the rates specified in said Item 3.

(4) Unless otherwise stated in Item 3 of Exhibit B, steam, in reasonable quantities, of the character specified in said Item 3 and to be paid for by the Lessee at the rates specified in said Item 3.

(5) Unless otherwise stated in Item 3 of Exhibit B, air conditioning sufficient to maintain the premises to the temperature stated in said Item 3 during the hours and days stated in said Item 3 and to be paid for by the Lessee at the rates specified in said Item 3.

(d) The above utilities may be charged for at a flat rate as provided in Item 3 of Exhibit B or at a metered rate as provided in Item 3 of Exhibit B. In the latter event, the quantity thereof shall be measured by a meter or meters installed for that purpose; provided, however, that, if for any reason any meter fails to record the consumption thereof, the consumption during any such period that the meter is out of service will be considered to be the same as the consumption for a like period immediately before or immediately after the interruption, as selected by PATH.

(e) Charges by PATH for the above services shall be paid for by the Lessee on demand; and, unless otherwise specified in Item 3 of Exhibit B, the services shall be supplied through existing wires, fixtures, conduits, outlets, pipes or vents, if any.

(f) If any federal, state, municipal or other governmental body, authority or agency or any public utility assesses, levies, imposes, makes or increases any charge, fee or rent on PATH for any service, system or utility now or in the future applied to or available to the premises or to any occupants or users thereof or to the structure or building of which the premises form a part (including but not limited to any sewer rent or charge for the use of sewer systems), the Lessee shall, at the option of PATH exercised at any time and from time to time by notice to the Lessee, pay, in accordance with said notice, such charge, fee or rent or increase thereof (or the portion thereof allocated by PATH to the premises or the Lessee's operations hereunder) either directly to the governmental body, authority or agency or to the public utility or directly to PATH.

(g) Notwithstanding that PATH may have agreed to supply a service hereunder to the Lessee where such service is to be metered, PATH shall be under no obligation to provide or continue any such service if PATH is prevented by law from submetering such service or has agreed with the supplier of such service not to submeter such service.

(h) PATH shall have the right to temporarily discontinue the supply of any of the above services when necessary or desirable in the opinion of PATH in order to make any repairs, alterations, changes or improvements in the premises or elsewhere in the building of which the premises form a part including all systems for the supply of services.

(1) Notwithstanding that PATH may have agreed to supply a service hereunder to the Lessee, PATH shall be under no obligation to supply any such service if and to the extent and during any period that the supplying of any such service or the use of any component necessary therefor shall be prohibited or rationed by any federal, state or municipal law, rule, regulation, requirement, order or direction and if PATH deems it in the public interest to comply therewith, even though such law, rule, regulation, requirement, order or direction may not be mandatory on PATH. If by operation of this subdivision or the previous subdivision any service for which the Lessee has agreed to pay a flat sum is discontinued for any period of the letting, the Lessee shall be relieved of its obligation to pay for such service for any such period or if any such service is supplied during fewer hours or in lesser amounts than agreed during any period of the letting, the Lessee shall be relieved proportionately of its obligation to pay for any such service for any such period.

(j) No failure, delay or interruption in any of the above services shall be or shall be construed to be an eviction of the Lessee, shall be grounds for any diminution or abatement of the rentals payable hereunder, or shall constitute grounds for any claim by the Lessee for damages, consequential or otherwise, unless due to the negligence of PATH, its employees or agents. The Lessee shall not be entitled to receive any of the above services during any period during which the Lessee wastes any of the services or is in default under any of the provisions of this Agreement.

Section 15. Construction by the Lessee

(a) Except with the prior approval of PATH, the Lessee shall not erect any structures, make any improvements or do any other construction work on the premises, or alter, modify, or make additions, improvements or repairs to or replacements of any structure now existing or built at any time during the letting, or install any fixtures (other than trade fixtures, removable without injury to the premises) and in the event any construction, improvement, alteration, modification, addition, repair or replacement is made with or without such approval and unless the approval of PATH shall expressly provide otherwise, the same shall immediately become the property of PATH and the Lessee shall have no right to change the same or remove the same either during the term or at the expiration or termination thereof unless PATH, at any time during the letting or within sixty (60) days' after the expiration date or effective date of termination of the letting, shall give notice to the Lessee to remove the same, or cause the same to be changed to the satisfaction of PATH, in which case the Lessee shall remove the same or change it in compliance with such notice.

(b) In the event that Item 4 of Exhibit B provides that the Lessee is required (or is permitted) to build a structure or make repairs, alterations, improvements or additions to the premises, the structure, repairs, alterations, improvements or additions described in the said Item 4 shall be built or made strictly in accordance with the following terms and conditions:

(1) The Lessee shall, to the extent allowed under the law, be the insurer of PATH, its Directors, officers, agents and employees, against the following distinct and several risks, whether they arise from acts or omissions of the Lessee, of PATH, its Directors, officers, agents, representatives and employees or of third persons, or from acts of God or of the public enemy, or otherwise, excepting only risks which result solely from affirmative, wilful acts done by PATH subsequent to the commencement of the work of construction, repair, alteration, improvement or addition:

(1) The risk of loss or damage to all such required repairs, alterations, additions, improvements, or structures prior to the completion thereof. In the event of such loss or damage, the Lessee shall forthwith repair, replace and make good the work without cost to PATH.

(ii) The risk of death, injury or damage, direct or consequential, to PATH, its Directors, officers, agents, representatives and employees, and to its or their property, arising out of or in connection with the performance of the work. The Lessee shall indemnify PATH, its Directors, officers, agents, representatives and employees, for all such deaths, injuries and damages, and for all loss suffered by reason thereof.

(iii) The risk of claims and demands, just or unjust, by third persons against PATH, its Directors, officers, agents, representatives and employees arising or alleged to arise out of the performance of the work. The Lessee shall indemnify PATH, its Directors, officers, agents, representatives and employees, against and from all such claims and demands, and for all loss and expense incurred by it and by them in the defense, settlement or satisfaction thereof.

(2) All construction work done pursuant to this Section shall be done in accordance with drawings and specifications to be submitted to and approved by the Chief Engineer of PATH prior to the commencement of the work, shall be done to his satisfaction and shall be subject to his inspection during the progress of such work and after completion thereof; and the Lessee shall re-do or replace at its own expense any work not approved by the said Chief Engineer. Unless otherwise expressly provided herein, all workmanship and materials are required to be first class.

(3) The Lessee shall pay all claims lawfully made against it by its contractors, subcontractors, materialmen and workmen and all claims lawfully made against it by other third persons arising out of or in connection with or because of the performance of the work and shall cause its contractors and subcontractors to pay all such claims lawfully made against them.

(4) The Lessee shall procure and maintain comprehensive public liability insurance, or, if the work is to be done by an independent contractor, the Lessee shall require such contractor to procure and maintain such insurance in the name of the contractor, in either case, in limits not lower than those set forth for such categories of insurance in Item 5 of Exhibit B.

(5) As soon as such structure, repair, alteration, improvement or addition shall have been completed to the satisfaction of the Chief Engineer of PATH, then (subject to the provisions of the following subdivision (c)) title thereto shall immediately and without execution of any further instrument vest in PATH, and every said structure and all such repairs, alterations, improvements or additions, shall thereupon become and thereafter be part of the premises.

(c) PATH shall have the option, exercisable by notice delivered on or before a date sixty (60) days after expiration, cancellation or termination hereof, to require the Lessee to remove any or all such structures, alterations, improvements or additions, and to restore the premises to the condition thereof prior to the construction or installation thereof. In the event of a failure on the part of the Lessee so to remove and restore, PATH may do so, and the Lessee shall pay the cost thereof to PATH on demand.

Section 16. Injury and Damage to Person or Property

PATH shall not be liable to the Lessee, or to any person, for injury or death to any person or persons whomsoever, or damage to any property whatsoever at any time in the premises or elsewhere in the building or Facility of which the premises may be a part, including but not limited to any such injury, death or damage from falling material, water, rain, hail, snow, gas, steam, and/or electricity, whether the same may leak into, or fall, issue, or flow from the premises, or from any other place or quarter, unless said damage, injury or death shall be due to the negligence of PATH, its employees or agents.

Section 17. Additional Rent and Charges

(a) If PATH has paid any sum or sums or has incurred any obligations or expense which the Lessee has agreed to pay or reimburse PATH for, or if PATH is required or elects to pay any sum or sums or incurs any obligations or expense by reason of the failure, neglect or refusal of the Lessee to perform or fulfill any one or more of the conditions, covenants or agreements contained in this Agreement or as a result of an act or omission of the Lessee contrary to the said conditions, covenants and agreements, the Lessee agrees to pay the sum or sums so paid or the expense so incurred, including all interest, costs, damages and penalties, and the same may be added to any installment of rent thereafter due hereunder, and each and every part of the same shall be and become additional rent, recoverable by PATH in the same manner and with like remedies as if it were originally a part of the basic rental, or if there is no basic rental as a part of the percentage rental, all as set forth in Section 4 hereof.

(b) For all purposes under this Section and in any suit, action or proceeding of any kind between the parties hereto, any receipt showing any payment of sum or sums by PATH for any work done or material furnished shall be prima facie evidence against the Lessee that the amount of such payment was necessary and reasonable. Should PATH elect to use its own operating and maintenance staff in making any repairs, replacements, and/or alterations and to charge the Lessee with the cost of same, any time sheet of any employee of PATH showing hours of labor or work allocated to any such repair, replacement and/or alteration, or any stock requisition of PATH showing the issuance of materials for use in the performance thereof, shall likewise be prima facie evidence against the Lessee that the amount of such charge was necessary and reasonable.

Section 18. Rights of Entry Reserved

(a) PATH, by its officers, employees, agents, representatives and contractors shall have the right at all reasonable times to enter upon the premises for the purpose of inspecting the same, for observing the performance by the Lessee of its obligations under this Agreement, and for the doing of any act or thing which PATH may be obligated or have the right to do under this Agreement or otherwise.

(b) Without limiting the generality of the foregoing, PATH, by its officers, employees, representatives, and contractors, shall have the right, for the benefit of the Lessee or for the benefit of others in or at the building or Facility of which the premises may be a part, to maintain and install existing and future utilities systems or portions thereof on the premises, including therein without limitation thereto systems for the supply of heat, water hot and cold, gas, electricity and fuel and for the furnishing

of fire-alarm, fire-protection, sprinkler, sewerage, drainage, air-conditioning, telephone, telegraph, tele-register, pneumatic-tube dispatch and intercommunication services, and to maintain and install existing and future elevator and escalator systems, including lines, pipes, mains, wires, conduits and equipment connected with or appurtenant to all such systems, and to enter upon the premises at all reasonable times to make such installations, repairs, alterations and replacements as may, in the opinion of PATH, be deemed necessary or advisable and, from time to time, to construct or install over, in, under or through the premises new lines, pipes, mains, wires, conduits and equipment; provided, however, that such repair, alteration, replacement, installation, or construction shall not unreasonably interfere with the use of the premises by the Lessee.

(c) Nothing in this Section shall or shall be construed to impose upon PATH any obligations so to construct or maintain or to make repairs, replacements, alterations or additions, or shall create any liability for any failure so to do.

(d) At any time and from time to time during ordinary business hours within the six (6) months next preceding the expiration of the letting, PATH, by its agents and employees, whether or not accompanied by prospective lessees, occupiers or users of the premises, shall have the right to enter thereon for the purpose of exhibiting and viewing all parts of the same and during such six-month period PATH may place and maintain on the premises, the usual "To-Let" signs, which signs the Lessee shall permit to remain without molestation.

(e) If, during the last month of the letting, the Lessee shall have removed all or substantially all the Lessee's property from the premises, PATH may immediately enter and alter, renovate and redecorate the premises.

(f) No abatement of rental shall be claimed by or allowed to the Lessee by reason of the exercise of any or all of the foregoing rights by PATH or others.

Section 19. Condemnation

(a) In any action or proceeding instituted by any governmental agency or agencies for the taking for a public use of any interest in all or any part of the premises, the Lessee shall not be entitled to assert any claim to any award or part thereof made or to be made therein, or to institute any action or proceeding or to assert any claim against such agency or agencies or against PATH, for or on account of any such taking, except the possible claim to an award for loss of fixtures furnished and installed by the Lessee (and for the purpose of such possible claim alone, title to such fixtures shall revert to the Lessee), it being understood and agreed between PATH and the Lessee that, except for the possible claim to an award for loss of fixtures, PATH shall be entitled to all the compensation or awards made or to be made or paid for any such taking, free of any claim or right of the Lessee.

(b) In the event of a taking of the entire premises by any governmental agency or agencies, then this Agreement shall be cancelled and the letting shall, as of the date possession is taken from PATH by such agency or agencies, cease and determine in the same manner and with the same effect as if the term of the letting had on that date expired.

(c) In the event of a taking by any governmental agency or agencies of a part of the premises, then the letting as to such part only shall, as of the date possession thereof is taken from PATH by any such agency or agencies, cease and determine, and the rentals thereafter to be paid by the Lessee to PATH shall, if so provided in Item 1 of Exhibit B, be abated from and after the date of such taking.

Section 20. Assignment and Sublease

(a) The Lessee shall not assign, sell, convey, transfer, mortgage, or pledge this Agreement, or the letting, or any part thereof.

(b) The Lessee shall not sublet the premises or any part thereof.

(c) If the Lessee assigns, sells, conveys, transfers, mortgages, pledges or sublets in violation of subdivisions (a) or (b) of this Section or if the premises are occupied by anybody other than the Lessee, PATH may collect rent from any assignee, sublessee or anyone who claims a right to this Agreement or letting or who occupies the premises, and shall apply the net amount collected to the rental herein reserved; and no such collection shall be deemed a waiver by PATH of the covenants contained in subdivisions (a) and (b) of this Section nor an acceptance by PATH of any such assignee, sublessee, claimant or occupant as Lessee, nor a release of the Lessee by PATH from the further performance by the Lessee of the covenants contained herein.

(d) The Lessee shall not use, or permit any person to use, the premises or any portion thereof, except for the purposes set forth in Section 3 hereof.

Section 21. Termination

(a) If any one or more of the following events shall occur, that is to say:

(1) The Lessee shall become insolvent, or shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy or a petition or answer seeking an arrangement or its reorganization or the readjustment of its indebtedness under the federal bankruptcy

laws or under any other law or statute of the United States or of any State thereof, or consent to the appointment of a receiver, trustee, or liquidator of all or substantially all its property; or

(2) By order or decree of a court the Lessee shall be adjudged bankrupt or an order shall be made approving a petition filed by any of the creditors or, if the Lessee is a corporation, by any of the stockholders of the Lessee, seeking its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any law or statute of the United States or of any State thereof; or

(3) A petition under any part of the federal bankruptcy laws or an action under any present or future insolvency law or statute shall be filed against the Lessee and shall not be dismissed within thirty (30) days after the filing thereof; or

(4) The letting hereunder or the interest or estate of the Lessee under this Agreement shall be transferred to, pass or devolve upon, by operation of law or otherwise, any other person, firm or corporation; or

(5) The Lessee, if a corporation, shall, without the prior written approval of PATH, become a possessor or merged corporation in a merger, a constituent corporation in a consolidation, or a corporation in dissolution; or

(6) The Lessee is, or the Lessees collectively are doing business as, or constitute a co-partnership, and the said co-partnership shall be dissolved as the result of any act or omission of its co-partners or any of them, or by operation of law or the order or decree of any court having jurisdiction, or for any other reason whatsoever; or

(7) By or pursuant to, or under authority of any legislative act, resolution or rule, or any order or decree of any court or governmental board, agency or officer having jurisdiction, a receiver, trustee, or liquidator shall take possession or control of all or substantially all of the property of the Lessee, and such possession or control shall continue in effect for a period of fifteen (15) days; or

(8) Any type of strike or other labor activity is directed against the Lessee at the premises resulting in picketing or boycott for a period of at least forty-eight (48) hours which, in the opinion of PATH, adversely affects or is likely adversely to affect the operation of any PATH Facility or the operations of other lessees or licensees thereat, whether or not the same is due to the fault of the Lessee, and whether caused by the employees of the Lessee or by others; or

(9) Any lien is filed against the premises because of any act or omission of the Lessee and is not removed within ten (10) days; or

(10) The Lessee shall voluntarily abandon, desert, vacate or discontinue its operations in the premises; or

(11) The Lessee shall fail duly and punctually to pay the rentals or to make any other payment required hereunder when due to PATH; or

(12) The Lessee shall fail to keep, perform and observe each and every other promise, covenant and agreement set forth in this Agreement, on its part to be kept, performed or observed, within ten (10) days after receipt of notice of default thereunder from PATH (except where fulfillment of its obligation requires activity over a period of time, and the Lessee shall have commenced to perform whatever may be required for fulfillment within ten (10) days after receipt of notice and continues such performance without interruption except for causes beyond its control);

then upon the occurrence of any such event or at any time thereafter during the continuance thereof, PATH may by five (5) days' notice terminate the letting and the rights of the Lessee hereunder, such termination to be effective upon the date specified in such notice. Such right of termination and the exercise thereof shall be and operate as a conditional limitation.

(b) If any of the events enumerated in subdivision (a) of this Section shall occur prior to the letting, the Lessee shall not be entitled to enter into possession of the premises and PATH upon the occurrence of any such event or at any time thereafter during the continuance thereof by twenty-four (24) hours' notice may cancel the interest of the Lessee under this Agreement, such cancellation to be effective upon the date specified in such notice.

(c) No acceptance by PATH of rentals, fees, charges or other payments in whole or in part for any period or periods after a default of any of the terms, covenants and conditions to be performed, kept or observed by the Lessee shall be deemed a waiver of any right on the part of PATH to terminate the letting.

(d) No waiver by PATH of any default on the part of the Lessee in performance of any of the terms, covenants or conditions hereof to be performed, kept or observed by the Lessee shall be or be construed to be a waiver by PATH of any other or subsequent default in performance of any of the said terms, covenants and conditions.

Section 22. Right of Re-entry

PATH shall, as an additional remedy upon the giving of a notice of termination as provided in Section 21 hereof, have the right to re-enter the premises and every part thereof upon the effective date of termination without further notice of any kind, and may regain and resume possession either with or without the institution of summary or any other legal proceedings or otherwise. Such re-entry, or regaining or resumption of possession, however, shall not in any manner affect, alter or diminish any of the obligations of the Lessee under this Agreement, and shall in no event constitute an acceptance of surrender.

Section 23. Waiver of Redemption

The Lessee hereby waives any and all rights of redemption, granted by or under any present or future law, arising in the event it is evicted or dispossessed for any cause, or in the event PATH obtains or retains possession of the premises in any lawful manner.

Section 24. Survival of the Obligation of the Lessee

(a) In the event that the letting shall have been terminated in accordance with a notice of termination as provided in Section 21 hereof, or the interest of the Lessee cancelled pursuant thereto, or in the event that PATH has re-entered, regained or resumed possession of the premises in accordance with the provisions of Section 22 hereof, all the obligations of the Lessee under this Agreement shall survive such termination or cancellation, re-entry, regaining or resumption of possession and shall remain in full force and effect for the full term of this Agreement, and the amount or amounts of damages or deficiency shall become due and payable to PATH to the same extent, at the same time or times and in the same manner as if no termination, cancellation, re-entry, regaining or resumption of possession had taken place. PATH may maintain separate actions each month to recover the damage or deficiency then due or at its option and at any time may sue to recover the full deficiency less the proper discount, for the entire unexpired term.

(b) The amount of damages for the period of time subsequent to termination or cancellation (or re-entry, regaining or resumption of possession) shall be:

(1) On account of the Lessee's basic rental obligation, the amount of the total of all annual basic rentals, less the installments thereof payable prior to the effective date of termination except that the credit to be allowed for the installment payable on the first day of the month in which the termination is effective shall be prorated on a daily basis for the part of the month the letting remains in effect;

(2) On account of the Lessee's percentage rental obligation in the event that a basic rental is also reserved under this Agreement, an amount equal to the percentage stated in Item 1 of Exhibit B applied to the amount of gross receipts in excess of the annual exemption amount or amounts, which gross receipts would have been received by the Lessee during the balance of the term if there had been no termination or cancellation (or re-entry, regaining or resumption of possession), and for the purpose of calculation hereunder (i) the said amount of gross receipts shall be derived by multiplying the number of days in the balance of the term originally fixed, by the Lessee's average daily gross receipts; ~~(ii) the average daily gross receipts shall be the total actual gross receipts of the Lessee during that part of the effective period of the letting (including all annual periods falling within the effective period) in which no abatement was in effect, divided by the number of days included in such part of the effective period; (iii) the annual exemption amount for any period of less than a year shall be the product of the original annual exemption amount multiplied by a fraction, the numerator of which shall be the number of days from the effective date of termination to the end of the annual period and the denominator of which shall be 365;~~

(3) On account of the Lessee's percentage rental obligation in the event that no basic rental is reserved under this Agreement, an amount equal to the percentage stated in Item 1 of Exhibit B applied to the amount of gross receipts which would have been received by the Lessee during the balance of the term if there had been no termination or cancellation (or re-entry, regaining or resumption of possession), and for the purpose of calculation hereunder (i) the said amount of gross receipts shall be derived by multiplying the number of days in the balance of the term originally fixed, by the Lessee's average daily gross receipts; (ii) the average daily gross receipts shall be the total actual gross receipts of the Lessee during that part of the effective period of the letting (including all annual periods falling within the effective period) divided by the number of days included in such part of the effective period.

(c) It is understood and agreed that the statement of damages under the preceding subdivision (b) shall not affect or be construed to affect PATH's right to damages in the event of termination or cancellation (or re-entry, regaining or resumption of possession) where the Lessee has not received any actual gross receipts under this Agreement.

Section 25. Reletting by PATH

PATH, upon termination or cancellation pursuant to Section 21 hereof, or upon any re-entry, regaining or resumption of possession pursuant to Section 22 hereof, may occupy the premises or may relet the premises, and shall have the right to permit any person, firm or corporation to enter upon the premises and use the same. Such reletting may be of part only of the premises or of the premises or a part thereof together with other space, and for a period of time the same as or different from the balance of the term hereunder remaining, and on terms and conditions the same as or different from those set forth in this Agreement. ~~PATH shall also, upon termination or cancellation pursuant to the said Section 21, or upon its re-entry, regaining or resumption of possession pursuant to the said Section 22, have the right to repair or to make structural or other changes in the premises, including changes which alter the character of the premises and the suitability thereof for the purposes of the Lessee under this Agreement, without affecting, altering or diminishing the obligations of the Lessee hereunder. In the event either of any reletting or of any actual use and occupancy by PATH (the mere right to use and occupy not being sufficient however) there shall be credited to the account of the Lessee against its survived obligations hereunder any net amount remaining after deducting from the amount actually received from any lessee, licensee, permittee or other occupier in connection with the use of the said premises or portion thereof during the balance of the letting as the same is originally stated in this Agreement, or from the market value of the occupancy of such portion of the premises as PATH may during such period actually use and occupy, all expenses, costs and disbursements incurred or paid by PATH in connection therewith. No such reletting shall be or be construed to be an acceptance of surrender.~~

Section 26. Remedies to be Non-exclusive

All remedies provided in this Agreement shall be deemed cumulative and additional and not in lieu of or exclusive of each other or of any other remedy available to PATH at law or in equity.

Section 27. Surrender

(a) The Lessee covenants and agrees to yield and deliver peaceably to PATH possession of the premises on the date of the cessation of the letting, whether such cessation be by termination, expiration or otherwise, promptly and in good condition such reasonable wear excepted as would not adversely affect or interfere with a first-class, efficient and proper operation such as is required under this Agreement.

(b) Subject to the provision of Sections 12 and 26 the Lessee shall have the right at any time during the letting to remove its equipment, inventories, removable fixtures and other personal property from the premises. If the Lessee shall fail to remove its property on or before the termination or expiration of the letting, PATH may remove such property to a public warehouse for deposit or retain the same in its own possession, and sell the same at public auction, the proceeds of which shall be applied first to the expenses of removal, storage and sale, second to any sums owed by the Lessee to PATH, with any balance remaining to be paid to the Lessee; if the expenses of such removal, storage and sale shall exceed the proceeds of sale, the Lessee shall pay such excess to PATH upon demand.

Section 28. Acceptance of Surrender of Lease

No agreement of surrender or to accept a surrender shall be valid unless and until the same shall have been reduced to writing and signed by the duly authorized representatives of PATH and of the Lessee. Except as expressly provided in this Section, neither the doing of, nor any omission to do, any act or thing, by any of the officers, agents or employees of PATH, shall be deemed an acceptance of a surrender of the letting or of this Agreement.

Section 29. Requirement of Deposit or Bond

(a) Unless Item 7 of Exhibit B indicates that no deposit is required, then, prior to the commencement of the letting, the Lessee shall deposit with PATH the sum stated in the said Item 7, in securities satisfactory to PATH or in cash, as security for the full, faithful and prompt performance of and compliance with, on the part of the Lessee, all the covenants, terms and conditions of this Agreement on its part to be fulfilled, kept, performed and observed. The said cash or securities shall remain on deposit with PATH throughout the letting. If securities are deposited, the fair market value thereof shall be equivalent at the time of the deposit to the sum stated in the said Item 7; and, if at any time throughout the letting the fair market value thereof declines, the Lessee shall, upon ten (10) days' notice from PATH, deposit additional securities to the extent necessary to maintain the sum stated in the said Item 7. In addition to any and all other remedies available to it under this Agreement or otherwise, PATH shall have the right, at its option at any time and from time to time, to use the deposit or any part thereof in whole or partial satisfaction of any of its claims or demands against the Lessee. There shall be no obligation on PATH to exercise such right, and neither the existence of such right nor the holding of the deposit itself shall cure any default or breach on the part of the Lessee. In the event that PATH shall

at any time or times so use the deposit or a part thereof, the Lessee shall, on demand of PATH and within two (2) days thereafter, deposit with PATH additional securities satisfactory to PATH or additional cash so as to maintain the deposit at all times to the full amount stated in the said Item 7; all such additional deposits shall be subject to all the conditions of this Section. After the expiration of the letting and upon written request therefor by the Lessee, PATH will return the deposit to the Lessee, less the amount of any and all unpaid claims and damages of PATH under this Agreement. Upon a termination of the letting, PATH may, at its option, retain the deposit until the date fixed in Section 2 hereof for the expiration of the letting (or until the final date of any extended term, as the case may be) and shall thereafter upon demand of the Lessee return the same to the Lessee less the amount of any and all unpaid claims and damages, including but not limited to estimated damages of PATH under this Agreement. The Lessee agrees that it will not assign, mortgage or encumber the deposit. The Lessee may collect or receive annually 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 PATH is or may hereafter be entitled or authorized by law to retain or to charge in connection therewith, whether as or in lieu of administrative expense or custodial charge, or otherwise, provided, however, that PATH shall not be obligated by this provision to place or to keep cash deposited hereunder in interest-bearing bank accounts. Without limiting the foregoing provisions of this Section, with respect to any bonds deposited by the Lessee, PATH shall have the right, in order to satisfy any of its claims or demands against the Lessee, 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 PATH together with the right to purchase the same at such sale free of any claims, equities or rights of redemption of the Lessee. The Lessee hereby waives any right to participate therein or any right to prior notice or demand of the amount or amounts of PATH's claims or demands against the Lessee. The proceeds of any such sale shall be applied by PATH first to the costs and expenses of the sale (including but not limited to any advertising or commission expenses) and then to the amounts due PATH from the Lessee. Any balance remaining shall be retained in cash toward bringing the security deposit to the sum specified above provided that this shall not relieve the Lessee from maintaining the deposit in the full amount stated above.

(b) Unless Item 8 of Exhibit B indicates that no performance bond is required, the Lessee shall furnish and pay the premium for a bond in the sum stated in the said Item 8, conditioned upon the full, faithful and prompt performance of and compliance with, on the part of the Lessee, all the covenants, terms and conditions of this Agreement on its part to be fulfilled, kept, performed and observed. The bond so furnished shall be in the form attached hereto, hereby made a part hereof and marked "Exhibit U", shall be effective throughout the letting and shall be made either by a surety company or companies qualified to carry on a surety business in the State of New Jersey if the premises are in New Jersey or in the State of New York if the premises are in New York, and satisfactory to PATH or by an individual or individuals satisfactory to PATH.

(c) In the event Items 7 and 8 of Exhibit B indicate that both a deposit and a bond are required, the Lessee shall, unless said items 7 and 8 state otherwise, have the option of fulfilling either the provisions of subdivision (a) or those of subdivision (b) of this Section.

Section 30. Brokerage

The Lessee represents and warrants that no broker has been concerned in the negotiation of this Agreement and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Lessee shall indemnify and save harmless PATH of and from any claim for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Agreement.

Section 31. Limitation of Rights and Privileges Granted

(a) The premises are let to the Lessee and the Lessee takes the same subject to all the following: (i) easements, restrictions, reservations, covenants and agreements, if any, to which the premises may be subject; rights of the public in and to any public street; (ii) rights, if any, of the enterprise, public or private, which is engaged in furnishing any services including without limitation thereto heating, lighting, power, telegraph, telephone, steam, water, sewerage, or transportation services, and of the municipality and State in which the premises are located; (iii) permits, licenses, regulations and restrictions, if any, of the United States, the municipality or State in which the premises are located, or other governmental authority.

(b) No greater rights or privileges with respect to the use of the premises or any part thereof or with respect to any PATH property are granted or intended to be granted to the Lessee by this Agreement, or by any provision thereof, than the rights and privileges expressly granted hereby.

Section 32. Relationship of the Parties

This Agreement does not constitute the Lessee the agent or representative of PATH for any purpose whatsoever and neither a partnership nor any joint adventure is hereby intended nor shall it be deemed to be created by this Agreement.

Section 33. Notices

(a) All notices, permissions, requests, consents and approvals given or required to be given to or by either party shall be in writing (which shall include a telegram when delivered to the telegraph company), and all such notices and requests shall be (i) personally delivered to the party or to the duly designated officer or representative of such party; or (ii) delivered to an office of such party, officer or representative during regular business hours; or (iii) delivered to the residence of such party, officer or representative at any time; or (iv) if directed to the Lessee, delivered to the premises at any time; or (v) forwarded to such party, officer or representative, at the office or residence address by registered or certified mail. The Lessee shall designate an office within the Port of New York District and an officer or representative whose regular place of business is at such office. Until further notice, PATH hereby designates its President, and the Lessee designates the person whose name appears on the first page of this Agreement as their respective officers or representatives upon whom notices and requests may be served, and PATH designates its office at One World Trade Center, New York, New York 10048, and the Lessee designates its office, the address of which is set forth on the first page of this Agreement, as their respective offices where notices and requests may be served.

(b) If any notice is mailed or delivered, the giving of such notice shall be complete upon receipt or, in the event of a refusal by the addressee, upon the first tender of the notice to the addressee or at the permitted address. If any notice is sent by telegraph, the giving of such notice shall be complete upon receipt or, in the event of a refusal by the addressee, upon the first tender of the notice by the telegraph company to the address or at the address thereof.

Section 34. Place of Payments

All payments required of the Lessee by this Agreement shall be mailed to PATH, P.O. Box 17309, Newark, New Jersey 07194.

Section 35. Quiet Enjoyment

PATH covenants and agrees that as long as it remains the owner of the premises, the Lessee, upon paying all rentals hereunder and performing all the covenants, conditions and provisions of this Agreement on its part to be performed, shall and may peaceably and quietly have, hold and enjoy the premises free of any act or acts of PATH except as expressly permitted in this Agreement.

Section 36. Headings

The section headings and the paragraph headings, if any, 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 thereof.

Section 37. Changes in the Facility

PATH shall have the right at any time and from time to time prior to and during the letting, in the interest of the efficient operation of the building or facility of which the premises may be a part, to close, move or alter any common way in the said building or Facility, including but not limited to entrances, exits, passages, halls, corridors, aisles, stairways, elevators or escalators, or to restrict or change the traffic on or through any such common way; and no such action by PATH shall release the Lessee from any of its obligations under this Agreement.

Section 38. Construction and Application of Terms

(a) Wherever in this Agreement a third person singular neuter pronoun or adjective is used, referring to the Lessee, the same shall be taken and understood to refer to the Lessee, regardless of the actual Lessee's gender or number.

(b) Whenever in this Agreement the Lessee is placed under an obligation or covenants to do or to refrain from or is prohibited from doing, or is entitled or privileged to do, any act or thing, the following shall apply:

(1) If the Lessee is a corporation, its obligations shall be performed or its rights or privileges shall be exercised only by its officers and employees; or

(2) If the Lessee is an unincorporated association or a business or "Massachusetts" trust, the obligation shall be that of its members or trustees, as well as of itself, and shall be performed only by its members or trustees, and its officers and employees, and its rights or privileges shall be exercised only by its members or trustees, and its officers and employees; or

(3) If the Lessee is a partnership, the obligation shall be that of its partners, and shall be performed only by its partners and employees, and its rights or privileges shall be exercised only by its partners and employees; or

(4) If the Lessee is an individual, the obligation shall be that of himself (or herself) and shall be performed only by himself (or herself) and his (or her) employees and the rights or privileges of the Lessee shall be exercised only by himself (or herself) and his (or her) employees.

(5) None of the provisions of this subdivision (b) shall be taken to alter, amend or diminish any obligation of the Lessee assumed in relation to its invitees, customers, agents, representatives, contractors or other persons, firms or corporations doing business with it.

(c) In the event that more than one individual or other legal entity are the Lessee under this Agreement, then and in that event each and every obligation under this Agreement shall be the joint and several obligation of each such individual or other legal entity.

(d) The Lessee's representative, hereinbefore specified (or such substitute as the Lessee may hereafter designate in writing) shall have full authority to act for the Lessee in connection with this Agreement and any things done or to be done hereunder, and to execute on the Lessee's behalf any amendments or supplements to this Agreement or any extension thereof.

Section 39. Non-Liability of Individuals

Neither the Directors of PATH nor any of them, nor any officer, agent or employee thereof, shall be charged personally by the Lessee with any liability or held liable to it under any term or provision of this Agreement, or because of its execution or attempted execution or because of any breach or attempted or alleged breach thereof.

Section 40. Grease Traps and Ventilation Ducts

Without in anywise limiting the Lessee's other obligations under this Agreement, the Lessee shall supply, replace, install, repair, maintain and keep clean all grease traps in all drainage pipes exclusively used by it in its operations hereunder whether such pipes are located on the premises or elsewhere in the building or Facility of which the premises may be a part. The Lessee shall also keep clean, repair and maintain (other than structurally) all ventilation ducts including the replacement of all filters where such ducts are exclusively used by it in its operations hereunder and whether such ducts are located on the premises or elsewhere in the said building or Facility.

Section 41. Extermination Service

The Lessee shall pay PATH upon demand the cost of extermination service, if any, actually provided by PATH in the enclosed portion of the premises provided, however, that PATH shall not be required hereby to furnish such service.

Section 42. Subordination

This Agreement and the letting hereunder are and shall be subject and subordinate to all mortgages which may now or hereafter affect the premises or the Facility and to all renewals, modifications, consolidations, replacements and extensions thereof, and although the provisions of this Section shall be deemed to be self-operating and effective for all purposes without any further instrument on the part of the Lessee, the Lessee shall execute on demand and without expense to PATH such further instruments confirmatory of the provisions of this Section as PATH may request.

Section 43. Definitions

The following terms, when used in this Agreement, shall have the respective meanings given below:

(a) "Letting" shall mean the letting under this Agreement for the original term stated herein, and shall include any extensions thereof which may be made pursuant to the provisions of this Agreement.

(b) "Causes or conditions beyond the control of PATH", shall mean and include acts of God, the elements, weather conditions, tides, earthquakes, settlements, fire, acts of Governmental authority, war, shortage of labor or materials, acts of third parties for which PATH is not responsible, injunctions, labor troubles or disputes of every kind (including all those affecting PATH, its contractors, suppliers or subcontractors) or any other condition or circumstance, whether similar to or different from the foregoing (it being agreed that the foregoing enumeration shall not limit or be characteristic of such conditions or circumstances) which is beyond the control of PATH or which could not be prevented or remedied by reasonable effort and at reasonable expense.

(c) "Facility", "Terminal" or "Transportation Center" shall mean:

(i) With respect to any portion of the premises located in the PATH Journal Square Transportation Center, the building complex constructed or to be constructed by PATH within the area in the City of Jersey City, County of Hudson and State of New Jersey, bounded generally by John F. Kennedy Boulevard on the west, Pavonia Avenue on the north, Summit Avenue on the east and Sip Avenue on the south, together with such adjoining and additional areas including yards, ramps, streets and ways as may be used from time to time for Transportation Center purposes.

(ii) With respect to any portion of the premises located in the PATH World Trade Center Station, the building complex constructed or to be constructed by the Port Authority of New York and New Jersey within the area in the Borough of Manhattan, City, County, and State of New York, bounded generally by the east side of Church Street on the east, the south side of Liberty Street extended on the South, the Hudson River on the west, and on the north by a line beginning at the point of intersection of the Hudson River and the north side of Vesey Street extended, running along the north side of Vesey Street extended and the north side of Vesey Street to the west side of Washington Street, then along the west side of Washington Street to the north side of Barcaly Street, then along the north side of Barcaly Street to the east side of West Broadway, then along the east side of West Broadway to the north side of Vesey Street, then along the north side of Vesey to the east side of Church Street, together with such additional contiguous areas as may be agreed to from time to time between the Port Authority of New York and New Jersey and the City of New York.

(iii) With respect to any portion of the premises located in the PATH 33rd Street Station, the 33rd Street Station of the PATH Interstate Railway system, in the City, County, and State of New York.

(d) "Gross receipts" shall include all monies paid or payable to the Lessee for sales made and services rendered at or from the Terminal, regardless of when or where the order therefor is received, and outside of the Terminal, if the order therefor is received at the Terminal, and any other revenues of any type arising out of or in connection with the Lessee's operations at the Terminal, provided, however, that any taxes imposed by law which are separately stated to and paid by a customer, and are directly payable to the taxing authority by the Lessee shall be excluded therefrom.

Section 44. Thirty Day Termination and Reimbursement

(a) PATH shall have the right to terminate this Agreement and the letting hereunder, without cause, at any time, on thirty (30) days' notice to the Lessee. In the event of termination pursuant to this Section, this Agreement and the letting hereunder shall cease and expire as if the effective date of termination stated in the notice were the date originally state herein for the expiration of this Agreement.

(b) The Lessee is obligated by this Agreement to furnish and install all fixtures and equipment and make all improvements in the premises, necessary or proper for its operations hereunder. In the event of termination by PATH under this Section, PATH shall pay the Lessee a pro rate share of the Lessee's cost in supplying and installing all such fixtures and equipment and making all such improvements excluding any replacements thereof. The cost and the pro rata share thereof shall be ascertained as stated in Item 6 of Exhibit B, provided, however, that tender of payment of said prorated cost by PATH to the Lessee shall not be prerequisite to the exercise of the right of termination under this Section, but the Lessee shall be entitled to 5% interest per annum on said prorated cost for the period between the effective date of termination and the date of tender of payment (excluding any portion of the period prior to the rendering by the Lessee to PATH of a statement and other documents of cost). On the payment by PATH of said prorated cost and any interest due thereon, all fixtures equipment and improvements including replacements furnished by the Lessee in the premises and all interest of the Lessee therein which have not already become the property of PATH shall be and become the property of PATH and the Lessee shall execute any and all instruments necessary to transfer title and any such interest, provided, however, that PATH may by notice relinquish its right to any such fixtures, equipment or improvements and the provisions of the Sections of this Agreement entitled respectively "Sales and Services by the Lessee" and "Surrender" shall apply thereto.

Section 45. Force Majeure

PATH shall not be liable for any failure, delay or interruption in performing its obligations hereunder due to causes or conditions beyond the control of PATH. Further, PATH shall not be liable unless the failure, delay or interruption shall result from failure on the part of PATH to use reasonable care to prevent or reasonable efforts to cure such failure, delay or interruption.

Section 46. Finishes and Decorating by the Lessee

(a) PATH shall deliver the premises to the Lessee in its "as is" condition. The Lessee acknowledges that it has thoroughly inspected the premises and agrees to take the same in such "as is" condition. Nothing contained herein shall or shall be construed to relieve the Lessee of its obligations under Section 12 to install in the premises all necessary or proper equipment or fixtures required for its operations in the premises. Subject to the provisions of this Section and Section 15 of this Agreement the Lessee agrees to and shall perform at its sole cost and expense all construction and installation work necessary or proper for its occupancy of the premises and its operations therein including, without limitation, (i) the refurbishment of interior and demising walls, floors, and ceilings, (ii) the installation of new lighting, and (iii) the design and construction of new storefronts (the work described in this Section being sometimes hereinafter referred to as "the Construction Work"). The Lessee hereby covenants and agrees that it shall expend a minimum of One Hundred Thousand Dollars and No Cents (\$100,000.00) on the performance of the Construction Work. Prior to commencing the performance of any of the Construction Work the Lessee shall submit to PATH for its approval an Alteration Application, in the form supplied by PATH, and containing such terms and conditions as PATH may include, setting forth in detail and by appropriate plans and specifications the work the Lessee proposes to perform and the manner of and time periods for performing the same. The data to be supplied by the Lessee shall identify separately each of the items constituting the Construction Work and shall describe in detail the fixtures and equipment to be installed by the Lessee. The Lessee shall be responsible at its sole expense for retaining all architectural, engineering and other technical consultants and services as may be directed by PATH and for developing, completing and submitting detailed plans and specifications for the work. The plans and specifications to be submitted by the Lessee to PATH shall bear the seal of a qualified architect or professional engineer, who shall be responsible for the administration of the work in accordance with PATH's requirements, and shall be in sufficient detail for a contractor to perform the work. In connection with review by PATH of the Lessee's submissions under this paragraph, the Lessee shall submit to PATH, at PATH's request, such additional data, detail or information as PATH may require for such review. The Lessee shall not engage any contractor or permit the use of any subcontractor unless and until each such contractor or subcontractor has been approved by PATH. The Lessee shall include in any such contract or subcontract such provisions as PATH may approve or require, including, without limitation thereto, provisions regarding labor harmony. The Lessee shall cause each such contractor and subcontractor to obtain and maintain in force such insurance coverage and

performance bonds as PATH shall specify. All work to be performed by the Lessee hereunder shall be done in accordance with the said Alteration Application and final plans and specifications approved by PATH, shall be subject to inspection by PATH during the progress of the work and after the completion thereof and the Lessee shall redo or replace at its own expense any work not done in accordance therewith. Upon completion of the Construction Work the Lessee shall supply PATH with a certificate signed by the architect or engineer who sealed the Lessee's plans pursuant to the provisions of this paragraph that all of the work performed by the Lessee has been performed in accordance with the plans and specifications approved by PATH and the provisions of this Agreement and the Lessee shall supply PATH with as-built drawings in form and number as requested by PATH.

(b) The Lessee shall not commence any portion of the Construction Work until the Alteration Application and plans and specifications covering the work to be performed, referred to in paragraph (a) of this Section, have been finally approved by PATH. The Lessee recognizes that its obligation to pay basic rental shall commence on the Rental Payment Start Date established pursuant to Item 1(a)(4) of Exhibit B attached to this Agreement regardless of whether or not the Construction Work is then completed or whether the Lessee is then conducting the operations set forth in Section 3 of this Agreement in the premises. The Lessee shall conduct no such operations in the premises until PATH shall have notified the Lessee in writing that the work in the premises has been completed or substantially completed to its satisfaction. In the event of any inconsistency between the provisions of this Agreement and those of the Alteration Application, the provisions of this Agreement shall control.

(c) The Lessee shall be solely responsible for the plans and specifications used by it, and for the adequacy or sufficiency of such plans, specifications and all the improvements depicted thereon or covered thereby, regardless of the consent thereto or approval thereof by PATH or the incorporation therein of any Port Authority requirements or recommendations. PATH shall have no obligations or liabilities in connection with the performance of finishing, decorating or installation work performed by the Lessee, or on its behalf, or the contracts for the performance thereof entered into by the Lessee. Any warranties extended or available to the Lessee in connection with finishing, decorating, or installation work performed by or on behalf of the Lessee shall be for the benefit of PATH as well as the Lessee.

(d) Without limiting or affecting any other term or provision of this Agreement, the Lessee shall be solely responsible for the design, adequacy and operation of all utility, mechanical, electrical, communications and other systems

installed in the premises by the Lessee and shall do all preventive maintenance and make all repairs, replacements, rebuilding (ordinary or extraordinary, structural or non-structural) and painting necessary to keep such systems and all other improvements, additions and fixtures, finishes and decorations made or installed by the Lessee (whether the same involves structural or non-structural work) in the condition they were in when made or installed except for reasonable wear which does not adversely affect the watertight condition or structural integrity of the building or adversely affect the efficient or proper utilization or appearance of any part of the premises.

Section 47. Operating Names

Any name, designation or any service mark proposed to be used or displayed at the premises or at the Facility or for the Lessee's operations therein shall be approved in advance in writing by PATH and the Lessee shall have the right to use and display the name, designation or mark only so long as this Agreement is in force and effect. If for any reason the Lessee ceases its operations in the premises, the Lessee's right to use such name, designation or service mark shall immediately cease and come to an end and PATH or its designee shall have the sole right to use such name, designation or service mark and the Lessee hereby consents to such use thereof. Any registration or filing by the Lessee with respect to such name, designation or service mark shall be approved in advance by PATH in writing. The Lessee agrees to assign and transfer to PATH any such registration or filing and any other rights in or to the use of such name, designation or service mark promptly upon written request therefor from PATH.

Nothing herein contained is intended to apply to the continuing use by the Lessee of its customary name, designation or service mark used elsewhere in its operations prior to the making of this Agreement.

Section 48. Late Charges

If the Lessee should fail to pay any amount required under this Agreement when due to PATH, including without limitation any payment of basic, percentage or other rental or any payment of utility or other charges, or if any such amount is found to be due as the result of an audit, then in such event PATH may impose (by statement, bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period (hereinbelow described) during the entirety of which such amount remains unpaid, each such late charge not to exceed an amount equal to eight-tenths of one percent of such unpaid amount for each late charge period. There shall be twenty-four late charge periods during each calendar year; each late charge period shall be for a period of at least fifteen (15) calendar days

except one late charge period each calendar year may be for a period of less than fifteen (but not less than thirteen) calendar days. Without limiting the generality of the foregoing, late charge periods in the case of amounts found to have been owing to PATH as a result of Port Authority audit findings shall consist of each late charge period following the date the unpaid amount should have been paid under this Agreement. Each late charge shall be payable immediately upon demand made at any time therefor by PATH. No acceptance by PATH of payment of any unpaid amount or of any unpaid late charge amount shall be deemed a waiver of the right of PATH to payment of any late charge or late charges payable under the provisions of this Section with respect to such unpaid amount. Each late charge shall be recoverable by PATH in the same manner and with like remedies as if it were originally a part of the rental as set forth in Section 4 of this Agreement and Item 1 of Exhibit B annexed hereto. Nothing in this Section is intended to, or shall be deemed to affect, alter, modify or diminish in any way (i) any rights of PATH under this Agreement, including without limitation PATH's rights set forth in the section of this Agreement entitled "Termination" or (ii) any obligations of the Lessee under this Agreement. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Agreement shall be payable instead at such legal maximum.

Section 49. Additional Provision

Notwithstanding the provisions of paragraph (d) of Section 43 hereof, and without otherwise limiting the generality thereof, no monies, including, without limitation, fees and commissions, received or receivable by the Lessee from the sale or dispensing of Lottery Tickets issued by the Lottery Commission of the State of New Jersey shall be included in gross receipts under this Agreement. Without limiting the generality of the provisions of Section 13 hereof the Lessee shall display in such areas of the premises as shall be designated by PATH only such signs and advertising relating to the sale of lottery tickets issued by the Lottery Commission of the State of New Jersey as may be supplied or approved in advance by PATH. In addition to all other rights of termination contained in this Agreement, PATH shall have the right at any time, on not less than thirty (30) days' written notice to the Lessee to withdraw the permission herein granted for the sale or dispensing of lottery tickets and in such event the Lessee shall discontinue the sale or dispensing of lottery tickets on or before the effective date stated in PATH's written notice to the Lessee.

Section 50. Affirmative Action

Without limiting any of the terms and conditions of this Agreement, the Lessee agrees, and agrees to require its contractors, to make every good faith effort, to the maximum extent feasible, to seek meaningful participation by minorities and women both as to Minority Business Enterprise (MBE) and Women-owned Business Enterprise (WBE) participation as contractors and subcontractors and as to the composition of the labor force on contracts and subcontracts entered into with respect to any construction work performed on the premises. PATH has a long-standing practice of making its contracting opportunities available to MBEs and WBEs. The affirmative steps PATH takes to maximize opportunities for MBEs and WBEs to participate in the performance of PATH construction contracts either directly or as subcontractors are hereby set forth for the Lessee's consideration in the schedule attached hereto, hereby made a part of this Agreement, and marked "Schedule E".

Section 51. Letting Postponed

If on the date fixed as the commencement of the term of the letting in the Section of this Agreement entitled "Term", the premises are not available or ready for occupancy or use by the Lessee, by reason of the fact that the premises or any part thereof, or any part of the Facility, are in the course of construction, repair, alteration or improvement or by reason of the fact that the occupant of the premises, or a part thereof, failed or refused to deliver possession, or by reason of any causes or conditions beyond the control of PATH, PATH may postpone the letting and PATH shall not be subject to any liability for such postponement or failure to give possession on such date. No such postponement or failure to give possession on such date shall affect the validity of this Agreement or the obligations of the Lessee hereunder. In the event the commencement date of the term of the letting is postponed as herein provided, then PATH shall tender possession of the premises to the Lessee by notice given at least five (5) days prior to the effective date of the tender and in such event the Rental Start Date (unless the Rental Start Date is defined herein as a stated period following the commencement date of the term of the letting) shall be postponed for the same number of days that the commencement date of the term of the letting is postponed. Also, in such event, the expiration date of the letting (unless defined herein as a stated period following the Rental Start Date) shall be postponed for a period of time equivalent to the period between the commencement date stated in the Section of this Agreement entitled "Term" and the last day of the calendar month in which the actual commencement date shall fall. In the event that notice of tender of the premises is not given for possession to commence on or before the date stated in Item 9 of

Exhibit B, then this Agreement shall be deemed cancelled, except that each party shall and does release and discharge the other party from any and all claims or demands based on this Agreement, or a breach or alleged breach thereof.

Section 52. Premises

The Lessee acknowledges that it has not relied upon any representation or statement of PATH or its Directors, officers, employees or agents as to the suitability of the premises for the operations permitted on the premises by this Agreement. Without limiting any obligation of the Lessee to commence operations hereunder at the time and in the manner stated elsewhere in this Agreement, the Lessee agrees that no portion of the premises will be used initially or at any time during the letting which is in a condition unsafe or improper for the conduct of the Lessee's operations hereunder so that there is possibility of injury or damage to life or property. Without limiting the generality of any of the provisions of this Agreement, PATH shall not be liable to the Lessee for any claims for loss, theft, or damage involving any property stored or placed on the premises. For all purposes of this Agreement the premises hereunder (notwithstanding any statement elsewhere in this Agreement of any rule for the measurement of the area thereof) shall be deemed to include all of the enclosing partitions, and the adjacent exterior building walls and glass to and including the exterior surface thereof.

Section 53. Changes, Additions and Deletions to This Agreement

Prior to the execution of this Agreement by either of the parties hereto, the following changes, additions and deletions were made in the foregoing terms and conditions:

(a) Paragraphs (c) and (d) of Section 12 were deleted and the following paragraph (c) was inserted in lieu thereof:

"(c) The Lessee shall not sell any items hereunder at a price other than the pre-printed manufacturer's or distributor's recommended retail price, or the price stated in the schedule hereto attached, hereby made a part hereof and marked "Schedule A", provided, however, that if the price charged for the same item at any other establishment located at a transportation terminal within the Port of New York District which has any ownership, financial or management connection with the Lessee or any majority stockholder thereof is lower than the pre-printed manufacturer's or distributor's recommended retail price or the price stated in Schedule A, as the case may be, the Lessee shall notify PATH in writing of that fact and shall charge only the lower price. If the Lessee charges any price

in excess of the prices described in this paragraph, the amount by which the actual price deviates from the approved price shall constitute an overcharge which will, upon demand of PATH or the Lessee's customer, be promptly refunded to the customer. If the Lessee charges any price or applies any rate which is less than the prices or rates described in this paragraph the amount by which the actual price deviates from the approved price shall constitute an undercharge and an amount equivalent thereto shall be included in any gross receipts hereunder and the percentage rental, if any, shall be payable in respect thereto. Notwithstanding any repayment of overcharges to a customer by the Lessee or any inclusion of undercharges in gross receipts, any such overcharge or undercharge shall constitute a breach of the Lessee's obligations hereunder and PATH shall have all remedies consequent upon breach which would otherwise be available to it at law, in equity or by reason of this Agreement. On each anniversary of the commencement date of the letting under this Agreement the Lessee may request an adjustment in the approved prices for the items described in Schedule B annexed to this Agreement for the period from such anniversary to the day preceding the following anniversary of the commencement date. PATH may grant an increase in such prices if the Lessee can demonstrate to the satisfaction of PATH that the requested adjustment and the amount thereof is comparable to and consistent with the prices and rates charged for such items at other transportation terminals located within the Port of New York District. At the request of PATH the Lessee shall submit a representative schedule of charges and rates for such items then in effect at other transportation terminals located within the port of New York District. Notwithstanding the foregoing, and without otherwise limiting the generality thereof, the Lessee may request an adjustment in the approved prices for any of the items described in Schedule B annexed to this Agreement during the period prior to the first anniversary of the commencement date of the letting hereunder if such request is based solely on the changed wholesale cost of those items and is limited to the difference between the wholesale cost of those items on the commencement date of the letting and the actual wholesale cost of those items that will be incurred by the Lessee during such period. Any price adjustment requested by the Lessee pursuant to the provisions of this paragraph shall take effect, however, only upon the express written consent of PATH. Nothing set forth in this paragraph shall be deemed to constitute an agreement on the part of PATH to grant its consent or approval to any requested price adjustment or to create an inference that PATH will grant such consent or approval or that PATH's discretion as to any such consents or approvals shall in any way be affected or impaired."

(b) Subparagraph (b) (2) of Section 24 hereof was deleted and the following subparagraph was inserted in lieu thereof:

"(2) On account of the Lessee's percentage rental obligation with respect to gross receipts under this Agreement, an amount equal to the excess over the Annual Fixed Rental Amount of the percentage stated in subparagraph (b) of Item 1 of Exhibit B applied to the gross receipts which would have been received by the Lessee during the balance of the term if there had been no termination or cancellation (or re-entry, regaining, or resumption of possession); and for the purpose of calculation hereunder (i) ~~the said amount of gross receipts shall be derived by~~ multiplying the number of days in the balance of the term originally fixed by the Lessee's average daily gross receipts; (ii) the average daily gross receipts shall be the Lessee's total actual gross receipts during that part of the effective period of the letting (including all Annual Periods falling within the effective period) in which no abatement was in effect divided by the number of days included in such part of the effective period; (iii) the Annual Fixed Rental Amount for any period of less than a year shall be the product of the original Annual Fixed Rental Amount multiplied by a fraction the numerator of which shall be the number of days from the effective date of termination to the end of the Annual Period and the denominator shall be 365;"

(c) In connection with the provisions of Section 30 hereof, the Lessee hereby certifies that its I.R.S. Taxpayer Identification Number is

It shall not be necessary to physically make the aforesaid changes additions and deletions in the aforesaid Sections of this Agreement.

Section 54. Entire Agreement

This Agreement consists of the following:

Pages 1 through 43, inclusive, plus Exhibits A and B, and Schedules A and E.

It constitutes the entire agreement of the parties on the subject matter hereof and may not be changed, modified, discharged or extended except by written instrument duly executed by PATH and the Lessee. The Lessee agrees that no representations or warranties shall be binding upon PATH unless expressed in writing in this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed these presents as of the day and year first above written.

~~ATTEST:~~ Witness:

PORT AUTHORITY TRANS-HUDSON CORPORATION

[Signature]
Secretary
The Port Authority of New York
and New Jersey

By [Signature]
(Seal)

ATTEST:

HUDSON COUNTY NEWS COMPANY

[Signature]
Secretary

By [Signature]
Title _____ President
(Corporate Seal)

WITNESS: _____ (L.S.)

WITNESS: _____
By _____
A General Partner

WITNESS: _____ (L.S.)

WITNESS: _____ (L.S.)

WITNESS: _____ (L.S.)

EXHIBIT B

Item 1: Rental Provisions

(a) Definitions

(1) "Annual period" shall mean, as the context requires, the twelve-month period commencing with the Rental Payment Start Date established pursuant to the provisions of this Agreement and each of the twelve-month periods thereafter occurring during the term of the letting, provided, however, that if the Rental Payment Start Date commences on other than the first day of a calendar month, the first annual period shall include the portion of the month in which the Rental Payment Start Date falls following such date plus the succeeding 12 calendar months and each subsequent annual period shall commence on the anniversaries of the first day of the first full calendar month following the month in which the Rental Payment Start Date occurs.

(2) "Guaranteed minimum annual basic rental amount" shall mean for and during each of the first two annual periods hereunder the sum of Seventy Thousand Six Hundred Twenty Dollars and No Cents (\$70,620.00), as the same may be reduced by the operation of the abatement and/or proration provisions hereof. For and during each annual period thereafter occurring during the term of the letting hereunder it shall mean the sum equal to the greater of (i) Seventy Thousand Six Hundred twenty Dollars and No Cents (\$70,620.00), or (ii) the product obtained by multiplying eighty one-hundredths (.80) by the average of the annual basic and percentage rental payable by the Lessee to the Port Authority pursuant to the provisions of this Agreement in the two preceding annual periods in which no abatement was in effect, as the same may be reduced by the operation of the abatement and/or proration provisions hereof. The average of the annual basic and percentage rental payable by the Lessee to the Port Authority in the two preceding annual periods shall be the total annual basic and percentage rental payable by the Lessee to the Port Authority in the two preceding annual periods in which no abatement was in effect, divided by two.

(3) "Annual exemption amount" shall mean for and during each annual period occurring under this Agreement the sum equivalent to the basic rental payable by the Lessee to PATH during such annual period pursuant to the provisions of this Agreement, as the same may be reduced by the operation of the abatement and/or proration provisions hereof.

(4) For the purpose of calculating the percentage rental due for any annual period which is other than 365 days the guaranteed minimum annual basic rental amount and the annual exemption amount established for such annual period shall each be prorated over the actual number of days contained in such annual period.

(5) "Rental Payment Start Date" shall mean the commencement date of the term of the letting of the premises established pursuant to this Agreement. The Lessee recognizes that its obligation to pay basic rental shall commence on the Rental Payment Start Date established pursuant to this subparagraph whether or not the Lessee is conducting public operations in the premises on such date.

(b) Basic Rental

During each annual period occurring during the term of the letting under this Agreement, the Lessee shall pay to PATH a basic rental for the premises at a rate per annum equal to the guaranteed minimum annual basic rental established for such annual period, payable, in advance, in equal monthly installments each equal to 1/12th of the applicable annual basic rental on the first day of each calendar month occurring during such annual period, provided, however, that if the Rental Payment Start Date commences on other than the first day of a calendar month the installment of basic rental payable on the Rental Payment Start Date shall be an amount equal to the amount of the installment described in this paragraph multiplied by a fraction the numerator of which shall be the number of days from the Rental Payment Start Date to the last day of the calendar month in which the Rental Payment Start Date shall fall and the denominator of which shall be the number of days in that calendar month.

(c) Percentage Rental:

The Lessee shall pay to PATH during each annual period an annual percentage rental equivalent to the excess over the annual exemption amount established for such annual period of ten percent (10%) of all of the gross receipts of the Lessee arising during such annual period. The computation of percentage rental for each annual period, or a portion of an annual period, as hereinafter provided, shall be individual to such annual period, or such portion of an annual period, and without relation to any other annual period, or any other portion of any annual period.

(d) Time of Payment of Percentage Rental
Computations of Amounts and Accounting:

(1) The Lessee shall pay the percentage rental as follows: on the 20th day of the first month following the commencement of each annual period and on the 20th day of each and every month thereafter including the month following the end of each annual period the Lessee shall render to the PATH a sworn statement showing the Lessee's gross receipts for the preceding month and the cumulative amount of the Lessee's gross receipts from the commencement of the annual period for which the report is made to the last day of the preceding month; whenever any such statement shall show that the percentage stated in paragraph (b) of this Item 1 applied to the Lessee's cumulative gross receipts for that annual period are in excess of the annual exemption amount established for that annual period, the Lessee shall pay at the time of rendering the statement an amount equal to such excess and the Lessee shall thereafter on the 20th day of each month during that annual period and on the 20th day of the month following the end of that annual period pay an amount equal to the percentage stated in paragraph (b) of this Item 1 applied to the gross receipts of each subsequent month during that annual period. At any time that the established annual exemption amount is decreased by abatement or proration as herein provided so that there is an excess of gross receipts as to which the percentage rental has not been paid, the same shall be payable to PATH on demand. The Lessee's statement following the close of each annual period shall report total gross receipts for such annual period and total percentage rental due therefor and if any adjustments are required the same shall be made at the time such report is rendered.

(2) Upon any termination of the letting hereunder (even if stated to have the same effect as expiration), the Lessee shall, within twenty (20) days after the effective date of such termination, make a payment of rental computed as follows: first, if the letting hereunder is terminated effective on a date other than the last day of a month the basic rental for the portion of that month in which the letting remains effective shall be the amount of the applicable monthly installment of basic rental prorated on a daily basis, and if the applicable monthly installment due on the first day of that month has not been paid the Lessee shall pay the prorated part of the amount of that installment; if the applicable monthly installment has been paid, then the excess thereof shall be credited to the Lessee's other obligations; second, the Lessee shall within

twenty (20) days after the effective date of termination render to PATH a sworn statement of all its gross receipts for the annual period in which the effective date of termination happens to fall, third, the payment then due on account of all percentage rental for the annual period in which the effective date of termination falls shall be the excess of the percentage rental, computed as follows, over the total of such percentage rental payments previously made for such annual period: an amount equal to the excess over the annual exemption amount established for such annual period of the percentage stated above in paragraph (b) of this Item 1 applied to the gross receipts of the Lessee for such annual period, provided, however, that the annual exemption amount established for such annual period shall be multiplied by a fraction, the numerator of which shall be the number of days from the commencement of such annual period to the effective date of termination and the denominator of which shall be 365. For the purpose of calculating the percentage rental due for such annual period, and to determine the applicable annual exemption amount for such annual period, the guaranteed minimum annual basic rental amount established for such annual period shall be similarly prorated.

(e) Abatement:

(1) For every calendar day or major fraction thereof that the Lessee shall be entitled to abatement during any annual period, the basic rental established for such annual period shall be reduced by an amount equivalent to the product obtained by dividing the applicable annual basic rental payable for such annual period into 365 and multiplying the quotient so obtained by a fraction the numerator of which shall be the number of square feet of floor space as to which the abatement applies and the denominator of which shall be the total number of square feet in the premises.

(2) During any annual period in which the Lessee shall be entitled to abatement, the annual exemption amount and the guaranteed minimum annual basic rental amount established for such annual period shall be reduced proportionately to the reduction of the basic rental.

(3) For the purpose of abatement, the ascertainment of the number of square feet contained in the premises to be measured shall be in accordance with the following: Areas of the premises and parts thereof will be computed by measuring from the inside plaster surface of outer building walls to the plaster surface of the corridor side of corridor partitions and to the center of partitions

that separate the premises from adjoining rentable area; no deduction will be made for columns, pilaster, or projections necessary to the building or for toilets, porter's closets, and slop sinks used exclusively by the Lessee and contained within the premises. Permanent partitions enclosing elevator shafts, stairs, fire towers, vent, pipe shafts, meter closets, flues, stacks and any vertical shafts have the same relation to rentable areas as do outer building walls.

(f) Nothing contained in the foregoing shall affect the survival of the obligations of the Lessee as set forth in Section 24 of this Agreement.

Item 2: Liability Insurance Limits:

(a) The limits of liability insurance referred to in Section 11(b) shall be not less than the following and shall include full contractual liability coverage:

comprehensive general liability insurance, covering bodily injury, including wrongful death and products liability and property-damage liability, in the minimum amount of \$2,000,000 combined single limit per occurrence.

(b) Notwithstanding the provisions of Section 11(c) PATH shall be included as an additional insured in any policy of liability insurance required by the provisions of this Agreement, and each such policy shall contain a provision that the insurer shall not, without obtaining express advance permission from the General Counsel of PATH or PATH, raise any defense involving in any way the jurisdiction of the tribunal over the person of PATH or PATH, the immunity of PATH or PATH, its Directors, Commissioners, officers, agents or employees, the governmental nature of PATH or PATH or the provisions of any statutes respecting suits against either of them.

(c) The policy shall provide or contain an endorsement providing that the protection afforded the Lessee thereunder with respect to any claim or action against the Lessee by a third person shall pertain and apply with like effect with respect to any claims or action against the Lessee by PATH and against PATH by the Lessee, but such endorsement shall not limit, vary, change or affect the protection afforded PATH thereunder as an additional insured.

Item 3: (a) Heat and Air-Cooling:

Notwithstanding the provisions of Section 14 hereof PATH shall without additional charge and subject to all the terms and provisions of this Agreement on such days and during such hours as the Lessee conducts its business supply to the Lessee the following:

(i) Heat: Sufficient to maintain the premises to an even and comfortable working temperature from October 1st to April 30th, inclusive;

(ii) Air-Cooling: Sufficient to maintain the premises to a comfortable temperature from May 1st through September 30th, inclusive.

Without limiting the generality of rights of entry upon the premises elsewhere in this Agreement reserved to PATH, PATH shall have, for itself, its officers, employees, representatives, contractors and subcontractors the right to enter upon the premises at all times to construct, install, maintain, replace, repair or improve the air-cooling system or any part thereof providing service for the part of the Terminal in which any portion of the premises are located. Air-cooling shall be furnished subject to all the provisions of this Agreement (including but not limited to subdivisions (f), (h) and (i) of Section 14 hereof and in accordance with the following:

(1) If the air-cooling on the premises can be controlled by mechanisms within the premises, the Lessee shall shut off the air-cooling before closing and leaving the premises at any time for any period. PATH shall have the rights of entry specified in Section 18 hereof for the purpose of observing the Lessee's compliance with the provisions hereof and PATH may lock, seal or install any timing device on or in connection with any air-cooling control mechanism so as to provide that the premises shall only be air-cooled during the hours and days stipulated hereunder.

(2) If the Lessee in accordance with Section 15, Section 45 or otherwise erects any partitions or makes any improvements, which partitions or improvements stop, hinder, obstruct or interfere with the cooling of the air or the heating of the premises, then no such action by the Lessee shall impose any obligation on PATH to install facilities, fixtures or equipment for air-cooling or for heating additional to those presently existing or presently contemplated or to increase the capacity or output of existing or presently contemplated facilities, equipment or fixtures and the Lessee shall not in any such event be relieved of any of its obligations hereunder because a comfortable temperature is not maintained.

No consent or approval given by PATH in connection with the erection of partitions or the making of any improvements shall be or be deemed to be a representation that the work consented to or approved will not stop, hinder, obstruct or interfere with either the cooling of the air or heating of the premises or any portion thereof. It is hereby understood further that the installation by the Lessee of any equipment which itself requires air-cooling or which requires additional quantities of air-cooling, shall not impose any obligation on PATH to increase the capacity or output of initially existing facilities, equipment or fixtures for the cooling of the air or the heating of the premises and the Lessee shall not in any such event be relieved of any of its obligations hereunder.

(b) Electricity:

(i) PATH will supply electricity during normal business hours for illumination, by which is meant the energizing of fluorescent and incandescent bulbs (to be supplied, paid for and installed by the Lessee) and for operation of such machines and equipment as PATH may consent to in advance and from and after the commencement date of the term of the letting hereunder, the Lessee shall take and pay for such electricity as follows: PATH shall divide the total cost of electricity consumption and demand furnished to the Facility for each billing period, as billed by the public utility supplying electricity to the Facility, by the total number of kilowatt hours shown on the statement for the Facility for that billing period in order to arrive at the cost per kilowatt hour as charged by said public utility for electricity consumption and demand in the Facility. The Lessee shall pay to PATH upon demand as and for its electricity consumption an amount determined by multiplying the aforesaid cost per kilowatt hour by the number of kilowatt hours of consumption of electricity by the Lessee for that billing period as shown on the checkmeters installed by PATH and, in the event any such checkmeter is out of service or fails to record the number of kilowatt hours of consumption by the Lessee, the Lessee's consumption of electricity will be considered to be the same as its consumption for a like period as measured by such checkmeter, as selected by PATH, either immediately before or immediately after such interruption or failure of a checkmeter. The Lessee shall pay the amount as so determined for each such billing period to PATH upon demand therefor and the same shall be deemed additional rental collectible in the same manner and with like remedies as if it were a part of the basic rental reserved hereunder.

(ii) In the event the laws of the State of New Jersey hereafter provide that PATH may resell or submeter electricity to the Lessee, PATH hereby reserves the right at its option exercised at any time during the term of the letting to install, at its cost and expense, meters to measure the Lessee's consumption and demand for electricity the Lessee shall pay to PATH for each billing period the cost of such consumption and demand as measured by meter based on the greater of (a) the rates (including the fuel or other adjustment factor, if any) which the Lessee under the service classification applicable to the Lessee as of the date of each billing period would be required to pay if the Lessee had purchased such electricity directly from the public utility company supplying the same to the Facility; or (b) PATH's cost of obtaining and supplying the same quantity of electricity. The Lessee shall pay the cost of such consumption and demand for each such billing period to PATH upon demand therefor and the same shall be deemed additional rental collectible in the same manner and with like remedies as if it were a part of the basic rental reserved hereunder.

(iii) Notwithstanding that PATH has agreed to supply electricity to the Lessee, PATH shall be under no obligation to provide or continue such service if PATH is prevented by law, agreement or otherwise from metering or measuring consumption and demand as hereinabove set forth or elects not to so meter or measure the same, and in any such event the Lessee shall make all arrangements and conversions necessary to obtain electricity directly from the public utility. Also in such event the Lessee shall perform the construction necessary for conversion and if any lines or equipment of PATH are with the consent of PATH used therefor PATH may make an appropriate charge therefor to the Lessee based on its costs and expenses for the said lines and equipment.

(c) Domestic Cold Water: Not to be sold, furnished or supplied by PATH to the Lessee.

(d) Domestic Hot Water: Not to be sold, furnished or supplied by PATH to the Lessee.

(e) Steam: Not to be sold, furnished or supplied by PATH to the Lessee.

(f) Gas: Not to be sold, furnished or supplied by PATH to the Lessee.

Item 4: New Construction: Per Section 46.

Item 5: Construction Liability Insurance Limits:

The limits of liability insurance shall be as may be required by PATH in the Construction Application referred to in Section 46 or otherwise from time to time.

Item 6: Cost and Proration Thereof:

(a) To the extent permitted by sound accounting practice, the sum of the following items of cost incurred by the Lessee for such equipment and fixtures and the installation thereof and the making of such improvements as are necessary to initially equip and improve the premises for the Lessee's commencement of operations hereunder, all as mentioned in the Section of the Agreement entitled "Thirty Day Termination", and to the extent that such sum does not exceed One Hundred Fifty Thousand Dollars and No Cents (\$150,000.00) shall constitute the "cost" under the said Section and under subdivisions (b), (c), (d), (e), (f) and (g) hereof:

(1) Direct labor and material costs;

(2) Contract costs for purchase and installation excluding those of the types mentioned in the following subdivision (3);

(3) Engineering, architectural, planning, designing, financing, interest, insurance and other overhead or carrying charges which are due for a period ending not later than the date of completion of installation of any such initial equipment, fixtures or improvements for which they are incurred, and not to exceed 20% of the total of the amounts covered by subdivisions (2) and (3) above.

(b) A statement of the cost detailing all the foregoing including copies of invoices and contracts and certified by a responsible officer of the Lessee shall be delivered by the Lessee to PATH not later than ninety (90) days after the complete supplying and installing of all such initial fixtures or equipment and the making of all such initial improvements, and the Lessee shall permit PATH, by its agents, employees and representatives, at all reasonable times prior to a final settlement or determination of cost, to examine and audit the records and books of the Lessee which pertain to the cost; the Lessee agrees to keep such records and books of account within the Port of New York District during such time.

(c) If the Lessee includes in cost any item as having been incurred but which, in the opinion of PATH, was not so incurred or which, in the opinion of PATH, if so incurred is not an item properly chargeable to cost under sound accounting practice, then PATH, within ninety (90) days after receipt of the said statement of cost as mentioned in subdivision (b) above, shall give written notice to the Lessee stating its objection to any such item and the grounds therefor. If such notice is given and if the dispute is not settled within thirty (30) days by agreement between the parties, then such dispute shall be disposed of by arbitration in accordance with the then existing rules of the American Arbitration Association or any successor association. Costs of said arbitration shall be borne equally by PATH and the Lessee.

(d) In any such arbitration as to whether any item included by the Lessee in its computation of cost has been incurred, the question to be submitted to the arbitrators for decision shall be as follows:

"Was all or any part of such cost incurred by the Lessee; and if part but not all of such cost was incurred, what was the amount which was so incurred?"

(e) In any such arbitration as to whether any item included by the Lessee in its computation of cost is properly chargeable thereunder under sound accounting practice, the question to be submitted to the arbitrators for decision shall be as follows:

"Can it reasonably be held that all or any part of such cost is properly chargeable under sound accounting practice; and if part but not all of such cost can reasonably be held to be so chargeable, then what amount can reasonably be held to be so chargeable?"

The arbitrators to whom such question shall be submitted shall be accountants or auditors.

(f) The proration of cost as referred to in the section of the Agreement entitled "Thirty Day Termination" shall be ascertained by multiplying the cost by a fraction, the numerator of which shall be the number of whole calendar months (in the term of the letting as originally set forth) subsequent to the effective date of termination, and the denominator of which shall be the total number of months in the term of the letting as originally set forth.

(g) Notwithstanding any other provision of the Section of the Agreement entitled "Thirty Day Termination", in ascertaining the amount that PATH shall be obligated to pay to the Lessee under said Section, the cost computed as heretofore stated in this Item shall be diminished by the amount that any

part of the components of cost as stated in subdivisions (1), (2) and (3) of (a) above are secured by liens, mortgages, other encumbrances or conditional bills of sale on such equipment, fixtures and improvements and less any other amounts whatsoever due under this Agreement from the Lessee to PATH. In no event whatsoever shall cost, as defined and computed in accordance with this Item and as used in the Section of the Agreement entitled "Thirty Day Termination" and in this Item, include any expenses, outlays or charges whatsoever by or for the account of the Lessee for or in connection with any equipment or fixtures or the making of any improvements mentioned in said Section or in this Item unless said equipment, fixtures and/or improvements are actually and completely installed in and/or made to the premises.

Item 7: Cash Security: Not Applicable.

Item 8: Performance Bond: Not applicable.

Item 9: Letting Postponed: December 31, 1992



For PATH

Initialed:



For the Lessee

SCHEDULE A

Proposed Retail Price Structure

Itemization of all candy and packaged goods for sale at \$.56 retail price, plus appropriate sales tax, unless otherwise stated.

| <u>Item</u> | |
|-----------------------------------|-----------------------------------|
| Almond Joy | Fifth Avenue Bar |
| Bounty Milk | Golden Almond Solitaires |
| Bounty Dark | Goobers |
| Bit-O-Honey | Good & Plenty |
| Breath Saver Assorted Mints | Good & Fruity |
| C & B Assorted Candies | Heide Gummi Bears |
| Certs Assorted Mints | Heide Juji Fruits |
| Certs Sugar Free Assorted Mints | Hershey Almond |
| Charms Assorted Mints | Hershey Almond King Size \$.93 |
| Charms Pops Assorted - \$.15 each | Hershey Milk Chocolate |
| Charlston Chews | Hershey Milk Choc. King Sz \$.93 |
| Chuckles | Hershey Small Bag Kisses |
| Chunky | Planters Peanut Bar |
| Clark Bar | Junior Mints |
| Clorets Gum | Keebler Cookies & Crackers |
| Clorets Mints | Kit Kat |
| Combos Snack Assorted \$.65 | Krackel |
| Cracker Jacks 1.5 oz box | Nibs Licorice |
| Kraft Caramel 2 1/2 oz | O'Henry Bar |
| Kraft Cheese & Cracker snacks | Payday |
| Lifesaver Assorted Mints | Peanut Chew |
| M & M Plain | Planters Cashews |
| M & M Peanut | Planters Dry Roasted Peanuts |
| M & M Peanut King Size \$.93 | Planters Peanuts |
| Mars Bar | Planters Honey Roast Peanuts |
| Milk Duds | Planters Cheez Balls |
| Milky Way Bar | Planters Corn Chips |
| Milky Way King Size \$.93 | Pumpkin Seeds |
| ounds | Raisins |

| | |
|--|---------------------------|
| Goodbar | Raisinets |
| Goodbar King Size \$.93 | Reed Assorted Candies |
| isco Assorted cookies/crackers | Reeses Peanut Butter Cups |
| isco 2 oz. box cookies \$.93 | Reeses Pieces |
| co Canada Mints | Regal Crown Asst. Mints |
| tle 100 Grand Bar | Rolo |
| tle Crunch | Skittles Assorted flavors |
| tle Crunch King Size \$.93 | Smokehouse Almonds |
| tle Alpine White | Snickers |
| tle Milk | Snickers Peanut Butter |
| s Cherry | Snickers King Size \$.93 |
| ar Babies | Sunflower Seeds |
| kist Fruit Gems | Three Musketeers |
| tsie Roll | Tootsie Roll Pop - \$.25 |
| x Caramel | Twix Peanut Butter |
| zzler Strawberry | Velamints Assorted |
| chs Assorted Candies-Bags \$1.25 | York Mints |
| to Lay Assorted Cookies, Chips, packaged Cracker Snacks \$.75 | |
| se of Bazzini Assorted packaged Dried Fruit & Nuts \$1.25 | |
| pridge Farm Assorted packaged Cookies all with manufacturers | |
| cing | |
| d Soda \$.75 | |
| y Fine 11 oz. Juice (Assorted flavors) \$.90 | |
| an Water 11 oz. \$.90 | |

ICE CREAM

| | |
|---------------------------|--------|
| gan Dazs Bars (assorted) | \$1.75 |
| gan Dazs Cups (assorted) | \$2.25 |
| zen Fruit Bars (assorted) | \$1.10 |
| dens Ice Cream Sandwich | \$.75 |
| opolitan Sandwich | \$1.25 |
| art Fruit Bar | \$1.00 |

temization of gums for sale at \$.56 plus appropriate sales tax
unless otherwise stated with respective retail price.

azooka Assorted Flavors

Big Red

Bubble Yum Assorted Flavors

Bubblicious Assorted Flavors

Chewfree Assorted Flavors

Chicklet Assorted Flavors

Chewy Assorted Flavors

Chewy Valu-Pak Assorted Flavors - \$.93

Chewy Sugar Free Assorted Flavors

Extra Assorted Flavors

Reedent Assorted Flavors

Reshen Up Assorted Flavors

Rident Assorted Flavors

Rident Valu-Pak Assorted Flavors - \$.93

Rigley Assorted Flavors - \$.51

Itemization of cough drops, mints & digestive aids for sale at
\$.65 plus appropriate sales tax.

Halls Assorted Cough Drops

Luden Assorted Cough Drops

Pine Brothers Assorted Cough Drops

Rolaids Regular & Sodium Free Assorted

Smith Brothers Assorted Cough Drops

Tic Tac Assorted Mints

Tums Assorted

Vicks Assorted Cough Drops

Itemization of cigarettes proposed for sale at \$2.20 plus appropriate sales tax. Listed below are brands we propose to carry including Boxed King, Soft King, Menthol, Regular, 100's, Filter Hard Pack, Light King, Light Boxed, Filter King and Generics, all of which will sell for the same retail plus sales tax.

| | | |
|---------------|--------------|--------------------|
| Barclay | Sterling | Philip Morris |
| Camel | Tareyton | Players |
| Capri | Triumph | Raleigh |
| Golden Lights | True | Salem |
| Kent | Vantage | Saratoga |
| Kool | Viceroy | Virginia Slim |
| L & M | Winston | Doral |
| Lark | B & H | Dunhill-\$2.50+tax |
| Lucky Strike | Belair | Rothman-\$2.50+tax |
| Marlboro | Chesterfield | |
| Merit | Eve | |
| Mild Seven | Max | |
| Newport | More | |
| Now | Pall Mall | |
| Parliament | Satin | |

Itemization of cigars, tobacco and tobacco products proposed for sale plus appropriate tax.

Commercial Cigars

| <u>Item</u> | <u>Retail Price</u> |
|--------------------------|---------------------|
| Garcia & Vega Cigarillos | 1.15 |
| Chico | 1.15 |
| Miniatures | 1.20 |
| Panatella Deluxe | 1.30 |
| Senators | 1.85 |
| Blunts | 1.99 |
| Bouquets | 1.99 |
| Tips | 1.10 |
| Bravura | 1.75 |
| Whiffs | 2.75 |
| Presidente | 1.99 |
| Gallante | 2.35 |
| Elegante | 2.35 |
| Gran Premio | 2.20 |
| English Coronas | 2.60 |
| Hiparillo Aromatic | .80 |
| Menthol | .80 |
| Regular | .80 |
| Sweet | .80 |
| White Owl | |
| Miniatures | 1.10 |
| Demi-Tip | 1.05 |
| Coronetta | 1.10 |
| New Yorker | 1.25 |
| Invincible | 1.25 |
| Robert Burns | |
| Blackwatch | 2.35 |
| Cigarillos | .80 |

| | | |
|----------------|----------|------|
| William Penn | Braves | 1.10 |
| | Perfecto | 1.30 |
| | Panatela | 1.30 |
| Tijuana Smalls | Aromatic | 1.10 |
| | Regular | 1.10 |
| | Cherry | 1.10 |

Pipe Tobacco

| <u>Item</u> | | <u>Retail Price</u> |
|---------------|------------|---------------------|
| Amphora | Regular | 2.40 |
| | Full Aroma | 2.40 |
| Sail | Natural | 2.40 |
| Captain Black | Supreme | 2.40 |
| | Gold | 2.40 |
| | Royal | 2.40 |
| | White | 2.40 |

Smoking Accessories

| <u>Item</u> | <u>Retail Price</u> |
|---------------------------|---------------------|
| BIC Mini lighters | .99 |
| BIC lighters | 1.25 |
| D/Jeep lighters | 1.49 |
| D/Jeep I Love NY lighters | 1.49 |
| Skoal | 2.50 |
| Copenhagen | 2.50 |

Itemization of souvenirs and T-shirts proposed for sale plus appropriate sales tax.

| <u>Item</u> | <u>Retail Price</u> |
|--|---------------------|
| Assorted New York T-shirts (assorted sizes) | 9.95 |
| Assorted New York Sweatshirts (assorted sizes) | 15.95 |
| Assorted Sports (team) shirts (assorted sizes) | 10.95 |
| I Love New York ash tray 6" | 2.95 |
| " " salt & pepper set | 3.95 |
| " " cup & saucer set | 1.99 |
| " " piggy bank | 2.95 |
| " " ash tray 10" | 3.95 |
| " " mug | 3.95 |
| " " 3" bell | 2.95 |
| " " bear toothpick holder | 2.95 |
| " " shot glass | 1.95 |
| " " high ball glass | 2.95 |
| New York Times mug | 4.95 |
| " " toothpick holder | 1.95 |
| " " salt & pepper set | 5.95 |
| " " 12" plate | 8.95 |
| Big Apple mug | 3.95 |
| New York Brush Stroke mug | 4.95 |
| " " mini mug | 2.95 |
| " " shot glass | 2.95 |
| Statue of Liberty mug | 3.95 |
| " " mini mug | 2.95 |
| " " water globe | 2.95 |
| Plastic Statue of Liberty | 5.95 |
| New York T-shirt Teddy Bear | 7.95 |
| Small water globe | 1.95 |
| Large water globe | 3.95 |

| | |
|--------------------------------------|------|
| Heart water globe | 3.95 |
| Metal Statue of Liberty 6" | 3.95 |
| Metal Statue of Liberty 12" | 8.95 |
| Metal Empire State Building 6" | 3.95 |
| Metal Empire State Building 12" | 8.95 |
| New York assorted spoons | 4.95 |
| New York assorted brass key chains | 3.95 |
| New York assorted plastic key chains | 1.95 |
| I Love New York lighter | 1.99 |
| I Love New York glitter pen | 1.99 |
| New York scene tilt pen | 1.99 |
| I Love New York pencil | .59 |
| New York Neon Hats | 7.95 |
| New York Admirals cap | 5.95 |
| New York lapel pins (assorted) | 1.99 |

Itemization of stationery supplies proposed for sale plus appropriate sales tax.

| <u>Item</u> | <u>Retail Price</u> |
|-----------------------------|----------------------------------|
| 8 x 10 plain notepad | 1.49 |
| 6 x 9 writing notepad | 1.29 |
| 3 x 5 memo pad | .75 |
| white memo pads (3-pack) | .99 |
| Scotch Tape | 1.29 |
| boxed envelopes (110 count) | .99 |
| sharpened pencils | .29 |
| Bic Stick Pens | .49 |
| Parker Boxed Pens | (Mfg. priced from 8.95 to 29.95) |
| hiliter | 1.50 |
| legal pads (2-pack) | 1.49 |
| small address book | 2.95 |
| large address book | 4.95 |
| Krazy Glue | 1.49 |

Itemization of Health & Beauty Aids (HBA), Film and Batteries
 proposed for sale plus appropriate sales tax.

| <u>Item</u> | <u>Retail Price</u> |
|--|---------------------|
| Actifed | |
| Advil 8's | 5.99 |
| Afrin Nasal Spray | 1.89 |
| Ajax Combs | 5.99 |
| Alka Seltzer 2's | .49 |
| Anacin Tins 12's | .50 |
| Aquanet Hair Spray (2.5 oz.) | 1.89 |
| Ban Roll On (1.5 oz.) | 1.29 |
| Band Aid 10's | 3.99 |
| Bates Emery Board | 1.19 |
| Bates Nail Clipper | .99 |
| Bayer Sleeve 12's | .99 |
| Binaca Spray (2 oz.) | 1.89 |
| Blistex | 2.99 |
| Bufferin 12's | 1.49 |
| Chapstick | 1.89 |
| Colgate Tooth Paste (1-1/2 oz.) | .99 |
| Contact 12 Hr. Caps 10's | 1.19 |
| Crest Tooth Paste (1.4 oz.) | 5.69 |
| Dramamine 12 | 1.19 |
| Dristan 24's | 3.99 |
| Excedrin Tins 12's | 4.95 |
| Fluffy Facial Pack 8's | 2.25 |
| Foamy Shave Cream (6.25 oz.) | .50 |
| Gillette Good News 5 pack | 1.95 |
| Have a Hank | 2.89 |
| | .99 |
| Johnson & Johnson Baby Oil (4 oz.) | 3.49 |
| Johnson & Johnson Baby Powder (4 oz.) | 2.99 |
| Johnson & Johnson Baby Shampoo (3.5 oz.) | 1.89 |

| <u>Item</u> | <u>Retail Price</u> |
|--------------------------------------|---------------------|
| Kleenex Pocket Pack | .50 |
| Listerine (3 oz.) | 1.69 |
| Maalox Plus 12's | .79 |
| Midol 16's | 3.99 |
| Mylanta (5 oz.) | 3.29 |
| Nail Polish Remover (2 oz.) | .99 |
| Noxzema Skin Cream (2.5 oz.) | 2.25 |
| Nyquil (6 oz.) | 6.69 |
| Pepto Bismol 24's | 3.89 |
| Pepto Bismol Liquid 4 oz. | 2.99 |
| Prell Shampoo (3 oz.) | 2.99 |
| Q-Tips Cotton Swabs 54's | 1.59 |
| Robitussin (4 oz.) | 4.50 |
| Right Guard Spray (4 oz.) | 3.99 |
| Scope Mouthwash (6 oz.) | 3.49 |
| Sucrets | 3.75 |
| Sudafed | 4.99 |
| Tampax 10's Regular & Improved | 2.25 |
| Tik Toothbrush (Firm, Medium & Soft) | .79 |
| Trojan Family Center | .99 each |
| Tylenol Tins 12's | 1.99 |
| Vaseline Lip Therapy | 1.39 |
| Vaseline Petroleum Jelly (1.75 oz.) | 1.49 |
| Vicks Formula 44 (4 oz.) | 4.50 |
| Vicks Inhaler | 2.69 |
| Visine (5 oz.) | 4.99 |
| Kodak Batteries (2D or 2C) | 2.99 |
| Kodak Batteries (2AA) | 2.25 |
| Kodak Batteries (1-9 Volt) | 3.25 |
| Kodak Batteries (2 AAA) | 2.25 |
| Kodak Film 110 12-200 | 3.59 |
| Kodak Film 110 24-200 | 4.99 |

| <u>Item</u> | <u>Retail Price</u> |
|------------------------------|---------------------|
| Kodak Film 135 24-200 | 5.69 |
| Kodak Film 135 24-100 | 4.99 |
| Kodak Film 135 12-400 | 4.39 |
| Kodak Film 135 24-200 | 5.69 |
| Kodak Film Disc 15 | 4.39 |
| Kodak Film VR 1600 CF 135-24 | 7.09 |
| Kodak Film 135 36-100 | 6.09 |
| Kodak Film 135 12-100 | 3.69 |
| Kodak Film 135 36-200 | 6.59 |
| Kodak Film 135 36-400 | 7.09 |
| Kodak Fling Camera | 10.95 |
| Kodak Fling Camera w/flash | 19.95 |

Itemization of sundries proposed for sale plus appropriate sales tax.

| <u>Item</u> | <u>Retail Price</u> |
|--|--------------------------|
| Maps (local, national & international) | Mfgs pre-priced |
| L'eggs Panty Hose (assorted colors/styles) | Mfgs pre-priced |
| Playing Cards: poker | 2.75 |
| pinechle | 1.89 |
| Umbrella's | 3.95 |
| Crayons (16's) | 1.49 |
| Coloring Books | .99 to 1.99 |
| Postcards (assorted New York locations) | 3/1.00 small - .50 large |
| Luggage Carts: 3" wheel | 14.95 |
| 6" wheel | 19.95 |
| 36" Flight Bag | 19.95 |
| Duffle Bag | 5.95 |
| <u>Greeting Cards</u> | |
| Avanti Greeting Cards | Mfgr. pre-priced |
| Blue Mountain Arts | Mfgr. pre-priced |
| Postal Cards | \$.50 |

SCHEDULE E

For purposes hereof, Minority Business Enterprise (MBE) shall mean any business enterprise which is at least fifty-one percentum owned by one or more citizens or permanent resident aliens who are minorities and such ownership is real, substantial and continuing, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by citizens or permanent resident aliens who are minorities and such ownership is real, substantial and continuing. As used herein minority shall mean an individual member of any of the following racial groups

(i) Black (all persons having origins in any of the Black African racial groups not of Hispanic origin;

(ii) Hispanic (all persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American origin, regardless of race);

(iii) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asian, the Indian Subcontinent, or the Pacific Islands) which includes persons whose origins are from Japan, China, Taiwan, Korea, Vietnam, Laos, Cambodia, the Philippines, Samoa, Guam, the U.S. Trust Territories of the Pacific, the Northern Marianas, India, Pakistan, Bangladesh, and Sri Lanka; and

(iv) American Indian or Alaskan Native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification) which includes persons who are American Indians, Eskimos, Aleuts, or Native Hawaiians.

For the purposes hereof, Women-owned Business Enterprise (WBE) shall mean any business enterprise which is at least fifty-one percentum owned by one or more women and such ownership is real, substantial and continuing, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by one or more women and such ownership is real, substantial and continuing. "Meaningful participation" shall mean that at least twelve percent (12%) of the total dollar value of the contracts (including subcontracts) are for the participation of Minority Business Enterprises, and that at least five percent (5%) of the total dollar value of the contracts (including subcontracts) are for the participation of Women-owned Business Enterprises. Good faith efforts to include

meaningful participation by MBEs and WBEs shall include at least the following:

- (1) Dividing work into smaller portions where feasible.
- (2) Actively and affirmatively soliciting bids and proposals for contracts or subcontracts to provide commodities and services from MBEs and WBEs including circulation of solicitations to minority and female contractor associations. The Lessee shall maintain records detailing the efforts it and its contractors have made to provide for meaningful MBE and WBE participation, including the names and addresses of all MBEs and WBEs contacted and, if any such MBE or WBE is not selected, the reason for such decision. The Lessee shall supply to PATH such information, data, and documentation with respect to the efforts the Lessee has made to provide for meaningful MBE and WBE participation in contracts and subcontracts as PATH may from time to time and at any time request.
- (3) Providing prospective MBEs and WBEs with plans, specifications, and other necessary background materials with regard to prospective work available to MBEs and WBEs in sufficient time for review.
- (4) Meeting regularly with representatives of PATH to identify forthcoming business opportunities and suitable MBEs and WBEs, following up on specific recommendations made by such representatives, and utilizing the list of eligible MBEs and WBEs hereinafter described in this Schedule, maintained by PATH, or seeking minorities and women from other sources for the purpose of soliciting contractors, subcontractors, and suppliers.
- (5) Encouraging the formation of joint ventures, partnerships or other similar arrangements among contractors, where appropriate, to insure that the Lessee and its contractors will meet their obligations hereunder.
- (6) Insuring that provision is made to provide progress payments to MBEs and WBEs on a timely basis, where appropriate.
- (7) Not requiring bonds from and/or providing bonds and insurance for MBEs and WBEs, where appropriate.

PATH has compiled a list, which may be supplemented and revised from time to time by PATH, of the firms PATH has determined satisfy the criteria for MBE and WBE certification. Such list shall be made available to the Lessee and its contractors upon request. PATH makes no representation as to the financial responsibility of such firms, their technical competence to perform, or any other performance-related qualifications. Only listed MBEs and WBEs and such firms as are not so listed but as are certified by PATH as MBEs and WBEs hereunder will count toward the MBE and WBE goals.

Certification of MBE's and WBEs hereunder shall be made by the Office of Business and Job Opportunity of PATH. If the Contractor wishes to utilize a firm not so listed but which the Contractor believes should be certified because it is an MBE or WBE the Contractor shall submit to PATH a written request for a determination that the proposed firm is eligible for certification. This shall be done by completing and forwarding such form as may be required by PATH from time to time. All such requests shall be in writing addressed to Mr. John Alexander or other designee of the Office of Business and Job Opportunity, PATH of New York and New Jersey, One World Trade Center, 37 South, New York, N.Y. 10048. If any such firm is determined eligible for certification it shall only be by a writing over the name of the Director in charge of such Office. The determination of PATH shall be final and binding on the Contractor. For inquiries or assistance, please contact Mr. John Alexander at (212) 432-4188.

The following organizations may be able to refer the Contractor to firms which the referring organization has a reasonable basis to believe may meet PATH's criteria for certification as an MBE or WBE. Any referrals which are not listed shall be submitted to PATH for a determination as to eligibility as provided above.

1. National Minority Bus.
Council, Inc.
235 East 42nd Street
New York, N.Y. 10017
(212) 573-2385
2. N.Y./N.J. Minority
Purchasing Council
1412 Broadway - 11th floor
New York, N.Y. 10018
(212) 944-2442
3. Newark, Paterson, Jersey
City Business Development
Center
60 Park Place, Suite 1307
Newark, N.J. 01702
(201) 623-7712
4. The Council For Airport
Opportunity
2 World Trade Center
Suite 2228
New York, N.Y. 10048
(212) 466-1091
5. Assoc. of Minority
Enterprises of N.Y.
(AMENY)
165-40A Baisley Blvd.
Suite #3
Jamaica, N.Y., 11434
6. Air Services Development
Office
90-04 161st Street
Jamaica, N.Y. 11432
(718) 262-9012

In the event that the participation of any MBE or WBE selected by the Lessee or any of its contractors to participate in any contracts or subcontracts entered into with respect to any construction work performed on the premises, is cancelled or terminated for any reason, the Lessee agrees and agrees to require its contractors to make every good faith effort, to the

maximum extent feasible, and consistent with the Lessee's exercise of good business judgment, including, without limitation, the consideration of cost competitiveness, to utilize other MBEs and WBEs so as to maintain appropriate participation by MBEs and WBEs in such contracts.

Labor Force Utilization

Without limiting the foregoing provisions of this Schedule, and without limiting any of the terms and conditions of the Agreement to which this Schedule is attached, the Lessee agrees and agrees to require its construction and maintenance contractors and subcontractors at each tier of any construction undertaken pursuant to the provisions of the Agreement to which this Schedule is attached to make good faith efforts to achieve a supervisory and non-supervisory work force on each contract that is representative of the local community labor force with respect to minority and female participation and will work with PATH's Office of Business and Job Opportunity to identify referral sources when needed. The Lessee will cooperate with PATH to develop on the job training programs and will participate in apprenticeship and other training programs that expressly include minority and female workers. The Lessee agrees to require its contractors and subcontractors to participate in such programs and to make a good faith effort to utilize apprentices or other trainees in the work as appropriate. The Lessee agrees to and shall require its contractors and subcontractors to appoint an executive of their respective companies to assume the responsibility for the implementation of the contractors' good faith efforts to achieve minority and female participation in the work force under the contract.

The goals for minority and female participation, expressed in percentage terms for the aggregate workforce in each trade on all construction work are as follows:

Journey level trade workers

Minority participation: 30%

Female participation: 6.9%

Laborers and other unskilled workers

Minority participation: 40%

Female participation: 6.9%

These goals are applicable to all construction work performed in and for the premises. Compliance with the goals will be measured against the total work hours performed.

(a) The Lessee agrees to require its contractors and subcontractors to provide written notification to the Lessee and the Lessee agrees to provide written notification to the Office of Business and Job Opportunity of PATH within 10 working days of award of any construction contract or subcontract in excess of \$10,000.00 at any tier for construction work. The notification shall list the name, address, telephone number and employer identification number of the contractor or subcontractor; and the estimated starting and completion dates of the contract or subcontract. As used herein, "Employer identification number" shall mean the Federal Social Security Number used on the Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941. The term minority shall mean an individual member of any of the racial groups described in this Schedule.

(b) The Lessee agrees to require its contractors and subcontractors, at any tier, whenever they subcontract a portion of the construction work involving any construction trade, to physically include in each subcontract in excess of \$10,000 those provisions which include the applicable goals for minority and female participation.

(c) The Lessee agrees to require its contractors and subcontractors to implement the specific affirmative action standards provided in subparagraphs (1) through (16) of paragraph (f) hereof. The goals set forth above are expressed as percentages of the total hours of employment and training of minority and female utilization the Lessee's contractors and subcontractors should reasonably be able to achieve in each construction trade in which it has employees on the premises. The Lessee agrees and agrees to require its contractors and subcontractors to use good faith efforts to make substantially uniform progress toward its goals in each craft during the period specified.

(d) The Lessee agrees to provide in its construction contracts that neither the provisions of any collective bargaining agreement, nor the failure by a union with which the contractor has a collective bargaining agreement, to refer either minorities or women shall excuse the contractor's obligations thereunder.

(e) The Lessee further agrees to provide in its agreements with its contractors that in order for the nonworking training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees shall be employed by the contractor during the training period, and the contractor shall have made a commitment to employ the apprentices and trainees at the completion of their training, subject to the availability of employment opportunities. Trainees shall be trained pursuant to training programs approved by the U. S. Department of Labor.

(f) The Lessee agrees to require its contractors and subcontractors to take specific affirmative actions to ensure equal employment opportunity ("EEO"). The Lessee's evaluation of the contractor's compliance with these provisions shall be based upon the contractor's good faith effort to achieve maximum results from its actions. The Lessee agrees to require its contractors and subcontractors to document these efforts fully, and to implement affirmative action steps at least as extensive as the following:

(1) Ensure and maintain a working environment free of harassment, intimidation, and coercion at all portions of the premises at which the contractor's employees are assigned to work. ~~The contractor, where possible, will assign two or more women to each phase of the construction project.~~ The contractor shall specifically ensure that all foremen, superintendents, and other supervisory personnel at the premises are aware of and carry out the contractor's obligation to maintain such a working environment, with specific attention to minority or female individuals working at the premises.

(2) Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the contractor or its unions have employment opportunities available, and maintain a record of the organizations' responses.

(3) Maintain a current file of the names, addresses and telephone numbers of each minority and female off-the-street applicant and minority or female referral from a union, a recruitment source or community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the contractor by the union or, if referred, not employed by the contractor, this shall be documented in the file with the reason therefor, along with whatever additional action the contractor may have taken.

(4) Provide immediate written notification to the Lessee when the union or unions with which the contractor has a collective bargaining agreement has not referred to the contractor a minority person or woman, sent by the contractor, or when the contractor has other information that the union referral process has impeded the contractor's efforts to meet its obligations.

(5) Develop on-the-job training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and trainee

programs relevant to the contractor's employment needs, especially those programs funded or approved by the Department of Labor. The contractor shall provide notice of these programs to the sources compiled under subparagraph (2) above.

(6) Disseminate the contractor's EEO policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the contractor's newspaper, annual report, etc.; by specific ~~review of the policy with all management personnel and~~ with all minority and female employees at least once a year; and by posting the contractor's EEO policy on bulletin boards accessible to all employees at each location where the construction work is performed.

(7) Review, at least every six months, the contractor's EEO policy and affirmative action obligations hereunder with all employees having any responsibility for hiring, assignment, layoff, termination or other employment decisions including specific review of these items with on-area supervisory personnel such as Superintendents, General Foremen, etc., prior to the initiation of construction work at the premises. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.

(8) Disseminate the contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the contractor's EEO policy with other contractors and subcontractors with whom the contractor does or anticipates doing business.

(9) Direct its recruitment efforts, both oral and written, to minority, female and community organizations, to schools with minority and female students, to minority and female recruitment and training organizations and to State certified minority referral agencies serving the contractor's recruitment area and employment needs. Not later than one month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the contractor shall send written notification to organizations such as the above, describing the openings, screening procedures, and tests to be used in the selection process.

(10) Encourage present minority and female employees to recruit other minority persons and women and, where reasonable, provide after school, summer and vacation employment to minority and female youth both on the premises and in other areas of a contractor's workforce.

(11) Tests and other selection requirements shall comply with 41 CFR Part 60-3.

(12) Conduct, at least every six months, an inventory and evaluation of all minority and female personnel for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.

(13) Ensure that seniority practices, job classifications, work assignments and other personnel practices, do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the contractor's obligations hereunder are being carried out.

(14) Ensure that all facilities and company activities are nonsegregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.

(15) Document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitations to minority and female contractor associations and other business associations.

(16) Conduct a review, at least every six months, of all supervisors' adherence to and performance under the contractor's EEO policies and affirmative action obligations.

(g) The Lessee shall encourage its contractors to participate in voluntary associations which assist in fulfilling one or more of the affirmative action obligations set forth in subparagraphs (1)-(16) of paragraph (f) of this Section. The efforts of a contractor association, joint contractor-union, contractor-community, or other similar group of which the contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under paragraph (f) hereof provided that: the contractor actively participates in the group, makes every effort to assure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the contractor's minority and female workforce participation,

makes a good faith effort to meet its individual goals and timetables, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the contractor. The requirement for good faith efforts to comply, however, shall remain with the contractor and the Lessee shall provide in its agreements with the contractor that failure of such a group to fulfill an obligation shall not be a defense for the contractor's non-compliance.

(h) Goals for minorities and a separate single goal for women have been established. The Lessee, however, agrees to require its contractors and subcontractors to provide equal employment opportunity and to take affirmative action for all minority groups, both male and female, and all women, both minority and non-minority, and to provide that consequently, the contractor may be in violation of its agreement with the Lessee if a particular group is employed in a substantially disparate manner (for example, even though the contractor has achieved its goals for women generally, the contractor may be in violation if a specific minority group of women is under-utilized).

(i) The Lessee agrees to provide that the contractor shall not use the goals and timetables or affirmative action standards to discriminate against any person because of race, color, religion, sex, or national origin.

(j) The Lessee agrees that it will not enter into any contract with any person or firm debarred from Government contracts pursuant to Executive Order 11246, and agrees to require that its contractors and subcontractors not enter into any subcontract with any such person or firm.

(k) The Lessee agrees to carry out such sanctions and penalties for violation of these provisions including suspension, termination and cancellation of existing contracts and subcontracts as may be required and the Lessee further agrees to require its contractors and subcontractors to agree to carry out such sanctions and penalties for violation of these provisions including suspension, termination and cancellation of existing contracts and subcontracts as may be imposed or ordered by the Lessee.

(l) The Lessee agrees to require its contractors and subcontractors, in fulfilling their obligations to the Lessee, to implement specific affirmative action steps, at least as extensive as those standards prescribed in paragraph (f) hereof so as to achieve maximum results from their efforts to ensure equal employment opportunity. If the contractor fails to comply with such requirements, the Lessee shall proceed accordingly.

(m) The Lessee agrees to require its contractors and subcontractors to designate a responsible official to monitor all employment related activity to ensure that the company EEO policy

is being carried out, to submit reports relating to the contractor's EEO obligations as may be required, and to keep records. Records shall at least include for each employee the name, address, telephone numbers, construction trade, union affiliation if any, employee identification number when assigned, social security number, race, sex, status (e.g. mechanic, apprentice, trainee, helper, or laborer), date of changes in status, hours worked per week in the indicated trade, rate of pay, and location at which the work was performed. Records shall be maintained in an easily understandable and retrievable form; however, to the degree that existing records satisfy this requirement, contractors need not be required to maintain separate records.

(n) Nothing herein provided shall be construed as a limitation upon the application of any laws which establish different standards of compliance or upon the application of requirements for the hiring of local or other area residents (e.g., those under the Public Works Employment Act of 1977 and the Community Development Block Grant Program).

(o) Without limiting any other term or provision of this Agreement, the Lessee agrees and agrees to require its contractors and subcontractors to cooperate with all federal, state, or local agencies established for the purpose of implementing affirmative action compliance programs and the Lessee agrees and agrees to require its contractors and subcontractors to comply with all procedures which may be agreed to by and between PATH and the Lessee.

(p) In addition to and without limiting any of the terms and provisions of this Agreement, the Lessee agrees to provide in its contracts and all subcontracts covering construction work, or any portion thereof, that:

(i) The contractor shall not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status, and shall undertake or continue existing programs of affirmative action to ensure that minority group persons are afforded equal employment opportunity without discrimination. Such programs shall include, but not be limited to, recruitment, employment, job assignment, promotion, upgrading, demotion, transfer, layoff, termination, rates of pay or other forms of compensation, and selections for training or retraining, including apprenticeships and on-the-job training;

(ii) At the request of either PATH or the Lessee, the contractor shall request such employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding and which is involved in the performance of the contract with the Lessee to furnish a written statement that such employment

agency, labor union or representative shall not discriminate because of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will cooperate in the implementation of the contractor's obligations hereunder;

(iii) The contractor will state, in all solicitations or advertisements for employees placed by or on behalf of the contractor in the performance of the contract, that all qualified applicants will be afforded equal employment opportunity without discrimination because of race, creed, color, national origin, sex, age, disability or marital status;

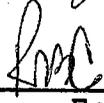
(iv) The contractor will include the provisions of subdivisions (i) through (iii) of this paragraph in every subcontract or purchase order in such a manner that such provisions will be binding upon each subcontractor or vendor as to its work in connection with the contract;

(v) "Contractor" as used in subdivisions (i) through (iv) of this paragraph shall include each contractor and subcontractor at any tier of construction.



For PATH

Initialed:

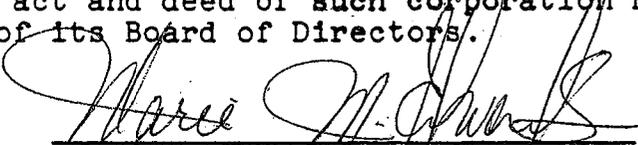


For the Lessee

PATH 12373 Ack. N. J.

STATE OF NEW YORK)
)
COUNTY OF NEW YORK)

On this 13 day of OCTOBER, 1992, before me, the subscriber, a notary public of New York personally appeared Anthony S Barber, Chief Operating Officer the President of Port Authority Trans-Hudson Corporation, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid, and that the within instrument is the voluntary act and deed of such corporation made by virtue of the authority of its Board of Directors.


(notarial seal and stamp)

MARIE M. EDWARDS, NOTARY
Public, State of New York
No. 24-4959893
Qualified in Kings County
Commission Expires 12/11/93

STATE OF New Jersey)
)
COUNTY OF Hudson) ss.

On this 1st day of October, 1992, before me, the subscriber, a notary public of New Jersey, personally appeared Robert B. Cohen, the President of HUDSON COUNTY NEWS COMPANY who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid, and that the within instrument is the voluntary act and deed of such corporation made by virtue of the authority of its Board of Directors.

Edith R. Thedo
(notarial seal and stamp)
EDITH R. THEDO
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires April 30, 1996

STATE OF _____)
)
COUNTY OF _____) ss.

Be it remembered that on this _____ day of _____, 1992, before me, the subscriber, a notary public of _____, personally appeared _____ who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed, for the uses and purposes therein expressed.

(notarial seal and stamp)

THIS AGREEMENT, made as of the 28th day of December, 1992, by and between PORT AUTHORITY TRANS-HUDSON CORPORATION (hereinafter called "PATH"), and HUDSON COUNTY NEWS COMPANY (hereinafter called "the Lessee")

WITNESSETH, That:

WHEREAS, PATH and the Lessee heretofore and as of September 2, 1992, entered into an agreement of lease identified by the above PATH Lease Number (which agreement of lease, as the same has been heretofore supplemented and amended, is hereinafter called "the Lease") covering premises at the PATH Journal Square Transportation Center in the City of Jersey City, County of Hudson, and State of New Jersey, as more particularly described in the Lease; and

WHEREAS, PATH and the Lessee desire to amend the terms of the Lease in certain respects;

NOW, THEREFORE, for and in consideration of the covenants and mutual agreements herein contained, PATH and the Lessee hereby agree as follows:

1. In addition to the items which the Lessee may offer for sale pursuant to the provisions of Section 3 of the Lease, from and after January 10, 1992 the Lessee agrees to, and shall, act as special agent for PATH for the purpose of selling and dispensing from each newsstand located on the premises ten, twenty, and forty trip tickets for passage on the inter-urban railway operated by PATH (which tickets are hereinafter referred to as "PATH Quickcards"). The Lessee shall provide such service to PATH without cost, and, without limiting the generality of the provisions of this sentence, shall at its sole cost and expense provide all labor and clerical help necessary for the sale of PATH Quickcards in accordance with the provisions of this Agreement. Notwithstanding the provisions of paragraph (d) of Section 43 of the Lease, no receipts, or other monies paid or payable to the Lessee for the sale of PATH Quickcards shall be included in gross receipts under the Lease.

2. The Lessee shall only impose such charges for the purchase of PATH Quickcards as are established from time to time in writing by PATH, and shall make no other charges therefor

CONFORMED COPY

whatsoever. PATH shall have the sole and unrestricted right to change such charges from time to time, and as often as it considers it necessary or advisable, upon notice to the Lessee. The Lessee agrees to and shall accept TransitChek vouchers issued by PATH as payment for PATH Quickcards provided, that the amount due therefor does not exceed the face amount of the TransitChek vouchers so accepted. The Lessee shall not exchange TransitChek vouchers for cash, or accept such vouchers in payment for any other item sold by the Lessee at or from the premises or for any other service rendered by the Lessee therefrom.

3. Without limiting the Lessee's indemnity obligations as set forth in the Lease, the Lessee hereby covenants and agrees to, and shall, indemnify PATH against all loss of receipts, or other monies, arising out of or in connection with the sale of PATH Quickcards by the Lessee which PATH shall sustain through robbery, burglary, theft, larceny, embezzlement, forgery, misappropriation, wrongful abstraction, wilful misapplication, negligent loss, mysterious disappearance or destruction, or fraudulent, or otherwise dishonest, acts committed by any officer or employee of the Lessee, acting directly, or in collusion with others, provided, however, that the Lessee shall only be responsible for that portion of any such loss which exceeds Two Hundred Fifty Dollars and No Cents (\$250.00). In addition, the Lessee hereby covenants and agrees to, and shall indemnify PATH against all loss of receipts, or other monies, arising out of or in connection with the sale of PATH Quickcards by the Lessee however sustained and by whomever caused, occurring at any time until such receipts and other monies are actually deposited with PATH provided, however, that the Lessee shall only be responsible for that portion of any such loss which exceeds Two Hundred Fifty Dollars and No Cents (\$250.00). For the purposes of this paragraph, the Lessee agrees that all PATH Quickcards accepted by the Lessee from PATH for sale at or from the premises and not returned to PATH unsold and unused shall be deemed sold, and an amount equal to the established charge therefor shall be paid to PATH by the Lessee.

4. (a) Without limiting any of the Lessee's obligations to maintain records and books of account as set forth in Section 5 of the Lease and in paragraphs (c) and (d) of Item 1 of Exhibit B annexed to the Lease, the Lessee shall maintain in accordance with accepted accounting practice throughout the effective period during which it acts as special agent for PATH for the sale and dispensing of PATH Quickcards records and books of account recording all transactions in connection with the sale or dispensing of PATH Quickcards at or from the premises, including,

but not limited to, all unsold tickets and all TransitChek vouchers accepted as payment for sold tickets. The Lessee shall also maintain separate and distinct records of all cash receipts arising out of or in connection with the sale or dispensing of PATH Quickcards at or from the premises.

(b) On the commencement date of the effective period during which it acts as special agent for PATH for the sale and dispensing of PATH Quickcards, the Lessee shall advise PATH in writing of the number of PATH Quickcards the Lessee accepts for sale in the month in which the commencement date of the effective period during which it acts as special agent for PATH for the sale and dispensing of PATH Quickcards shall occur, specifying the number of each type of PATH Quickcard to be accepted. Upon receipt of such number of PATH Quickcards from PATH, the Lessee shall acknowledge the receipt thereof in writing. On the 20th day of each and every month thereafter occurring during the effective period during which it acts as special agent for PATH for the sale and dispensing of PATH Quickcards the Lessee shall similarly advise PATH in writing of the number of PATH Quickcards the Lessee accepts for sale in the following month, specifying the number of each type of PATH Quickcard to be accepted, and shall acknowledge the receipt thereof in writing. On the 20th day of the first month following the commencement of the effective period during which it acts as special agent for PATH for the sale and dispensing of PATH Quickcards and on the 20th day of each and every month thereafter including the month following the end of the effective period during which it acts as special agent for PATH for the sale and dispensing of PATH Quickcards the Lessee shall render to the PATH a statement showing (i) the number of PATH Quickcards accepted for sale in the preceding month, specifying the number of each type of PATH Quickcard so accepted, (ii) the number of PATH Quickcards sold in the preceding month, specifying the number of each type of PATH Quickcard so sold, (iii) the total amount of money payable to PATH as a result of the sale of PATH Quickcards in the preceding month, specifying the receipts due for the number of each type of PATH Quickcard sold in the preceding month, (iv) the number of unsold and unused PATH Quickcards being returned to PATH, specifying the number of each type of PATH Quickcard being returned, and (v) the cumulative value of all TransitCheks accepted by the Lessee in payment for PATH Quickcards, specifying the number of each denomination of TransitChek so accepted; the Lessee shall pay at the time of rendering the statement an amount equal to the excess of the total amount of money payable to PATH as a result of the sale of PATH Quickcards in the preceding month over the cumulative value of all TransitCheks accepted by the

Lessee in payment for PATH Quickcards in that month. The Lessee's statement following the close of each annual period established under the Lease, and the Lessee's statement following the expiration of the effective period during which it acts as special agent for PATH for the sale and dispensing of PATH Quickcards shall report the cumulative totals of the items specified in subdivisions (i) through (v) for the annual period for which the report is made and the cumulative amount of money payable to PATH as a result of the sale of PATH Quickcards in such annual period, and the cumulative amount of cash and TransitCheks paid on account thereof, and if any adjustments are required the same shall be made at the time such report is rendered.

(c) All statements required to be submitted to PATH pursuant to the provisions of subparagraph (d) of this paragraph shall be prepared in accordance with accepted accounting practice, and shall be certified to by a responsible fiscal officer of the Lessee. Without limiting or affecting PATH's audit rights as set forth in Section 5 of the Lease, each statement required to be submitted to PATH pursuant to the provisions of this Agreement shall be subject to verification and audit by PATH, and the Lessee, upon demand, shall remit to PATH any monies not previously remitted.

5. Without limiting the generality of the provisions of Section 13 of the Lease, the Lessee shall display in such areas of the premises as shall be designated by PATH such signs and advertising relating to the sale of the PATH tickets described in subparagraph (a) of this paragraph as may be supplied in advance by PATH.

6. In addition to all other rights of termination set forth in the Lease as herein amended, PATH shall have the right at any time, on not less than thirty (30) days' written notice to the Lessee to withdraw the permission herein granted for the sale or dispensing of PATH Quickcards and in such event the Lessee shall discontinue the sale or dispensing of PATH Quickcards on or before the effective date stated in PATH's written notice to the Lessee. No such termination shall affect the term of the letting under the Lease, or the rental payable by the Lessee thereunder.

7. As hereby amended all the terms, provisions, covenants, agreements and conditions of the Lease shall be and remain in full force and effect.

-4-

6(a). In addition, the Lessee shall have the right at any time, on not less than thirty (30) days' written notice to PATH, to discontinue the sale or dispensing of PATH Quickcards and all terms and conditions hereunder shall cease without, however, affecting the term of the letting under the Lease, or the rental payable by the Lessee thereunder. 

8. Neither the Directors of PATH nor any of them, nor any officer, agent or employee thereof shall be charged personally by the Lessee with any liability, or held liable to the Lessee under any term or provision of this Supplemental Agreement, or because of its execution or attempted execution or because of any breach, or attempted or alleged breach thereof.

9. This Supplemental Agreement, together with the Lease (to which it is supplementary constitutes the entire agreement between PATH and the Lessee on the subject matter, and may not be changed, modified, discharged or extended except by instrument in writing duly executed on behalf of both PATH and the Lessee. The Lessee agrees that no representations or warranties shall be binding upon PATH unless expressed in writing in the Lease or in this Supplemental Agreement.

IN WITNESS WHEREOF, PATH and the Lessee have executed these presents as of the date first above written.

WITNESS
ATTEST:

Alterna

Secretary Secretary
The Port Authority of New York
and New Jersey

ATTEST:

Marcus S. Speer
Secretary

PORT AUTHORITY TRANS-HUDSON
CORPORATION

By [Signature]

(Title) Vice-President

HUDSON COUNTY NEWS COMPANY

By [Signature]

(Title) Executive Vice-President

APPROVED FOR
TRANSMITTAL
FORM TERMS
[Signature] [Signature]

STATE OF NEW YORK)
) ss
COUNTY OF NEW YORK)

On this *5th* day of *April*, 199*3*, before me, the subscriber, a notary public of New York personally appeared *Richard R Kelly* the *Vp General Manager* of Port Authority Trans-Hudson Corporation, who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by authority of its Board of Directors

Regina A. Gazzola
REGINA A. GAZZOLA
Notary Public, State of New York
No. 03-4955065
Qualified in Bronx County
Term Expires *8/28/93*

STATE OF *New Jersey*)
) ss
COUNTY OF *Hudson*)

On this *11th* day of *March*, 199*3*, before me, the subscriber, a notary public of *Hudson County, N.J.*, personally appeared *JAMES S. Cohen* the *Executive Vice-President* of Hudson County News Company who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by authority of its Board of Directors.

Edith R. Tredo

Notary Public

EDITH R. Tredo
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires April 30, 1996

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, made as of the 31st day of May, 1995 by and between **PORT AUTHORITY TRANS-HUDSON CORPORATION** (hereinafter called "PATH") and **HUDSON NEWS COMPANY** (formerly known as Hudson County News Company and hereinafter called the "Lessee"),

WITNESSETH, THAT:

WHEREAS, PATH and the Lessee heretofore and as of the 2nd day of September, 1992 entered into an agreement of lease identified above by PATH Lease Number covering premises located at the PATH Journal Square Transportation Center in the City of Jersey City, County of Hudson and State of New Jersey (which agreement of lease, as the same has been heretofore supplemented and amended, is hereinafter called the "Lease"); and

WHEREAS, PATH and the Lessee desire to add to the premises under the Lease and to amend the Lease in certain other respects;

NOW, THEREFORE, for and in consideration of the covenants and mutual agreements herein contained, PATH and the Lessee hereby agree as follows:

1. In addition to the premises heretofore let to the Lessee under the Lease as herein amended, the letting as to which shall continue in full force and effect subject to and in accordance with all the terms, provisions, covenants and conditions of the Lease as herein amended, PATH hereby lets to the Lessee and the Lessee hereby hires and takes from PATH at the PATH Journal Square Transportation Center in the City of Jersey City, County of Hudson and State of New Jersey, the space on the Plaza level thereof shown in diagonal hatching on the sketch hereto attached, hereby made a part of the Lease as herein amended and marked "Exhibit A-1" together with the fixtures, improvements and other property, if any, of PATH located or to be located therein or thereon (all of which is sometimes hereinafter in this Supplemental Agreement collectively called the "Additional Premises"), to be and become a part of the premises under the Lease as herein amended from and after 12:01 o'clock a.m. on August 14, 1995 let to the Lessee, subject to and in accordance with all of the terms, provisions and covenants of the Lease as herein amended for a term then commencing and expiring on September 30, 1995 and which shall continue from month to month thereafter as a periodical tenancy *provided, however*, that the periodical tenancy under the Lease as herein amended shall expire in any event, if not sooner terminated, at 11:59 o'clock p.m. on March 31, 1997, without other, further or separate notice from PATH. The parties acknowledge that the Additional Premises, as well as the premises heretofore covered by the Lease, meaning the portion of the premises shown on Exhibit A annexed to the Lease, constitute non-residential real property.

2. The Lessee shall use the Additional Premises solely for the purposes set forth in Section 3 of the Lease as herein amended and for no other purpose or purposes whatsoever.

CONFORMED COPY

3. PATH shall deliver the Additional Premises to the Lessee in its presently existing "as is" condition. The Lessee acknowledges that prior to the execution of this Supplemental Agreement, it has thoroughly examined and inspected the Additional Premises and has found the Additional Premises in good order and repair and has determined the Additional Premises to be suitable for the Lessee's operations under the Lease as herein amended. The Lessee agrees to and shall take the Additional Premises in its "as is" condition and PATH shall have no obligation for finishing work or for preparation of the Additional Premises, or any portion thereof, for the Lessee's use. The terms and provisions of Section 46 of the Lease as herein amended shall apply to the Additional Premises.

4. The Lessee acknowledges that it has not relied upon any representation or statement of PATH or its Directors, officers, employees or agents as to the suitability of the Additional Premises for the operations permitted thereon by the Lease as herein amended. Without limiting any obligation of the Lessee under the Lease as herein amended to commence operations in the Additional Premises at the time and in the manner stated elsewhere in this Supplemental Agreement, the Lessee agrees that no portion of the Additional Premises will be used initially or at any time during the term of the letting thereof which is in a condition unsafe or improper for the conduct of the Lessee's operations therein under the Lease as herein amended so that there is possibility of injury or damage to life or property and the Lessee further agrees that before any use of the Additional Premises it will immediately correct any such unsafe or improper condition. Without limiting the generality of any of the provisions of the Lease as herein amended or this Supplemental Agreement, PATH shall not be liable to the Lessee for any claims for loss, theft or damage involving any property stored or placed in any portion of the Additional Premises.

5. For the purpose of calculating the percentage rental payable by the Lessee under the Lease as herein amended, all monies paid or payable to the Lessee for sales made or services rendered at or from the Additional Premises shall be included as gross receipts of the Lessee as if such gross receipts had arisen from the Lessee's operations in the portion of the premises shown on Exhibit A attached to the Lease, and shall be subject to the percentage rental payable under the Lease as herein amended. The Lessee shall furnish to PATH a statement certified by a responsible officer thereof detailing the gross receipts arising from its operations in the Additional Premises and such statement shall be forwarded to PATH on September 20, 1995 and on the 20th day of each month thereafter occurring during the effective period of the letting of the Additional Premises hereunder, together with the statement showing the Lessee's gross receipts for each month during such period from its operations in the portion of the premises shown on Exhibit A attached to the Lease.

6. (a) In addition to all other rights of termination contained in the Lease as herein amended including, without limitation, the right of termination provided for in paragraph (a) of Section 44 of the Lease as herein amended, PATH shall have the right to separately terminate the letting as to the Additional Premises at any time, without cause, on thirty (30) days' notice to the Lessee. Such termination shall not relieve the Lessee of any liabilities or obligations which shall have accrued on or prior to the effective date of termination or which shall mature on such date. In the event the term of the letting of the entire premises under the Lease as herein amended is terminated pursuant to paragraph (a) of Section 44 thereof during the term of the letting of the Additional Premises under the Lease

as herein amended, or in the event the term of the letting of the Additional Premises under the Lease as herein amended is separately terminated pursuant to the provisions of this paragraph, the term of the letting of the Additional Premises under the Lease as herein amended shall cease and expire as if the effective date of termination stated in the notice were the date originally stated herein for the expiration of the term of the letting as to the Additional Premises under the Lease as herein amended. The separate termination of the letting as to the Additional Premises pursuant to the provisions of this paragraph 6 shall not affect the letting as to the balance of the premises under the Lease as herein amended and the letting as to the balance of the premises shall continue in full force and effect notwithstanding such termination.

(b) The provisions of paragraph (b) of Section 44 of the Lease as herein amended shall not apply to the fixtures, equipment and other property installed in Additional Premises and shall be of no force or effect thereto, *however*, nothing contained herein shall be deemed to affect PATH's obligation pursuant to the provisions of the said paragraph (b) of Section 44 and Item 6 of Exhibit B annexed to the Lease with respect to the reimbursement by PATH of the pro rata share of the Lessee's cost in supplying and installing the fixtures, equipment and other property installed in the portion of the premises shown on Exhibit A attached to the Lease.

7. The provisions of paragraphs (a), (b), (c), (d) and (e) of Section 14 of the Lease as herein amended and the provisions of Item 3 of Exhibit B annexed thereto shall apply to the Additional Premises. Except as provided herein, the Port Authority shall not supply any services or utilities to the Lessee in the Additional Premises.

8. The Lessee represents and warrants that no broker has been concerned in the negotiation or execution of this Supplemental Agreement or the letting of the Additional Premises hereunder and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Lessee shall indemnify and save harmless PATH of and from any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

9. Neither the Directors of PATH nor any of them, nor any officer, agent or employee thereof, shall be charged personally by the Lessee with any liability, or held liable to it under any term or provision of this Supplemental Agreement, or because of its execution or attempted execution or because of any breach thereof.

10. As hereby amended, all the terms, covenants, provisions, conditions and agreements of the Lease shall be and remain in full force and effect.

11. This Supplemental Agreement and the Lease which it amends and supplements constitute the entire agreement between PATH and the Lessee on the subject matter, and may not be changed, modified, discharged or extended except by instrument in writing duly executed on behalf of both PATH and the Lessee. The Lessee agrees that no representations or warranties shall be binding upon PATH unless expressed in writing in the Lease or this Supplemental Agreement.

IN WITNESS WHEREOF, PATH and the Lessee have executed these presents as of the date first above written.

ATTEST:

PORT AUTHORITY TRANS-HUDSON CORPORATION

Lawrence S. Hofelder
[ASSISTANT] Secretary

By [Signature]
(Title) Vice President
(Seal)

ATTEST:

HUDSON NEWS COMPANY

[Signature]
Secretary

By [Signature]
(Title) Senior Vice President
(Corporate Seal)

APPROVED FOR TRANSMITTAL FORM | TERMS
[Signature] [Signature] (3B)

(PATH Acknowledgment)

STATE OF NEW YORK)
)ss.:
COUNTY OF NEW YORK)

On the 15th day of MAY, 1996, before me personally came
to me known, who, being by me duly sworn, did depose and say that he resides in
DAVID Feeley
ROCKLAND COUNTY NY

that he is the VICE President / General MGR of the Port Authority Trans-Hudson Corporation, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that he signed his name thereto by like order.

CONSTANCE DELLABARCA
Notary Public, State of New York
No. 03-4831312
Qualified in Bronx County
Commission Expires 2/28 1998

Constance Dellabarca
(notarial seal and stamp)

(Corporate Acknowledgment)

STATE OF New Jersey)
)ss.:
COUNTY OF Hudson)

On the 5th day of April, 1996, before me personally came
to me known, who, being by me duly sworn, did depose and say that he resides in
MARIO DiDomizio
441 Vance Avenue, Wyckoff, NJ

that he is the Senior Vice - President of Hudson News Company, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that he signed his name thereto by like order.

Linda J. Manhart
(notarial seal and stamp)

LINDA J. MANHART
A Notary Public of New Jersey
My Commission Expires Oct. 25, 1999

C. Spina

"CONFORMED
COPY"

6/16/99

Lease No. L-RR-111
Supplement No. 3

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, made as of the 31st day of March, 1997 by and between **PORT AUTHORITY TRANS-HUDSON CORPORATION** (hereinafter called "PATH") and **HUDSON NEWS COMPANY** (hereinafter called the "Lessee"),

WITNESSETH, THAT:

WHEREAS, PATH and the Lessee heretofore and as of the 2nd day of September, 1992 entered into an agreement of lease identified above by PATH Lease Number covering premises located at the PATH Journal Square Transportation Center in the City of Jersey City, County of Hudson and State of New Jersey (which agreement of lease, as the same has been heretofore supplemented and amended, is hereinafter called the "Lease"); and

WHEREAS, PATH and the Lessee desire to extend the letting of the premises under the Lease, to add to the premises under the Lease and to amend the Lease in certain other respects;

NOW, THEREFORE, for and in consideration of the covenants and mutual agreements herein contained, PATH and the Lessee hereby agree as follows:

1. The term of the letting of the entire premises under the Lease is hereby extended for the period ending on July 31, 2001, unless sooner terminated, at the basic rental and percentage rental set forth in the Lease as herein amended, payable at the times and in the manner set forth in the Lease.

2. Notwithstanding anything to the contrary contained in the Lease as herein amended, from and after December 1, 1999, in addition to the basic rental for the premises set forth in the Lease as herein amended and in lieu of the percentage rental set forth therein, the Lessee shall pay to PATH an annual percentage rental equivalent to the excess over the annual exemption amount established for each annual period occurring during the extended term of the letting under the Lease as herein amended of eleven percent (11%) of all of the gross receipts of the Lessee arising from the Lessee's operations under the Lease as herein amended and extended during each such annual period.

3. In addition to the premises heretofore let to the Lessee under the Lease as herein amended, the letting as to which shall continue in full force and effect subject to and in accordance with all the terms, provisions, covenants and conditions of the Lease as herein amended, PATH hereby lets to the Lessee and the Lessee hereby hires and takes from PATH at the PATH Journal Square Transportation Center in the City of Jersey City, County of Hudson and State of New Jersey, the space on the Concourse level thereof shown in diagonal hatching on the sketch hereto attached, hereby made a part of the Lease as herein amended and marked "Exhibit A-2" together with the fixtures, improvements and other property, if any, of PATH located or to be located therein or thereon (all of which is sometimes hereinafter in this Agreement collectively called the "Storage Area"), to be and become a part of the premises under the Lease as herein amended from and after

12:01 o'clock a.m. on June 1, 1999 let to the Lessee subject to and in accordance with all the terms, provisions, covenants and conditions of the Lease, as herein amended, for and during the remainder of the term of the letting under the Lease, as herein amended, unless sooner terminated. PATH and the Lessee hereby acknowledge that the Storage Area constitutes non-residential real property.

4. The Lessee shall use the Storage Area for storage purposes in connection with the Lessee's operations being conducted elsewhere at the Facility in accordance with Section 3 of the Lease and for no other purpose or purposes whatsoever.

5. (a) In addition to the basic and percentage rental heretofore payable under the Lease, as herein amended, during the term of the letting of the Storage Area as provided herein, the Lessee shall pay to PATH a basic rental for the Storage Area at the rate of Two Thousand Four Hundred Dollars and No Cents (\$2,400.00) per annum, payable in advance in monthly installments each in the amount of Two Hundred Dollars and No Cents (\$200.00) on June 1, 1999 and on the first day of each and every calendar month thereafter throughout the term of the letting of the Storage Area.

(b) If the term of the letting of the Storage Area under the Lease as herein amended shall terminate on a day other than the last day of a calendar month, the installment of basic rental for the Storage Area payable on the first day of the calendar month in which the effective date of termination shall occur shall be an amount equal to the amount of the installment described in subparagraph (a) of this paragraph multiplied by a fraction, the numerator of which shall be the number of days from the first day of the calendar month in which the effective date of termination shall occur to the effective date of termination, both dates inclusive, and the denominator of which shall be the full number of days in that calendar month.

(c) Effective from and after June 1, 1999, for every calendar day, or major fraction thereof, that the Lessee shall be entitled to abatement with respect to the Storage Area during the term of the letting thereof, the basic rental for the Storage Area established for such period shall be reduced by the product of Six Dollars and Fifty-eight Cents (\$6.58) multiplied by a fraction, the numerator of which shall be the number of square feet of floor space of the Storage Area as to which the abatement applies and the denominator of which shall be the total number of square feet in the Storage Area.

(d) For the purpose of abatement with respect to the Storage Area, the ascertainment of the number of square feet contained in the Storage Area shall be measured in accordance with the provisions of subparagraph (3) of paragraph (e) of Item 1 of Exhibit B annexed to the Lease.

(e) Payment of the basic rental for the Storage Area set forth in this paragraph shall not affect or diminish the Lessee's obligation to pay the basic and percentage rental for the premises heretofore let to the Lessee under the Lease, as herein amended, nor shall the applicable annual exemption amount as defined therein be changed or affected thereby.

6. (a) Subject to all the provisions of the Lease as herein amended including, without limitation, the provisions of paragraphs (f), (g), (h) and (i) of Section 14 of the Lease, from and after June 1, 1999, PATH will supply, without charge, to the Lessee in the Storage Area

electricity for illumination, by which is meant the energizing of fluorescent and incandescent bulbs (to be supplied, paid for and installed by the Lessee) for the Lessee's operations in the Storage Area.

(b) Except as set forth in this paragraph, PATH shall not furnish, sell or supply any services or utilities to the Lessee in the Storage Area.

7. PATH shall deliver the Storage Area in its presently existing "as is" condition. The Lessee acknowledges that it has inspected the Storage Area and agrees to take the same in its "as is" condition and PATH shall have no obligation under the Lease, as herein amended, for finishing work or for preparation of the Storage Area for the Lessee's use. The Lessee acknowledges that it has not relied upon any representation or statement of PATH or of its Directors, officers, agents or employees as to the suitability of the Storage Area for the operations permitted thereon by the Lease, as herein amended. Without limiting any obligation of the Lessee to commence operations in the Storage Area at the time and in the manner stated elsewhere in this Agreement, the Lessee agrees that no portion of the Storage Area will be used initially or at any time during the term of the letting thereof which is in a condition unsafe or improper for the conduct of the Lessee's operations therein under the Lease, as herein amended, so that there is possibility of injury or damage to life or property and the Lessee further agrees that before any use of the Storage Area, it will immediately correct any such unsafe or improper condition.

8. (a) During the extended term of the letting under the Lease as herein amended, PATH shall continue to have the right to terminate the Lease as herein amended and the extended term of the letting thereunder, without cause, at any time, on thirty (30) days' notice to the Lessee. In the event of such termination, the Lease as herein amended and the extended term of the letting thereunder shall cease and expire as if the effective date of termination stated in the notice were the date originally stated herein for the expiration of the extended term of the letting under the Lease as herein amended. Termination hereunder shall not relieve the Lessee of any liabilities or obligations under the Lease as herein amended and extended which shall have accrued on or before the effective date of termination or which shall mature on such date. The provisions of paragraph (b) of Section 44 of the Lease and the provisions of Item 6 of Exhibit B annexed thereto shall be null and void and of no further force and effect insofar as they require reimbursement by PATH in the event the letting is terminated by PATH pursuant to the provisions of paragraph (a) of Section 44, but nothing contained herein shall or shall be deemed to affect or impair PATH's ownership of or title to fixtures, equipment, improvements or other personal property as set forth in the Lease.

(b) In addition to all other rights of termination contained in the Lease, as herein amended, including, without limitation, the right of termination provided for in paragraph (a) of Section 44 of the Lease as herein amended, PATH shall have the right to separately terminate the letting as to the Storage Area at any time, without cause, on thirty (30) days' notice to the Lessee. Such termination shall not relieve the Lessee of any liabilities or obligations which shall have accrued on or prior to the effective date of termination or which shall mature on such date. In the event the term of the letting of the entire premises under the Lease as herein amended is terminated pursuant to paragraph (a) of Section 44 of the Lease as herein amended during the term of the letting of the Storage Area under the Lease as herein amended or in the event the term of the letting of the Storage Area under the Lease as herein amended is separately terminated pursuant to the provisions of this paragraph, the term of the letting of the Storage Area under the Lease shall cease and expire as if the effective date of termination stated in the notice were the date originally stated herein for

the expiration of the term of the letting as to the Storage Area under the Lease as herein amended. The separate termination of the letting as to the Storage Area pursuant to the provisions of this paragraph shall not affect the letting as to the balance of the premises under the Lease as herein amended and the letting as to the balance of the premises shall continue in full force and effect notwithstanding such termination. PATH shall have no reimbursement obligation with respect to the Storage Area in the event the letting of the entire premises is terminated pursuant to paragraph (a) of Section 44 of the Lease during the term of the letting of the Storage Area under the Lease as herein amended or in the event the letting as to the Storage Area is separately terminated pursuant to the provisions of this paragraph. Nothing contained herein shall be deemed to affect PATH's reimbursement obligation pursuant to the provisions of Item 6 of Exhibit B annexed to the Lease with respect to fixtures, equipment, improvements and other property installed in the balance of the premises under the Lease as herein amended in accordance with the terms of that agreement.

9. The Lessee represents and warrants that no broker has been concerned in the negotiation or execution of this Agreement or the letting of the Storage Area and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Lessee shall indemnify and save harmless PATH of and from any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Agreement or the letting of the Storage Area.

10. Neither the Directors of PATH nor any of them, nor any officer, agent or employee thereof, shall be charged personally by the Lessee with any liability, or held liable to it under any term or provision of this Agreement, or because of its execution or attempted execution or because of any breach thereof.

11. As hereby amended, all the terms, covenants, provisions, conditions and agreements of the Lease shall be and remain in full force and effect.

12. This Agreement and the Lease which it amends and supplements constitute the entire agreement between PATH and the Lessee on the subject matter, and may not be changed, modified, discharged or extended except by instrument in writing duly executed on behalf of both PATH and the Lessee. The Lessee agrees that no representations or warranties shall be binding upon PATH unless expressed in writing in the Lease or this Agreement.

IN WITNESS WHEREOF, PATH and the Lessee have executed these presents as of the date first above written.

ATTEST:

PORT AUTHORITY TRANS-HUDSON CORPORATION

[Signature]
Assistant Secretary

By [Signature]
(Title) DIRECTOR OF REAL ESTATE, PORT
(Seal) AUTHORITY OF NY + NJ

ATTEST:

HUDSON NEWS COMPANY

[Signature]
Secretary

By [Signature]
(Title) Senior Vice President
(Corporate Seal)

"APPROVED"
FORM | TERMS

[Signature]
[Signature]
[Signature]

(PATH Acknowledgment)

STATE OF NEW YORK)
)ss.:
COUNTY OF NEW YORK)

On the 16th day of June, 1999, before me, the subscriber, a notary public of New York, personally appeared *Cherrie Nanninga*

the *Director of Real Estate* of **PORT AUTHORITY TRANS-HUDSON CORPORATION**, who I am satisfied is the person who has signed the within instrument, and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of **PORT AUTHORITY TRANS-HUDSON CORPORATION**, made by virtue of the authority of its Board of Directors.

Sylvia Shepherd

(notarial seal and stamp)

SYLVIA SHEPHERD
Notary Public, State of New York
No. 41-4952176
Qualified in Queens County
Commission Expires June 12, 2001

(Corporate Acknowledgment)

STATE OF *New Jersey*)
)ss.:
COUNTY OF *Hudson*)

On the 24th day of *MAY*, 1999, before me, the subscriber, a notary public of *New Jersey*, personally appeared *MARIO DiDOMIZIO*

the *Senior Vice-President* of **HUDSON NEWS COMPANY**, who I am satisfied is the person who has signed the within instrument, and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of **HUDSON NEWS COMPANY**, made by virtue of the authority of its Board of Directors.

Linda J. Manhart

(notarial seal and stamp)

LINDA J. MANHART
A Notary Public of New Jersey
My Commission Expires Oct. 25, 1999

THIS AGREEMENT, made as of the 2nd day of September, 1992 by and between PORT AUTHORITY TRANS-HUDSON CORPORATION (hereinafter called "PATH"), a corporation organized and existing under the laws of the States of New York and New Jersey, and having an office at One World Trade Center, in the City, County and State of New York, and HUDSON COUNTY NEWS COMPANY, (hereinafter called "the Lessee"), a corporation organized and existing under and by virtue of the laws of the State of New Jersey, having an office and place of business at 1305 Paterson Plank Road, North Bergen, New Jersey, 07047

whose representative is Robert B. Cohen

WITNESSETH That:

PATH and the Lessee, for and in consideration of the rents, covenants and agreements hereinafter contained, mutually covenant and agree as follows:

Section 1. Letting

PATH hereby lets to the Lessee and the Lessee hereby hires and takes from PATH, in the Borough of Manhattan, City, County, and State of New York at the PATH World Trade Center Station the area on the Mezzanine Level thereof shown in diagonal hatching on the sketch annexed hereto, hereby made a part hereof and marked "Exhibit A", ("Area A") and at the PATH 33rd Street Station the area on the Platform Level thereof shown in diagonal hatching on the sketch annexed hereto, hereby made a part hereof and marked "Exhibit A-1", ("Area B") together with the fixtures, improvements and other property of PATH located or to be located therein or thereon, all the said space, fixtures, improvements, and other property of PATH being hereinafter collectively called "the premises". PATH and the Lessee hereby acknowledge that the aforesaid premises constitute non-residential real property.

Section 2. Term

The term of the letting under this Agreement shall commence at 12:01 o'clock A.M. on December 1, 1992 (which date is sometimes hereinafter referred to as "the Commencement Date") and shall, unless sooner terminated or unless extended, expire at 11:59 o'clock P.M. on November 30, 1999.

CONFORMED COPY

Section 3. Rights of User by the Lessee

The Lessee shall use the premises for the following purposes only and for no other purpose whatsoever: For the construction and operation of newsstands for the sale, at retail, of newspapers, magazines, periodicals, candies, paperback books, gum, confections, cigarettes, cigars, tobacco and tobacco products, smoking accessories, postal cards, soft drinks, ice cream bars, ice-cream cups, lottery tickets issued by the Lottery Division of the New York State Department of Taxation and Finance, and such other items as may from time to time be consented to in advance in writing by the Port Authority.

Section 4. Rental

(a) The Lessee agrees to pay to PATH a basic rental for the premises at the rate ~~of~~ set forth in Item 1 of Exhibit B, attached hereto, and hereby made a part hereof. ~~per annum.~~

(b) The Lessee agrees to pay to PATH the percentage rental, if any, stated in Item 1 of Exhibit B, ~~attached hereto and made a part hereof.~~

(c) The time for making payments of rental and the method of computation and abatement thereof are set forth in Item 1 of Exhibit B.

Section 5. Obligations in Connection with Any Percentage Rental

If any rental hereunder is measured by a percentage of the Lessee's gross receipts, the Lessee shall:

(a) Take all reasonable measures in every proper manner to maintain, develop and increase the business conducted by it hereunder;

(b) Not divert or cause or allow to be diverted any business from the premises;

(c) Maintain in accordance with accepted accounting practice during the letting and for one year thereafter and for such further period until the Lessee shall receive written permission from PATH to do otherwise, records and books of account recording all transactions at, through or in any wise connected with the premises, which records and books of account shall be kept at all times within the Port of New York District and permit, in ordinary business hours during such time, the examination and audit

by the officers, employees and representatives of PATH of such records and books of account and also any records and books of account of any company which is owned or controlled by the Lessee, if said company performs services, similar to those performed hereunder by the Lessee, anywhere in the Port of New York District;

(d) Permit in ordinary business hours the inspection by the officers, employees and representatives of PATH of any equipment used by the Lessee, including but not limited to cash registers and recording tapes;

(e) Furnish on or before the twentieth day of each month following the commencement date of the letting a sworn statement of gross receipts arising out of the operations of the Lessee hereunder for the preceding month;

(f) Install and use such cash registers, sales slips, invoicing machines and any other equipment or devices for recording orders taken or services rendered as may be appropriate to the Lessee's business and necessary or desirable to keep accurate records of gross receipts.

Section 6. Governmental Requirements

(a) The Lessee shall procure from all governmental authorities having jurisdiction over the operations of the Lessee at the premises all licenses, certificates, permits or other authorization which may be necessary for the conduct of its operations.

(b) The Lessee 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.

(c) The Lessee 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 operations of the Lessee on the premises or its occupancy thereof, and the Lessee shall, in accordance with and subject to the provisions of Section 15 hereof, make any and all structural and nonstructural improvements, alterations or repairs of the premises that may be required at any time hereafter by any such present or future law, rule, regulation, requirement, order or direction.

(d) The obligation of the Lessee to comply with governmental requirements is provided herein for the purpose of assuring proper safeguards for the protection of persons and property on the premises and a proper operation by the Lessee. Such provision is not to be construed as a submission by PATH to the application to itself of such requirements or any of them.

Section 7. Rules and Regulations

The Lessee covenants and agrees to observe and obey (and to compel its officers, members, employees, agents, representatives, contractors, customers, guests, invitees and those doing business with it to observe and obey) present and future rules and regulations of PATH for the Facility or building.

Section 8. Various Obligations of the Lessee

(a) The Lessee shall conduct its operations in an orderly and proper manner and so as not to annoy, disturb or be offensive to others. The Lessee shall take all reasonable measures to eliminate vibrations tending to damage the premises and to keep the sound level of its operations as low as possible.

(b) The Lessee shall control the conduct, demeanor and appearance of its officers, members, employees, agents, representatives, contractors, customers, guests, invitees and those doing business with it, and upon objection from PATH concerning the conduct, demeanor or appearance of any such shall immediately take all steps necessary to remove the cause of the objection.

(c) No garbage, debris or other waste materials (whether solid or liquid) shall be allowed to collect or accumulate in the premises and the Lessee shall remove from the premises and from the building and Facility, which the premises may be a part, all garbage, debris and other waste materials (whether solid or liquid) arising out of its occupancy or use of the premises. The Lessee shall use extreme care when effecting removal of all such waste and in no event shall use any facilities of PATH without its prior consent in writing and shall effect such removal only during such hours as are prescribed by PATH.

(d) If the premises have an entrance or exit opening out on a sidewalk the Lessee shall keep all sidewalks and curbs adjacent to the premises and all exclusive lobbies, vestibules and steps free from snow, ice, dirt and rubbish.

(e) If PATH deems it advisable for security reasons the Lessee shall provide and its employees shall wear or carry badges or other suitable means of identification which shall be subject to the prior written approval of PATH.

(f) If the Lessee is permitted under this Agreement to sell food and/or beverages, it shall, in connection with any preparation, packaging, handling, storage, delivery and dispensing of such food and/or beverages, comply with the following:

(1) Its employees shall wear clean, washable uniforms and female employees shall wear caps or nets. The employees shall be clean in their habits and shall thoroughly wash their hands before beginning work and immediately after

each visit to the toilet and shall keep them clean during the entire work period. No person affected with any disease in a communicable form or who is a carrier of such disease shall work or be permitted to work for the Lessee.

(2) All food and beverages shall be clean, fresh, pure, of first-class quality and safe for human consumption.

(3) The premises and all equipment and materials used by the Lessee shall at all times be clean, sanitary, and free from rubbish, refuse, dirt, offensive or unclean material, flies and other insects, rodents and vermin. All apparatus, utensils, devices, machines and piping used by the Lessee shall be constructed so as to facilitate the cleaning and inspection thereof and shall be properly cleaned after each period of use (which shall at no time exceed eight hours) with hot water and a suitable soap or detergent and shall be rinsed by flushing with hot water. Where deemed necessary by PATH, final treatment by live steam under pressure or other sterilizing procedure shall be used. All trays, dishes, crockery, glassware, cutlery, and other equipment of such type shall be cleaned and sterilized immediately before using same.

(4) All packing materials, including but not limited to wrappers, stoppers, caps, enclosures and containers, shall be clean and sterile and shall be so stored as to be protected from dust, dirt, flies and other insects, rodents, vermin, unsanitary handling and unclean materials.

(5) It is intended that the standards and obligations imposed by this subdivision (f) shall be maintained or complied with by the Lessee in addition to its compliance with all applicable governmental laws, ordinances and regulations, and in the event that any of said laws, ordinances and regulations shall be more stringent than such standards and obligations, the Lessee agrees that it will comply with such laws, ordinances and regulations in its operations hereunder.

(g) In the event that all or any portion of the premises is required by PATH to comply with any present or future governmental law, rule, regulation, requirements, order or direction, PATH shall give the Lessee notice that all or any such portion of the premises is so required and the Lessee shall deliver all or any such portion of the premises so required on the date specified in such notice and, if the Lessee does not so deliver, PATH may take the same. No such taking or delivery shall be or be construed to be an eviction of the Lessee or a breach of this Agreement. In the event that the Lessee has received a notice hereunder it shall deliver all or any such portion of the premises so required in the same condition as that required hereunder for the delivery of the premises on the cessation of the letting. In the event of the taking or delivery of all the premises, this Agreement and the letting hereunder shall on

the day of such taking or delivery cease and expire as if that day were the date originally stated herein for the expiration of this Agreement; and, in the event of the taking or delivery of any portion of the premises, then, from and after such taking or delivery, such portion of the premises shall cease to be a part of the premises hereunder. There shall be an abatement of the rental in the event of any such taking or delivery of a portion of the premises if so provided in Item 1 of Exhibit B.

Section 9. Prohibited Acts

The Lessee shall not: (a) commit any nuisance on the premises, or do or permit to be done anything which may result in the creation or commission of a nuisance on the premises; (b) cause or produce or permit to be caused or produced upon the premises, or to emanate therefrom, any unusual, noxious or objectionable smokes, gases, vapors, or odors; (c) use the premises for lodgings or sleeping purposes or for any immoral purposes; (d) install window shades or venetian blinds on the windows of the premises unless and until the type, size and color of the same shall have been previously approved in writing by PATH; (e) obstruct or permit the obstruction of light, air or passage in the building or Facility of which the premises may be a part; (f) do or permit to be done anything which may interfere with the effectiveness or accessibility of existing and future utilities systems or portions thereof on the premises, including therein without limitation thereto systems for the supply of heat, water hot and cold, gas, electricity and fuel and for the furnishing of fire-alarm, fire-protection, sprinkler, sewerage, drainage, air-conditioning, telephone, telegraph, tele-register, pneumatic-tube dispatch and inter-communications services, including lines, pipes, mains, wires, conduits and equipment connected with or appurtenant to all such systems, nor do or permit to be done anything which may interfere with free access and passage in the premises, or in the building or Facility of which the premises may be a part, or in the streets and sidewalks adjacent thereto; (g) do or permit to be done anything which may interfere with the effectiveness or accessibility of any elevators or escalators, including lines, pipes, wires, conduits and equipment connected with or appurtenant thereto; (h) overload any floor in the premises; (i) place any furniture, machine or equipment over any expansion or contraction joint unless one end of such furniture, machine or equipment is free to permit expansion or contraction; (j) place any additional lock of any kind upon any window or interior or exterior door in the premises unless a key therefor is delivered to PATH, nor make any change in any existing door or window lock or the mechanism thereof, except with the prior written approval of PATH, and upon the expiration or sooner termination of the letting hereof, the Lessee shall surrender to PATH any and all keys to interior and exterior doors on the premises, whether said keys were furnished to or were otherwise procured by the Lessee, and in the event of the loss of any keys furnished by PATH to the Lessee, the Lessee shall pay to PATH on demand the cost of replacement thereof; (k) do or permit to be done any act or thing upon

the premises which will invalidate or conflict with any insurance policies covering the premises or any part thereof, or covering the building or Facility of which the premises may be a part, or which, in the opinion of PATH, may constitute an extra-hazardous condition, so as to increase the risks normally attendant upon the operations contemplated by Section 3 hereof, and the Lessee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of the New York Board of Fire Underwriters, the New York Fire Insurance Exchange, or if the premises are located in New Jersey of the National Board of Fire Underwriters, the Fire Insurance Rating Organization of N.J., or of any other board or organization exercising or which may exercise similar functions, which may pertain or apply to the operations of the Lessee on the premises, and the Lessee shall be subject to and in accordance with the provisions of Section 15 hereof, make any and all non-structural improvements, alterations or repairs of the premises that may be required at any time hereafter by any such present or future rule, regulation, requirement, order or direction, and if by reason of any failure on the part of the Lessee to comply with the provisions of this subdivision, any insurance rate on the premises or any part thereof, or on the building or Facility of which the premises may be a part, shall at any time be higher than it otherwise would be, then the Lessee shall pay to PATH on demand that part of all insurance premiums paid by PATH which shall have been charged because of such violation or failure by the Lessee; (1) unless otherwise expressly permitted so to do elsewhere in this Agreement, install, maintain or operate, or permit the installation, maintenance or operation on the premises of any vending-machine or device designed to dispense or sell food, beverages, tobacco products or merchandise of any kind, whether or not included in the above categories, or of any restaurant, cafeteria, kitchen, stand or other establishment of any type for the preparation, dispensing or sale of food, beverages, tobacco or tobacco products, or of any telephone pay-stations.

Section 10. Maintenance and Repair

(a) The Lessee shall at all times keep in a clean and orderly condition and appearance the premises and all the Lessee's fixtures, equipment and personal property.

(b) The Lessee shall repair, replace, rebuild and paint all or any part of the premises, or of the building or Facility of which the premises may be a part, including therein, without limitation thereto, walls, partitions, floors, ceilings, columns, windows, doors, glass of every kind, fixtures, systems for the supply of heat, water hot and cold, gas, electricity and fuel and for the furnishing of fire-alarm, fire-protection, sprinkler, sewerage, drainage, air-conditioning, telephone, tele-register, pneumatic-tube dispatch and inter-communication services, including lines, pipes, mains, wires, conduits and equipment connected with or appurtenant to all such systems, which may be damaged or destroyed by the acts or omissions of the Lessee, its officers, members, employees, agents, representatives, contractors, customers, guests, invitees or other persons doing business with it.

(c) The Lessee shall take good care of the premises, including therein, without limitation thereto, walls, partitions, floors, ceilings, columns, windows, doors, glass of every kind, fixtures, and shall make or do all non-structural repairs, replacements, rebuilding and painting necessary to keep the premises in the condition existing as of the commencement date of the letting and to keep all improvements and fixtures made or installed subsequent to the commencement date of the letting in the condition existing as of the date such improvements are made and such fixtures installed.

(d) The Lessee shall not lay any linoleum, asphalt tile or other such affixed floor covering in direct contact with the floor of the premises. If the Lessee lays any linoleum, asphalt tile or other such affixed covering on the floor of the premises, an interlining of builder's deadening felt shall first be affixed to the floor with water-soluble paste or other water-soluble material, the use of cement or other adhesive non-soluble in water being expressly prohibited.

(e) The Lessee shall maintain and pay the premiums on a policy of plate and mirror glass insurance covering all plate and mirror glass which is a part of or is located on or in the premises and shall replace any of such plate or mirror glass which is damaged or destroyed from any cause whatsoever.

(f) In the event that, as a result of any casualty, the premises are damaged, without the fault of the Lessee, its officers, members, employees, agents, representatives, contractors, customers, guests, invitees or other persons doing business with it, so as to render them untenable in whole or part, then

(1) if in the opinion of PATH the necessary repairs or rebuilding can be completed within ninety (90) days after the occurrence of the damage, PATH shall repair or rebuild with due diligence, and the rental hereunder shall, if so provided in Item 1 of Exhibit B, be abated only for the period from the occurrence of the damage to the completion of the repairs or rebuilding, whether or not the work of repair or rebuilding is actually completed within the said ninety (90) days; or

(2) if in the opinion of PATH such repairs or rebuilding cannot be completed within ninety (90) days after the occurrence of the damage or if the entire premises require rebuilding, then PATH shall have options: (i) to proceed with due diligence to repair or to rebuild as necessary; or (ii) to terminate the letting as to the damaged portion of the premises only, or (iii) to cancel this Agreement and terminate the letting as to the entire premises; and the rental hereunder shall, if so provided in Item 1 of Exhibit B, be abated, either, as the case may require, for the period from the occurrence of the damage to the completion of repairs and rebuilding or for the period from the occurrence of the damage to the effective date of termination.

(g) The parties hereby stipulate that if the premises are in the State of New Jersey neither the provisions of Titles 46:8-6 and 46:8-7 of the Revised Statutes of New Jersey nor those of any other similar statute shall extend or apply to this Agreement, and if the premises are in the State of New York, neither the provisions of Section 227 of the Real Property Law of New York, nor those of any other similar statute shall extend or apply to this Agreement.

(h) In the event of a partial or total destruction of the premises, the Lessee shall immediately remove any and all of its property and/or debris from the premises or the portion thereof destroyed and if the Lessee does not promptly so remove, PATH may remove such property to a public warehouse for deposit or retain the same in its own possession and sell the same at public auction, the proceeds of which shall be applied first to the expenses of removal, storage and sale, second to any sums owed by the Lessee to PATH, with any balance remaining to be paid to the Lessee; if the expenses of such removal, storage and sale shall exceed the proceeds of sale, the Lessee shall pay such excess to PATH upon demand.

Section 11. Indemnity; Liability Insurance

(a) The Lessee shall indemnify and hold harmless PATH, its Directors, officers, agents, representatives and employees from all claims and demands of third persons, including but not limited to those due to death or personal injuries or for property damage arising wholly or partially out of the use or occupancy of the premises by the Lessee or out of any of the acts or omissions of the Lessee, its officers, members, employees, agents, representatives, contractors, customers, guests, invitees, and other persons doing business with it where such acts or omissions are on the premises or, if the premises are a part of a Facility or of a building, out of any acts or omissions of the Lessee, its officers, members, employees, agents and representatives, where such acts or omissions are elsewhere in the Facility or the building. Such indemnification shall include all expenses incurred or assumed in connection with such claims and demands.

(b) In addition to the obligations set forth in the above subdivision, the Lessee in its own name as assured shall maintain and pay the premiums on a policy or policies of comprehensive public liability insurance, including products liability, which shall cover its operations hereunder and shall be effective throughout the letting, in limits not lower than those set out in Item 2 of Exhibit B.

(c) PATH shall not be named as an insured in any policy of liability insurance required by this Section, unless PATH shall, at any time during the letting, direct otherwise in writing, in which case the Lessee shall cause PATH to be so named. As to any insurance required by the provisions of this or any other Section of this Agreement to be secured by or at the direction of the Lessee, a certified copy of each of the policies or a certificate or certificates evidencing the existence thereof or binders shall be delivered to PATH within ten (10) days after the execution of this Agreement or, in the case of insurance required under the provisions of Section 15, prior to the commencement of the work. In the event any binder is delivered, it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy or certificate shall contain a valid provision or endorsement that the policy may not be cancelled, terminated, changed or modified without giving ten (10) days' written advance notice thereof to PATH. A renewal policy shall be delivered to PATH at least fifteen (15) days prior to the expiration date of each expiring policy, except for any policy expiring after the date of expiration of the letting. If at any time any of the policies shall be or become unsatisfactory to PATH as to form or substance or if any of the carriers issuing such policies shall be or become unsatisfactory to PATH, the Lessee shall promptly obtain a new and satisfactory policy in replacement.

Section 12. Sales and Services by the Lessee

(a) A principal purpose of PATH in entering into this Agreement is to have available for all members of the public, the merchandise and/or services which the Lessee is permitted to sell and/or render hereunder, all for the better accommodation, convenience and welfare of such individuals and in fulfillment of PATH's obligation to operate facilities for the use and benefit of the public, and the Lessee agrees that it will conduct a first class operation and will furnish and install all necessary or proper equipment, fixtures, improvements (subject to Section 15), personnel, supplies, materials and other facilities and replacements therefor and all such fixtures and improvements (except trade fixtures removable without injury to the premises) shall on installation become the property of PATH and a part of the premises, provided, however, that PATH shall have the option, exercisable by notice delivered to the Lessee on or before a date sixty (60) days after expiration or termination hereof, to require the Lessee to remove any or all such fixtures, equipment and improvements and to restore

the premises to the condition thereof prior to any installation and in the event of a failure on the part of the Lessee so to remove and restore, PATH may do so, and the Lessee shall pay the cost thereof to PATH on demand. All equipment, fixtures and improvements to be used in the premises and the installation thereof shall be subject to the prior written approval of PATH as to type and quality. PATH may by written authorization allow the Lessee to enter and occupy the premises, prior to the commencement date of the letting stated or referred to in Sections 2 or 33, solely for the purpose of installing fixtures and making improvements. In the event that the Lessee receives such written authorization the Lessee shall use and occupy the premises in accordance with and shall be subject to all the provisions of this Agreement other than those relating to the conducting of a business and the payment of rental.

(b) The Lessee shall furnish good, prompt and efficient service hereunder, adequate to meet all demands therefor; shall furnish said service on a fair, equal and non-discriminatory basis to all users thereof; and shall charge fair, reasonable and non-discriminatory prices for all items and/or services which it is permitted to sell and/or render hereunder.

(c) The Lessee shall, prior to selling any items or rendering any services hereunder, prepare schedules of prices and rates for said items and services. Such schedules shall be submitted to PATH for its prior written approval as to compliance by the Lessee with its obligations under this Agreement. PATH shall examine such schedules and make such modifications therein as may be necessary. Any changes thereafter in the schedules shall be similarly submitted to PATH for its prior written approval, and, if necessary, modification. All such schedules shall be made available to the public by the Lessee at locations designated from time to time by PATH. The Lessee agrees to adhere to the prices and rates stated in the approved schedules. If the Lessee charges any price or applies any rate in excess of the approved prices or rates, the amount by which the actual price or the charge based on such actual rate deviates from the approved price or a charge based on the approved rates shall constitute an overcharge which will, upon demand of PATH or the Lessee's customer, be promptly refunded to the customer. If the Lessee charges any price or applies any rate which is less than the approved prices or rates, the amount by which the actual price or the charge based on such actual rate deviates from the approved price or a charge based on the approved rates shall constitute an undercharge and an amount equivalent thereto shall be included in any gross receipts hereunder and the percentage rental, if any, shall be payable in respect thereto. Notwithstanding any repayment of overcharges to a customer by the Lessee or any inclusion of undercharges in gross receipts, any such overcharge or undercharge shall constitute a breach of the Lessee's obligations hereunder and PATH shall have all remedies consequent upon breach which would otherwise be available to it at law, in equity or by reason of this Agreement.

(d) In the event that the Lessee in its operations hereunder offers for sale such a variety of items that the submission of schedules, under the preceding subdivision of this Section, is not feasible in the opinion of PATH, then the Lessee shall be under no obligation to submit such schedules of prices but the Lessee shall not then sell any items hereunder at a price other than the manufacturer's or distributor's recommended retail price, provided, however, that if the price charged for the same item at any other establishment within the Port of New York District which has any ownership, financial or management connection with the Lessee or any majority stockholder thereof is lower than the manufacturer's or distributor's recommended retail price, the Lessee shall notify PATH in writing of that fact and shall charge only the lower price. If the Lessee wishes to charge a price different from the manufacturer's or distributor's recommended retail price or different from the lower price at any other establishment, as the case may be, then the Lessee shall prepare and submit to PATH schedules therefor in the same manner and subject to the same conditions as set forth in the preceding subdivision of this Section. Every overcharge or undercharge resulting from a breach by the Lessee of its obligations under this subdivision shall be respectively refunded to the customer or included in gross receipts, all in the same manner and subject to the conditions as set forth in the preceding subdivision of this Section for overcharges or undercharges.

(e) The Lessee shall be open for and conduct business and furnish services twenty-four hours a day, seven days a week, or for such other hours and days as PATH, from time to time by notice to the Lessee, may determine to properly serve the needs of the public. The determination of proper business hours and days made by PATH shall be controlling.

Section 13. Displays

(a) Except with the prior approval of PATH, the Lessee shall not erect, maintain or display any sign, lettering, or any advertising at or on the exterior part of the premises or in the premises so as to be visible through the windows or exterior doors thereof. Without limiting the effect of the above, it is agreed that all signs, lettering, advertising, decorating and displays of merchandise or services anywhere in or on the premises shall be subject to the continuing approval of PATH, and on direction of PATH at any time given the exhibition thereof shall be immediately discontinued. PATH may in its discretion in any way change the appearance, design or size of any show window, exterior door or other display area which is a part of the premises.

(b) Upon the expiration or termination of the letting, the Lessee shall remove, obliterate or paint out, as PATH may direct, any and all signs, lettering, advertising, decorating and displays on the premises, or elsewhere in the building or Facility of which the premises may be a part, and in connection therewith

shall restore the premises or building or Facility to the same condition as prior to the placement thereof. In the event that there is a failure by the Lessee so to remove, obliterate or paint out and so to restore, PATH may, at its option, perform the necessary work at the expense of the Lessee, and the charge therefor shall be paid by the Lessee to PATH on demand.

(c) The exercise of any right hereunder by PATH shall not be or be construed to be an eviction of the Lessee, nor grounds for any diminution or abatement of the rentals payable hereunder, nor constitute grounds for any claim by the Lessee for damages, consequential or otherwise, unless due to the negligence of PATH, its employees or agents.

Section 14. Services

(a) Unless otherwise stated in Item 3 of Exhibit B, PATH shall, without additional charge, heat the premises to an even and comfortable working temperature during the hours and days stated in said Item 3.

(b) PATH shall also, without additional charge, furnish non-exclusive toilet and washroom facilities for the employees of the Lessee if toilet and washroom facilities are not a part of the premises.

(c) PATH agrees to sell, furnish and supply to the Lessee in the premises and the Lessee agrees to take and pay PATH for the following:

(1) Unless otherwise stated in Item 3 of Exhibit B, electricity, in reasonable quantities, for illumination (all bulbs to be supplied and installed by the Lessee) and power; said electricity unless otherwise specified in said Item 3 to be 60 cycle, alternating current, single phase, at 110 volts, and to be paid for by the Lessee at the rates specified in said Item 3.

(2) Unless otherwise stated in Item 3 of Exhibit B, cold water, in reasonable quantities, of the character furnished by the municipality or utility company supplying in the vicinity and to be paid for by the Lessee at the rates specified in said Item 3.

(3) Unless otherwise stated in Item 3 of Exhibit B, hot water, in reasonable quantities, at the temperature stated in said Item 3 and to be paid for by the Lessee at the rates specified in said Item 3.

(4) Unless otherwise stated in Item 3 of Exhibit B, steam, in reasonable quantities, of the character specified in said Item 3 and to be paid for by the Lessee at the rates specified in said Item 3.

(5) Unless otherwise stated in Item 3 of Exhibit B, air conditioning sufficient to maintain the premises to the temperature stated in said Item 3 during the hours and days stated in said Item 3 and to be paid for by the Lessee at the rates specified in said Item 3.

(d) The above utilities may be charged for at a flat rate as provided in Item 3 of Exhibit B or at a metered rate as provided in Item 3 of Exhibit B. In the latter event, the quantity thereof shall be measured by a meter or meters installed for that purpose; provided, however, that, if for any reason any meter fails to record the consumption thereof, the consumption during any such period that the meter is out of service will be considered to be the same as the consumption for a like period immediately before or immediately after the interruption, as selected by PATH.

(e) Charges by PATH for the above services shall be paid for by the Lessee on demand; and, unless otherwise specified in Item 3 of Exhibit B, the services shall be supplied through existing wires, fixtures, conduits, outlets, pipes or vents, if any.

(f) If any federal, state, municipal or other governmental body, authority or agency or any public utility assesses, levies, imposes, makes or increases any charge, fee or rent on PATH for any service, system or utility now or in the future applied to or available to the premises or to any occupants or users thereof or to the structure or building of which the premises form a part (including but not limited to any sewer rent or charge for the use of sewer systems), the Lessee shall, at the option of PATH exercised at any time and from time to time by notice to the Lessee, pay, in accordance with said notice, such charge, fee or rent or increase thereof (or the portion thereof allocated by PATH to the premises or the Lessee's operations hereunder) either directly to the governmental body, authority or agency or to the public utility or directly to PATH.

(g) Notwithstanding that PATH may have agreed to supply a service hereunder to the Lessee where such service is to be metered, PATH shall be under no obligation to provide or continue any such service if PATH is prevented by law from submetering such service or has agreed with the supplier of such service not to submeter such service.

(h) PATH shall have the right to temporarily discontinue the supply of any of the above services when necessary or desirable in the opinion of PATH in order to make any repairs, alterations, changes or improvements in the premises or elsewhere in the building of which the premises form a part including all systems for the supply of services.

(i) Notwithstanding that PATH may have agreed to supply a service hereunder to the Lessee, PATH shall be under no obligation to supply any such service if and to the extent and during any period that the supplying of any such service or the use of any component necessary therefor shall be prohibited or rationed by any federal, state or municipal law, rule, regulation, requirement, order or direction and if PATH deems it in the public interest to comply therewith, even though such law, rule, regulation, requirement, order or direction may not be mandatory on PATH. If by operation of this subdivision or the previous subdivision any service for which the Lessee has agreed to pay a flat sum is discontinued for any period of the letting, the Lessee shall be relieved of its obligation to pay for such service for any such period or if any such service is supplied during fewer hours or in lesser amounts than agreed during any period of the letting, the Lessee shall be relieved proportionately of its obligation to pay for any such service for any such period.

(j) No failure, delay or interruption in any of the above services shall be or shall be construed to be an eviction of the Lessee, shall be grounds for any diminution or abatement of the rentals payable hereunder, or shall constitute grounds for any claim by the Lessee for damages, consequential or otherwise, unless due to the negligence of PATH, its employees or agents. The Lessee shall not be entitled to receive any of the above services during any period during which the Lessee wastes any of the services or is in default under any of the provisions of this Agreement.

Section 15. Construction by the Lessee

(a) Except with the prior approval of PATH, the Lessee shall not erect any structures, make any improvements or do any other construction work on the premises, or alter, modify, or make additions, improvements or repairs to or replacements of any structure now existing or built at any time during the letting, or install any fixtures (other than trade fixtures, removable without injury to the premises) and in the event any construction, improvement, alteration, modification, addition, repair or replacement is made with or without such approval and unless the approval of PATH shall expressly provide otherwise, the same shall immediately become the property of PATH and the Lessee shall have no right to change the same or remove the same either during the term or at the expiration or termination thereof unless PATH, at any time during the letting or within sixty (60) days' after the expiration date or effective date of termination of the letting, shall give notice to the Lessee to remove the same, or cause the same to be changed to the satisfaction of PATH, in which case the Lessee shall remove the same or change it in compliance with such notice.

(b) In the event that Item 4 of Exhibit B provides that the Lessee is required (or is permitted) to build a structure or make repairs, alterations, improvements or additions to the premises, the structure, repairs, alterations, improvements or additions described in the said Item 4 shall be built or made strictly in accordance with the following terms and conditions:

(1) The Lessee shall, to the extent allowed under the law, be the insurer of PATH, its Directors, officers, agents and employees, against the following distinct and several risks, whether they arise from acts or omissions of the Lessee, of PATH, its Directors, officers, agents, representatives and employees or of third persons, or from acts of God or of the public enemy, or otherwise, excepting only risks which result solely from affirmative, wilful acts done by PATH subsequent to the commencement of the work of construction, repair, alteration, improvement or addition:

(1) The risk of loss or damage to all such required repairs, alterations, additions, improvements, or structures prior to the completion thereof. In the event of such loss or damage, the Lessee shall forthwith repair, replace and make good the work without cost to PATH.

(ii) The risk of death, injury or damage, direct or consequential, to PATH, its Directors, officers, agents, representatives and employees, and to its or their property, arising out of or in connection with the performance of the work. The Lessee shall indemnify PATH, its Directors, officers, agents, representatives and employees, for all such deaths, injuries and damages, and for all loss suffered by reason thereof.

(iii) The risk of claims and demands, just or unjust, by third persons against PATH, its Directors, officers, agents, representatives and employees arising or alleged to arise out of the performance of the work. The Lessee shall indemnify PATH, its Directors, officers, agents, representatives and employees, against and from all such claims and demands, and for all loss and expense incurred by it and by them in the defense, settlement or satisfaction thereof.

(2) All construction work done pursuant to this Section shall be done in accordance with drawings and specifications to be submitted to and approved by the Chief Engineer of PATH prior to the commencement of the work, shall be done to his satisfaction and shall be subject to his inspection during the progress of such work and after completion thereof; and the Lessee shall re-do or replace at its own expense any work not approved by the said Chief Engineer. Unless otherwise expressly provided herein, all workmanship and materials are required to be first class.

(3) The Lessee shall pay all claims lawfully made against it by its contractors, subcontractors, materialmen and workmen and all claims lawfully made against it by other third persons arising out of or in connection with or because of the performance of the work and shall cause its contractors and subcontractors to pay all such claims lawfully made against them.

(4) The Lessee shall procure and maintain comprehensive public liability insurance, or, if the work is to be done by an independent contractor, the Lessee shall require such contractor to procure and maintain such insurance in the name of the contractor, in either case, in limits not lower than those set forth for such categories of insurance in Item 5 of Exhibit B.

(5) As soon as such structure, repair, alteration, improvement or addition shall have been completed to the satisfaction of the Chief Engineer of PATH, then (subject to the provisions of the following subdivision (c)) title thereto shall immediately and without execution of any further instrument vest in PATH, and every said structure and all such repairs, alterations, improvements or additions, shall thereupon become and thereafter be part of the premises.

(c) PATH shall have the option, exercisable by notice delivered on or before a date sixty (60) days after expiration, cancellation or termination hereof, to require the Lessee to remove any or all such structures, alterations, improvements or additions, and to restore the premises to the condition thereof prior to the construction or installation thereof. In the event of a failure on the part of the Lessee so to remove and restore, PATH may do so, and the Lessee shall pay the cost thereof to PATH on demand.

Section 16. Injury and Damage to Person or Property

PATH shall not be liable to the Lessee, or to any person, for injury or death to any person or persons whomsoever, or damage to any property whatsoever at any time in the premises or elsewhere in the building or Facility of which the premises may be a part, including but not limited to any such injury, death or damage from falling material, water, rain, hail, snow, gas, steam, and/or electricity, whether the same may leak into, or fall, issue, or flow from the premises, or from any other place or quarter, unless said damage, injury or death shall be due to the negligence of PATH, its employees or agents.

Section 17. Additional Rent and Charges

(a) If PATH has paid any sum or sums or has incurred any obligations or expense which the Lessee has agreed to pay or reimburse PATH for, or if PATH is required or elects to pay any sum or sums or incurs any obligations or expense by reason of the failure, neglect or refusal of the Lessee to perform or fulfill any one or more of the conditions, covenants or agreements contained in this Agreement or as a result of an act or omission of the Lessee contrary to the said conditions, covenants and agreements, the Lessee agrees to pay the sum or sums so paid or the expense so incurred, including all interest, costs, damages and penalties, and the same may be added to any installment of rent thereafter due hereunder, and each and every part of the same shall be and become additional rent, recoverable by PATH in the same manner and with like remedies as if it were originally a part of the basic rental, or if there is no basic rental as a part of the percentage rental, all as set forth in Section 4 hereof.

(b) For all purposes under this Section and in any suit, action or proceeding of any kind between the parties hereto, any receipt showing any payment of sum or sums by PATH for any work done or material furnished shall be prima facie evidence against the Lessee that the amount of such payment was necessary and reasonable. Should PATH elect to use its own operating and maintenance staff in making any repairs, replacements, and/or alterations and to charge the Lessee with the cost of same, any time sheet of any employee of PATH showing hours of labor or work allocated to any such repair, replacement and/or alteration, or any stock requisition of PATH showing the issuance of materials for use in the performance thereof, shall likewise be prima facie evidence against the Lessee that the amount of such charge was necessary and reasonable.

Section 18. Rights of Entry Reserved

(a) PATH, by its officers, employees, agents, representatives and contractors shall have the right at all reasonable times to enter upon the premises for the purpose of inspecting the same, for observing the performance by the Lessee of its obligations under this Agreement, and for the doing of any act or thing which PATH may be obligated or have the right to do under this Agreement or otherwise.

(b) Without limiting the generality of the foregoing, PATH, by its officers, employees, representatives, and contractors, shall have the right, for the benefit of the Lessee or for the benefit of others in or at the building or Facility of which the premises may be a part, to maintain and install existing and future utilities systems or portions thereof on the premises, including therein without limitation thereto systems for the supply of heat, water hot and cold, gas, electricity and fuel and for the furnishing

of fire-alarm, fire-protection, sprinkler, sewerage, drainage, air-conditioning, telephone, telegraph, tele-register, pneumatic-tube dispatch and intercommunication services, and to maintain and install existing and future elevator and escalator systems, including lines, pipes, mains, wires, conduits and equipment connected with or appurtenant to all such systems, and to enter upon the premises at all reasonable times to make such installations, repairs, alterations and replacements as may, in the opinion of PATH, be deemed necessary or advisable and, from time to time, to construct or install over, in, under or through the premises new lines, pipes, mains, wires, conduits and equipment; provided, however, that such repair, alteration, replacement, installation, or construction shall not unreasonably interfere with the use of the premises by the Lessee.

(c) Nothing in this Section shall or shall be construed to impose upon PATH any obligations so to construct or maintain or to make repairs, replacements, alterations or additions, or shall create any liability for any failure so to do.

(d) At any time and from time to time during ordinary business hours within the six (6) months next preceding the expiration of the letting, PATH, by its agents and employees, whether or not accompanied by prospective lessees, occupiers or users of the premises, shall have the right to enter thereon for the purpose of exhibiting and viewing all parts of the same and during such six-month period PATH may place and maintain on the premises, the usual "To-Let" signs, which signs the Lessee shall permit to remain without molestation.

(e) If, during the last month of the letting, the Lessee shall have removed all or substantially all the Lessee's property from the premises, PATH may immediately enter and alter, renovate and redecorate the premises.

(f) No abatement of rental shall be claimed by or allowed to the Lessee by reason of the exercise of any or all of the foregoing rights by PATH or others.

Section 19. Condemnation

(a) In any action or proceeding instituted by any governmental agency or agencies for the taking for a public use of any interest in all or any part of the premises, the Lessee shall not be entitled to assert any claim to any award or part thereof made or to be made therein, or to institute any action or proceeding or to assert any claim against such agency or agencies or against PATH, for or on account of any such taking, except the possible claim to an award for loss of fixtures furnished and installed by the Lessee (and for the purpose of such possible claim alone, title to such fixtures shall revert to the Lessee), it being understood and agreed between PATH and the Lessee that, except for the possible claim to an award for loss of fixtures, PATH shall be entitled to all the compensation or awards made or to be made or paid for any such taking, free of any claim or right of the Lessee.

(b) In the event of a taking of the entire premises by any governmental agency or agencies, then this Agreement shall be cancelled and the letting shall, as of the date possession is taken from PATH by such agency or agencies, cease and determine in the same manner and with the same effect as if the term of the letting had on that date expired.

(c) In the event of a taking by any governmental agency or agencies of a part of the premises, then the letting as to such part only shall, as of the date possession thereof is taken from PATH by any such agency or agencies, cease and determine, and the rentals thereafter to be paid by the Lessee to PATH shall, if so provided in Item 1 of Exhibit B, be abated from and after the date of such taking.

Section 20. Assignment and Sublease

(a) The Lessee shall not assign, sell, convey, transfer, mortgage, or pledge this Agreement, or the letting, or any part thereof.

(b) The Lessee shall not sublet the premises or any part thereof.

(c) If the Lessee assigns, sells, conveys, transfers, mortgages, pledges or sublets in violation of subdivisions (a) or (b) of this Section or if the premises are occupied by anybody other than the Lessee, PATH may collect rent from any assignee, sublessee or anyone who claims a right to this Agreement or letting or who occupies the premises, and shall apply the net amount collected to the rental herein reserved; and no such collection shall be deemed a waiver by PATH of the covenants contained in subdivisions (a) and (b) of this Section nor an acceptance by PATH of any such assignee, sublessee, claimant or occupant as Lessee, nor a release of the Lessee by PATH from the further performance by the Lessee of the covenants contained herein.

(d) The Lessee shall not use, or permit any person to use, the premises or any portion thereof, except for the purposes set forth in Section 3 hereof.

Section 21. Termination

(a) If any one or more of the following events shall occur, that is to say:

(1) The Lessee shall become insolvent, or shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy or a petition or answer seeking an arrangement or its reorganization or the readjustment of its indebtedness under the federal bankruptcy

laws or under any other law or statute of the United States or of any State thereof, or consent to the appointment of a receiver, trustee, or liquidator of all or substantially all its property; or

(2) By order or decree of a court the Lessee shall be adjudged bankrupt or an order shall be made approving a petition filed by any of the creditors or, if the Lessee is a corporation, by any of the stockholders of the Lessee, seeking its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any law or statute of the United States or of any State thereof; or

(3) A petition under any part of the federal bankruptcy laws or an action under any present or future insolvency law or statute shall be filed against the Lessee and shall not be dismissed within thirty (30) days after the filing thereof; or

(4) The letting hereunder or the interest or estate of the Lessee under this Agreement shall be transferred to, pass or devolve upon, by operation of law or otherwise, any other person, firm or corporation; or

(5) The Lessee, if a corporation, shall, without the prior written approval of PATH, become a possessor or merged corporation in a merger, a constituent corporation in a consolidation, or a corporation in dissolution; or

(6) The Lessee is, or the Lessees collectively are doing business as, or constitute a co-partnership, and the said co-partnership shall be dissolved as the result of any act or omission of its co-partners or any of them, or by operation of law or the order or decree of any court having jurisdiction, or for any other reason whatsoever; or

(7) By or pursuant to, or under authority of any legislative act, resolution or rule, or any order or decree of any court or governmental board, agency or officer having jurisdiction, a receiver, trustee, or liquidator shall take possession or control of all or substantially all of the property of the Lessee, and such possession or control shall continue in effect for a period of fifteen (15) days; or

(8) Any type of strike or other labor activity is directed against the Lessee at the premises resulting in picketing or boycott for a period of at least forty-eight (48) hours which, in the opinion of PATH, adversely affects or is likely adversely to affect the operation of any PATH Facility or the operations of other lessees or licensees thereat, whether or not the same is due to the fault of the Lessee, and whether caused by the employees of the Lessee or by others; or

(9) Any lien is filed against the premises because of any act or omission of the Lessee and is not removed within ten (10) days; or

(10) The Lessee shall voluntarily abandon, desert, vacate or discontinue its operations in the premises; or

(11) The Lessee shall fail duly and punctually to pay the rentals or to make any other payment required hereunder when due to PATH; or

(12) The Lessee shall fail to keep, perform and observe each and every other promise, covenant and agreement set forth in this Agreement, on its part to be kept, performed or observed, within ten (10) days after receipt of notice of default thereunder from PATH (except where fulfillment of its obligation requires activity over a period of time, and the Lessee shall have commenced to perform whatever may be required for fulfillment within ten (10) days after receipt of notice and continues such performance without interruption except for causes beyond its control);

then upon the occurrence of any such event or at any time thereafter during the continuance thereof, PATH may by five (5) days' notice terminate the letting and the rights of the Lessee hereunder, such termination to be effective upon the date specified in such notice. Such right of termination and the exercise thereof shall be and operate as a conditional limitation.

(b) If any of the events enumerated in subdivision (a) of this Section shall occur prior to the letting, the Lessee shall not be entitled to enter into possession of the premises and PATH upon the occurrence of any such event or at any time thereafter during the continuance thereof by twenty-four (24) hours' notice may cancel the interest of the Lessee under this Agreement, such cancellation to be effective upon the date specified in such notice.

(c) No acceptance by PATH of rentals, fees, charges or other payments in whole or in part for any period or periods after a default of any of the terms, covenants and conditions to be performed, kept or observed by the Lessee shall be deemed a waiver of any right on the part of PATH to terminate the letting.

(d) No waiver by PATH of any default on the part of the Lessee in performance of any of the terms, covenants or conditions hereof to be performed, kept or observed by the Lessee shall be or be construed to be a waiver by PATH of any other or subsequent default in performance of any of the said terms, covenants and conditions.

Section 22. Right of Re-entry

PATH shall, as an additional remedy upon the giving of a notice of termination as provided in Section 21 hereof, have the right to re-enter the premises and every part thereof upon the effective date of termination without further notice of any kind, and may regain and resume possession either with or without the institution of summary or any other legal proceedings or otherwise. Such re-entry, or regaining or resumption of possession, however, shall not in any manner affect, alter or diminish any of the obligations of the Lessee under this Agreement, and shall in no event constitute an acceptance of surrender.

Section 23. Waiver of Redemption

The Lessee hereby waives any and all rights of redemption, granted by or under any present or future law, arising in the event it is evicted or dispossessed for any cause, or in the event PATH obtains or retains possession of the premises in any lawful manner.

Section 24. Survival of the Obligation of the Lessee

(a) In the event that the letting shall have been terminated in accordance with a notice of termination as provided in Section 21 hereof, or the interest of the Lessee cancelled pursuant thereto, or in the event that PATH has re-entered, regained or resumed possession of the premises in accordance with the provisions of Section 22 hereof, all the obligations of the Lessee under this Agreement shall survive such termination or cancellation, re-entry, regaining or resumption of possession and shall remain in full force and effect for the full term of this Agreement, and the amount or amounts of damages or deficiency shall become due and payable to PATH to the same extent, at the same time or times and in the same manner as if no termination, cancellation, re-entry, regaining or resumption of possession had taken place. PATH may maintain separate actions each month to recover the damage or deficiency then due or at its option and at any time may sue to recover the full deficiency less the proper discount, for the entire unexpired term.

(b) The amount of damages for the period of time subsequent to termination or cancellation (or re-entry, regaining or resumption of possession) shall be:

(1) On account of the Lessee's basic rental obligation, the amount of the total of all annual basic rentals, less the installments thereof payable prior to the effective date of termination except that the credit to be allowed for the installment payable on the first day of the month in which the termination is effective shall be prorated on a daily basis for the part of the month the letting remains in effect;

(2) On account of the Lessee's percentage rental obligation in the event that a basic rental is also reserved under this Agreement, an amount equal to the percentage stated in Item 1 of Exhibit B applied to the amount of gross receipts in excess of the annual exemption amount or amounts, which gross receipts would have been received by the Lessee during the balance of the term if there had been no termination or cancellation (or re-entry, regaining or resumption of possession), and for the purpose of calculation hereunder (i) the said amount of gross receipts shall be derived by multiplying the number of days in the balance of the term originally fixed, by the Lessee's average daily gross receipts; (ii) the average daily gross receipts shall be the total actual gross receipts of the Lessee during that part of the effective period of the letting (including all annual periods falling within the effective period) in which no abatement was in effect, divided by the number of days included in such part of the effective period; (iii) the annual exemption amount for any period of less than a year shall be the product of the original annual exemption amount multiplied by a fraction, the numerator of which shall be the number of days from the effective date of termination to the end of the annual period and the denominator of which shall be 365;

(3) On account of the Lessee's percentage rental obligation in the event that no basic rental is reserved under this Agreement, an amount equal to the percentage stated in Item 1 of Exhibit B applied to the amount of gross receipts which would have been received by the Lessee during the balance of the term if there had been no termination or cancellation (or re-entry, regaining or resumption of possession), and for the purpose of calculation hereunder (i) the said amount of gross receipts shall be derived by multiplying the number of days in the balance of the term originally fixed, by the Lessee's average daily gross receipts; (ii) the average daily gross receipts shall be the total actual gross receipts of the Lessee during that part of the effective period of the letting (including all annual periods falling within the effective period) divided by the number of days included in such part of the effective period.

(c) It is understood and agreed that the statement of damages under the preceding subdivision (b) shall not affect or be construed to affect PATH's right to damages in the event of termination or cancellation (or re-entry, regaining or resumption of possession) where the Lessee has not received any actual gross receipts under this Agreement.

Section 25. Reletting by PATH

PATH, upon termination or cancellation pursuant to Section 21 hereof, or upon any re-entry, regaining or resumption of possession pursuant to Section 22 hereof, may occupy the premises or may relet the premises, and shall have the right to permit any person, firm or corporation to enter upon the premises and use the same. Such reletting may be of part only of the premises or of the premises or a part thereof together with other space, and for a period of time the same as or different from the balance of the term hereunder remaining, and on terms and conditions the same as or different from those set forth in this Agreement. PATH shall also, upon termination or cancellation pursuant to the said Section 21, or upon its re-entry, regaining or resumption of possession pursuant to the said Section 22, have the right to repair or to make structural or other changes in the premises, including changes which alter the character of the premises and the suitability thereof for the purposes of the Lessee under this Agreement, without affecting, altering or diminishing the obligations of the Lessee hereunder. In the event either of any reletting or of any actual use and occupancy by PATH (the mere right to use and occupy not being sufficient however) there shall be credited to the account of the Lessee against its survived obligations hereunder any net amount remaining after deducting from the amount actually received from any lessee, licensee, permittee or other occupier in connection with the use of the said premises or portion thereof during the balance of the letting as the same is originally stated in this Agreement, or from the market value of the occupancy of such portion of the premises as PATH may during such period actually use and occupy, all expenses, costs and disbursements incurred or paid by PATH in connection therewith. No such reletting shall be or be construed to be an acceptance of surrender.

Section 26. Remedies to be Non-exclusive

All remedies provided in this Agreement shall be deemed cumulative and additional and not in lieu of or exclusive of each other or of any other remedy available to PATH at law or in equity.

Section 27. Surrender

(a) The Lessee covenants and agrees to yield and deliver peaceably to PATH possession of the premises on the date of the cessation of the letting, whether such cessation be by termination, expiration or otherwise, promptly and in good condition such reasonable wear excepted as would not adversely affect or interfere with a first-class, efficient and proper operation such as is required under this Agreement.

(b) Subject to the provision of Sections 12 and 26 the Lessee shall have the right at any time during the letting to remove its equipment, inventories, removable fixtures and other personal property from the premises. If the Lessee shall fail to remove its property on or before the termination or expiration of the letting, PATH may remove such property to a public warehouse for deposit or retain the same in its own possession, and sell the same at public auction, the proceeds of which shall be applied first to the expenses of removal, storage and sale, second to any sums owed by the Lessee to PATH, with any balance remaining to be paid to the Lessee; if the expenses of such removal, storage and sale shall exceed the proceeds of sale, the Lessee shall pay such excess to PATH upon demand.

Section 28. Acceptance of Surrender of Lease

No agreement of surrender or to accept a surrender shall be valid unless and until the same shall have been reduced to writing and signed by the duly authorized representatives of PATH and of the Lessee. Except as expressly provided in this Section, neither the doing of, nor any omission to do, any act or thing, by any of the officers, agents or employees of PATH, shall be deemed an acceptance of a surrender of the letting or of this Agreement.

Section 29. Requirement of Deposit or Bond

(a) Unless Item 7 of Exhibit B indicates that no deposit is required, then, prior to the commencement of the letting, the Lessee shall deposit with PATH the sum stated in the said Item 7, in securities satisfactory to PATH or in cash, as security for the full, faithful and prompt performance of and compliance with, on the part of the Lessee, all the covenants, terms and conditions of this Agreement on its part to be fulfilled, kept, performed and observed. The said cash or securities shall remain on deposit with PATH throughout the letting. If securities are deposited, the fair market value thereof shall be equivalent at the time of the deposit to the sum stated in the said Item 7; and, if at any time throughout the letting the fair market value thereof declines, the Lessee shall, upon ten (10) days' notice from PATH, deposit additional securities to the extent necessary to maintain the sum stated in the said Item 7. In addition to any and all other remedies available to it under this Agreement or otherwise, PATH shall have the right, at its option at any time and from time to time, to use the deposit or any part thereof in whole or partial satisfaction of any of its claims or demands against the Lessee. There shall be no obligation on PATH to exercise such right, and neither the existence of such right nor the holding of the deposit itself shall cure any default or breach on the part of the Lessee. In the event that PATH shall

at any time or times so use the deposit or a part thereof, the Lessee shall, on demand of PATH and within two (2) days thereafter, deposit with PATH additional securities satisfactory to PATH or additional cash so as to maintain the deposit at all times to the full amount stated in the said Item 7; all such additional deposits shall be subject to all the conditions of this Section. After the expiration of the letting and upon written request therefor by the Lessee, PATH will return the deposit to the Lessee, less the amount of any and all unpaid claims and damages of PATH under this Agreement. Upon a termination of the letting, PATH may, at its option, retain the deposit until the date fixed in Section 2 hereof for the expiration of the letting (or until the final date of any extended term, as the case may be) and shall thereafter upon demand of the Lessee return the same to the Lessee less the amount of any and all unpaid claims and damages, including but not limited to estimated damages of PATH under this Agreement. The Lessee agrees that it will not assign, mortgage or encumber the deposit. The Lessee may collect or receive annually 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 PATH is or may hereafter be entitled or authorized by law to retain or to charge in connection therewith, whether as or in lieu of administrative expense or custodial charge, or otherwise, provided, however, that PATH shall not be obligated by this provision to place or to keep cash deposited hereunder in interest-bearing bank accounts. Without limiting the foregoing provisions of this Section, with respect to any bonds deposited by the Lessee, PATH shall have the right, in order to satisfy any of its claims or demands against the Lessee, 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 PATH together with the right to purchase the same at such sale free of any claims, equities or rights of redemption of the Lessee. The Lessee hereby waives any right to participate therein or any right to prior notice or demand of the amount or amounts of PATH's claims or demands against the Lessee. The proceeds of any such sale shall be applied by PATH first to the costs and expenses of the sale (including but not limited to any advertising or commission expenses) and then to the amounts due PATH from the Lessee. Any balance remaining shall be retained in cash toward bringing the security deposit to the sum specified above provided that this shall not relieve the Lessee from maintaining the deposit in the full amount stated above.

(b) Unless Item 8 of Exhibit B indicates that no performance bond is required, the Lessee shall furnish and pay the premium for a bond in the sum stated in the said Item 8, conditioned upon the full, faithful and prompt performance of and compliance with, on the part of the Lessee, all the covenants, terms and conditions of this Agreement on its part to be fulfilled, kept, performed and observed. The bond so furnished shall be in the form attached hereto, hereby made a part hereof and marked "Exhibit U", shall be effective throughout the letting and shall be made either by a surety company or companies qualified to carry on a surety business in the State of New Jersey if the premises are in New Jersey or in the State of New York if the premises are in New York, and satisfactory to PATH or by an individual or individuals satisfactory to PATH.

(c) In the event Items 7 and 8 of Exhibit B indicate that both a deposit and a bond are required, the Lessee shall, unless said items 7 and 8 state otherwise, have the option of fulfilling either the provisions of subdivision (a) or those of subdivision (b) of this Section.

Section 30. Brokerage

The Lessee represents and warrants that no broker has been concerned in the negotiation of this Agreement and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Lessee shall indemnify and save harmless PATH of and from any claim for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Agreement.

Section 31. Limitation of Rights and Privileges Granted

(a) The premises are let to the Lessee and the Lessee takes the same subject to all the following: (i) easements, restrictions, reservations, covenants and agreements, if any, to which the premises may be subject; rights of the public in and to any public street; (ii) rights, if any, of the enterprise, public or private, which is engaged in furnishing any services including without limitation thereto heating, lighting, power, telegraph, telephone, steam, water, sewerage, or transportation services, and of the municipality and State in which the premises are located; (iii) permits, licenses, regulations and restrictions, if any, of the United States, the municipality or State in which the premises are located, or other governmental authority.

(b) No greater rights or privileges with respect to the use of the premises or any part thereof or with respect to any PATH property are granted or intended to be granted to the Lessee by this Agreement, or by any provision thereof, than the rights and privileges expressly granted hereby.

Section 32. Relationship of the Parties

This Agreement does not constitute the Lessee the agent or representative of PATH for any purpose whatsoever and neither a partnership nor any joint adventure is hereby intended nor shall it be deemed to be created by this Agreement.

Section 33. Notices

(a) All notices, permissions, requests, consents and approvals given or required to be given to or by either party shall be in writing (which shall include a telegram when delivered to the telegraph company), and all such notices and requests shall be (i) personally delivered to the party or to the duly designated officer or representative of such party; or (ii) delivered to an office of such party, officer or representative during regular business hours; or (iii) delivered to the residence of such party, officer or representative at any time; or (iv) if directed to the Lessee, delivered to the premises at any time; or (v) forwarded to such party, officer or representative, at the office or residence address by registered or certified mail. The Lessee shall designate an office within the Port of New York District and an officer or representative whose regular place of business is at such office. Until further notice, PATH hereby designates its President, and the Lessee designates the person whose name appears on the first page of this Agreement as their respective officers or representatives upon whom notices and requests may be served, and PATH designates its office at One World Trade Center, New York, New York 10048, and the Lessee designates its office, the address of which is set forth on the first page of this Agreement, as their respective offices where notices and requests may be served.

(b) If any notice is mailed or delivered, the giving of such notice shall be complete upon receipt or, in the event of a refusal by the addressee, upon the first tender of the notice to the addressee or at the permitted address. If any notice is sent by telegraph, the giving of such notice shall be complete upon receipt or, in the event of a refusal by the addressee, upon the first tender of the notice by the telegraph company to the address or at the address thereof.

Section 34. Place of Payments

All payments required of the Lessee by this Agreement shall be mailed to PATH, P.O. Box 17309, Newark, New Jersey 07194.

Section 35. Quiet Enjoyment

PATH covenants and agrees that as long as it remains the owner of the premises, the Lessee, upon paying all rentals hereunder and performing all the covenants, conditions and provisions of this Agreement on its part to be performed, shall and may peaceably and quietly have, hold and enjoy the premises free of any act or acts of PATH except as expressly permitted in this Agreement.

Section 36. Headings

The section headings and the paragraph headings, if any, 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 thereof.

Section 37. Changes in the Facility

PATH shall have the right at any time and from time to time prior to and during the letting, in the interest of the efficient operation of the building or facility of which the premises may be a part, to close, move or alter any common way in the said building or Facility, including but not limited to entrances, exits, passages, halls, corridors, aisles, stairways, elevators or escalators, or to restrict or change the traffic on or through any such common way; and no such action by PATH shall release the Lessee from any of its obligations under this Agreement.

Section 38. Construction and Application of Terms

(a) Wherever in this Agreement a third person singular neuter pronoun or adjective is used, referring to the Lessee, the same shall be taken and understood to refer to the Lessee, regardless of the actual Lessee's gender or number.

(b) Whenever in this Agreement the Lessee is placed under an obligation or covenants to do or to refrain from or is prohibited from doing, or is entitled or privileged to do, any act or thing, the following shall apply:

(1) If the Lessee is a corporation, its obligations shall be performed or its rights or privileges shall be exercised only by its officers and employees; or

(2) If the Lessee is an unincorporated association or a business or "Massachusetts" trust, the obligation shall be that of its members or trustees, as well as of itself, and shall be performed only by its members or trustees, and its officers and employees, and its rights or privileges shall be exercised only by its members or trustees, and its officers and employees; or

(3) If the Lessee is a partnership, the obligation shall be that of its partners, and shall be performed only by its partners and employees, and its rights or privileges shall be exercised only by its partners and employees; or

(4) If the Lessee is an individual, the obligation shall be that of himself (or herself) and shall be performed only by himself (or herself) and his (or her) employees and the rights or privileges of the Lessee shall be exercised only by himself (or herself) and his (or her) employees.

(5) None of the provisions of this subdivision (b) shall be taken to alter, amend or diminish any obligation of the Lessee assumed in relation to its invitees, customers, agents, representatives, contractors or other persons, firms or corporations doing business with it.

(c) In the event that more than one individual or other legal entity are the Lessee under this Agreement, then and in that event each and every obligation under this Agreement shall be the joint and several obligation of each such individual or other legal entity.

(d) The Lessee's representative, hereinbefore specified (or such substitute as the Lessee may hereafter designate in writing) shall have full authority to act for the Lessee in connection with this Agreement and any things done or to be done hereunder, and to execute on the Lessee's behalf any amendments or supplements to this Agreement or any extension thereof.

Section 39. Non-Liability of Individuals

Neither the Directors of PATH nor any of them, nor any officer, agent or employee thereof, shall be charged personally by the Lessee with any liability or held liable to it under any term or provision of this Agreement, or because of its execution or attempted execution or because of any breach or attempted or alleged breach thereof.

Section 40. Grease Traps and Ventilation Ducts

Without in anywise limiting the Lessee's other obligations under this Agreement, the Lessee shall supply, replace, install, repair, maintain and keep clean all grease traps in all drainage pipes exclusively used by it in its operations hereunder whether such pipes are located on the premises or elsewhere in the building or Facility of which the premises may be a part. The Lessee shall also keep clean, repair and maintain (other than structurally) all ventilation ducts including the replacement of all filters where such ducts are exclusively used by it in its operations hereunder and whether such ducts are located on the premises or elsewhere in the said building or Facility.

Section 41. Extermination Service

The Lessee shall pay PATH upon demand the cost of extermination service, if any, actually provided by PATH in the enclosed portion of the premises provided, however, that PATH shall not be required hereby to furnish such service.

Section 42. Subordination

This Agreement and the letting hereunder are and shall be subject and subordinate to all mortgages which may now or hereafter affect the premises or the Facility and to all renewals, modifications, consolidations, replacements and extensions thereof, and although the provisions of this Section shall be deemed to be self-operating and effective for all purposes without any further instrument on the part of the Lessee, the Lessee shall execute on demand and without expense to PATH such further instruments confirmatory of the provisions of this Section as PATH may request.

Section 43. Definitions

The following terms, when used in this Agreement, shall have the respective meanings given below:

(a) "Letting" shall mean the letting under this Agreement for the original term stated herein, and shall include any extensions thereof which may be made pursuant to the provisions of this Agreement.

(b) "Causes or conditions beyond the control of PATH", shall mean and include acts of God, the elements, weather conditions, tides, earthquakes, settlements, fire, acts of Governmental authority, war, shortage of labor or materials, acts of third parties for which PATH is not responsible, injunctions, labor troubles or disputes of every kind (including all those affecting PATH, its contractors, suppliers or subcontractors) or any other condition or circumstance, whether similar to or different from the foregoing (it being agreed that the foregoing enumeration shall not limit or be characteristic of such conditions or circumstances) which is beyond the control of PATH or which could not be prevented or remedied by reasonable effort and at reasonable expense.

(c) "Facility", "Terminal" or "Transportation Center" shall mean:

(i) With respect to any portion of the premises located in the PATH Journal Square Transportation Center, the building complex constructed or to be constructed by PATH within the area in the City of Jersey City, County of Hudson and State of New Jersey, bounded generally by John F. Kennedy Boulevard on the west, Pavonia Avenue on the north, Summit Avenue on the east and Sip Avenue on the south, together with such adjoining and additional areas including yards, ramps, streets and ways as may be used from time to time for Transportation Center purposes.

(ii) With respect to any portion of the premises located in the PATH World Trade Center Station, the building complex constructed or to be constructed by the Port Authority of New York and New Jersey within the area in the Borough of Manhattan, City, County, and State of New York, bounded generally by the east side of Church Street on the east, the south side of Liberty Street extended on the South, the Hudson River on the west, and on the north by a line beginning at the point of intersection of the Hudson River and the north side of Vesey Street extended, running along the north side of Vesey Street extended and the north side of Vesey Street to the west side of Washington Street, then along the west side of Washington Street to the north side of Barcaly Street, then along the north side of Barcaly Street to the east side of West Broadway, then along the east side of West Broadway to the north side of Vesey Street, then along the north side of Vesey to the east side of Church Street, together with such additional contiguous areas as may be agreed to from time to time between the Port Authority of New York and New Jersey and the City of New York.

(iii) With respect to any portion of the premises located in the PATH 33rd Street Station, the 33rd Street Station of the PATH Interstate Railway system, in the City, County, and State of New York.

(d) "Gross receipts" shall include all monies paid or payable to the Lessee for sales made and services rendered at or from the Terminal, regardless of when or where the order therefor is received, and outside of the Terminal, if the order therefor is received at the Terminal, and any other revenues of any type arising out of or in connection with the Lessee's operations at the Terminal, provided, however, that any taxes imposed by law which are separately stated to and paid by a customer, and are directly payable to the taxing authority by the Lessee shall be excluded therefrom.

Section 44. Thirty Day Termination and Reimbursement

(a) PATH shall have the right to terminate this Agreement and the letting hereunder, without cause, at any time, on thirty (30) days' notice to the Lessee. In the event of termination pursuant to this Section, this Agreement and the letting hereunder shall cease and expire as if the effective date of termination stated in the notice were the date originally state herein for the expiration of this Agreement.

(b) The Lessee is obligated by this Agreement to furnish and install all fixtures and equipment and make all improvements in the premises, necessary or proper for its operations hereunder. In the event of termination by PATH under this Section, PATH shall pay the Lessee a pro rate share of the Lessee's cost in supplying and installing all such fixtures and equipment and making all such improvements excluding any replacements thereof. The cost and the pro rata share thereof shall be ascertained as stated in Item 6 of Exhibit B, provided, however, that tender of payment of said prorated cost by PATH to the Lessee shall not be prerequisite to the exercise of the right of termination under this Section, but the Lessee shall be entitled to 5% interest per annum on said prorated cost for the period between the effective date of termination and the date of tender of payment (excluding any portion of the period prior to the rendering by the Lessee to PATH of a statement and other documents of cost). On the payment by PATH of said prorated cost and any interest due thereon, all fixtures equipment and improvements including replacements furnished by the Lessee in the premises and all interest of the Lessee therein which have not already become the property of PATH shall be and become the property of PATH and the Lessee shall execute any and all instruments necessary to transfer title and any such interest, provided, however, that PATH may by notice relinquish its right to any such fixtures, equipment or improvements and the provisions of the Sections of this Agreement entitled respectively "Sales and Services by the Lessee" and "Surrender" shall apply thereto.

Section 45. Force Majeure

PATH shall not be liable for any failure, delay or interruption in performing its obligations hereunder due to causes or conditions beyond the control of PATH. Further, PATH shall not be liable unless the failure, delay or interruption shall result from failure on the part of PATH to use reasonable care to prevent or reasonable efforts to cure such failure, delay or interruption.

Section 46. Finishes and Decorating by the Lessee

(a) PATH shall deliver the premises to the Lessee in its "as is" condition. The Lessee acknowledges that it has thoroughly inspected the premises and agrees to take the same in such "as is" condition. Nothing contained herein shall or shall be construed to relieve the Lessee of its obligations under Section 12 to install in the premises all necessary or proper equipment or fixtures required for its operations in the premises. Subject to the provisions of this Section and Section 15 of this Agreement the Lessee agrees to and shall perform at its sole cost and expense all construction and installation work necessary or proper for its occupancy of the premises and its operations therein including, without limitation, (i) the refurbishment of interior and demising walls, floors, and ceilings, (ii) the installation of new lighting, and (iii) the design and construction of new storefronts (the work described in this Section being sometimes hereinafter referred to as "the Construction Work"). The Lessee hereby covenants and agrees that it shall expend a minimum of One Hundred Thousand Dollars and No Cents (\$100,000.00) on the performance of the Construction Work. Prior to commencing the performance of any of the Construction Work the Lessee shall submit to PATH for its approval an Alteration Application, in the form supplied by PATH, and containing such terms and conditions as PATH may include, setting forth in detail and by appropriate plans and specifications the work the Lessee proposes to perform and the manner of and time periods for performing the same. The data to be supplied by the Lessee shall identify separately each of the items constituting the Construction Work and shall describe in detail the fixtures and equipment to be installed by the Lessee. The Lessee shall be responsible at its sole expense for retaining all architectural, engineering and other technical consultants and services as may be directed by PATH and for developing, completing and submitting detailed plans and specifications for the work. The plans and specifications to be submitted by the Lessee to PATH shall bear the seal of a qualified architect or professional engineer, who shall be responsible for the administration of the work in accordance with PATH's requirements, and shall be in sufficient detail for a contractor to perform the work. In connection with review by PATH of the Lessee's submissions under this paragraph, the Lessee shall submit to PATH, at PATH's request, such additional data, detail or information as PATH may require for such review. The Lessee shall not engage any contractor or permit the use of any subcontractor unless and until each such contractor or subcontractor has been approved by PATH. The Lessee shall include in any such contract or subcontract such provisions as PATH may approve or require, including, without limitation thereto, provisions regarding labor harmony. The Lessee shall cause each such contractor and subcontractor to obtain and maintain in force such insurance coverage and

performance bonds as PATH shall specify. All work to be performed by the Lessee hereunder shall be done in accordance with the said Alteration Application and final plans and specifications approved by PATH, shall be subject to inspection by PATH during the progress of the work and after the completion thereof and the Lessee shall redo or replace at its own expense any work not done in accordance therewith. Upon completion of the Construction Work the Lessee shall supply PATH with a certificate signed by the architect or engineer who sealed the Lessee's plans pursuant to the provisions of this paragraph that all of the work performed by the Lessee has been performed in accordance with the plans and specifications approved by PATH and the provisions of this Agreement and the Lessee shall supply PATH with as-built drawings in form and number as requested by PATH.

(b) The Lessee shall not commence any portion of the Construction Work until the Alteration Application and plans and specifications covering the work to be performed, referred to in paragraph (a) of this Section, have been finally approved by PATH. The Lessee recognizes that its obligation to pay basic rental shall commence on the Rental Payment Start Date established pursuant to Item 1(a)(4) of Exhibit B attached to this Agreement regardless of whether or not the Construction Work is then completed or whether the Lessee is then conducting the operations set forth in Section 3 of this Agreement in the premises. The Lessee shall conduct no such operations in the premises until PATH shall have notified the Lessee in writing that the work in the premises has been completed or substantially completed to its satisfaction. In the event of any inconsistency between the provisions of this Agreement and those of the Alteration Application, the provisions of this Agreement shall control.

(c) The Lessee shall be solely responsible for the plans and specifications used by it, and for the adequacy or sufficiency of such plans, specifications and all the improvements depicted thereon or covered thereby, regardless of the consent thereto or approval thereof by PATH or the incorporation therein of any Port Authority requirements or recommendations. PATH shall have no obligations or liabilities in connection with the performance of finishing, decorating or installation work performed by the Lessee, or on its behalf, or the contracts for the performance thereof entered into by the Lessee. Any warranties extended or available to the Lessee in connection with finishing, decorating, or installation work performed by or on behalf of the Lessee shall be for the benefit of PATH as well as the Lessee.

(d) Without limiting or affecting any other term or provision of this Agreement, the Lessee shall be solely responsible for the design, adequacy and operation of all utility, mechanical, electrical, communications and other systems

installed in the premises by the Lessee and shall do all preventive maintenance and make all repairs, replacements, rebuilding (ordinary or extraordinary, structural or non-structural) and painting necessary to keep such systems and all other improvements, additions and fixtures, finishes and decorations made or installed by the Lessee (whether the same involves structural or non-structural work) in the condition they were in when made or installed except for reasonable wear which does not adversely affect the watertight condition or structural integrity of the building or adversely affect the efficient or proper utilization or appearance of any part of the premises.

Section 47. Operating Names

Any name, designation or any service mark proposed to be used or displayed at the premises or at the Facility or for the Lessee's operations therein shall be approved in advance in writing by PATH and the Lessee shall have the right to use and display the name, designation or mark only so long as this Agreement is in force and effect. If for any reason the Lessee ceases its operations in the premises, the Lessee's right to use such name, designation or service mark shall immediately cease and come to an end and PATH or its designee shall have the sole right to use such name, designation or service mark and the Lessee hereby consents to such use thereof. Any registration or filing by the Lessee with respect to such name, designation or service mark shall be approved in advance by PATH in writing. The Lessee agrees to assign and transfer to PATH any such registration or filing and any other rights in or to the use of such name, designation or service mark promptly upon written request therefor from PATH.

Nothing herein contained is intended to apply to the continuing use by the Lessee of its customary name, designation or service mark used elsewhere in its operations prior to the making of this Agreement.

Section 48. Late Charges

If the Lessee should fail to pay any amount required under this Agreement when due to PATH, including without limitation any payment of basic, percentage or other rental or any payment of utility or other charges, or if any such amount is found to be due as the result of an audit, then in such event PATH may impose (by statement, bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period (hereinbelow described) during the entirety of which such amount remains unpaid, each such late charge not to exceed an amount equal to eight-tenths of one percent of such unpaid amount for each late charge period. There shall be twenty-four late charge periods during each calendar year; each late charge period shall be for a period of at least fifteen (15) calendar days

except one late charge period each calendar year may be for a period of less than fifteen (but not less than thirteen) calendar days. Without limiting the generality of the foregoing, late charge periods in the case of amounts found to have been owing to PATH as a result of Port Authority audit findings shall consist of each late charge period following the date the unpaid amount should have been paid under this Agreement. Each late charge shall be payable immediately upon demand made at any time therefor by PATH. No acceptance by PATH of payment of any unpaid amount or of any unpaid late charge amount shall be deemed a waiver of the right of PATH to payment of any late charge or late charges payable under the provisions of this Section with respect to such unpaid amount. Each late charge shall be recoverable by PATH in the same manner and with like remedies as if it were originally a part of the rental as set forth in Section 4 of this Agreement and Item 1 of Exhibit B annexed hereto. Nothing in this Section is intended to, or shall be deemed to affect, alter, modify or diminish in any way (i) any rights of PATH under this Agreement, including without limitation PATH's rights set forth in the section of this Agreement entitled "Termination" or (ii) any obligations of the Lessee under this Agreement. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Agreement shall be payable instead at such legal maximum.

Section 49. Additional Provision

Notwithstanding the provisions of paragraph (d) of Section 43 hereof, and without otherwise limiting the generality thereof, no monies, including, without limitation, fees and commissions, received or receivable by the Lessee from the sale or dispensing of Lottery Tickets issued by the Lottery Division of the New York State Department of Taxation and Finance shall be included in gross receipts under this Agreement. Without limiting the generality of the provisions of Section 13 hereof the Lessee shall display in such areas of the premises as shall be designated by PATH only such signs and advertising relating to the sale of lottery tickets issued by the Lottery Division of the New York State Department of Taxation and Finance as may be supplied or approved in advance by PATH. In addition to all other rights of termination contained in this Agreement, PATH shall have the right at any time, on not less than thirty (30) days' written notice to the Lessee to withdraw the permission herein granted for the sale or dispensing of lottery tickets and in such event the Lessee shall discontinue the sale or dispensing of lottery tickets

on or before the effective date stated in PATH's written notice to the Lessee.

Section 50. Affirmative Action

Without limiting any of the terms and conditions of this Agreement, the Lessee agrees, and agrees to require its contractors, to make every good faith effort, to the maximum extent feasible, to seek meaningful participation by minorities and women both as to Minority Business Enterprise (MBE) and Women-owned Business Enterprise (WBE) participation as contractors and subcontractors and as to the composition of the labor force on contracts and subcontracts entered into with respect to any construction work performed on the premises. PATH has a long-standing practice of making its contracting opportunities available to MBEs and WBEs. The affirmative steps PATH takes to maximize opportunities for MBEs and WBEs to participate in the performance of PATH construction contracts either directly or as subcontractors are hereby set forth for the Lessee's consideration in the schedule attached hereto, hereby made a part of this Agreement, and marked "Schedule E".

Section 51. Letting Postponed

If on the date fixed as the commencement of the term of the letting in the Section of this Agreement entitled "Term", the premises are not available or ready for occupancy or use by the Lessee, by reason of the fact that the premises or any part thereof, or any part of the Facility, are in the course of construction, repair, alteration or improvement or by reason of the fact that the occupant of the premises, or a part thereof, failed or refused to deliver possession, or by reason of any causes or conditions beyond the control of PATH, PATH may postpone the letting and PATH shall not be subject to any liability for such postponement or failure to give possession on such date. No such postponement or failure to give possession on such date shall affect the validity of this Agreement or the obligations of the Lessee hereunder. In the event the commencement date of the term of the letting is postponed as herein provided, then PATH shall tender possession of the premises to the Lessee by notice given at least five (5) days prior to the effective date of the tender and in such event the Rental Start Date (unless the Rental Start Date is defined herein as a stated period following the commencement date of the term of the letting) shall be postponed for the same number of days that the commencement date of the term of the letting is postponed. Also, in such event, the expiration date of the letting (unless defined herein as a

stated period following the Rental Start Date) shall be postponed for a period of time equivalent to the period between the commencement date stated in the Section of this Agreement entitled "Term" and the last day of the calendar month in which the actual commencement date shall fall. In the event that notice of tender of the premises is not given for possession to commence on or before the date stated in Item 9 of Exhibit B, then this Agreement shall be deemed cancelled, except that each party shall and does release and discharge the other party from any and all claims or demands based on this Agreement, or a breach or alleged breach thereof.

Section 52. Premises

The Lessee acknowledges that it has not relied upon any representation or statement of PATH or its Directors, officers, employees or agents as to the suitability of the premises for the operations permitted on the premises by this Agreement. Without limiting any obligation of the Lessee to commence operations hereunder at the time and in the manner stated elsewhere in this Agreement, the Lessee agrees that no portion of the premises will be used initially or at any time during the letting which is in a condition unsafe or improper for the conduct of the Lessee's operations hereunder so that there is possibility of injury or damage to life or property. Without limiting the generality of any of the provisions of this Agreement, PATH shall not be liable to the Lessee for any claims for loss, theft, or damage involving any property stored or placed on the premises. For all purposes of this Agreement the premises hereunder (notwithstanding any statement elsewhere in this Agreement of any rule for the measurement of the area thereof) shall be deemed to include all of the enclosing partitions, and the adjacent exterior building walls and glass to and including the exterior surface thereof.

Section 53. Additional Right of Termination by PATH

(a) In addition to the right of termination reserved to PATH under Section 26 hereof, PATH shall have the right to separately terminate the letting hereunder without cause on thirty (30) days' notice as to Area A or Area B. In the event the letting of an Area is terminated pursuant to this Section the basic rental payable by the Lessee prior to the effective date of termination shall be reduced as of the day following the effective date of such termination by an amount determined by multiplying the basic rental in effect immediately prior to the effective date of termination by a fraction, the numerator of which shall be the number of square feet contained in the Area the letting of which has been terminated and the denominator of which shall be the total number of square feet contained in the entire premises immediately prior to the effective date of termination. The annual exemption amount for all annual periods following the effective date of termination shall be reduced in the same proportion as the reduction in the basic rental. The number of square feet contained in an Area shall be determined as provided in paragraph (e) (3) of Item 1 of Exhibit B annexed hereto.

(b) In the event the effective date of termination should occur on other than the last day of an annual period, the annual exemption amount for the annual period in which the effective date of termination should occur shall be equal to the sum of (i) an amount determined by multiplying the annual exemption amount in effect prior to the effective date of termination by a fraction, the numerator of which shall be the number of days in that annual period to and including the effective date of termination and the denominator of which shall be 365 and (ii) an amount determined by multiplying the annual exemption amount determined as set forth in paragraph (a) above by a fraction, the numerator of which shall be the number of days remaining in that annual period after the effective date of termination and the denominator of which shall be 365.

(c) (i) In the event the letting of Area A or Area B is terminated pursuant to paragraph (a) of this Section, the provisions of paragraph (b) of Section 26 shall be applicable thereto except that "the Lessee's cost" as referred to therein shall be applicable only to the Area, the letting of which was terminated and shall be ascertained as stated in Item 6 of Exhibit B but in any event shall not exceed the lesser of the cost applicable to such Area or the sum of One Hundred Thousand Dollars and No Cents (\$100,000.00).

Section 54. Changes, Additions and Deletions to This Agreement

Prior to the execution of this Agreement by either of the parties hereto, the following changes, additions and deletions were made in the foregoing terms and conditions:

(a) Paragraphs (c) and (d) of Section 12 were deleted and the following paragraph (c) was inserted in lieu thereof:

"(c) The Lessee shall not sell any items hereunder at a price other than the pre-printed manufacturer's or distributor's recommended retail price, or the price stated in the schedule hereto attached, hereby made a part hereof and marked "Schedule A", provided, however, that if the price charged for the same item at any other establishment located at a transportation terminal within the Port of New York District which has any ownership, financial or management connection with the Lessee or any majority stockholder thereof is lower than the pre-printed manufacturer's or distributor's recommended retail price or the price stated in Schedule A, as the case may be, the Lessee shall notify PATH in writing of that fact and shall charge only the lower price. If the Lessee charges any price in excess of the prices described in this paragraph, the amount by which the actual price deviates from the approved price shall constitute an overcharge which will, upon demand of PATH or the Lessee's customer, be promptly refunded to the customer. If the Lessee charges any price or applies any rate which is less than the prices or rates described in this paragraph the amount by which the actual price deviates from the approved price shall constitute an undercharge and an amount equivalent thereto shall be included in any gross receipts hereunder and the percentage rental, if any, shall be payable in respect thereto. Notwithstanding any repayment of overcharges to a customer by the Lessee or any inclusion of undercharges in gross receipts, any such overcharge or undercharge shall constitute a breach of the Lessee's obligations hereunder and PATH shall have all remedies consequent upon breach which would otherwise be available to it at law, in equity or by reason of this Agreement. On each anniversary of the commencement date of the letting under this Agreement the Lessee may request an adjustment in the approved prices for the items described in Schedule B annexed to this Agreement for the period from such anniversary to the day preceding the following anniversary of the commencement date. PATH may grant an increase in such prices if the Lessee can demonstrate to the satisfaction of PATH that the requested adjustment and the amount thereof is comparable to and consistent with the prices and rates charged for such items at other transportation terminals located within the

Port of New York District. At the request of PATH the Lessee shall submit a representative schedule of charges and rates for such items then in effect at other transportation terminals located within the port of New York District. Notwithstanding the foregoing, and without otherwise limiting the generality thereof, the Lessee may request an adjustment in the approved prices for any of the items described in Schedule B annexed to this Agreement during the period prior to the first anniversary of the commencement date of the letting hereunder if such request is based solely on the changed wholesale cost of those items and is limited to the difference between the wholesale cost of those items on the commencement date of the letting and the actual wholesale cost of those items that will be incurred by the Lessee during such period. Any price adjustment requested by the Lessee pursuant to the provisions of this paragraph shall take effect, however, only upon the express written consent of PATH. Nothing set forth in this paragraph shall be deemed to constitute an agreement on the part of PATH to grant its consent or approval to any requested price adjustment or to create an inference that PATH will grant such consent or approval or that PATH's discretion as to any such consents or approvals shall in any way be affected or impaired."

(b) Subparagraph (b) (2) of Section 24 hereof was deleted and the following subparagraph was inserted in lieu thereof:

"(2) On account of the Lessee's percentage rental obligation with respect to gross receipts under this Agreement, an amount equal to the excess over the Annual Fixed Rental Amount of the percentage stated in subparagraph (b) of Item 1 of Exhibit B applied to the gross receipts which would have been received by the Lessee during the balance of the term if there had been no termination or cancellation (or re-entry, regaining, or resumption of possession); and for the purpose of calculation hereunder (i) the said amount of gross receipts shall be derived by multiplying the number of days in the balance of the term originally fixed by the Lessee's average daily gross receipts; (ii) the average daily gross receipts shall be the Lessee's total actual gross receipts during that part of the effective period of the letting (including all Annual Periods falling within the effective period) in which no abatement was in effect divided by the number of days included in such part of the effective period; (iii) the Annual Fixed Rental Amount for any period of less than a year shall be the product of the original Annual Fixed Rental Amount multiplied by a fraction the numerator of which shall be the number of days from the effective date of termination to the end of the Annual Period and the denominator shall be 365;"

(c) In connection with the provisions of Section 30 hereof, the Lessee hereby certifies that its I.R.S. Taxpayer Identification Number is .

It shall not be necessary to physically make the aforesaid changes additions and deletions in the aforesaid Sections of this Agreement.

Section 55. Entire Agreement

This Agreement consists of the following:

Pages 1 through 45, inclusive, plus Exhibits A, A-1, and B and Schedules A and E.

It constitutes the entire agreement of the parties on the subject matter hereof and may not be changed, modified, discharged or extended except by written instrument duly executed by PATH and the Lessee. The Lessee agrees that no representations or warranties shall be binding upon PATH unless expressed in writing in this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed these presents as of the day and year first above written.

~~ATTEST:~~ Witness

PORT AUTHORITY TRANS-HUDSON CORPORATION

[Signature]
SECRETARY

By [Signature]
(Seal)

ATTEST:

HUDSON COUNTY NEWS COMPANY

[Signature]
Secretary

By [Signature]
Title President
(Corporate Seal)

WITNESS: _____ (L.S.)
WITNESS: _____
WITNESS: _____
WITNESS: _____
WITNESS: _____
WITNESS: _____ (L.S.)
WITNESS: _____ (L.S.)
WITNESS: _____ (L.S.)

EXHIBIT B

Item 1: Rental Provisions

(a) Definitions

(1) "Annual period" shall mean, as the context requires, the twelve-month period commencing with the Rental Payment Start Date established pursuant to the provisions of this Agreement and each of the twelve-month periods thereafter occurring during the term of the letting, provided, however, that if the Rental Payment Start Date commences on other than the first day of a calendar month, the first annual period shall include the portion of the month in which the Rental Payment Start Date falls following such date plus the succeeding 12 calendar months and each subsequent annual period shall commence on the anniversaries of the first day of the first full calendar month following the month in which the Rental Payment Start Date occurs.

(2) "Guaranteed minimum annual basic rental amount" shall mean for and during each of the first two annual periods hereunder the sum of Three Hundred Seventy-nine Thousand Three Hundred Eighty Dollars and No Cents (\$379,380.00), as the same may be reduced by the operation of the abatement and/or proration provisions hereof. For and during each annual period thereafter occurring during the term of the letting hereunder it shall mean the sum equal to the greater of (i) Three Hundred Seventy-nine Thousand Three Hundred Eighty Dollars and No Cents (\$379,380.00), or (ii) the product obtained by multiplying eighty one-hundredths (.80) by the average of the annual basic and percentage rental payable by the Lessee to the Port Authority pursuant to the provisions of this Agreement in the two preceding annual periods in which no abatement was in effect, as the same may be reduced by the operation of the abatement and/or proration provisions hereof. The average of the annual basic and percentage rental payable by the Lessee to the Port Authority in the two preceding annual periods shall be the total annual basic and percentage rental payable by the Lessee to the Port Authority in the two preceding annual periods in which no abatement was in effect, divided by two.

(3) "Annual exemption amount" shall mean the sum equivalent to the basic rental payable by the Lessee to PATH pursuant to the provisions of this Agreement as the same may be reduced by the operation of the abatement and/or proration provisions hereof.

(4) For the purpose of calculating the percentage rental due for any annual period which is other than 365 days the annual exemption amount shall be prorated over the actual number of days contained in such annual period.

(5) "Rental Payment Start Date" shall mean the commencement date of the term of the letting of the premises established pursuant to this Agreement. The Lessee recognizes that its obligation to pay basic rental shall commence on the Rental Payment Start Date established pursuant to this subparagraph whether or not the Lessee is conducting public operations in the premises on such date.

(b) Basic Rental

During each annual period occurring during the term of the letting under this Agreement, the Lessee shall pay to PATH a basic rental for the premises at a rate per annum equal to the guaranteed minimum annual basic rental established for such annual period, payable, in advance, in equal monthly installments each equal to 1/12th of the applicable annual basic rental on the first day of each calendar month occurring during such annual period, provided, however, that if the Rental Payment Start Date commences on other than the first day of a calendar month the installment of basic rental payable on the Rental Payment Start Date shall be an amount equal to the amount of the installment described in this paragraph multiplied by a fraction the numerator of which shall be the number of days from the Rental Payment Start Date to the last day of the calendar month in which the Rental Payment Start Date shall fall and the denominator of which shall be the number of days in that calendar month.

(c) Percentage Rental:

The Lessee shall pay to PATH an annual percentage rental equivalent to the excess over the annual exemption amount of ten percent (10%) of the gross receipts of the Lessee arising during each annual period. The computation of percentage rental for each annual period, or a portion of an annual period, as hereinafter provided, shall be individual to such annual period, or such portion of an annual period, and without relation to any other annual period, or any other portion of any annual period.

(d) Time of Payment of Percentage Rental,
Computations of Amounts and Accounting:

(1) The Lessee shall pay the percentage rental as follows: on the 20th day of the first month following the commencement of each annual period and on the 20th day of each and every month thereafter including the month following the end of each annual period the Lessee shall render to the PATH a sworn statement showing the Lessee's gross receipts for the preceding month and the cumulative amount of the Lessee's gross receipts from the commencement of the annual period for which the report is made to the last day of the preceding month; whenever any such statement shall show that the percentage stated in paragraph (b) of this Item 1 applied to the Lessee's cumulative gross receipts for that annual period are in excess of the annual exemption amount established for that annual period, the Lessee shall pay at the time of rendering the statement an amount equal to such excess and the Lessee shall thereafter on the 20th day of each month during that annual period and on the 20th day of the month following the end of that annual period pay an amount equal to the percentage stated in paragraph (b) of this Item 1 applied to the gross receipts of each subsequent month during that annual period. At any time that the established annual exemption amount is decreased by abatement or proration as herein provided so that there is an excess of gross receipts as to which the percentage rental has not been paid, the same shall be payable to PATH on demand. The Lessee's statement following the close of each annual period shall report total gross receipts for such annual period and total percentage rental due therefor and if any adjustments are required the same shall be made at the time such report is rendered.

(2) Upon any termination of the letting hereunder (even if stated to have the same effect as expiration), the Lessee shall, within twenty (20) days after the effective date of such termination, make a payment of rental computed as follows: first, if the letting hereunder is terminated effective on a date other than the last day of a month the basic rental for the portion of that month in which the letting remains effective shall be the amount of the monthly installment of basic rental prorated on a daily basis, and if the monthly installment due on the first day of that month has not been paid the Lessee shall pay the prorated part of the amount of that installment; if the monthly installment has been paid, then the excess thereof shall be credited to the Lessee's other obligations; second, the Lessee shall within twenty (20) days after the effective

date of termination render to PATH a sworn statement of all its gross receipts for the annual period in which the effective date of termination happens to fall, third, the payment then due on account of all percentage rental for the annual period in which the effective date of termination falls shall be the excess of the percentage rental, computed as follows, over the total of such percentage rental payments previously made for such annual period: an amount equal to the excess over the annual exemption amount established for such annual period of the percentage stated above in paragraph (b) of this Item 1 applied to the gross receipts of the Lessee for such annual period, provided, however, that the annual exemption amount established for such annual period shall be multiplied by a fraction, the numerator of which shall be the number of days from the commencement of such annual period to the effective date of termination and the denominator of which shall be 365.

(e) Abatement:

(1) For every calendar day or major fraction thereof that the Lessee shall be entitled to abatement during any annual period, the basic rental established for such annual period shall be reduced by an amount equivalent to the product obtained by dividing the applicable annual basic rental payable for such annual period into 365 and multiplying the quotient so obtained by a fraction the numerator of which shall be the number of square feet of floor space as to which the abatement applies and the denominator of which shall be the total number of square feet in the premises.

(2) During any annual period in which the Lessee shall be entitled to abatement, the annual exemption amount and the guaranteed minimum annual basic rental amount established for such annual period shall be reduced proportionately to the reduction of the basic rental.

(3) For the purpose of abatement, the ascertainment of the number of square feet contained in the premises to be measured shall be in accordance with the following: Areas of the premises and parts thereof will be computed by measuring from the inside plaster surface of outer building walls to the plaster surface of the corridor side of corridor partitions and to the center of partitions that separate the premises from adjoining rentable area; no deduction will be made for columns, pilaster, or projections necessary to the building or for toilets, porter's closets, and slop sinks used exclusively by the Lessee and contained within the premises. Permanent partitions enclosing elevator shafts, stairs, fire towers, vent, pipe shafts,

meter closets, flues, stacks and any vertical shafts have the same relation to rentable areas as do outer building walls.

(f) Nothing contained in the foregoing shall affect the survival of the obligations of the Lessee as set forth in Section 24 of this Agreement.

Item 2: Liability Insurance Limits:

(a) The limits of liability insurance referred to in Section 11(b) shall be not less than the following and shall include full contractual liability coverage:

comprehensive general liability insurance, covering bodily injury, including wrongful death and products liability and property-damage liability, in the minimum amount of \$2,000,000 combined single limit per occurrence.

(b) Notwithstanding the provisions of Section 11(c) PATH shall be included as an additional insured in any policy of liability insurance required by the provisions of this Agreement, and each such policy shall contain a provision that the insurer shall not, without obtaining express advance permission from the General Counsel of PATH or PATH, raise any defense involving in any way the jurisdiction of the tribunal over the person of PATH or PATH, the immunity of PATH or PATH, its Directors, Commissioners, officers, agents or employees, the governmental nature of PATH or PATH or the provisions of any statutes respecting suits against either of them.

(c) The policy shall provide or contain an endorsement providing that the protection afforded the Lessee thereunder with respect to any claim or action against the Lessee by a third person shall pertain and apply with like effect with respect to any claims or action against the Lessee by PATH and against PATH by the Lessee, but such endorsement shall not limit, vary, change or affect the protection afforded PATH thereunder as an additional insured.

Item 3: (a) Heat and Air-Cooling:

Notwithstanding the provisions of Section 14 (a) hereof PATH shall not heat or air condition the premises but in that portion of the premises located in the PATH World Trade Center Station PATH shall provide processed air of such temperature and other characteristics as may be determined by PATH without additional charge and subject to all the terms and provisions of this Agreement during normal business hours solely for use by the Lessee in the heating and air conditioning systems installed in such portion of the premises. The Lessee shall be solely

responsible for the distribution, handling, and circulation of heat and air conditioning or air treatment within such portion of the premises. PATH shall have no responsibility for heating or air conditioning of any portion of the premises or for the maintenance therein of any specified temperature or comfort level. If at any time during the term of the letting the demand for processed air in the portion of the premises located in the PATH World Trade Center Station increases because the Lessee in accordance with Section 15, Section 45 or otherwise erects in such portion of the premises any partitions or makes any improvements, or because of the Lessee's failure to keep doors and openings to and from such portion of the premises closed, PATH shall not thereby be required to install lines, ducts, facilities, systems, fixtures or equipment for the supply of processed air additional to those presently existing or presently contemplated or to increase or augment the capacity or output of existing or presently contemplated lines, ducts, facilities, systems, equipment or fixtures for the supply of processed air and the Lessee shall not in any such event be relieved of any of its obligations hereunder because a comfortable temperature is not maintained. No consent or approval given by PATH in connection with the erection of partitions or the making of any improvements shall be or be deemed to be a representation that the work consented to or approved will not stop, hinder, obstruct or interfere with either the cooling of the air or heating of such portion of the premises. It is hereby understood further that the installation by the Lessee of any equipment which itself requires air-cooling or which requires additional quantities of air-cooling, shall not impose any obligation on PATH to install lines, ducts, facilities, systems, fixtures or equipment for the supply of processed air additional to those presently existing or presently contemplated or to increase or augment the capacity or output of existing or presently contemplated lines, ducts, facilities, systems, equipment or fixtures for the supply of processed air and the Lessee shall not in any such event be relieved of any of its obligations hereunder. If PATH elects to install lines, ducts, facilities, systems, fixtures or equipment for the supply of processed air additional to those presently existing or presently contemplated or to increase or augment the capacity or output of existing or presently contemplated lines, ducts, facilities, systems, equipment or fixtures on account of the increased demand caused by the Lessee, then the costs to PATH resulting therefrom shall be paid to PATH by the Lessee on demand.

(b) Electricity:

To be supplied by PATH to the extent that the Lessee's consumption thereof does not exceed the capacity of existing feeders, risers, or wiring on or off the premises and to be metered by PATH and to be paid for by the Lessee at the greater

of: (1) the rates (including the fuel or other adjustment factor if any) which the Lessee at the time of such purchase and under the service classification then applicable to it would have to pay for the same quantity of electricity to be used for the same purposes under the same conditions if it received the electricity directly from the public utility supplying the same to commercial buildings in the vicinity, or (2) PATH's cost of obtaining and supplying the same quantity of electricity. It is understood that in lieu of metering the Lessee's consumption of electricity in any portion of the premises, PATH may periodically throughout the term of the letting, at such times as it may elect, survey the premises for the purpose of establishing the Lessee's annual consumption of and demand for electricity based on the total rated wattage of all lamps and electrical equipment, appliances, machines, power units, and other devices which are located in or on such portion of the premises, and are or may be used by the Lessee therein, and the frequency and duration of the use thereof. The determination of total rated wattage and consumption and demand by PATH shall be binding and conclusive and for the purposes of payment under this Agreement shall be deemed to remain constant until changed by PATH after another survey. Notwithstanding that PATH has agreed to supply electricity to the Lessee, PATH shall be under no obligation to provide or continue such service if PATH is prevented by law, agreement or otherwise from metering or surveying the Lessee's consumption and demand for electricity as hereinabove set forth or elects not to so meter or survey the same, then in any such event the Lessee shall make all arrangements and conversions necessary to obtain electricity directly from the public utility. Also in such event the Lessee shall perform the construction necessary for conversion and if any lines or equipment of PATH are with the consent of PATH used therefor PATH may make an appropriate charge therefor to the Lessee based on its costs and expenses for the said lines and equipment.

(c) Domestic Cold Water: Not to be sold, furnished or supplied by PATH to the Lessee.

(d) Domestic Hot Water: Not to be sold, furnished or supplied by PATH to the Lessee.

(e) Steam: Not to be sold, furnished or supplied by PATH to the Lessee.

(f) Gas: Not to be sold, furnished or supplied by PATH to the Lessee.

Item 4: New Construction: Per Section 46.

Item 5: Construction Liability Insurance Limits:

The limits of liability insurance shall be as may be required by PATH in the Construction Application referred to in Section 46 or otherwise from time to time.

Item 6: Cost and Proration Thereof:

(a) To the extent permitted by sound accounting practice, the sum of the following items of cost incurred by the Lessee for such equipment and fixtures and the installation thereof and the making of such improvements as are necessary to initially equip and improve the premises for the Lessee's commencement of operations hereunder, all as mentioned in the Section of the Agreement entitled "Thirty Day Termination", and to the extent that such sum does not exceed Four Hundred Seventy-five Thousand Dollars and No Cents (\$475,000.00) shall constitute the "cost" under the said Section and under subdivisions (b), (c), (d), (e), (f) and (g) hereof:

(1) Direct labor and material costs;

(2) Contract costs for purchase and installation excluding those of the types mentioned in the following subdivision (3);

(3) Engineering, architectural, planning, designing, financing, interest, insurance and other overhead or carrying charges which are due for a period ending not later than the date of completion of installation of any such initial equipment, fixtures or improvements for which they are incurred, and not to exceed 20% of the total of the amounts covered by subdivisions (2) and (3) above.

(b) A statement of the cost detailing all the foregoing including copies of invoices and contracts and certified by a responsible officer of the Lessee shall be delivered by the Lessee to PATH not later than ninety (90) days after the complete supplying and installing of all such initial fixtures or equipment and the making of all such initial improvements, and the Lessee shall permit PATH, by its agents, employees and representatives, at all reasonable times prior to a final settlement or determination of cost, to examine and audit the records and books of the Lessee which pertain to the cost; the Lessee agrees to keep such records and books of account within the Port of New York District during such time.

(c) If the Lessee includes in cost any item as having been incurred but which, in the opinion of PATH, was not so incurred or which, in the opinion of PATH, if so incurred is not an item properly chargeable to cost under sound accounting practice, then PATH, within ninety (90) days after receipt of the said statement of cost as mentioned in subdivision (b) above, shall give written notice to the Lessee stating its objection to any such item and the grounds therefor. If such notice is given and if the dispute is not settled within thirty (30) days by agreement between the parties, then such dispute shall be disposed of by arbitration in accordance with the then existing rules of the American Arbitration Association or any successor association. Costs of said arbitration shall be borne equally by PATH and the Lessee.

(d) In any such arbitration as to whether any item included by the Lessee in its computation of cost has been incurred, the question to be submitted to the arbitrators for decision shall be as follows:

"Was all or any part of such cost incurred by the Lessee; and if part but not all of such cost was incurred, what was the amount which was so incurred?"

(e) In any such arbitration as to whether any item included by the Lessee in its computation of cost is properly chargeable thereunder under sound accounting practice, the question to be submitted to the arbitrators for decision shall be as follows:

"Can it reasonably be held that all or any part of such cost is properly chargeable under sound accounting practice; and if part but not all of such cost can reasonably be held to be so chargeable, then what amount can reasonably be held to be so chargeable?"

The arbitrators to whom such question shall be submitted shall be accountants or auditors.

(f) The proration of cost as referred to in the section of the Agreement entitled "Thirty Day Termination" shall be ascertained by multiplying the cost by a fraction, the numerator of which shall be the number of whole calendar months (in the term of the letting as originally set forth) subsequent to the effective date of termination, and the denominator of which shall be the total number of months in the term of the letting as originally set forth.

(g) Notwithstanding any other provision of the Section of the Agreement entitled "Thirty Day Termination", in ascertaining the amount that PATH shall be obligated to pay to

the Lessee under said Section, the cost computed as heretofore stated in this Item shall be diminished by the amount that any part of the components of cost as stated in subdivisions (1), (2) and (3) of (a) above are secured by liens, mortgages, other encumbrances or conditional bills of sale on such equipment, fixtures and improvements and less any other amounts whatsoever due under this Agreement from the Lessee to PATH. In no event whatsoever shall cost, as defined and computed in accordance with this Item and as used in the Section of the Agreement entitled "Thirty Day Termination" and in this Item, include any expenses, outlays or charges whatsoever by or for the account of the Lessee for or in connection with any equipment or fixtures or the making of any improvements mentioned in said Section or in this Item unless said equipment, fixtures and/or improvements are actually and completely installed in and/or made to the premises.

Item 7: Cash Security: Not Applicable.

Item 8: Performance Bond: Not applicable.

Item 9: Letting Postponed: December 31, 1992



For PATH

Initialed:



For the Lessee

SCHEDULE A

Proposed Retail Price Structure

Itemization of all candy and packaged goods for sale at \$.60 retail price, plus appropriate sales tax, unless otherwise stated.

Item

| | |
|-----------------------------------|-----------------------------------|
| Almond Joy | Fifth Avenue Bar |
| Bounty Milk | Golden Almond Solitaires \$1.50 |
| Bounty Dark | Goobers |
| Bit-O-Honey | Good & Plenty |
| Breath Saver Assorted Mints | Good & Fruity |
| C & B Assorted Candies | Heide Gummi Bears |
| Certs Assorted Mints | Heide Juji Fruits |
| Certs Sugar Free Assorted Mints | Hershey Almond |
| Charms Assorted Mints | Hershey Almond King Size \$.92 |
| Charms Pops Assorted - \$.15 each | Hershey Milk Chocolate |
| Charlston Chews | Hershey Milk Choc. King Sz \$.92 |
| Chuckles | Hershey Small Bag Kisses |
| Chunky | Planters Peanut Bar |
| Clark Bar | Junior Mints |
| Clorets Gum | Keebler Cookies & Crackers |
| Clorets Mints | Kit Kat |
| Combos Snack Assorted \$.75 | Krackel |
| Cracker Jacks 1.5 oz box \$.75 | Nibs Licorice |
| Kraft Caramel 2 1/2 oz | O'Henry Bar |
| Kraft Cheese & Cracker snacks | Payday |
| Lifesaver Assorted Mints | Peanut Chew |
| M & M Plain | Planters Cashews |
| M & M Peanut | Planters Dry Roasted Peanuts |
| M & M Peanut King Size \$.92 | Planters Peanuts |
| Mars Bar | Planters Honey Roast Peanuts |
| Milk Duds | Planters Cheez Balls |
| Milky Way Bar | Planters Corn Chips |
| Milky Way King Size \$.92 | Pumpkin Seeds |
| Mounds | Raisins |

| | |
|---|---------------------------|
| Mr. Goodbar | Raisinets |
| Mr. Goodbar King Size \$.92 | Reed Assorted Candies |
| Nabisco Assorted cookies/crackers | Reeses Peanut Butter Cups |
| Nabisco 2 oz. box cookies \$.92 | Reeses Pieces |
| Necco Canada Mints | Regal Crown Asst. Mints |
| Nestle 100 Grand Bar | Rolo |
| Nestle Crunch | Skittles Assorted flavors |
| Nestle Crunch King Size \$.92 | Smokehouse Almonds |
| Nestle Alpine White | Snickers |
| Nestle Milk | Snickers Peanut Butter |
| Nibs Cherry | Snickers King Size \$.92 |
| Sugar Babies | Sunflower Seeds |
| Sunkist Fruit Gems | Three Musketeers |
| Tootsie Roll | Tootsie Roll Pop - \$.25 |
| Twix Caramel | Twix Peanut Butter |
| Twizzler Strawberry | Velamints Assorted |
| Brachs Assorted Candies-Bags \$1.25 | York Mints |
| Frito Lay Assorted Cookies, Chips, packaged Cracker Snacks \$.75 | |
| House of Bazzini Assorted packaged Dried Fruit & Nuts \$1.25 | |
| Peppridge Farm Assorted packaged Cookies all with manufacturers pricing | |
| Cold Soda \$.90 | |
| Very Fine 11 oz. Juice (Assorted flavors) \$1.00 | |
| Evian Water 11 oz. \$1.00 | |

ICE CREAM

| | |
|------------------------------|--------|
| Haagan Dazs Bars (assorted) | \$1.75 |
| Haagan Dazs Cups (assorted) | \$2.25 |
| Frozen Fruit Bars (assorted) | \$1.10 |
| Bordens Ice Cream Sandwich | \$.75 |
| Neapolitan Sandwich | \$1.25 |
| Yogurt Fruit Bar | \$1.00 |

Itemization of gums for sale at \$.60 plus appropriate sales tax unless otherwise stated.

Bazooka Assorted Flavors

Big Red

Bubble Yum Assorted Flavors

Bubblicious Assorted Flavors

Carefree Assorted Flavors

Chicklet Assorted Flavors

Dentyne Assorted Flavors

Dentyne Valu-Pak Assorted Flavors - \$.92

Dentyne Sugar Free Assorted Flavors

Extra Assorted Flavors

Freedent Assorted Flavors

Freshen Up Assorted Flavors

Frident Assorted Flavors

Frident Valu-Pak Assorted Flavors - \$.92

Wrigley Assorted Flavors - \$.55

Itemization of cough drops, mints & digestive aids for sale at
\$.69 plus appropriate sales tax.

Halls Assorted Cough Drops

Luden Assorted Cough Drops

Pine Brothers Assorted Cough Drops

Rolaids Regular & Sodium Free Assorted

Smith Brothers Assorted Cough Drops

Tic Tac Assorted Mints

Tums Assorted

Vicks Assorted Cough Drops

Itemization of cigarettes proposed for sale at \$2.31 plus appropriate sales tax. Listed below are brands we propose to carry including Boxed King, Soft King, Menthol, Regular, 100's, Filter Hard Pack, Light King, Light Boxed, Filter King and Generics, all of which will sell for the same retail plus sales tax.

| | | |
|---------------|--------------|--------------------|
| Barclay | Sterling | Philip Morris |
| Camel | Tareyton | Players |
| Capri | Triumph | Raleigh |
| Golden Lights | True | Salem |
| Kent | Vantage | Saratoga |
| Kool | Viceroy | Virginia Slim |
| L & M | Winston | Doral |
| Lark | B & H | Dunhill-\$2.68+tax |
| Lucky Strike | Belair | Rothman-\$2.68+tax |
| Marlboro | Chesterfield | |
| Merit | Eve | |
| Mild Seven | Max | |
| Newport | More | |
| Now | Pall Mall | |
| Parliament | Satin | |

Itemization of cigars, tobacco and tobacco products proposed for sale plus appropriate tax.

Commercial Cigars

| <u>Item</u> | <u>Retail Price</u> |
|--------------------------|---------------------|
| Garcia & Vega Cigarillos | 1.15 |
| Chico | 1.15 |
| Miniatures | 1.20 |
| Panatella Deluxe | 1.30 |
| Senators | 1.85 |
| Blunts | 1.99 |
| Bouquets | 1.99 |
| Tips | 1.10 |
| Bravura | 1.75 |
| Whiffs | 2.75 |
| Presidente | 1.99 |
| Gallante | 2.35 |
| Elegante | 2.35 |
| Gran Premio | 2.20 |
| English Coronas | 2.60 |
| Tiparillo Aromatic | .80 |
| Menthol | .80 |
| Regular | .80 |
| Sweet | .80 |
| White Owl | |
| Miniatures | 1.10 |
| Demi-Tip | 1.05 |
| Coronetta | 1.10 |
| New Yorker | 1.25 |
| Invincible | 1.25 |
| Robert Burns | |
| Blackwatch | 2.35 |
| Cigarillos | .80 |

| | | |
|----------------|----------|------|
| William Penn | Braves | 1.10 |
| | Perfecto | 1.30 |
| | Panatela | 1.30 |
| Tijuana Smalls | Aromatic | 1.10 |
| | Regular | 1.10 |
| | Cherry | 1.10 |

Pipe Tobacco

| <u>Item</u> | | <u>Retail Price</u> |
|---------------|------------|---------------------|
| Amphora | Regular | 2.40 |
| | Full Aroma | 2.40 |
| Sail | Natural | 2.40 |
| Captain Black | Supreme | 2.40 |
| | Gold | 2.40 |
| | Royal | 2.40 |
| | White | 2.40 |

Smoking Accessories

| <u>Item</u> | <u>Retail Price</u> |
|---------------------------|---------------------|
| BIC Mini lighters | .99 |
| BIC lighters | 1.25 |
| D'Jeep lighters | 1.49 |
| D'Jeep I Love NY lighters | 1.49 |
| Skoal | 2.50 |
| Copenhagen | 2.50 |

Itemization of souvenirs and T-shirts proposed for sale plus appropriate sales tax.

| <u>Item</u> | <u>Retail Price</u> |
|--|---------------------|
| Assorted New York T-shirts (assorted sizes) | 9.95 |
| Assorted New York Sweatshirts (assorted sizes) | 15.95 |
| Assorted Sports (team) shirts (assorted sizes) | 10.95 |
| I Love New York ash tray 6" | 2.95 |
| " " salt & pepper set | 3.95 |
| " " cup & saucer set | 1.99 |
| " " piggy bank | 2.95 |
| " " ash tray 10" | 3.95 |
| " " mug | 3.95 |
| " " 3" bell | 2.95 |
| " " bear toothpick holder | 2.95 |
| " " shot glass | 1.95 |
| " " high ball glass | 2.95 |
| New York Times mug | 4.95 |
| " " toothpick holder | 1.95 |
| " " salt & pepper set | 5.95 |
| " " 12" plate | 8.95 |
| Big Apple mug | 3.95 |
| New York Brush Stroke mug | 4.95 |
| " " mini mug | 2.95 |
| " " shot glass | 2.95 |
| Statue of Liberty mug | 3.95 |
| " " mini mug | 2.95 |
| " " water globe | 2.95 |
| Plastic Statue of Liberty | 5.95 |
| New York T-shirt Teddy Bear | 7.95 |
| Small water globe | 1.95 |
| Large water globe | 3.95 |

| | |
|--------------------------------------|------|
| Heart water globe | 3.95 |
| Metal Statue of Liberty 6" | 3.95 |
| Metal Statue of Liberty 12" | 8.95 |
| Metal Empire State Building 6" | 3.95 |
| Metal Empire State Building 12" | 8.95 |
| New York assorted spoons | 4.95 |
| New York assorted brass key chains | 3.95 |
| New York assorted plastic key chains | 1.95 |
| I Love New York lighter | 1.99 |
| I Love New York glitter pen | 1.99 |
| New York scene tilt pen | 1.99 |
| I Love New York pencil | .59 |
| New York Neon Hats | 7.95 |
| New York Admirals cap | 5.95 |
| New York lapel pins (assorted) | 1.99 |

Itemization of stationery supplies proposed for sale plus appropriate sales tax.

| <u>Item</u> | <u>Retail Price</u> |
|-----------------------------|----------------------------------|
| 8 x 10 plain notepad | 1.49 |
| 6 x 9 writing notepad | 1.29 |
| 3 x 5 memo pad | .75 |
| white memo pads (3-pack) | .99 |
| Scotch Tape | 1.29 |
| boxed envelopes (110 count) | .99 |
| sharpened pencils | .29 |
| Bic Stick Pens | .49 |
| Parker Boxed Pens | (Mfg. priced from 8.95 to 29.95) |
| hiliter | 1.50 |
| legal pads (2-pack) | 1.49 |
| small address book | 2.95 |
| large address book | 4.95 |
| Krazy Glue | 1.49 |

Itemization of Health & Beauty Aids (HBA), Film and Batteries
proposed for sale plus appropriate sales tax.

| <u>Item</u> | <u>Retail Price</u> |
|--|---------------------|
| Actifed | |
| Advil 8's | 5.99 |
| Afrin Nasal Spray | 1.89 |
| Ajax Combs | 5.99 |
| Alka Seltzer 2's | .49 |
| Anacin Tins 12's | .50 |
| Aquanet Hair Spray (2.5 oz.) | 1.89 |
| Ban Roll On (1.5 oz.) | 1.29 |
| Band Aid 10's | 3.99 |
| Bates Emery Board | 1.19 |
| Bates Nail Clipper | .99 |
| Bayer Sleeve 12's | .99 |
| Binaca Spray (2 oz.) | 1.89 |
| Blistex | 2.99 |
| Bufferin 12's | 1.49 |
| Chapstick | 1.89 |
| Colgate Tooth Paste (1-1/2 oz.) | .99 |
| Contact 12 Hr. Caps 10's | 1.19 |
| Crest Tooth Paste (1.4 oz.) | 5.69 |
| Dramamine 12 | 1.19 |
| Dristan 24's | 3.99 |
| Excedrin Tins 12's | 4.95 |
| Pluffy Facial Pack 8's | 2.25 |
| Foamy Shave Cream (6.25 oz.) | .50 |
| Gillette Good News 5 pack | 1.95 |
| Get a Hank | 2.89 |
| Johnson & Johnson Baby Oil (4 oz.) | .99 |
| Johnson & Johnson Baby Powder (4 oz.) | 3.49 |
| Johnson & Johnson Baby Shampoo (3.5 oz.) | 2.99 |
| | 1.89 |

| <u>Item</u> | <u>Retail Price</u> |
|--------------------------------------|---------------------|
| Kleenex Pocket Pack | .50 |
| Listerine (3 oz.) | 1.69 |
| Maalox Plus 12's | .79 |
| Midol 16's | 3.99 |
| Mylanta (5 oz.) | 3.29 |
| Nail Polish Remover (2 oz.) | .99 |
| Noxzema Skin Cream (2.5 oz.) | 2.25 |
| Nyquil (6 oz.) | 6.69 |
| Pepto Bismol 24's | 3.89 |
| Pepto Bismol Liquid 4 oz. | 2.99 |
| Prell Shampoo (3 oz.) | 2.99 |
| Q-Tips Cotton Swabs 54's | 1.59 |
| Robitussin (4 oz.) | 4.50 |
| Right Guard Spray (4 oz.) | 3.99 |
| Scope Mouthwash (6 oz.) | 3.49 |
| Sucrets | 3.75 |
| Sudafed | 4.99 |
| Tampax 10's Regular & Improved | 2.25 |
| Tik Toothbrush (Firm, Medium & Soft) | .79 |
| Trojan Family Center | .99 each |
| Tylenol Tins 12's | 1.99 |
| Vaseline Lip Therapy | 1.39 |
| Vaseline Petroleum Jelly (1.75 oz.) | 1.49 |
| Vicks Formula 44 (4 oz.) | 4.50 |
| Vicks Inhaler | 2.69 |
| Visine (5 oz.) | 4.99 |
| Kodak Batteries (2D or 2C) | 2.99 |
| Kodak Batteries (2AA) | 2.25 |
| Kodak Batteries (1-9 Volt) | 3.25 |
| Kodak Batteries (2 AAA) | 2.25 |
| Kodak Film 110 12-200 | 3.59 |
| Kodak Film 110 24-200 | 4.99 |

| <u>Item</u> | <u>Retail Price</u> |
|------------------------------|---------------------|
| Kodak Film 135 24-200 | 5.69 |
| Kodak Film 135 24-100 | 4.99 |
| Kodak Film 135 12-400 | 4.39 |
| Kodak Film 135 24-200 | 5.69 |
| Kodak Film Disc 15 | 4.39 |
| Kodak Film VR 1600 CF 135-24 | 7.09 |
| Kodak Film 135 36-100 | 6.09 |
| Kodak Film 135 12-100 | 3.69 |
| Kodak Film 135 36-200 | 6.59 |
| Kodak Film 135 36-400 | 7.09 |
| Kodak Fling Camera | 10.95 |
| Kodak Fling Camera w/flash | 19.95 |

Itemization of sundries proposed for sale plus appropriate sales tax.

| <u>Item</u> | <u>Retail Price</u> |
|--|--------------------------|
| Maps (local, national & international) | Mfgs pre-priced |
| L'eggs Panty Hose (assorted colors/styles) | Mfgs pre-priced |
| Playing Cards: poker | 2.75 |
| pinochle | 1.89 |
| Umbrella's | 3.95 |
| Crayons (16's) | 1.49 |
| Coloring Books | .99 to 1.99 |
| Postcards (assorted New York locations) | 3/1.00 small - .50 large |
| Luggage Carts: 3" wheel | 14.95 |
| 6" wheel | 19.95 |
| 36" Flight Bag | 19.95 |
| Duffle Bag | 5.95 |
| <u>Greeting Cards</u> | |
| Avanti Greeting Cards | Mfgr. pre-priced |
| Blue Mountain Arts | Mfgr. pre-priced |
| Postal Cards | \$.50 |

SCHEDULE E

For purposes hereof, Minority Business Enterprise (MBE) shall mean any business enterprise which is at least fifty-one percentum owned by one or more citizens or permanent resident aliens who are minorities and such ownership is real, substantial and continuing, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by citizens or permanent resident aliens who are minorities and such ownership is real, substantial and continuing. As used herein minority shall mean an individual member of any of the following racial groups

(i) Black (all persons having origins in any of the Black African racial groups not of Hispanic origin;

(ii) Hispanic (all persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American origin, regardless of race);

(iii) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asian, the Indian Subcontinent, or the Pacific Islands) which includes persons whose origins are from Japan, China, Taiwan, Korea, Vietnam, Laos, Cambodia, the Philippines, Samoa, Guam, the U.S. Trust Territories of the Pacific, the Northern Marianas, India, Pakistan, Bangladesh, and Sri Lanka; and

(iv) American Indian or Alaskan Native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification) which includes persons who are American Indians, Eskimos, Aleuts, or Native Hawaiians.

For the purposes hereof, Women-owned Business Enterprise (WBE) shall mean any business enterprise which is at least fifty-one percentum owned by one or more women and such ownership is real, substantial and continuing, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by one or more women and such ownership is real, substantial and continuing. "Meaningful participation" shall mean that at least twelve percent (12%) of the total dollar value of the contracts (including subcontracts) are for the participation of Minority Business Enterprises, and that at least five percent (5%) of the total dollar value of the contracts (including subcontracts) are for the participation of Women-owned Business Enterprises. Good faith efforts to include

meaningful participation by MBEs and WBEs shall include at least the following:

- (1) Dividing work into smaller portions where feasible.
- (2) Actively and affirmatively soliciting bids and proposals for contracts or subcontracts to provide commodities and services from MBEs and WBEs including circulation of solicitations to minority and female contractor associations. The Lessee shall maintain records detailing the efforts it and its contractors have made to provide for meaningful MBE and WBE participation, including the names and addresses of all MBEs and WBEs contacted and, if any such MBE or WBE is not selected, the reason for such decision. The Lessee shall supply to PATH such information, data, and documentation with respect to the efforts the Lessee has made to provide for meaningful MBE and WBE participation in contracts and subcontracts as PATH may from time to time and at any time request.
- (3) Providing prospective MBEs and WBEs with plans, specifications, and other necessary background materials with regard to prospective work available to MBEs and WBEs in sufficient time for review.
- (4) Meeting regularly with representatives of PATH to identify forthcoming business opportunities and suitable MBEs and WBEs, following up on specific recommendations made by such representatives, and utilizing the list of eligible MBEs and WBEs hereinafter described in this Schedule, maintained by PATH, or seeking minorities and women from other sources for the purpose of soliciting contractors, subcontractors, and suppliers.
- (5) Encouraging the formation of joint ventures, partnerships or other similar arrangements among contractors, where appropriate, to insure that the Lessee and its contractors will meet their obligations hereunder.
- (6) Insuring that provision is made to provide progress payments to MBEs and WBEs on a timely basis, where appropriate.
- (7) Not requiring bonds from and/or providing bonds and insurance for MBEs and WBEs, where appropriate.

PATH has compiled a list, which may be supplemented and revised from time to time by PATH, of the firms PATH has determined satisfy the criteria for MBE and WBE certification. Such list shall be made available to the Lessee and its contractors upon request. PATH makes no representation as to the financial responsibility of such firms, their technical competence to perform, or any other performance-related qualifications. Only listed MBEs and WBEs and such firms as are not so listed but as are certified by PATH as MBEs and WBEs hereunder will count toward the MBE and WBE goals.

Certification of MBE's and WBEs hereunder shall be made by the Office of Business and Job Opportunity of PATH. If the Contractor wishes to utilize a firm not so listed but which the Contractor believes should be certified because it is an MBE or WBE the Contractor shall submit to PATH a written request for a determination that the proposed firm is eligible for certification. This shall be done by completing and forwarding such form as may be required by PATH from time to time. All such requests shall be in writing addressed to Mr. John Alexander or other designee of the Office of Business and Job Opportunity, PATH of New York and New Jersey, One World Trade Center, 37 South, New York, N.Y. 10048. If any such firm is determined eligible for certification it shall only be by a writing over the name of the Director in charge of such Office. The determination of PATH shall be final and binding on the Contractor. For inquiries or assistance, please contact Mr. John Alexander at (212) 432-4188.

The following organizations may be able to refer the Contractor to firms which the referring organization has a reasonable basis to believe may meet PATH's criteria for certification as an MBE or WBE. Any referrals which are not listed shall be submitted to PATH for a determination as to eligibility as provided above.

- | | |
|---|---|
| 1. National Minority Bus. Council, Inc. 235 East 42nd Street New York, N.Y. 10017 (212) 573-2385 | 4. The Council For Airport Opportunity 2 World Trade Center Suite 2228 New York, N.Y. 10048 (212) 466-1091 |
| 2. N.Y./N.J. Minority Purchasing Council 1412 Broadway - 11th floor New York, N.Y. 10018 (212) 944-2442 | 5. Assoc. of Minority Enterprises of N.Y. (AMENY) 165-40A Baisley Blvd. Suite #3 Jamaica, N.Y., 11434 |
| 3. Newark, Paterson, Jersey City Business Development Center 60 Park Place, Suite 1307 Newark, N.J. 01702 (201) 623-7712 | 6. Air Services Development Office 90-04 161st Street Jamaica, N.Y. 11432 (718) 262-9012 |

In the event that the participation of any MBE or WBE selected by the Lessee or any of its contractors to participate in any contracts or subcontracts entered into with respect to any construction work performed on the premises, is cancelled or terminated for any reason, the Lessee agrees and agrees to require its contractors to make every good faith effort, to the

maximum extent feasible, and consistent with the Lessee's exercise of good business judgment, including, without limitation, the consideration of cost competitiveness, to utilize other MBEs and WBEs so as to maintain appropriate participation by MBEs and WBEs in such contracts.

Labor Force Utilization

Without limiting the foregoing provisions of this Schedule, and without limiting any of the terms and conditions of the Agreement to which this Schedule is attached, the Lessee agrees and agrees to require its construction and maintenance contractors and subcontractors at each tier of any construction undertaken pursuant to the provisions of the Agreement to which this Schedule is attached to make good faith efforts to achieve a supervisory and non-supervisory work force on each contract that is representative of the local community labor force with respect to minority and female participation and will work with PATH's Office of Business and Job Opportunity to identify referral sources when needed. The Lessee will cooperate with PATH to develop on the job training programs and will participate in apprenticeship and other training programs that expressly include minority and female workers. The Lessee agrees to require its contractors and subcontractors to participate in such programs and to make a good faith effort to utilize apprentices or other trainees in the work as appropriate. The Lessee agrees to and shall require its contractors and subcontractors to appoint an executive of their respective companies to assume the responsibility for the implementation of the contractors' good faith efforts to achieve minority and female participation in the work force under the contract.

The goals for minority and female participation, expressed in percentage terms for the aggregate workforce in each trade on all construction work are as follows:

Journey level trade workers

Minority participation: 30%

Female participation: 6.9%

Laborers and other unskilled workers

Minority participation: 40%

Female participation: 6.9%

These goals are applicable to all construction work performed in and for the premises. Compliance with the goals will be measured against the total work hours performed.

(a) The Lessee agrees to require its contractors and subcontractors to provide written notification to the Lessee and the Lessee agrees to provide written notification to the Office of Business and Job Opportunity of PATH within 10 working days of award of any construction contract or subcontract in excess of \$10,000.00 at any tier for construction work. The notification shall list the name, address, telephone number and employer identification number of the contractor or subcontractor; and the estimated starting and completion dates of the contract or subcontract. As used herein, "Employer identification number" shall mean the Federal Social Security Number used on the Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941. The term minority shall mean an individual member of any of the racial groups described in this Schedule.

(b) The Lessee agrees to require its contractors and subcontractors, at any tier, whenever they subcontract a portion of the construction work involving any construction trade, to physically include in each subcontract in excess of \$10,000 those provisions which include the applicable goals for minority and female participation.

(c) The Lessee agrees to require its contractors and subcontractors to implement the specific affirmative action standards provided in subparagraphs (1) through (16) of paragraph (f) hereof. The goals set forth above are expressed as percentages of the total hours of employment and training of minority and female utilization the Lessee's contractors and subcontractors should reasonably be able to achieve in each construction trade in which it has employees on the premises. The Lessee agrees and agrees to require its contractors and subcontractors to use good faith efforts to make substantially uniform progress toward its goals in each craft during the period specified.

(d) The Lessee agrees to provide in its construction contracts that neither the provisions of any collective bargaining agreement, nor the failure by a union with which the contractor has a collective bargaining agreement, to refer either minorities or women shall excuse the contractor's obligations thereunder.

(e) The Lessee further agrees to provide in its agreements with its contractors that in order for the nonworking training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees shall be employed by the contractor during the training period, and the contractor shall have made a commitment to employ the apprentices and trainees at the completion of their training, subject to the availability of employment opportunities. Trainees shall be trained pursuant to training programs approved by the U. S. Department of Labor.

(f) The Lessee agrees to require its contractors and subcontractors to take specific affirmative actions to ensure equal employment opportunity ("EEO"). The Lessee's evaluation of the contractor's compliance with these provisions shall be based upon the contractor's good faith effort to achieve maximum results from its actions. The Lessee agrees to require its contractors and subcontractors to document these efforts fully, and to implement affirmative action steps at least as extensive as the following:

(1) Ensure and maintain a working environment free of harassment, intimidation, and coercion at all portions of the premises at which the contractor's employees are assigned to work. The contractor, where possible, will assign two or more women to each phase of the construction project. The contractor shall specifically ensure that all foremen, superintendents, and other supervisory personnel at the premises are aware of and carry out the contractor's obligation to maintain such a working environment, with specific attention to minority or female individuals working at the premises.

(2) Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the contractor or its unions have employment opportunities available, and maintain a record of the organizations' responses.

(3) Maintain a current file of the names, addresses and telephone numbers of each minority and female off-the-street applicant and minority or female referral from a union, a recruitment source or community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the contractor by the union or, if referred, not employed by the contractor, this shall be documented in the file with the reason therefor, along with whatever additional action the contractor may have taken.

(4) Provide immediate written notification to the Lessee when the union or unions with which the contractor has a collective bargaining agreement has not referred to the contractor a minority person or woman, sent by the contractor, or when the contractor has other information that the union referral process has impeded the contractor's efforts to meet its obligations.

(5) Develop on-the-job training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and trainee

programs relevant to the contractor's employment needs, especially those programs funded or approved by the Department of Labor. The contractor shall provide notice of these programs to the sources compiled under subparagraph (2) above.

(6) Disseminate the contractor's EEO policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the contractor's newspaper, annual report, etc.; by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and by posting the contractor's EEO policy on bulletin boards accessible to all employees at each location where the construction work is performed.

(7) Review, at least every six months, the contractor's EEO policy and affirmative action obligations hereunder with all employees having any responsibility for hiring, assignment, layoff, termination or other employment decisions including specific review of these items with on-area supervisory personnel such as Superintendents, General Foremen, etc., prior to the initiation of construction work at the premises. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.

(8) Disseminate the contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the contractor's EEO policy with other contractors and subcontractors with whom the contractor does or anticipates doing business.

(9) Direct its recruitment efforts, both oral and written, to minority, female and community organizations, to schools with minority and female students, to minority and female recruitment and training organizations and to State certified minority referral agencies serving the contractor's recruitment area and employment needs. Not later than one month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the contractor shall send written notification to organizations such as the above, describing the openings, screening procedures, and tests to be used in the selection process.

(10) Encourage present minority and female employees to recruit other minority persons and women and, where reasonable, provide after school, summer and vacation employment to minority and female youth both on the premises and in other areas of a contractor's workforce.

(11) Tests and other selection requirements shall comply with 41 CFR Part 60-3.

(12) Conduct, at least every six months, an inventory and evaluation of all minority and female personnel for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.

(13) Ensure that seniority practices, job classifications, work assignments and other personnel practices, do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the contractor's obligations hereunder are being carried out.

(14) Ensure that all facilities and company activities are nonsegregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.

(15) Document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitations to minority and female contractor associations and other business associations.

(16) Conduct a review, at least every six months, of all supervisors' adherence to and performance under the contractor's EEO policies and affirmative action obligations.

(g) The Lessee shall encourage its contractors to participate in voluntary associations which assist in fulfilling one or more of the affirmative action obligations set forth in subparagraphs (1)-(16) of paragraph (f) of this Section. The efforts of a contractor association, joint contractor-union, contractor-community, or other similar group of which the contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under paragraph (f) hereof provided that: the contractor actively participates in the group, makes every effort to assure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the contractor's minority and female workforce participation,

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makes a good faith effort to meet its individual goals and timetables, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the contractor. The requirement for good faith efforts to comply, however, shall remain with the contractor and the Lessee shall provide in its agreements with the contractor that failure of such a group to fulfill an obligation shall not be a defense for the contractor's non-compliance.

(h) Goals for minorities and a separate single goal for women have been established. The Lessee, however, agrees to require its contractors and subcontractors to provide equal employment opportunity and to take affirmative action for all minority groups, both male and female, and all women, both minority and non-minority, and to provide that consequently, the contractor may be in violation of its agreement with the Lessee if a particular group is employed in a substantially disparate manner (for example, even though the contractor has achieved its goals for women generally, the contractor may be in violation if a specific minority group of women is under-utilized).

(i) The Lessee agrees to provide that the contractor shall not use the goals and timetables or affirmative action standards to discriminate against any person because of race, color, religion, sex, or national origin.

(j) The Lessee agrees that it will not enter into any contract with any person or firm debarred from Government contracts pursuant to Executive Order 11246, and agrees to require that its contractors and subcontractors not enter into any subcontract with any such person or firm.

(k) The Lessee agrees to carry out such sanctions and penalties for violation of these provisions including suspension, termination and cancellation of existing contracts and subcontracts as may be required and the Lessee further agrees to require its contractors and subcontractors to agree to carry out such sanctions and penalties for violation of these provisions including suspension, termination and cancellation of existing contracts and subcontracts as may be imposed or ordered by the Lessee.

(l) The Lessee agrees to require its contractors and subcontractors, in fulfilling their obligations to the Lessee, to implement specific affirmative action steps, at least as extensive as those standards prescribed in paragraph (f) hereof so as to achieve maximum results from their efforts to ensure equal employment opportunity. If the contractor fails to comply with such requirements, the Lessee shall proceed accordingly.

(m) The Lessee agrees to require its contractors and subcontractors to designate a responsible official to monitor all employment related activity to ensure that the company EEO policy

is being carried out, to submit reports relating to the contractor's EEO obligations as may be required, and to keep records. Records shall at least include for each employee the name, address, telephone numbers, construction trade, union affiliation if any, employee identification number when assigned, social security number, race, sex, status (e.g. mechanic, apprentice, trainee, helper, or laborer), date of changes in status, hours worked per week in the indicated trade, rate of pay, and location at which the work was performed. Records shall be maintained in an easily understandable and retrievable form; however, to the degree that existing records satisfy this requirement, contractors need not be required to maintain separate records.

(n) Nothing herein provided shall be construed as a limitation upon the application of any laws which establish different standards of compliance or upon the application of requirements for the hiring of local or other area residents (e.g., those under the Public Works Employment Act of 1977 and the Community Development Block Grant Program).

(o) Without limiting any other term or provision of this Agreement, the Lessee agrees and agrees to require its contractors and subcontractors to cooperate with all federal, state, or local agencies established for the purpose of implementing affirmative action compliance programs and the Lessee agrees and agrees to require its contractors and subcontractors to comply with all procedures which may be agreed to by and between PATH and the Lessee.

(p) In addition to and without limiting any of the terms and provisions of this Agreement, the Lessee agrees to provide in its contracts and all subcontracts covering construction work, or any portion thereof, that:

(i) The contractor shall not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status, and shall undertake or continue existing programs of affirmative action to ensure that minority group persons are afforded equal employment opportunity without discrimination. Such programs shall include, but not be limited to, recruitment, employment, job assignment, promotion, upgrading, demotion, transfer, layoff, termination, rates of pay or other forms of compensation, and selections for training or retraining, including apprenticeships and on-the-job training;

(ii) At the request of either PATH or the Lessee, the contractor shall request such employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding and which is involved in the performance of the contract with the Lessee to furnish a written statement that such employment

agency, labor union or representative shall not discriminate because of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will cooperate in the implementation of the contractor's obligations hereunder;

(iii) The contractor will state, in all solicitations or advertisements for employees placed by or on behalf of the contractor in the performance of the contract, that all qualified applicants will be afforded equal employment opportunity without discrimination because of race, creed, color, national origin, sex, age, disability or marital status;

(iv) The contractor will include the provisions of subdivisions (i) through (iii) of this paragraph in every subcontract or purchase order in such a manner that such provisions will be binding upon each subcontractor or vendor as to its work in connection with the contract;

(v) "Contractor" as used in subdivisions (i) through (iv) of this paragraph shall include each contractor and subcontractor at any tier of construction.



FOR PATH

Initialed:



For the Lessee

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.

On the 13 day of OCTOBER, 1992, before me personally came ANTHONY J. BARBER to me known who being by me duly sworn, did depose and say that he resides in (Ex. 1) that he is the COO President of Port Authority Trans-Hudson Corporation, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Directors of the said corporation; and that he signed his name thereto by like order.

Marie M. Edwards
(notarial seal and stamp)
MARIE M. EDWARDS, NOTARY
Public, State of New York
No. 24-4959693
Qualified in Kings County 12/11/93
Commission Expires

STATE OF New Jersey }
COUNTY OF Hudson } ss.

On the 1st day of October, 1992, before me personally came Robert B. Cohen to me known, who being by me duly sworn, did depose and say that he resides in that he is President of Hudson County News Company one of the corporations described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of the said corporation; and that he signed his name thereto by like order.

Edith R. Tredo
EDITH R. TREDO
NOTARY PUBLIC OF NEW JERSEY
(notarial seal and stamp)
My Commission Expires April 30, 1996

STATE OF _____ }
COUNTY OF _____ } ss.

On the _____ day of _____, 1992, before me personally came _____ to me known and known to me to be the individual described in and who executed the foregoing instrument; and acknowledged to me that he executed the same.

(notarial seal and stamp)

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, dated as of the 30th day of December, 1992, by and between **PORT AUTHORITY TRANS-HUDSON CORPORATION** (hereinafter called "PATH") and **HUDSON NEWS COMPANY** (formerly known as Hudson County News Company and hereinafter called the "Lessee");

WITNESSETH, That:

WHEREAS, heretofore and as of the 2nd day of September, 1992, PATH and the Lessee entered into an agreement of lease identified by the above PATH Lease Number (which agreement of lease, as the same may have heretofore been supplemented and amended, is hereinafter called the "Lease") covering premises, in the Borough of Manhattan, City, County and State of New York, on the Mezzanine Level of the PATH World Trade Center Station and on the Platform Level of the PATH 33rd Street Station; and

WHEREAS, PATH and the Lessee desire to add to the premises under the Lease and to amend the same in certain other respects;

NOW, THEREFORE, for and in consideration of the covenants and mutual agreements herein contained, PATH and the Lessee hereby agree as follows:

1. The date "December 31, 1992" appearing in Item 9 of Exhibit B annexed to the Lease shall be deleted and replaced with the date "August 31, 1994". The date "December 1, 1992" appearing in the second line of Section 2 of the Lease shall be deleted and replaced with the date "August 1, 1994" and the date "November 30, 1999" appearing in the fifth and sixth lines of said Section 2 shall be deleted and replaced with the date "July 31, 2001". Lessee hereby acknowledges and agrees that the term of the letting under the Lease shall commence at 12:01 o'clock a.m. on August 1, 1994 and shall, unless sooner terminated or unless extended, expire at 11:59 o'clock p.m. on July 31, 2001.

2. In addition to the premises heretofore let to the Lessee under the Lease, the letting as to which shall continue in full force and effect subject to and in accordance with all the terms, provisions, covenants and conditions of the Lease, as herein amended, PATH hereby lets to the Lessee and the Lessee hereby hires and takes from PATH at the PATH 33rd Street Station the space shown in diagonal hatching on the sketch annexed hereto, hereby made a part hereof and marked "Exhibit A-2" together with the fixtures, improvements and other property, if any, of PATH located or to be located therein or thereon, the said space, fixtures, improvements and other property (all of which is sometimes hereinafter in this Agreement collectively called "Area C") to be and become a part of the premises under the Lease, as herein amended, as of 12:01 o'clock a.m. on October 1, 1997 (said time and date sometimes hereinafter in this Agreement collectively called the "Area C Commencement Date"), let to the Lessee subject to and in accordance with all the terms, provisions, covenants and conditions of the Lease, as herein amended, for and during the remainder of the term of the letting under the Lease, as herein amended, unless sooner terminated. PATH and the Lessee hereby acknowledge that Area C constitutes non-residential real property.



3. The Lessee shall use Area C for storage purposes in connection with the Lessee's operations being conducted elsewhere at the Facility in accordance with Section 3 of the Lease and for no other purpose or purposes whatsoever.

4. PATH shall deliver Area C in its presently existing "as is" condition. The Lessee acknowledges that it has inspected Area C and agrees to take the same in its "as is" condition and PATH shall have no obligation under the Lease, as herein amended, for finishing work or for preparation of Area C for the Lessee's use. The Lessee acknowledges that it has not relied upon any representation or statement of PATH or of its Directors, officers, agents or employees as to the suitability of Area C for the operations permitted thereon by the Lease, as herein amended. Without limiting any obligation of the Lessee to commence operations in Area C at the time and in the manner stated elsewhere in this Agreement, the Lessee agrees that no portion of Area C will be used initially or at any time during the term of the letting thereof which is in a condition unsafe or improper for the conduct of the Lessee's operations therein under the Lease, as herein amended, so that there is possibility of injury or damage to life or property and the Lessee further agrees that before any use of Area C, it will immediately correct any such unsafe or improper condition.

5. The provisions of paragraphs (a), (b), (c), (d) and (e) of Section 14 of the Lease and the provisions of Item 3 of Exhibit B annexed to the Lease shall not apply to Area C. Subject to the provisions of paragraphs (f), (g), (h), (i) and (j) of Section 14 of the Lease, PATH shall, without additional charge, furnish to the Lessee in Area C electricity for illumination only, by which is meant the energizing of fluorescent bulbs (to be supplied and installed by the Lessee) through existing wires, conduits and outlets, if any. Except as provided herein, PATH shall not supply any services or utilities to the Lessee in Area C.

6. (a) In addition to the rental heretofore payable under the Lease, as herein amended, the Lessee shall pay to PATH a basic rental for Area C at the rate of One Thousand Forty-four Dollars and No Cents (\$1,044.00) per annum during the period from October 1, 1997 through September 30, 1999, both dates inclusive, payable in advance in monthly installments each in the amount of Eighty-seven Dollars and No Cents (\$87.00) on October 1, 1997 and on the first day of each and every calendar month thereafter occurring during such period and at the rate of One Thousand One Hundred Thirty-one Dollars and No Cents (\$1,131.00) per annum during the period from October 1, 1999 and continuing to the expiration date of the term of the letting of Area C under this Agreement, both dates inclusive, payable in advance in monthly installments each in the amount of Ninety-four Dollars and Twenty-five Cents (\$94.25) on October 1, 1999 and on the first day of each and every calendar month thereafter occurring during such period.

(b) Payment of the basic rental for Area C set forth in this paragraph shall not affect or diminish the Lessee's obligation to pay the basic and percentage rental for the premises heretofore let to the Lessee under the Lease, as herein amended, nor shall the applicable annual exemption amount as defined therein be changed or affected thereby.

7. (a) Effective from and after October 1, 1997:

(i) For every calendar day or major fraction thereof that the Lessee shall be entitled to abatement with respect to Area C during the period from October 1, 1997 through September 30, 1999, both dates inclusive, the basic rental for Area C established for such period shall be reduced by the product of Two Dollars and Eighty-six Cents (\$2.86) multiplied by a fraction, the numerator of which shall be the number of square feet of floor space as to which the abatement applies and the denominator of which shall be the total number of square feet in Area C; and

(ii) For every calendar day or major fraction thereof that the Lessee shall be entitled to abatement with respect to Area C during the period from October 1, 1999 and continuing through the expiration date of the term of the letting, both dates inclusive, the basic rental for Area C established for such period shall be reduced by the product of Three Dollars and Ten Cents (\$3.10) multiplied by a fraction, the numerator of which shall be the number of square feet of floor space as to which the abatement applies and the denominator of which shall be the total number of square feet in Area C.

(b) For the purpose of abatement with respect to Area C, the ascertainment of the number of square feet contained in Area C shall be measured in accordance with the provisions of subparagraph (3) of paragraph (e) of Item 1 of Exhibit B annexed to the Lease.

8. In addition to all other rights of termination contained in the Lease, as herein amended, including, without limitation, the right of termination provided for in paragraph (a) of Section 44 of the Lease, PATH shall have the right to separately terminate the letting as to Area C at any time, without cause, on thirty (30) days' notice to the Lessee. Such termination shall not relieve the Lessee of any liabilities or obligations which shall have accrued on or prior to the effective date of termination or which shall mature on such date. In the event the term of the letting of the entire premises under the Lease, as herein amended, is terminated pursuant to paragraph (a) of Section 44 of the Lease during the term of the letting of Area C under the Lease, as herein amended, or in the event the term of the letting of Area C under the Lease is separately terminated pursuant to the provisions of this paragraph, the term of the letting of Area C under the Lease shall cease and expire as if the effective date of termination stated in the notice were the date originally stated herein for the expiration of the term of the letting as to Area C under the Lease. The separate termination of the letting as to Area C pursuant to the provisions of this paragraph shall not affect the letting as to the balance of the premises under the Lease and the letting as to the balance of the premises shall continue in full force and effect notwithstanding such termination. PATH shall have no reimbursement obligation with respect to Area C in the event the letting of the entire premises is terminated pursuant to paragraph (a) of Section 44 of the Lease during the term of the letting of Area C under the Lease, as herein amended, or in the event the letting as to Area C is separately terminated pursuant to the provisions of this paragraph. Nothing contained herein shall be deemed to affect PATH's reimbursement obligation pursuant to the provisions of Item 6 of Exhibit B annexed to the Lease with respect to fixtures, equipment, improvements and other property installed in the balance of the premises under the Lease in accordance with the terms of that agreement.

9. The Lessee represents and warrants that no broker has been concerned in the negotiation or execution of this Agreement or the letting of Area C and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Lessee shall indemnify and save harmless PATH of and from any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Agreement or the letting of Area C.

10. Neither the Directors of PATH, nor any of them, nor any officer, agent or employee thereof, shall be charged personally by the Lessee with any liability, or held liable to it under any term or provision of this Agreement, or because of its execution or attempted execution or because of any breach thereof.

11. As hereby amended, all the terms, covenants, provisions, conditions and agreements of the Lease shall be and remain in full force and effect.

12. This Agreement and the Lease which it amends and supplements constitute the entire agreement between PATH and the Lessee on the subject matter and may not be changed, modified, discharged or extended except by instrument in writing duly executed on behalf of both PATH and the Lessee. The Lessee agrees that no representations or warranties shall be binding upon PATH unless expressed in writing in the Lease or this Agreement.

IN WITNESS WHEREOF, PATH and the Lessee have executed these presents as of the date first above written.

ATTEST:

**PORT AUTHORITY TRANS-HUDSON
CORPORATION**

David B. ...
Secretary

By *Chern ...*
(Title) *Deputy Director*
(Seal)

ATTEST:

HUDSON NEWS COMPANY

Andrew S. ...
Secretary

By *Mark ...*
(Title) *Sr. Vice President*
(Corporate Seal)



SDU

SW

(PATH Acknowledgement)

STATE OF NEW YORK)
)ss.:
COUNTY OF NEW YORK)

On the *12th* day of *February*, 19*88*, before me personally came *Cherrie Narunega* to me known, who, being by me duly sworn, did depose and say that he resides at (Ex. 1)

that he is the *deputy Director, in charge* of Port Authority Trans-Hudson Corporation, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that he signed his name thereto by like order.

Sylvia Shepherd

(notarial seal and stamp)

SYLVIA SHEPHERD
Notary Public, State of New York
No. 41-4952176
Qualified in Queens County
Commission Expires June 12, 19*99*

(Corporate Acknowledgment)

STATE OF *New Jersey*)
)ss.:
COUNTY OF *Hudson*)

On the *22^d* day of *December*, 19*97*, before me personally came *Mario DiDomizio* to me known, who, being by me duly sworn, did depose and say that he resides at (Ex. 1)

that he is the *Senior Vice* - President of Hudson News Company, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that he signed his name thereto by like order.

Mary E. Contino

(notarial seal and stamp)

MARY E. CONTINO
A NOTARY PUBLIC OF NEW JERSEY
NO. 2205393
COMMISSION EXPIRES SEPT. 11, 20*02*

PORT AUTHORITY TRANS-HUDSON
CORPORATION

WORLD TRADE CENTER
TEMPORARY STATION

AGREEMENT OF LEASE

between

PORT AUTHORITY TRANS-HUDSON
CORPORATION

and

AIRPORT MANAGEMENT SERVICES, LLC

AGREEMENT OF LEASE
between
PORT AUTHORITY TRANS-HUDSON CORPORATION
and
AIRPORT MANAGEMENT SERVICES, LLC

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THIS AGREEMENT, made as of November 22, 2003, by and between **PORT AUTHORITY TRANS-HUDSON CORPORATION** (hereinafter called "PATH"), a corporation organized and existing under the laws of the States of New York and New Jersey, and having an office at One PATH Plaza in the City of Jersey City, County of Hudson, State of New Jersey, and **AIRPORT MANAGEMENT SERVICES, LLC, d/b/a HUDSON NEWS**, a limited liability company formed and existing under the laws of the State of New Jersey having an office and place of business at One Meadowlands Plaza, Suite 902, East Rutherford, New Jersey 07073 (hereinafter called the "Lessee") whose representative is Joseph DiDomizio,

WITNESSETH That:

PATH and the Lessee, for and in consideration of the rents, covenants and agreements hereinafter contained, mutually covenant and agree as follows:

Section 1. Letting

PATH hereby lets to the Lessee and the Lessee hereby hires and takes from PATH, in the City, County and State of New York at the temporary PATH Station constructed at the site of the World Trade Center: (a) the spaces shown in diagonal hatching, and the area enclosed on three sides within the said spaces, shown on the sketch annexed hereto, hereby made a part hereof and marked "Exhibit A," together with the fixtures, improvements and other property of PATH located or to be located therein or thereon, the said spaces and the said area enclosed within such spaces shown on Exhibit A, together with such fixtures, improvements and other property of PATH, being sometimes hereinafter referred to as the "Retail Space;" and (b) the space shown on Exhibit A-1 labeled "Hudson News Storage," together with the fixtures, improvements and other property of PATH located or to be located therein or thereon, the said space, together with such fixtures, improvements and other property of PATH being hereinafter sometimes referred to as the "Storage Space;" and the Retail Space and the Storage Space being sometimes hereinafter jointly referred to as the "premises". The Lessee hereby acknowledges with respect to the Storage Space that from time-to-time during the letting under this Agreement as PATH may determine in its sole discretion, including but not limited to the period immediately following the date defined as the "Commencement Date" in Section 2, below, in lieu of the space shown on Exhibit A-1, the Storage Space may consist of a storage container ("Conex box") of approximately the same size and capacity as the space shown on Exhibit A-1. PATH and the Lessee hereby acknowledge that the aforesaid premises constitute non-residential real property.

Section 2. Term

The term of the letting of the premises under this Agreement shall commence at 12:01 o'clock A.M. on November 23, 2003 (which date is sometimes hereinafter referred to as the "Commencement Date") and shall, unless sooner terminated or unless extended, expire at 11:59 o'clock P.M. on November 30, 2006.

Section 3. Rights of User by the Lessee

The Lessee shall use the Retail Space for the following purposes only and for no other purpose whatsoever: for the construction and operation of a newsstand for the sale, at retail, of products only in the following categories: newspapers, magazines and books, packaged food items, tobacco products, convenience items, lottery tickets issued by the Lottery Division of the New York State Department of Taxation and Finance, and mass transit travel tickets, such as PATH QuickCards. Sales inconsistent with the unique nature and significance of the World Trade Center site as the location of the events of September 11, 2001 will not be among those permitted by this Agreement, including but not limited to sales of souvenirs, toys and other materials whose sales are inconsistent with the unique nature and significance of the site. The Lessee shall use the Storage Space solely for storage purposes in connection with its permitted business activities in the Retail Space and for no other purpose or purposes whatsoever.

Section 4. Rental

(a) The Lessee agrees to pay to PATH a basic rental for the premises at the rate as set forth in Item 1 of Exhibit B attached hereto and hereby made a part hereof.

(b) The Lessee agrees to pay to PATH the percentage rental, if any, set forth in Item 1 of Exhibit B.

(c) The time for making payments of rental and the method of computation and abatement thereof are set forth in Item 1 of Exhibit B.

Section 5. Obligations in Connection with Any Percentage Rental

If any rental hereunder is measured by a percentage of the Lessee's gross receipts, the Lessee shall:

(a) Take all reasonable measures in every proper manner to maintain, develop and increase the business conducted by it hereunder;

(b) Not divert or cause or allow to be diverted any business from the premises;

(c) Maintain in accordance with accepted accounting practice during the letting and for one year thereafter and for such further period until the Lessee shall receive written permission from PATH to do otherwise, records and books of account recording all transactions at, through, or in anywise connected with the premises, which records and books of account shall be kept at all times within the Port of New York District and permit, in ordinary business hours during such time, the examination and audit by the officers, employees and representatives of PATH of such records and books of account and also any records and books of account of any company which is owned or controlled by the Lessee, if said company performs services, similar to those performed hereunder by the Lessee, anywhere in the Port of New York District;

(d) Permit in ordinary business hours the inspection by the officers, employees and representatives of PATH of any equipment used by the Lessee, including but not limited to cash registers and recording tapes;

(e) Furnish on or before the twentieth day of each month following the commencement date of the letting a sworn statement of gross receipts arising out of the operations of the Lessee hereunder for the preceding month;

(f) Install and use such cash registers, sales slips, invoicing machines and any other equipment or devices for recording orders taken or services rendered as may be appropriate to the Lessee's business and necessary or desirable to keep accurate records of gross receipts.

Section 6. Governmental Requirements

(a) The Lessee shall procure from all governmental authorities having jurisdiction over the operations of the Lessee at the premises all licenses, certificates, permits or other authorization which may be necessary for the conduct of its operations.

(b) The Lessee 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.

(c) The Lessee 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 operations of the Lessee on the premises or its occupancy thereof, and the Lessee shall, in accordance with and subject to the provisions of Section 15 hereof, make any and all structural and nonstructural improvements, alterations or repairs of the premises that may be required at any time hereafter by any such present or future law, rule, regulation, requirement, order or direction.

(d) The obligation of the Lessee to comply with governmental requirements is provided herein for the purpose of assuring proper safeguards for the protection of persons and property on the premises and a proper operation by the Lessee. Such provision is not to be construed as a submission by PATH to the application to itself of such requirements or any of them.

Section 7. Rules and Regulations

The Lessee covenants and agrees to observe and obey (and to compel its officers, members, employees, agents, representatives, contractors, customers, guests, invitees and those doing business with it to observe and obey) present and future rules and regulations of PATH for the Facility or building.

Section 8. Various Obligations of the Lessee

(a) The Lessee shall conduct its operations in an orderly and proper manner and so as not to annoy, disturb or be offensive to others. The Lessee shall take all reasonable measures to eliminate vibrations tending to damage the premises and to keep the sound level of its operations as low as possible.

(b) The Lessee shall control the conduct, demeanor and appearance of its officers, members, employees, agents, representatives, contractors, customers, guests, invitees and those doing business with it, and upon objection from PATH concerning the conduct, demeanor or appearance of any such shall immediately take all steps necessary to remove the cause of the objection.

(c) No garbage, debris or other waste materials (whether solid or liquid) shall be allowed to collect or accumulate in the premises and the Lessee shall remove from the premises and from the building and Facility, which the premises may be a part, all garbage, debris and other waste materials (whether solid or liquid) arising out of its occupancy or use of the premises. The Lessee shall use extreme care when effecting removal of all such waste and in no event shall use any facilities of PATH without its prior consent in writing and shall effect such removal only during such hours as are prescribed by PATH.

(d) If the premises have an entrance or exit opening out on a sidewalk the Lessee shall keep all sidewalks and curbs adjacent to the premises and all exclusive lobbies, vestibules and steps free from snow, ice, dirt and rubbish.

(e) If PATH deems it advisable for security reasons the Lessee shall provide and its employees shall wear or carry badges or other suitable means of identification which shall be subject to the prior written approval of PATH.

(f) If the Lessee is permitted under this Agreement to sell food and/or beverages, it shall, in connection with any preparation, packaging, handling, storage, delivery and dispensing of such food and/or beverages, comply with the following:

(1) Its employees shall wear clean, washable uniforms and female employees shall wear caps or nets. The employees shall be clean in their habits and shall thoroughly wash their hands before beginning work and immediately after each visit to the toilet and shall keep them clean during the entire work period. No person affected with any disease in a communicable form or who is a carrier of such disease shall work or be permitted to work for the Lessee.

(2) All food and beverages shall be clean, fresh, pure, of first class quality and safe for human consumption.

(3) The premises and all equipment and materials used by the Lessee shall at all times be clean, sanitary, and free from rubbish, refuse, dirt, offensive or unclean material, flies and other insects, rodents and vermin. All apparatus, utensils, devices, machines and piping used by the Lessee shall be constructed so as to facilitate the cleaning and inspection thereof and shall be properly cleaned after each period of use (which shall at no time exceed eight hours) with hot water and a suitable soap or detergent and shall be rinsed by flushing with hot water. Where deemed necessary by PATH, final treatment by live steam under pressure or other sterilizing procedure shall be used. All trays, dishes, crockery, glassware, cutlery, and other equipment of such type shall be cleaned and sterilized immediately before using same.

(4) All packing materials, including but not limited to wrappers, stoppers, caps, enclosures and containers, shall be clean and sterile and shall be so stored as to be protected from dust, dirt, flies and other insects, rodents, vermin, unsanitary handling and unclean materials.

(5) It is intended that the standards and obligations imposed by this subdivision (f) shall be maintained or complied with by the Lessee in addition to its compliance with all applicable governmental laws, ordinances and regulations, and in the event that any of said laws, ordinances and regulations shall be more stringent than such standards and obligations, the Lessee agrees that it will comply with such laws, ordinances and regulations in its operations hereunder.

(g) In the event that all or any portion of the premises is required by PATH to comply with any present or future governmental law, rule, regulation, requirements, order or direction, PATH shall give the Lessee notice that all or any such portion of the premises is so required, and the Lessee shall deliver all or any such portion of the premises so required on the date specified in such notice, and, if the Lessee does not so deliver, PATH may take the same. No such taking or delivery shall be or be construed to be an eviction of the Lessee or a breach of any present or future governmental law, rule, regulation, requirements, order or direction, PATH shall give the Lessee notice that all or

any such portion of the premises is so required and the Lessee shall deliver all or any such portion of the premises so required on the date specified in such notice and if the Lessee does not so deliver, PATH may take the same. In the event that the Lessee has received a notice hereunder it shall deliver all or any such portion of the premises so required in the same condition as that required hereunder for the delivery of the premises on the cessation of the letting. In the event of the taking or delivery of all the premises, this Agreement and the letting hereunder shall on the day of such taking or delivery cease and expire as if that day were the date originally stated herein for the expiration of this Agreement; and, in the event of the taking or delivery of any portion of the premises, then, from and after such taking or delivery, such portion of the premises shall cease to be a part of the premises hereunder. There shall be an abatement of the rental in the event of any such taking or delivery of a portion of the premises if so provided in Item 1 of Exhibit B.

Section 9. Prohibited Acts

The Lessee shall not: (a) commit any nuisance on the premises, or do or permit to be done anything which may result in the creation or commission of a nuisance on the premises; (b) cause or produce or permit to be caused or produced upon the premises, or to emanate therefrom, any unusual, noxious or objectionable smokes, gases, vapors, or odors; (c) use the premises for lodgings or sleeping purposes or for any immoral purposes; (d) install window shades or venetian blinds on the windows of the premises unless and until the type, size and color of the same shall have been previously approved in writing by PATH; (e) obstruct or permit the obstruction of light, air or passage in the building or Facility of which the premises may be a part; (f) do or permit to be done anything which may interfere with the effectiveness or accessibility of existing and future utilities systems or portions thereof on the premises, including therein, without limitation thereto, systems for the supply of heat, water hot and cold, gas, electricity and fuel and for the furnishing of fire-alarm, fire-protection, sprinkler, sewerage, drainage, air-conditioning, telephone, telegraph, tele-register, pneumatic-tube dispatch and intercommunications services, including lines, pipes, mains, wires, conduits and equipment connected with or appurtenant to all such systems, nor do or permit to be done anything which may interfere with free access and passage in the premises, or in the building or Facility of which the premises may be a part, or in the streets and sidewalks adjacent thereto; (g) do or permit to be done anything which may interfere with the effectiveness or accessibility of any elevators or escalators, including lines, pipes, wires, conduits and equipment connected with or appurtenant thereto; (h) overload any floor in the premises; (i) place any furniture, machine or equipment over any expansion or contraction joint unless one end of such furniture, machine or equipment is free to permit expansion or contraction; (j) place any additional lock of any kind upon any window or interior or exterior door in the premises unless a key therefor is delivered to PATH, nor make any change in any existing door or window lock or the mechanism thereof, except with the prior written approval of PATH, and upon the expiration or sooner termination of the letting hereof, the Lessee shall surrender to PATH any and all keys to interior and exterior doors on the premises, whether said keys were furnished to or were otherwise procured by the Lessee, and in the event of

the loss of any keys furnished by PATH to the Lessee, the Lessee shall pay to PATH on demand the cost of replacement thereof; (k) do or permit to be done any act or thing upon the premises which will invalidate or conflict with any insurance policies covering the premises or any part thereof or covering the building or Facility of which the premises may be a part, or which, in the opinion of PATH, may constitute an extra hazardous condition so as to increase the risks normally attendant upon the operations contemplated by Section 3 hereof, and the Lessee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of the New York Board of Fire Underwriters, the New York Fire Insurance Exchange, or if the premises are located in New Jersey of the National Board of Fire Underwriters, the Fire Insurance Rating Organization of N.J., or of any other board or organization exercising or which may exercise similar functions that may pertain or apply to the operations of the Lessee on the premises, and the Lessee shall subject to and in accordance with the provisions of Section 15 hereof, make any and all nonstructural improvements, alterations or repairs of the premises that may be required at any time hereafter by any such present or future rule, regulation, requirement, order or direction, and if by reason of any failure on the part of the Lessee to comply with the provisions of this subdivision, any insurance rate on the premises or any part thereof, or on the building or Facility of which the premises may be a part, shall at any time be higher than it otherwise would be, then the Lessee shall pay to PATH on demand that part of all insurance premiums paid by PATH which shall have been charged because of such violation or failure by the Lessee; (l) unless otherwise expressly permitted so to do elsewhere in this Agreement, install, maintain or operate, or permit the installation, maintenance or operation on the premises of any vending machine or device designed to dispense or sell food, beverages, tobacco products or merchandise of any kind, whether or not included in the above categories, or of any restaurant, cafeteria, kitchen, stand or other establishment of any type for the preparation, dispensing or sale of food, beverages, tobacco or tobacco products, or of any telephone paystations.

Section 10. Maintenance and Repair

(a) The Lessee shall at all times keep in a clean and orderly condition and appearance the premises and all the Lessee's fixtures, equipment and personal property.

(b) The Lessee shall repair, replace, rebuild and paint all or any part of the premises, or of the building or Facility of which the premises may be a part, including therein, without limitation thereto, walls, partitions, floors, ceilings, columns, windows, doors, glass of every kind, fixtures, systems for the supply of heat, water hot and cold, gas, electricity and fuel and for the furnishing of fire-alarm, fire-protection, sprinkler, sewerage, drainage, air-conditioning, telephone, tele-register, pneumatic-tube dispatch and inter communication services, including lines, pipes, mains, wires, conduits and equipment connected with or appurtenant to all such systems that may be damaged or destroyed by the acts or omissions of the Lessee, its officers, members, employees, agents, representatives, contractors, customers, guests, Invitees or other persons doing business with it.

(c) The Lessee shall take good care of the premises, including therein, without limitation thereto, walls, partitions, floors, ceilings, columns, windows, doors, glass of every kind fixtures, and shall make or do all nonstructural repairs, replacements, rebuilding and painting necessary to keep the premises in the condition existing as of the commencement date of the letting and to keep all improvements and fixtures made or installed subsequent to the commencement date of the letting in the condition existing as of the date such improvements are made and such fixtures installed.

(d) The Lessee shall not lay any linoleum, asphalt tile or other such affixed floor covering in direct contact with the floor of the premises. If the Lessee lays any linoleum, asphalt tile or other such affixed covering on the floor of the premises, an interlining of builder's deadening felt shall first be affixed to the floor with water-soluble paste or other water-soluble material, the use of cement or other adhesive non-soluble in water being expressly prohibited.

(e) The Lessee shall maintain and pay the premiums on a policy of plate and mirror glass insurance covering all plate and mirror glass which is a part of or is located on or in the premises and shall replace any of such plate or mirror glass which in damaged or destroyed from any cause whatsoever.

(f) In the event that as a result of any casualty, the premises are damaged without the fault of the Lessee, its officers, members, employees, agents, representatives, contractors, customers, guests, invitees or other persons doing business with it, so as to render them untenable in whole or part, then

(1) If in the opinion of PATH the necessary repairs or rebuilding can be completed within ninety (90) days after the occurrence of the damage, PATH shall repair or rebuild with due diligence, and the rental hereunder shall, if so provided in item 1 of Exhibit B, be abated only for the period from the occurrence of the damage to the completion of the repairs or rebuilding, whether or not the work of repair or rebuilding is actually completed within the said ninety (90) days; or

(2) If in the opinion of PATH such repairs or rebuilding cannot be completed within ninety (90) days after the occurrence of the damage or if the entire premises require rebuilding, then PATH shall have options: (i) to proceed with due diligence to repair or to rebuild as necessary; or (ii) to terminate the letting as to the damaged portion of the premises only, or (iii) to cancel this Agreement and terminate the letting as to the entire premises; and the rental hereunder shall, if so provided in Item 1 of Exhibit B, be abated, either, as the case may require, for the period from the occurrence of the damage to the completion of repairs and rebuilding or for the period from the occurrence of the damage to the effective date of termination.

(g) The parties hereby stipulate that if the premises are in the State of New Jersey neither the provisions of Titles 46:8-6 and 46:8-7 of the Revised Statutes of New Jersey nor those of any other similar statute shall extend or apply to this Agreement, and if

the premises are in the State of New York, neither the provisions of Section 227 of the Real Property Law of New York, nor those of any other similar statute shall extend or apply to this Agreement.

(h) In the event of a partial or total destruction of the premises, the Lessee shall immediately remove any and all of its property and/or debris from the premises or the portion thereof destroyed, and if the Lessee does not promptly so remove, PATH may remove such property to a public warehouse for deposit or retain the same in its own possession and sell the same at public auction, the proceeds of which shall be applied first to the expenses of removal, storage and sale, second to any sums owed by the Lessee to PATH, with any balance remaining to be paid to the Lessee; if the expenses of such removal, storage and sale shall exceed the proceeds of sale, the Lessee shall pay such excess to PATH upon demand.

Section 11. Indemnity; Liability Insurance

(a) The Lessee shall indemnify and hold harmless PATH, its Directors, officers, agents, representatives and employees from all claims and demands of third persons, including but not limited to those due to death or personal injuries or for property damage arising wholly or partially out of the use or occupancy of the premises by the Lessee or out of any of the acts or omissions of the Lessee, its officers, members, employees, agents, representatives, contractors, customers, guests, invitees, and other persons doing business with it where such acts or omissions are on the premises or, if the premises are a part of a Facility or of a building, out of any acts or omissions of the Lessee, its officers, members, employees, agents and representatives, where such acts or omissions are elsewhere in the Facility or the building. Such indemnification shall include all expenses incurred or assumed in connection with such claims and demands.

(b) In addition to the obligations set forth in the above subdivision, the Lessee in its own name as assured shall maintain and pay the premiums on a policy or policies of comprehensive public liability insurance, including products liability, which shall cover its operations hereunder and shall be effective throughout the letting, in limits not lower than those set out in Item 2 of Exhibit B.

(c) PATH shall not be named as an insured in any policy of liability insurance required by this Section, unless PATH shall, at any time during the letting, direct otherwise in writing, in which case the Lessee shall cause PATH to be so named. As to any insurance required by the provisions of this or any other Section of this Agreement, a certified copy of each of the policies or a certificate or certificates evidencing the existence thereof or binders, shall be delivered to PATH within ten (10) days after the execution of this Agreement or, in the case of insurance required under the provisions of Section 15, prior to the commencement of the work. In the event any binder is delivered, it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy or certificate shall contain endorsements that the policy may not be cancelled, terminated, changed or modified without giving ten (10) days' written advance notice

thereof to PATH. A renewal policy shall be delivered to the Port Authority at least fifteen (15) days prior to the expiration date of each expiring policy, except for any policy expiring after the date of the expiration of the letting. If at any time any of the policies shall be or become unsatisfactory to PATH as to form or substance or if any of the carriers issuing such policies shall be or become unsatisfactory to PATH, the Lessee shall promptly obtain a new and satisfactory policy in replacement.

Section 12. Sales and Services by the Lessee

(a) A principal purpose of PATH in entering into this Agreement is to have available for all members of the public the merchandise and/or services which the Lessee is permitted to sell and/or render hereunder, all for the better accommodation, convenience and welfare of such individuals and in fulfillment of PATH's obligation to operate facilities for the use and benefit of the public, and the Lessee agrees that it will conduct a first class operation and will furnish and install all necessary or proper equipment, fixtures, improvements (subject to Section 15) personnel, supplies, materials and other facilities and replacements therefor and all such fixtures and improvements (except trade fixtures removable without injury to the premises) shall on installation become the property of PATH and a part of the premises, *provided, however*, that PATH shall have the option, exercisable by notice delivered to the Lessee on or before a date sixty (60) days after expiration or termination hereof, to require the Lessee to remove any or all such fixtures, equipment and improvements and to restore the premises to the condition thereof prior to any installation and in the event of a failure on the part of the Lessee so to remove and restore, PATH may do so, and the Lessee shall pay the cost thereof to PATH on demand. All equipment, fixtures and improvements to be used in the premises and the installation thereof shall be subject to the prior written approval of PATH as to type and quality. PATH may by written authorization allow the Lessee to enter and occupy the premises prior to the commencement date of the letting stated or referred to in Section 2, solely for the purpose of installing fixtures and making improvements. In the event that the Lessee receives such written authorization the Lessee shall use and occupy the premises in accordance with and subject to all the provisions of this Agreement other than those relating to the conducting of a business and the payment of rental.

(b) The Lessee shall furnish good, prompt and efficient service hereunder, adequate to meet all demands therefor; shall furnish said service on a fair, equal and non-discriminatory basis to all users thereof; and shall charge fair, reasonable and non-discriminatory prices for all items and/or services which it is permitted to sell and/or render hereunder.

(c) The Lessee shall, prior to selling any items or rendering any services hereunder, prepare schedules of prices and rates for said items and services. Such schedules shall be submitted to PATH for its prior written approval as to compliance by the Lessee with its obligations under this Agreement. PATH shall examine such schedules and make such modifications therein as may be necessary. Any changes thereafter in the

schedules shall be similarly submitted to PATH for its prior written approval and, if necessary, modification. All such schedules shall be made available to the public by the Lessee at locations designated from time to time by PATH. The Lessee agrees to adhere to the prices and rates stated in the approved schedules. If the Lessee charges any price or applies any rate in excess of the approved prices or rates, the amount by which the actual price or the charge based on such actual rate deviates from the approved price or a charge based on the approved rates shall constitute an overcharge which will, upon demand of PATH or the Lessee's customer, be promptly refunded to the customer. If the Lessee charges any price or applies any rate which is less than the approved prices or rates, the amount by which the actual price or the charge based on such actual rate deviates from the approved price or a charge based on the approved rates shall constitute an undercharge and an amount equivalent thereto shall be included in any gross receipts hereunder and the percentage rental, if any, shall be payable in respect thereto. Notwithstanding any repayment of overcharges to a customer by the Lessee or any inclusion of undercharges in gross receipts, any such overcharge or undercharge shall constitute a breach of the Lessee's obligations hereunder and PATH shall have all remedies consequent upon breach which would otherwise be available to it at law, in equity or by reason of this Agreement.

(d) In the event that the Lessee in its operations hereunder offers for sale such a variety of items that the submission of schedules, under the preceding subdivision of this Section, is not feasible in the opinion of PATH, then the Lessee shall be under no obligation to submit such schedules of prices, but the Lessee shall not then sell any items hereunder at a price other than the manufacturer's or distributor's recommended retail price, *provided, however* that if the price charged for the same item at any other establishment within the Port of New York District which has any ownership, financial or management connection with the Lessee or any majority stockholder thereof is lower than the manufacturer's or distributor's recommended retail price, the Lessee shall notify PATH in writing of that fact and shall charge only the lower price. If the Lessee wishes to charge a price different from the manufacturer's or distributor's recommended retail price or different from the lower price at any other establishment, as the case may be, then the Lessee shall prepare and submit to PATH schedules therefor in the same manner and subject to the same conditions as set forth in the preceding subdivision of this Section. Every overcharge or undercharge resulting from a breach by the Lessee of its obligation under this subdivision shall be respectively refunded to the customer or included in gross receipts, all in the same manner and subject to the conditions as set forth in the preceding subdivision of this Section for overcharges or undercharges.

(e) The Lessee shall be open for and conduct business and furnish services twenty four hours a day, seven days a week, or for such other hours and days as PATH, from time to time by notice to the Lessee, may determine to properly serve the needs of the public. The determination of proper business hours and days made by PATH shall be controlling.

Section 13. Displays

(a) Except with the prior approval of PATH, the Lessee shall not erect, maintain or display any sign, lettering or any advertising at or on the exterior part of the premises or in the premises so as to be visible through the windows or exterior doors thereof. Without limiting the effect of the above, it is agreed that all signs, lettering, advertising, decorating and displays of merchandise or services anywhere in or on the premises shall be subject to the continuing approval of PATH, and on direction of PATH at any time given, the exhibition thereof shall be immediately discontinued. PATH may in its discretion in any way change the appearance, design or size of any show window, exterior door or other display area which is a part of the premises.

(b) Upon the expiration or termination of the letting, the Lessee shall remove, obliterate or paint out, as PATH may direct, any and all signs, lettering, advertising, decorating and displays on the premises, or elsewhere in the building or Facility of which the premises may be a part, and in connection therewith shall restore the premises or building or Facility to the saw condition as prior to the placement thereof. In the event that there is a failure by the Lessee so to remove, obliterate or paint out and so to restore, PATH may, at its option, perform the necessary work at the expense of the Lessee, and the charge therefor shall be paid by the Lessee to PATH on demand.

(c) The exercise of any right hereunder by PATH shall not be or be construed to be an eviction of the Lessee, nor grounds for any diminution or abatement of the rentals payable hereunder, nor constitute grounds for any claim by the Lessee for damages, consequential or otherwise, unless due to the negligence of PATH, its employees or agents.

Section 14. Services

(a) Unless otherwise stated in Item 3 of Exhibit B, PATH shall, without additional charge, heat the premises to an even and comfortable working temperature during the hours and days stated in said Item 3.

(b) PATH shall also, without additional charge, furnish non-exclusive toilet and washroom facilities for the employees of the Lessee if toilet and washroom facilities are not a part of the premises.

(c) PATH agrees to sell, furnish and supply to the Lessee in the premises, and the Lessee agrees to take and pay PATH for the following:

(1) Unless otherwise stated in Item 3 of Exhibit B, electricity, in reasonable quantities, for illumination (all bulbs to be supplied and installed by the Lessee) and power; said electricity unless otherwise specified in said Item 3 to be 60 cycle, alternating current, single phase, at 110 volts, and to be paid for by the Lessee at the rates specified in said Item 3.

(2) Unless otherwise stated In Item 3 of Exhibit B, cold water, in reasonable quantity, of the character furnished by the municipality or utility company supplying in the vicinity and to be paid for by the Lessee at the rates specified in said Item 3.

(3) Unless otherwise stated in Item 3 of Exhibit B, hot water, in reasonable quantities, at the temperature stated in said Item 3 and to be paid for by the Lessee at the rates specified in said Item 3.

(4) Unless otherwise stated in Item 3 of Exhibit B, steam, in reasonable quantities, of the character specified in said Item 3 and to be paid for by the Lessee at the rates specified in said Item 3.

(5) Unless otherwise stated in Item 3 of Exhibit B, air-conditioning sufficient to maintain the premises to the temperature stated in said Item 3 during the hours and days stated in said Item 3 and to be paid for by the Lessee at the rates specified in said Item 3.

(d) The above utilities may be charged for at a flat rate as provided in Item 3 of Exhibit B or at a metered rate as provided in Item 3 of Exhibit B. In the latter event, the quantity thereof shall be measured by a meter or meters installed for that purpose; *provided, however,* that, if for any reason any meter fails to record the consumption thereof, the consumption during any such period that the meter is out of service will be considered to be the same as the consumption for a like period immediately before or immediately after the interruption, as selected by PATH.

(e) Charges by PATH for the above services shall be paid for by the Lessee on demand; and, unless otherwise specified in Item 3 of Exhibit B, the services shall be supplied through existing wires, fixtures, conduits, outlets, pipes or vents, if any.

(f) If any federal, state, municipal or other governmental body, authority or agency or any public utility assesses, levies, imposes, makes or increases any charge, fee or rent on PATH for any service, system or utility now or in the future applied to or available to the premises or to any occupants or users thereof or to the structure or building of which the premises form a part (including but not limited to any sewer rent or charge for the use of sewer systems), the Lessee shall, at the option of PATH exercised at any time and from time to time by notice to the Lessee, pay, in accordance with said notice, such charge, fee or rent or increase thereof (or the portion thereof allocated by PATH to the premises or the Lessee's operations hereunder) either directly to the governmental body, authority or agency or to the public utility or directly to PATH.

(g) Notwithstanding that PATH may have agreed to supply a service hereunder to the Lessee where such service is to be metered, PATH shall be under no obligation to provide or continue any such service if PATH is prevented by law from submetering such service or has agreed with the supplier of such service not to submeter such service.

(h) PATH shall have the right to temporarily discontinue the supply of any of the above services when necessary or desirable in the opinion of PATH in order to make any repairs, alterations, changes or improvements in the premises or elsewhere in the building of which the premises form a part including all systems for the supply of services.

(i) Notwithstanding that PATH may have agreed to supply a service hereunder to the Lessee, PATH shall be under no obligation to supply any such service if and to the extent that the supplying of such service, and, during any period that the supplying of any such service or the use of any component necessary therefor, shall be prohibited or rationed by any federal, state or municipal law, rule, regulation, requirement, order or direction and if PATH deems it in the public interest to comply therewith, even though such law, rule, regulation, requirement, order or direction may not be mandatory on PATH. If by operation of this subdivision or the previous subdivision any service for which the Lessee has agreed to pay a flat sum is discontinued for any period of the letting, the Lessee shall be relieved of its obligation to pay for such service for any such period or if any such service is supplied during fewer hours or in lesser amounts than agreed during any period of the letting, the Lessee shall be relieved proportionately of its obligation to pay for any such service for any such period.

(j) No failure, delay or interruption in any of the above services shall be or shall be construed to be an eviction of the Lessee, shall be grounds for any diminution or abatement of the rentals payable hereunder, or shall constitute grounds for any claim by the Lessee for damages, consequential or otherwise, unless due to the negligence of PATH, its employees or agents. The Lessee shall not be entitled to receive any of the above services during any period during which the Lessee wastes any of the services or is in default under any of the provisions of this Agreement.

Section 15. Construction by the Lessee

(a) Except with the prior approval of PATH, the Lessee shall not erect any structures, make any improvements or do any other construction work on the premises, or alter, modify, or make additions, improvements, or repairs to or replacements of any structure now existing or built at any time during the letting, or install any fixtures (other than trade fixtures, removable without injury to the premises) and in the event any construction, improvement alteration, modification, addition, repair or replacement is made with or without such approval and unless the approval of PATH shall expressly provide otherwise, the same shall immediately become the property of PATH and the Lessee shall have no right to change the same or remove the same either during the term or at the expiration or termination thereof unless PATH, at any time during the letting or within sixty (60) days' after the expiration date or effective date of termination of the letting, shall give notice to the Lessee to remove the same or cause the same be changed to the satisfaction of PATH, in which case the Lessee shall remove the same or change it in compliance with such notice.

(b) In the event that Item 4 of Exhibit B provides that the Lessee is required (or is permitted) to build a structure or make repairs, alterations, improvements or additions to the premises, the structure, repairs, alterations, improvements or additions described in the said Item 4 shall be built or made strictly in accordance with the following terms and conditions:

(1) The Lessee shall, to the extent allowed under the law, be the insurer of PATH, its Directors, officers, agents and employees, against the following distinct and several risks, whether they arise from acts or omissions of the Lessee, of PATH, its Directors, officers, agents, representatives and employees or of third persons, or from acts of God or of the public enemy, or otherwise, excepting only risks which result solely from affirmative, willful acts done by PATH subsequent to the commencement of the work of construction, repair, alteration, improvement or addition:

(i) The risk of loss or damage to all such required repairs, alterations, additions, improvements or structures prior to the completion thereof. In the event of such loss or damage, the Lessee shall forthwith repair, replace and make good the work without cost to PATH.

(ii) The risk of death, injury or damage, direct or consequential to PATH, its Directors, officers, agents, representatives and employees, and to its or their property, arising out of or in connection with the performance of the work. The Lessee shall indemnify PATH, its Directors, officers, agents, representatives and employees, for all such deaths, injuries and damages, and for all losses suffered by reason thereof.

(iii) The risk of claims and demands, just or unjust, by third persons against PATH, its Directors, officers, agents, representatives and employees arising or alleged to arise out of the performance of the work. The Lessee shall indemnify PATH, its Directors, officers, agents, representatives and employees, against and from all such claims and demands, and for all loss and expense incurred by it and by them in the defense, settlement or satisfaction thereof.

(2) All construction work done pursuant to this Section shall be done in accordance with drawings and specifications to be submitted to and approved by the Chief Engineer of PATH prior to the commencement of the work, shall be done to his satisfaction and shall be subject to his inspection during the progress of such work and after completion thereof; and the Lessee shall redo or replace at its own expense any work not approved by the said Chief Engineer. Unless otherwise expressly provided herein, all workmanship and materials are required to be first class.

(3) The Lessee shall pay all claims lawfully made against it by its contractors, subcontractors, materialmen and workmen and all claims lawfully made against it by other third persons arising out of or in connection with or because of the performance of the work and shall cause its contractors and subcontractors to pay all such claims lawfully made against them.

(4) The Lessee shall procure and maintain comprehensive public liability insurance, or, if the work is to be done by an independent contractor, the Lessee shall require such contractor to procure and maintain such insurance in the name of the contractor, in either case, in limits not lower than those set forth for such categories of insurance in Item 5 of Exhibit B.

(5) As soon as such structure, repair, alteration, improvement or addition shall have been completed to the satisfaction of the Chief Engineer of PATH, then (subject to the provisions of the following subdivision (c)) title thereto shall immediately and without execution of any further instrument vest in PATH, and every said structure and all such repairs, alterations, improvements or additions, shall thereupon become and thereafter be part of the premises.

(c) PATH shall have the option, exercisable by notice delivered on or before a date sixty (60) days after expiration, cancellation or termination hereof, to require the Lessee to remove any or all such structures, alterations, improvements or additions, and to restore the premises to the condition thereof prior to the construction or installation thereof. In the event of a failure on the part of the Lessee so to remove and restore, PATH may do so, and the Lessee shall pay the cost thereof to PATH on demand.

Section 16. Injury and Damage to Person or Property

PATH shall not be liable to the Lessee, or to any person, for injury or death to any person or persons whomsoever, or damage to any property whatsoever at any time in the premises or elsewhere in the building or Facility of which the premises may be a part, including but not limited to any such injury, death or damage from falling material, water, rain, hail, snow, gas, steam, and/or electricity, whether the same may leak into, or fall, issue, or flow from the premises, or from any other place or quarter, unless said damage, injury or death shall be due to the negligence of PATH, its employees or agents.

Section 17. Additional Rent and Charges

(a) If PATH has paid any sum or sums or has incurred any obligations or expense which the Lessee has agreed to pay or reimburse PATH for, or if PATH is required or elects to pay any sum or sums or incurs any obligations or expense by reason of the failure, neglect or refusal of the Lessee to perform or fulfill any one or more of the conditions, covenants or agreements contained in this Agreement or as a result of an act or omission of the Lessee contrary to the said conditions, covenants and agreements, the

Lessee agrees to pay the sum or sums so paid or the expense so incurred, including all interest, costs, damages and penalties, and the same may be added to any installment of rent thereafter due hereunder, and each and every part of the same shall be and become additional rent, recoverable by PATH in the same manner and with like remedies as if it were originally a part of the basic rental, or if there is no basic rental as a part of the percentage rental, all as set forth in Section 4 hereof.

(b) For all purposes under this Section and in any suit, action or proceeding of any kind between the parties hereto, any receipt showing any payment of sum or sums by PATH for any work done or material furnished shall be prima facie evidence against the Lessee that the amount of such payment was necessary and reasonable. Should PATH elect to use its own operating and maintenance staff in making any repairs, replacements, and/or alterations and to charge the Lessee with the cost of same, any time sheet of any employee of PATH showing hours of labor or work allocated to any such repair, replacement and/or alteration, or any stock requisition of PATH showing the issuance of materials for use in the performance thereof, shall likewise be prima facie evidence against the Lessee that the amount of such charge was necessary and reasonable.

Section 18. Rights of Entry Reserved

(a) PATH, by its officers, employees, agents, representatives and contractors shall have the right at all reasonable times to enter upon the premises for the purpose of inspecting the same, for observing the performance by the Lessee of its obligations under this Agreement, and for the doing of any act or thing which PATH may be obligated or have the right to do under this Agreement or otherwise.

(b) Without limiting the generality of the foregoing, PATH, by its officers, employees, representatives, and contractors shall have the right, for the benefit of the Lessee or for the benefit of others in or at the building or Facility of which the premises may be a part, to maintain and install existing and future utilities systems or portions thereof on the premises, including therein without limitation thereto systems for the supply of heat, water hot and cold, gas, electricity and fuel and for the furnishing of fire-alarm, fire-protection, sprinkler, sewerage, drainage, air-conditioning, telephone, telegraph, tele-register, pneumatic-tube dispatch and intercommunication services, and to maintain and install existing and future elevator and escalator systems, including lines, pipes, mains, wires, conduits and equipment connected with or appurtenant to all such systems, and to enter upon the premises at all reasonable times to make such installations, repairs, alterations and replacements as may, in the opinion of PATH, be deemed necessary or advisable and, from time to time, to construct or install over, in, under or through the premises new lines, pipes, mains, wires, conduits and equipment; *provided, however*, that such repair, alteration, replacement, installation, or construction shall not unreasonably interfere with the use of the premises by the Lessee.

(c) Nothing in this Section shall or shall be construed to impose upon PATH any obligations so to construct or maintain or to make repairs, replacements, alterations or additions, or shall create any liability for any failure so to do.

(d) At any time and from time to time during ordinary business hours within the six (6) months next preceding the expiration of the letting, PATH, by its agents and employees, whether or not accompanied by prospective lessees, occupiers or users of the premises, shall have the right to enter thereon for the purpose of exhibiting and viewing all parts of the same and during such six-month period PATH may place and maintain on the premises the usual "To-Let" signs, which signs the Lessee shall permit to remain without molestation.

(e) If during the last month of the letting, the Lessee shall have removed all or substantially all the Lessee's property from the premises, PATH may immediately enter and alter, renovate and redecorate the premises.

(f) No abatement of rental shall be claimed by or allowed to the Lessee by reason of the exercise of any or all of the foregoing rights by PATH or others.

Section 19. Condemnation

(a) In any action or proceeding instituted by any governmental agency or agencies for the taking for a public use of any interest in all or any part of the premises, the Lessee shall not be entitled to assert any claim to any award or part thereof made or to be made therein, or to institute any action or proceeding or to assert any claim against such agency or agencies or against PATH, for or on account of any such taking, except the possible claim to an award for loss of fixtures furnished and installed by the Lessee (and for the purpose of such possible claim alone, title to such fixtures shall revert to the Lessee), it being understood and agreed between PATH and the Lessee that, except for the possible claim to an award for loss of fixtures, PATH shall be entitled to all the compensation or awards made or to be made or paid for any such taking, free of any claim or right of the Lessee.

(b) In the event of a taking of the entire premises by any governmental agency or agencies, this Agreement shall be cancelled and the letting shall, as of the date possession is taken from PATH by such agency or agencies, cease and determine in the same manner and with the same effect as if the term of the letting had on that date expired.

(c) In the event of a taking by any governmental agency or agencies of a part of the premises, then the letting as to such part only shall, as of the date possession thereof is taken from PATH by any such agency or agencies, cease and determine, and the rentals thereafter to be paid by the Lessee to PATH shall, if so provided in Item 1 of Exhibit B, be abated from and after the date of such taking.

Section 20. Assignment and Sublease

(a) The Lessee shall not assign, sell, convey, transfer, mortgage, or pledge this Agreement, or the letting, or any part thereof.

(b) The Lessee shall not sublet the premises or any part thereof.

(c) If the Lessee assigns, sells, conveys, transfers, mortgages, pledges or sublets in violation of subdivisions (a) or (b) of this Section or if the premises are occupied by anybody other than the Lessee, PATH may collect rent from any assignee, sublessee or anyone who claims a right to this Agreement or letting or who occupies the premises and shall apply the net amount collected to the rental herein reserved; no such collection shall be deemed a waiver by PATH of the covenants contained in subdivisions (a) and (b) of this Section nor an acceptance by PATH of any such assignee, sublessee, claimant or occupant as Lessee, nor a release of the Lessee by PATH from the further performance by the Lessee of the covenants contained herein.

(d) The Lessee shall not use, or permit any person to use, the premises or any portion thereof, except for the purposes set forth in Section 3 hereof.

Section 21. Termination

(a) If any one or more of the following events shall occur, that is to say:

(1) The Lessee shall become insolvent, or shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy or a petition or answer seeking an arrangement or its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any other law or statute of the United States or of any State thereof, or consent to the appointment of a receiver, trustee, or liquidator of all or substantially all its property; or

(2) By order or decree of a court the Lessee shall be adjudged bankrupt or an order shall be made approving a petition filed by any of the creditors or, if the Lessee is a corporation, by any of the stockholders of the Lessee, seeking its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any law or statute of the United States or of any State thereof; or

(3) A petition under any part of the federal bankruptcy laws or an action under any present or future insolvency law or statute shall be filed against the Lessee and shall not be dismissed within thirty (30) days after the filing thereof; or

(4) The letting hereunder or the interest or estate of the Lessee under this Agreement shall be transferred to, pass or devolve upon, by operation of law or otherwise, any other person, firm or corporation; or

(5) The Lessee, if a corporation, shall, without the prior written approval of PATH, become a possessor or merged corporation in a merger, a constituent corporation in a consolidation, or a corporation in dissolution; or

(6) The Lessee is, or the Lessees collectively are doing business as, or constitute a copartnership, and the said copartnership shall be dissolved as the result of any act or omission of its copartners or any of them, or by operation of law or the order or decree of any court having jurisdiction, or for any other reason whatsoever; or

(7) By or pursuant to, or under authority of any legislative act, resolution or rule, or any order or decree of any court or governmental board, agency or officer having jurisdiction, a receiver, trustee, or liquidator shall take possession or control of all or substantially all of the property of the Lessee, and such possession or control shall continue in effect for a period of fifteen (15) days; or

(8) Any type of strike or other labor activity is directed against the Lessee at the premises resulting in picketing or boycott for a period of at least forty-eight (48) hours which, in the opinion of PATH, adversely affects or is likely adversely to affect the operation of any PATH Facility or the operations of other lessees or licensees thereat, whether or not the same is due to the fault of the Lessee, and whether caused by the employees of the Lessee or by others; or

(9) Any lien is filed against the premises because of any act or omission of the Lessee and is not removed within ten (10) days; or

(10) The Lessee shall voluntarily abandon, desert, vacate or discontinue its operations in the premises; or

(11) The Lessee shall fail duly and punctually to pay the rentals or to make any other payment required hereunder when due to PATH; or

(12) The Lessee shall fail to keep, perform and observe each and every other promise, covenant and agreement set forth in this Agreement, on its part to be kept, performed or observed within ten (10) days after receipt of notice of default thereunder from PATH (except where fulfillment of its obligation requires activity over a period of time, and the Lessee shall have commenced to perform whatever may be required for fulfillment within ten (10) days after receipt of notice and continues such performance without interruption except for causes beyond its control);

then upon the occurrence of any such event or at any time thereafter during the continuance thereof, PATH may by five (5) days' notice terminate the letting and the rights of the Lessee hereunder, such termination to be effective upon the date specified in such notice. Such right of termination and the exercise thereof shall be and operate as a conditional limitation.

(b) If any of the events enumerated in subdivision (a) of this Section shall occur prior to the letting, the Lessee shall not be entitled to enter into possession of the premises and PATH upon the occurrence of any such event or at any time thereafter during the continuance thereof by twenty four (24) hours' notice may cancel the interest of the Lessee under this Agreement, such cancellation to be effective upon the date specified in such notice.

(c) No acceptance by PATH of rentals, fees, charges or other payments in whole or in part for any period or periods after a default of any of the terms, covenants and conditions to be performed, kept or observed by the Lessee shall be deemed a waiver of any right on the part of PATH to terminate the letting.

(d) No waiver by PATH of any default on the part of the Lessee in performance of any of the terms, covenants or conditions hereof to be performed, kept or observed by the Lessee shall be or be construed to be a waiver by PATH of any other or subsequent default in performance of any of the said terms, covenants and conditions.

Section 22. Right of Re-entry

PATH shall, as an additional remedy upon the giving of a notice of termination as provided in Section 21 hereof, have the right to re-enter the premises and every part thereof upon the effective date of termination without further notice of any kind, and may regain and resume possession either with or without the institution of summary or any other legal proceedings or otherwise. Such re-entry, or regaining or resumption of possession, however, shall not in any manner affect, alter or diminish any of the obligations of the Lessee under this Agreement, and shall in no event constitute an acceptance of surrender.

Section 23. Waiver of Redemption

The Lessee hereby waives any and all rights of redemption, granted by or under any present or future law, arising in the event it is evicted or dispossessed for any cause, or in the event PATH obtains or retains possession of the premises in any lawful manner.

Section 24. Survival of the Obligations of the Lessee

(a) In the event that the letting shall have been terminated in accordance with a notice of termination as provided in Section 21 hereof, or the interest of the Lessee cancelled pursuant thereto, or in the event that PATH has re-entered, regained or resumed possession of the premises in accordance with the provisions of Section 22 hereof, all the obligations of the Lessee under this Agreement shall survive such termination or cancellation, re-entry, regaining or resumption of possession and shall remain in full force and effect for the full term of this Agreement, and the amount or amounts of damages or deficiency shall become due and payable to PATH to the same extent, at the same time or times and in the same manner as if no termination, cancellation, re-entry, regaining or resumption of possession had taken place. PATH may maintain separate actions each month to recover the damage or deficiency then due or at its option and at any time may sue to recover the full deficiency less the proper discount, for the entire unexpired term.

(b) The amount of damages for the period of time subsequent to termination or cancellation (or re-entry regaining or resumption of possession) shall be:

(1) On account of the Lessee's basic rental obligation, the amount of the total of all annual basic rentals, less the installments thereof payable prior to the effective date of termination except that the credit to be allowed for the installment payable on the first day of the month in which the termination is effective shall be prorated on a daily basis for the part of the month the letting remains in effect;

(2) On account of the Lessee's percentage rental obligation in the event that a basic rental is also reserved under this Agreement, an amount equal to the percentage stated in Item 1 of Exhibit B applied to the amount of gross receipts in excess of the annual exemption amount or amounts, which gross receipts would have been received by the Lessee during the balance of the term if there had been no termination or cancellation (or re-entry, regaining, or resumption of possession), and for the purpose of calculation hereunder: (i) the said amount of gross receipts shall be derived by multiplying the number of days in the balance of the term originally fixed, by the Lessee's average daily gross receipts; (ii) the average daily gross receipts shall be the total actual gross receipts of the Lessee during that part of the effective period of the letting (including all annual periods falling within the effective period) in which no abatement was in effect, divided by the number of days included in such part of the effective period; and (iii) the annual exemption amount for any period of less than a year shall be the product of the original annual exemption amount multiplied by a fraction, the numerator of which shall be the number of days from the effective date of termination to the end of the annual period and the denominator of which shall be 365;

(3) On account of the Lessee's percentage rental obligation in the event that no basic rental is reserved under this Agreement, an amount equal to the percentage stated in Item 1 of Exhibit B applied to the amount of gross receipts

which would have been received by the Lessee during the balance of the term if there had been no termination or cancellation (or re-entry, regaining or resumption of possession), and for the purpose of calculation hereunder (i) the said amount of gross receipts shall be derived by multiplying the number of days in the balance of the term originally fixed, by the Lessee's average daily gross receipts; (ii) the average daily gross receipts shall be the total actual gross receipts of the Lessee during that part of the effective period of the letting (including all annual periods falling within the effective period) divided by the number of days included in such part of the effective period.

(c) It is understood and agreed that the statement of damages under the preceding subdivision (b) shall not affect or be construed to affect PATH's right to damages in the event of termination or cancellation (or re-entry, regaining or resumption of possession) where the Lessee has not received any actual gross receipts under this Agreement.

Section 25. Reletting by PATH

PATH, upon termination or cancellation pursuant to Section 21 hereof, or upon any re-entry, regaining or resumption of possession pursuant to Section 22 hereof, may occupy the premises or may relet the premises, and shall have the right to permit any person, firm or corporation to enter upon the premises and use the same. Such reletting may be of part only of the premises or of the premises or a part thereof together with other space, and for a period of time the same as or different from the balance of the term hereunder remaining, and on terms and conditions the same as or different from those set forth in this Agreement. PATH shall also, upon termination or cancellation pursuant to the said Section 21, or upon its re-entry, regaining or resumption of possession pursuant to the said Section 22, have the right to repair or to make structural or other changes in the premises, including changes which alter the character of the premises and the suitability thereof for the purposes of the Lessee under this Agreement, without affecting, altering or diminishing the obligations of the Lessee hereunder. In the event either of any reletting or of any actual use and occupancy by PATH (the mere right to use and occupy not being sufficient however) there shall be credited to the account of the Lessee against its survived obligations hereunder any net amount remaining after deducting from the amount actually received from any lessee, licensee, permittee or other occupier in connection with the use of the said premises or portion thereof during the balance of the letting as the same is originally stated in this Agreement, or from the market value of the occupancy of such portion of the premises as PATH may during such period actually use and occupy, all expenses, costs and disbursements incurred or paid by PATH in connection therewith. No such reletting shall be or be construed to be an acceptance of surrender.

Section 26. Remedies to be Non-exclusive

All remedies provided in this Agreement shall be deemed cumulative and additional and not in lieu of or exclusive of each other or of any other remedy available to PATH at law or in equity.

Section 27. Surrender

(a) The Lessee covenants and agrees to yield and deliver peaceably to PATH possession of the premises on the date of the cessation of the letting, whether such cessation be by termination, expiration or otherwise, promptly and in good condition such reasonable wear excepted as would not adversely affect or interfere with a first class, efficient and proper operation such as is required under this Agreement.

(b) Subject to the provision of Sections 12 and 26 the Lessee shall have the right at any time during the letting to remove its equipment, inventories, removable fixtures and other personal property from the premises. If the Lessee shall fail to remove its property on or before the termination or expiration of the letting, PATH may remove such property to a public warehouse for deposit or retain the same in its own possession, and sell the same at public auction, the proceeds of which shall be applied first to the expenses of removal, storage and sale, second to any sums owed by the Lessee to PATH's with any balance remaining to be paid to the Lessee; if the expenses of such removal, storage and sale shall exceed the proceeds of sale, the Lessee shall pay such excess to PATH upon demand.

Section 28. Acceptance of Surrender of Lease

No agreement of surrender or to accept a surrender shall be valid unless and until the same shall have been reduced to writing and signed by the duly authorized representatives of PATH and of the Lessee. Except as expressly provided in this Section, neither the doing of, nor any omission to do, any act or thing, by any of the officers, agents or employees of PATH shall be deemed an acceptance of a surrender of the letting or of this Agreement.

Section 29. Security Deposit or Letter of Credit

(a) Upon the execution of this Agreement by the Lessee and delivery thereof to the Port Authority, the Lessee shall deposit with PATH (and shall keep deposited throughout the letting under this Agreement) either the sum of Twenty-five Thousand Dollars and No Cents (\$25,000.00) 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 Lessee, all of the terms, provisions, covenants and conditions of this Agreement 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 Lessee may deposit such bond or bonds in registered form, *provided however* that PATH 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 Lessee) in a manner satisfactory to PATH. The Lessee may request PATH to accept a registered bond in the Lessee's name and if acceptable to PATH the Lessee shall deposit such bond together with a bond power (and such other instruments or other documents as PATH may require) in form and substance satisfactory to PATH. In the event the deposit is returned to the Lessee any expenses incurred by PATH in re-registering a bond to the name of the Lessee shall be borne by the Lessee. In addition to any and all other remedies available to it, PATH 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 Lessee. There shall be no obligation on PATH 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 Lessee. With respect to any bonds deposited by the Lessee, PATH shall have the right, in order to satisfy any of its claims or demands against the Lessee, 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 PATH, together with the right to purchase the same at such sale free of all claims, equities or rights of redemption of the Lessee. The Lessee 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 PATH against the Lessee. The proceeds of every such sale shall be applied by PATH first to the costs and expenses of the sale (including but not limited to advertising or commission expenses) and then to the amounts due PATH from the Lessee. Any balance remaining shall be retained in cash toward bringing the deposit to the sum specified above. In the event that PATH 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 Lessee shall, on demand of PATH and within two (2) days thereafter, deposit with PATH 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 Section. After the expiration or earlier termination of the letting under this Agreement as the said letting may have been extended, and upon condition that the Lessee shall then be in no wise in default under any part of this Agreement, as this Agreement may have been amended or extended (or both), and upon written request therefor by the Lessee, PATH will return the deposit to the Lessee less the amount of any and all unpaid claims and demands (including estimated damages) of PATH by reason of any default or breach by the Lessee of this Agreement or any part thereof. The Lessee agrees that it will not assign or encumber the deposit. The Lessee 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 PATH 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 PATH shall

not be obligated by this provision to place or to keep cash deposited hereunder in interest-bearing bank accounts.

(b) In lieu of the security deposit required pursuant to paragraph (a) of this Section the Lessee may deliver to PATH, as security for all obligations of the Lessee under this Agreement, a clean irrevocable letter of credit issued by a banking institution satisfactory to PATH and having its main office within the Port of New York District, in favor of PATH in the amount of Twenty-five Thousand Dollars and No Cents (\$25,000.00). The form and terms of such letter of credit, as well as the institution issuing it, shall be subject to the prior and continuing approval of PATH. Such letter of credit shall provide that it shall continue throughout the term of the letting under this Agreement and for a period of not less than six (6) months thereafter; such continuance may be by provision for automatic renewal or by substitution of a subsequent satisfactory letter. Upon notice of cancellation of a letter of credit the Lessee 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 the amount required in accordance with paragraph (a) of this Section or another letter of credit satisfactory to PATH, PATH may draw down the full amount thereof and thereafter PATH will hold the same as security under paragraph (a) of this Section. Failure to provide such letter of credit at any time during the term of the letting which is valid and available to PATH, including any failure of any banking institution issuing any such letter of credit previously accepted by PATH to make one or more payments as may be provided in such letter of credit shall be deemed to be a breach of this Agreement on the part of the Lessee. Upon acceptance of such letter of credit by PATH, and upon request by the Lessee made thereafter, PATH will return any security deposit theretofore made under and in accordance with the provisions of paragraph (a) of this Section. The Lessee 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 letting and fulfillment of the obligations of the Lessee under this Agreement. If PATH shall make any drawing under a letter of credit held by PATH hereunder, the Lessee on demand of PATH and within two (2) days thereafter, shall bring the letter of credit back up to its full amount.

(c) No action by PATH pursuant to the terms of any letter of credit, or receipt by PATH of funds from any bank issuing any such letter of credit, shall be or be deemed to be a waiver of any default by the Lessee under the terms of this Agreement and all remedies under this Agreement of PATH consequent upon such default shall not be affected by the existence of or a recourse to any such letter of credit.

(d) For the purposes of the provisions set forth in paragraph (a) above, the Lessee hereby certifies that its I.R.S. Employer Identification Number is ..

Section 30. Brokerage

The Lessee represents and warrants that no broker has been concerned in the negotiation of this Agreement and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Lessee shall indemnify and save harmless PATH of and from any claim for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Agreement. The Lessee's indemnification obligations hereunder shall extend only to claims and demands based upon the acts or omissions of the Lessee.

Section 31. Limitation of Rights and Privileges Granted

(a) The premises are let to the Lessee and the Lessee takes the same subject to all the following: (i) easements, restrictions, reservations, covenants and agreements, if any, to which the premises may be subject; rights of the public in and to any public street; (ii) rights, if any, of the enterprise, public or private, which is engaged in furnishing any services including without limitation thereto heating, lighting, power, telegraph, telephone, steam, water, sewerage, or transportation services, and of the municipality and State in which the premises are located; and (iii) permits, licenses, regulations and restrictions, if any, of the United States, the municipality or State in which the premises are located, or other governmental authority.

(b) No greater rights or privileges with respect to the use of the premises or any part thereof or with respect to any PATH property are granted or intended to be granted to the Lessee by this Agreement, or by any provision thereof, than the rights and privileges expressly granted hereby.

Section 32. Relationship of the Parties

This Agreement does not constitute the Lessee the agent or representative of PATH for any purpose whatsoever and neither a partnership nor any joint adventure is hereby intended nor shall it be deemed to be created by this Agreement.

Section 33. Notices

(a) All notices, permissions, requests, consents and approvals given or required to be given to or by either party shall be in writing (which shall include a telegram when delivered to the telegraph company), and all such notices and requests shall be (i) personally delivered to the party or to the duly designated officer or representative of such party; or (ii) delivered to an office of such party, officer or representative during regular business hours; or (iii) delivered to the residence of such party, officer or representative at any time; or (iv) if directed to the Lessee, delivered to the premises at any time; or (v) forwarded to such party, officer or representative, at the office or residence address by

registered or certified mail, *provided* that notices of default or termination served by PATH on the Lessee must be delivered or forwarded by the methods listed in clause (i) or (v) of this sentence. The Lessee shall designate an office within the Port of New York District and an officer or representative whose regular place of business is at such office. Until further notice, PATH hereby designates its President, and the Lessee designates the person whose name appears on the first page of this Agreement as their respective officers or representatives upon whom notices and requests may be served, and PATH designates its office at One PATH Plaza, Jersey City, New Jersey 07306, and the Lessee designates its office, the address of which is set forth on the first page of this Agreement, as their respective offices where notices and requests may be served.

(b) If any notice is mailed or delivered, the giving of such notice shall be complete upon receipt or, in the event of a refusal by the addressee, upon the first tender of the notice to the addressee or at the permitted address. If any notice is sent by telegraph, the giving of such notice shall be complete upon receipt or, in the event of a refusal by the addressee, upon the first tender of the notice by the telegraph company to the address or at the address thereof.

Section 34. Place of Payments

All payments required of the Lessee by this Agreement shall be mailed to PATH, P.O. Box 17309, Newark, New Jersey 07194.

Section 35. Quiet Enjoyment

PATH covenants and agrees that as long as it remains the owner of the premises, the Lessee, upon paying all rentals hereunder and performing all the covenants, conditions and provisions of this Agreement on its part to be performed, shall and may peaceably and quietly have, hold and enjoy the premises free of any act or acts of PATH except as expressly permitted in this Agreement.

Section 36. Headings

The section headings and the paragraph headings, if any, 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 thereof.

Section 37. Changes in the Facility

PATH shall have the right at any time and from time to time prior to and during the letting, in the interest of the efficient operation of the building or Facility of which the premises may be a part, to close, move or alter any common way in the said

building or Facility, including but not limited to entrances, exits, passages, halls, corridors, aisles, stairways, elevators or escalators, or to restrict or change the traffic on or through any such common way; and no such action by PATH shall release the Lessee from any of its obligations under this Agreement. In the event PATH exercises its right provided in this Section to close, move or alter the common way immediately contiguous to an entrance to the premises and such exercise results in the Lessee being deprived of access to its premises through such entrance, then PATH shall provide the Lessee with reasonably equivalent alternate means of access to its premises.

Section 38. Construction and Application of Terms

(a) Wherever in this Agreement a third person singular neuter pronoun or adjective is used, referring to the Lessee, the same shall be taken and understood to refer to the Lessee, regardless of the actual Lessee's gender or number.

(b) Whenever in this Agreement the Lessee is placed under an obligation or covenants to do or to refrain from or is prohibited from doing, or is entitled or privileged to do, any act or thing, the following shall apply:

(1) If the Lessee is a corporation, its obligations shall be performed or its rights or privileges shall be exercised only by its officers and employees; or

(2) If the Lessee is an unincorporated association or a business or "Massachusetts" trust, the obligation shall be that of its members or trustees, as well as of itself, and shall be performed only by its members or trustees, and its officers and employees, and its rights or privileges shall be exercised only by its members or trustees, and its officers and employees; or

(3) If the Lessee is a partnership, the obligation shall be that of its partners, and shall be performed only by its partners and employees, and its rights or privileges shall be exercised only by its partners and employees; or

(4) If the Lessee is an individual, the obligation shall be that of himself (or herself) and shall be performed only by himself (or herself) and his (or her) employees and the rights or privileges of the Lessee shall be exercised only by himself (or herself) and his (or her) employees.

(5) None of the provisions of this subdivision (b) shall be taken to alter, amend or diminish any obligation of the Lessee assumed in relation to its invitees, customers, agents, representatives, contractors or other persons, firms or corporations doing business with it.

(c) In the event that more than one individual or other legal entity are the Lessee under this Agreement, then and in that event each and every obligation under this

Agreement shall be the joint and several obligation of each such individual or other legal entity.

(d) The Lessee's representative hereinbefore specified (or such substitute as the Lessee may hereafter designate in writing) shall have full authority to act for the Lessee in connection with this Agreement and any things done or to be done hereunder and to execute on the Lessee's behalf any amendments or supplements to this Agreement or any extension thereof.

Section 39. Non-Liability of Individuals

Neither the Directors of PATH nor any of them, nor any officer, agent or employee thereof, shall be charged personally by the Lessee with any liability or held liable to it under any term or provision of this Agreement, or because of its execution or attempted execution or because of any breach or attempted or alleged breach thereof.

Section 40. Grease Traps and Ventilation Ducts

Without in anywise limiting the Lessee's other obligations under this Agreement, the Lessee shall supply, replace, install, repair, maintain and keep clean all grease traps in all drainage pipes exclusively used by it in its operations hereunder whether such pipes are located on the premises or elsewhere in the building or Facility of which the premises may be a part. The Lessee shall also keep clean, repair and maintain (other than structurally) all ventilation ducts including the replacement of all filters where such ducts are exclusively used by it in its operations hereunder and whether such ducts are located on the premises or elsewhere in the said building or Facility.

Section 41. Extermination Service

If PATH is required or requested to provide extermination services to the premises, the Lessee shall pay PATH upon demand the cost of such extermination service actually provided by PATH in the enclosed portion of the premises, *provided, however*, that PATH shall not be required by this Agreement to furnish such service.

Section 42. Intentionally Omitted

Section 43. Definitions

The following terms, when used in this Agreement, shall have the respective meanings given below:

(a) "Letting" shall mean the letting under this Agreement for the original term stated herein, and shall include any extensions thereof which may be made pursuant to the provisions of this Agreement.

(b) "Causes or conditions beyond the control of PATH", shall mean and include acts of God, the elements, weather conditions, tides, earthquakes, settlements, fire, acts of Governmental authority, war, shortage of labor or materials, acts of third parties for which PATH is not responsible, injunctions, labor troubles or disputes of every kind (including all those affecting PATH, its contractors, suppliers or subcontractors) or any other condition or circumstance, whether similar to or different from the foregoing (it being agreed that the foregoing enumeration shall not limit or be characteristic of such conditions or circumstances) which is beyond the control of PATH or which could not be prevented or remedied by reasonable effort and at reasonable expense.

(c) "Facility", "Terminal" or "Transportation Center" shall mean:

With respect to any portion of the premises located in the PATH World Trade Center Temporary Station, the temporary transportation facility of the PATH Interstate Railway System located within the City, County and State of New York, bounded generally by the east side of Church Street on the east, the south side of Liberty Street extended on the South, the Hudson River on the west, and on the north by a line beginning at the point of intersection of the Hudson River and the north side of Vesey Street extended, running along the north side of Vesey Street extended and the north side of Vesey Street to the west side of Washington Street, then along the west side of Washington Street to the north side of Barclay Street, then along the north side of Barclay Street to the east side of West Broadway, then along the east side of West Broadway to the north side of Vesey Street, then along the north side of Vesey to the east side of Church Street, together with such additional contiguous areas as may be agreed to from time to time between the Port Authority of New York and New Jersey and the City of New York.

(d) "Gross receipts" shall include all monies paid or payable to the Lessee for sales made and services rendered at or from the Terminal, regardless of when or where the order therefor is received, and outside of the Terminal, if the order therefor is received at the Terminal, and any other revenues of any type arising out of or in connection with the Lessee's operations at the Terminal, *provided, however*, that any taxes imposed by law which are separately stated to and paid by a customer, and are directly payable to the taxing authority by the Lessee shall be excluded therefrom.

Section 44. Thirty Day Termination and Reimbursement

(a) PATH shall have the right to terminate this Agreement and the letting hereunder, without cause, on thirty (30) days' notice to the Lessee. In the event of termination pursuant to this Section, this Agreement and the letting hereunder shall cease

and expire as if the effective date of termination stated in the notice were the date originally stated herein for the expiration of this Agreement.

(b) The Lessee is obligated by this Agreement to furnish and install all fixtures and equipment and make all improvements in the premises necessary or proper for its operations hereunder. In the event of termination by PATH under this Section, PATH shall pay the Lessee a pro rata share of the Lessee's cost in supplying and installing all such fixtures and equipment and making all such improvements excluding any replacements thereof. The cost and the pro rata share thereof shall be ascertained as stated in Item 6 of Exhibit B, *provided, however*, that tender of payment of said prorated cost by PATH to the Lessee shall not be prerequisite to the exercise of the right of termination under this Section, but the Lessee shall be entitled to 5% interest per annum on said prorated cost for the period between the effective date of termination and the date of tender of payment (excluding any portion of the period prior to the rendering by the Lessee to PATH of a statement and other documents of cost). On the payment by PATH of said prorated cost and any interest due thereon, all fixtures equipment and improvements including replacements furnished by the Lessee in the premises and all interest of the Lessee therein which have not already become the property of PATH shall be and become the property of PATH and the Lessee shall execute any and all instruments necessary to transfer title and any such interest, *provided, however*, that PATH may by notice relinquish its right to any such fixtures, equipment or improvements and the provisions of the Sections of this Agreement entitled "*Sales and Services by the Lessee*" and "*Surrender*" shall apply thereto.

Section 45. Force Majeure

PATH shall not be liable for any failure, delay or interruption in performing its obligations hereunder due to causes or conditions beyond the control of PATH. Further, PATH shall not be liable unless the failure, delay or interruption shall result from failure on the part of PATH to use reasonable care to prevent or reasonable efforts to cure such failure, delay or interruption.

Section 46. Finishes and Decorating by the Lessee

(a) PATH shall deliver the premises to the Lessee in its "as is" condition. The Lessee acknowledges that it has thoroughly inspected the premises and agrees to take the same in such "as is" condition. Nothing contained herein shall or shall be construed to relieve the Lessee of its obligations under Section 12 to install in the premises all necessary or proper equipment or fixtures required for its operations in the premises. Subject to the provisions of this Section and Section 15 of this Agreement the Lessee agrees to and shall perform at its sole cost and expense all construction and installation work necessary or proper for its occupancy of the premises and its operations therein including, without limitation, the design and creation of a new retail store, including but not limited to the installation of interior and demising walls, floors, ceilings, lighting, display cabinets, other

appropriate equipment and sprinkler and electrical systems and storefronts (the work described in this Section being sometimes hereinafter referred to as the "Construction Work"). The Lessee hereby covenants and agrees that it shall expend a minimum of Two Hundred Fifty Thousand Dollars and No Cents (\$250,000.00) on the performance of the Construction Work. Prior to commencing the performance of any of the Construction Work the Lessee shall submit to PATH for its approval an Alteration Application, in the form supplied by PATH, setting forth in detail and by appropriate plans and specifications the work the Lessee proposes to perform and the manner of and time periods for performing the same. The data to be supplied by the Lessee shall identify separately each of the items constituting the Construction Work and shall describe in detail the fixtures and equipment to be installed by the Lessee. The Lessee shall be responsible at its sole expense for retaining all architectural, engineering and other technical consultants and services as PATH shall deem necessary, and for developing, completing and submitting detailed plans and specifications for the work. The plans and specifications to be submitted by the Lessee to PATH shall bear the seal of a qualified architect or professional engineer, who shall be responsible for the administration of the work in accordance with PATH's requirements, and shall be in sufficient detail for a contractor to perform the work. In connection with review by PATH of the Lessee's submissions under this paragraph, the Lessee shall submit to PATH, at PATH's request, such additional data, detail or information as PATH may require for such review. The Lessee shall not engage any contractor or permit the use of any subcontractor unless and until each such contractor or subcontractor has been approved by PATH. The Lessee shall include in any such contract or subcontract such provisions as PATH may approve or require, including, without limitation thereto, provisions regarding labor harmony. The Lessee hereby assumes the risk of loss or damage to all the Construction Work prior to the completion thereof and the risk of loss or damage to all property of PATH arising out of or in connection with the performance of the Construction Work. In the event of such loss or damage, the Lessee shall forthwith repair, replace and make good the Construction Work and the property of PATH without cost or expense to PATH. The Lessee shall itself and shall also require its contractors to indemnify and hold harmless PATH, its Directors, officers, agents and employees from and against all claims and demands, just or unjust, of third persons (including employees, officers and agents of PATH) arising or alleged to arise out of the performance by the Lessee's Construction Work and for all expenses, including, without limitation thereto, legal expenses incurred by it and by them in the defense, settlement or satisfaction thereof, including, without limitation thereto, claims and demands for death, for personal injury or for property damage, direct or consequential, whether they arise from the acts or omissions of the Lessee, of any contractors of the Lessee, of PATH, or of third persons, or from acts of God or of the public enemy, or otherwise, excepting only claims and demands which result solely from affirmative willful acts done by PATH, its Directors, officers, agents and employees with respect to the Construction Work, *provided, however*, that the Lessee shall not be required to indemnify PATH where such indemnity shall be precluded pursuant to the provisions of Section 5-322.1 of the General Obligations Law of the State of New York. The Lessee shall, and shall cause each of its contractors and subcontractors, to obtain and maintain in force such insurance coverage, including, without limitation, a contractual

liability endorsement covering the obligations assumed by the Lessee in the three preceding sentences, and performance bonds as PATH shall specify. All work to be performed by the Lessee hereunder shall be done in accordance with the Alteration Application and final plans and specifications approved by PATH, shall be subject to inspection by PATH during the progress of the work and after the completion thereof and the Lessee shall redo or replace at its own expense any work not done in accordance therewith. Upon completion of the Construction Work the Lessee shall supply PATH with a certificate signed by the architect or engineer who sealed the Lessee's plans pursuant to the provisions of this paragraph certifying that all of the work performed by the Lessee has been performed in accordance with the plans and specifications approved by PATH and the provisions of this Agreement and in compliance with all applicable governmental laws, ordinances, enactments, resolutions, rules, regulations and orders. PATH shall inspect the Construction Work and if the same has been completed as certified by the Lessee and such architect or engineer, PATH shall so certify to the Lessee, subject to the condition that all risks thereafter with respect to the Construction Work and any liability therefor for negligence or other reason shall be borne by the Lessee. Upon completion of the Construction Work, the Lessee shall supply PATH with "as-built" drawings in form and number as requested by PATH.

(b) The Lessee shall not commence any portion of the Construction Work until the Alteration Application and plans and specifications covering the work to be performed, referred to in paragraph (a) of this Section, have been finally approved by PATH. The Lessee recognizes that its obligation to pay basic rental shall commence on the Commencement Date established pursuant to Section 2 this Agreement regardless of whether or not the Construction Work is then completed and whether or not the Lessee is then conducting any public operations in the premises on such date. The Lessee shall conduct no public operations in the premises until PATH shall have notified the Lessee in writing that the Construction Work has been completed or substantially completed to its satisfaction. In the event of any inconsistency between the provisions of this Agreement and those of the Alteration Application, the provisions of this Agreement shall control.

(c) The Lessee shall be solely responsible for the plans and specifications used by it, and for the adequacy or sufficiency of such plans, specifications and all the improvements depicted thereon or covered thereby, regardless of the consent thereto or approval thereof by PATH or the incorporation therein of any Port Authority requirements or recommendations. PATH shall have no obligations or liabilities in connection with the performance of finishing, decorating or installation work performed by the Lessee, or on its behalf, or the contracts for the performance thereof entered into by the Lessee. Any warranties extended or available to the Lessee in connection with finishing, decorating, or installation work performed by or on behalf of the Lessee shall be for the benefit of PATH as well as the Lessee.

(d) Without limiting or affecting any other term or provision of this Agreement, the Lessee shall be solely responsible for the design, adequacy and operation of

all utility, mechanical, electrical, communications and other systems installed in the premises by the Lessee and shall do all preventive maintenance and make all repairs, replacements, rebuilding (ordinary or extraordinary, structural or non-structural) and painting necessary to keep such systems and all other improvements, additions and fixtures, finishes and decorations made or installed by the Lessee (whether the same involves structural or non-structural work) in the condition they were in when made or installed except for reasonable wear which does not adversely affect the watertight condition or structural integrity of the building or adversely affect the efficient or proper utilization or appearance of any part of the premises.

(e) As part of the Lessee's Construction Work in the premises, the Lessee will perform in accordance with all applicable legal requirements and construction standards and in accordance with the Alteration Application the Construction Work necessary to install all conduits, wiring and cabling from electrical and communications closets within the Facility to the perimeter of the premises to provide electric, telecommunications and data lines necessary for the conduct of the Lessee's permitted operations in the premises (hereinafter, the "Base Building Work"). All of the provisions of paragraph (a) of this Section shall be applicable to the Lessee's performance of the Base Building Work, and for purposes of this Section, the Base Building Work shall be deemed part of the Construction Work. Upon completion of all of the Base Building Work, and the receipt by PATH of the certificates of the Lessee and the Lessee's licensed architect or professional engineer certifying that the Base Building Work has been performed in accordance with all applicable legal requirements and construction standards and in accordance with the Alteration Application, as well as the receipt by PATH from the Lessee of a full statement of the total cost of the Base Building Work, PATH shall inspect the Base Building Work. After examination and approval of such statement of cost and after such further examination of the books and records of the Lessee as may be reasonable, and if the Base Building Work has been completed as certified by the Lessee and its licensed architect or professional engineer, PATH shall finally determine the Lessee's cost of performing the Base Building Work and shall grant the Lessee a rental credit in an amount equal to the lesser of: (i) the cost, as hereinafter defined, of the Base Building Work, or (ii) the sum of Thirty Thousand Dollars and No Cents (\$30,000.00), such lesser amount to be applied by PATH solely against the Lessee's rental obligations next becoming due under this Agreement. "Cost," as used herein, shall mean the sum of direct labor and material costs and contract costs for the purchase and installation of fixtures, equipment and other finishing work. In no event whatsoever shall "cost", as defined and computed in this paragraph, include any expenses, outlays or charges whatsoever by or for the account of the Lessee for or in connection with any equipment or fixtures or the making of any finishing work unless such are actually and completely installed in and or made to the premises as part of the Base Building Work, nor shall "cost" include the cost of any equipment, fixtures or improvement which is secured by liens, mortgages, other encumbrances or conditional bills of sale, nor shall "cost" include any payment made to organizations which are owned by or in common ownership with the Lessee.

(f) Title to and property in the Base Building Work and to all fixtures, equipment and systems and any replacement or replacements thereof installed as part of the Base Building Work shall vest in PATH upon the construction, installation or replacement thereof and the Lessee shall execute such necessary documents confirming the same as PATH may require.

Section 47. Operating Names

Any name, designation or any service mark proposed to be used or displayed at the premises or at the Facility or for the Lessee's operations therein shall be approved in advance in writing by PATH, and the Lessee shall have the right to use and display the name, designation or mark only so long as this Agreement is in full force and effect. If for any reason the Lessee ceases its operations in the premises, the Lessee's right to use such name, designation or service mark shall immediately cease and come to an end, and PATH or its designee shall have the sole right to use such name, designation or service mark and the Lessee hereby consents to such use thereof. Any registration or filing by the Lessee with respect to such name, designation or service mark shall be approved in advance by PATH in writing. The Lessee agrees to assign and transfer to PATH any such registration or filing and any other rights in or to the use of such name, designation or service mark promptly upon written request therefor by PATH.

Section 48. Late Charges

If the Lessee should fail to pay any amount required under this Agreement when due to PATH, including without limitation any payment of basic, percentage or other rental or any payment of utility or other charges, or if any such amount is found to be due as the result of an audit, then in such event PATH may impose (by statement, bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period (hereinbelow described) during the entirety of which such amount remains unpaid, each such late charge not to exceed an amount equal to eight-tenths of one percent of such unpaid amount for each late charge period. There shall be twenty-four late charge periods during each calendar year; each late charge period shall be for a period of at least fifteen (15) calendar days except one late charge period each calendar year may be for a period of less than fifteen (but not less than thirteen) calendar days. Without limiting the generality of the foregoing, late charge periods in the case of amounts found to have been owing to PATH as a result of Port Authority audit findings shall consist of each late charge period following the date the unpaid amount should have been paid under this Agreement. Each late charge shall be payable immediately upon demand made at any time therefor by PATH. No acceptance by PATH of payment of any unpaid amount or of any unpaid late charge amount shall be deemed a waiver of the right of PATH to payment of any late charge or late charges payable under the provisions of this Section with respect to such unpaid amount. Each late charge shall be recoverable by PATH in the same manner and with like remedies as if it were originally a part of the rental as set forth in Section 4 of this

Agreement and Item 1 of Exhibit B annexed hereto. Nothing in this Section is intended to, or shall be deemed to affect, alter, modify or diminish in any way (1) any rights of PATH under this Agreement, including without limitation PATH's rights set forth in the section of this Agreement entitled "*Termination*" or (2) any obligations of the Lessee under this Agreement. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Agreement shall be payable instead at such legal maximum.

Section 49. Additional Provision Relating to Relocation

(a) Without limiting any other right of termination under this Agreement, PATH shall have the right to terminate this Agreement and the letting of the entire premises (i.e., both the Retail Space and the Storage Space) hereunder without cause at any time on one hundred eighty (180) days' prior notice to the Lessee. In the event of termination pursuant to this Section, this Agreement and the letting hereunder shall cease and expire on the effective date of termination stated in the notice as if such date were the date originally fixed in Section 2 of this Agreement for the expiration of this Agreement and the term of the letting hereunder.

(b) Notwithstanding the foregoing provision, PATH shall, within thirty (30) days after giving the notice referred to in paragraph (a), tender to the Lessee an agreement, which tender shall constitute an offer to amend this Agreement providing for the letting to the Lessee of other space at the Facility, consisting of a single block of space, substantially similar in size to the Retail Space but the configuration of such and its location within the Facility shall be solely within the discretion of PATH. Such agreement shall contain an exhibit depicting such other space, the effective date upon which the letting of such other space shall commence, a statement of the number of rentable square feet comprising such other space and the annual basic rental payable for such other space which shall be computed at the same annual per rentable square foot rates as the basic rental set forth in this Agreement applicable to the Retail Space and which shall commence on the same date as the letting of such other space. In addition to the annual basic rental payable for such other space the agreement will provide that the Lessee will continue to pay basic rental for the Storage Space as provided in Exhibit B attached to this Agreement. The agreement will also provide that the Lessee will surrender, vacate and yield up to PATH the Retail Space on the day preceding the effective date upon which the letting of such other space shall commence and that PATH shall not be required to reimburse the Lessee for its cost of purchasing installing any trade fixtures or equipment in such other space as part of such finishing work, (2) arrange for or, reimburse the Lessee for its expenditures for moving the Lessee's property from the premises to such other space, or (3) reimburse the Lessee for its expenditures for installing telephone equipment in such other space substantially equivalent to the Lessee's then present installation in the premises. All terms, conditions and provisions of this Agreement, as so amended, will remain in force and effect as to such other space which shall be and become the Retail Space from the effective date of the letting of such other space through the balance of the

term of the letting under this Agreement. The Lessee shall within twenty (20) days after delivery to it of such agreement by PATH, execute, acknowledge and deliver the same to PATH. Upon the delivery of a fully executed and acknowledged copy of the agreement by the PATH to the Lessee, the notice theretofore served pursuant to paragraph (a) hereof shall be deemed null and void and of no further force or effect. In the event the Lessee does not accept PATH's offer by delivering the agreement executed and acknowledged by it to PATH within the time specified herein, then the offer contained therein shall be deemed withdrawn and the notice terminating the letting of the entire premises, including both the Retail Space and the Storage Space, served in accordance with the provisions of paragraph (a) hereof shall be and remain fully effective and PATH shall have no further obligation to offer other space to the Lessee either at the temporary PATH Station located at the World Trade Center site or elsewhere.

(c) The Lessee acknowledges that it has been advised by PATH that any failure of the Lessee to surrender, vacate and yield up to the PATH the premises on the effective date of termination set forth in paragraph (a) hereof or on the day preceding the effective date of the letting of the space to which the Lessee is moved as referred to in paragraph (b) hereof, will or may cause PATH injury, damage or loss. The Lessee hereby assumes the risk of such injury, damage or loss and hereby agrees that it shall be responsible for the same and shall pay PATH for the same whether such are foreseen or unforeseen, special, direct, consequential or otherwise and the Lessee hereby expressly agrees to indemnify and hold the PATH harmless against any such injury, damage or loss. The foregoing shall not constitute or be deemed to constitute the sole and exclusive remedy of PATH for such failure of the Lessee.

(d) Notwithstanding anything hereinabove set forth in this Section, PATH shall not require the Lessee to relocate the Retail Space more than two times during the term of the letting under this Agreement. In the event PATH shall require the Lessee to so relocate the Retail Space in accordance with the provisions hereof, and each such time PATH shall require such relocation under this Agreement, PATH will grant the Lessee a rental credit in an amount equal to the lesser of: (i) the Lessee's cost of relocating all utility lines and sprinkler systems required for the operation of the Retail Space under this Agreement from the existing Retail Space to the relocated Retail Space, or (ii) the sum of Twenty-five Thousand Dollars and No Cents (\$25,000.00), such lesser amount to be applied by PATH solely against the Lessee's rental obligations next becoming due under this Agreement, *provided* that in the event that such determination shall occur after the expiration or termination of the term of the letting under this Agreement, or at the time of such expiration or termination, then PATH shall pay any amount of such credit that shall not have been so applied against the Lessee's rental obligations under this Agreement, less the amount of the Lessee's other obligations under this Agreement, if any, to the Lessee within thirty (30) days after demand therefor. "Cost," as used herein, shall have the meaning set forth in paragraph (e) of Section 46 of this Agreement, and the Lessee shall be required to substantiate its cost of the aforesaid relocation work to the same extent and in the same manner as provided in Section 46.

(e) PATH shall have the right, in its sole discretion, to require the Lessee to relocate the Storage Space from time-to-time and without limitation on the number of times during the term of the letting under this Agreement. The location of the relocated Storage Space shall be in the sole discretion of the PATH in each instance in which such relocation is required

Section 50. Affirmative Action

Without limiting any of the terms and conditions of this Agreement, the Lessee agrees, and agrees to require its contractors, to make every good faith effort, to the maximum extent feasible, to seek meaningful participation by minorities and women both as to Minority Business Enterprise (MBE) and Women-owned Business Enterprise (WBE) participation as contractors and subcontractors and as to the composition of the labor force on contracts and subcontracts entered into with respect to any construction work performed on the premises. PATH has a long-standing practice of making its contracting opportunities available to MBEs and WBEs. The affirmative steps PATH takes to maximize opportunities for MBEs and WBEs to participate in the performance of PATH construction contracts either directly or as subcontractors are hereby set forth for the Lessee's consideration in the schedule attached hereto, hereby made a part of this Agreement, and marked "Schedule E".

Section 51. Additional Provision

Notwithstanding the provisions of paragraph (d) of the Section of this Agreement entitled "Definitions," and without otherwise limiting the generality thereof, no monies, including, without limitation, fees and commissions received or receivable by the Lessee from the sale or dispensing of lottery tickets issued by the Lottery Division of the New York State Department of Taxation and Finance shall be included in gross receipts under this Agreement. Without limiting the generality of the provisions of the Section of this Agreement entitled "Displays," the Lessee shall display in such areas of the premises as shall be designated by PATH only such signs and advertising relating to the sale of lottery tickets issued by the Lottery Division of the New York State Division of Taxation and Finance as may be supplied or approved in advance by PATH. In addition to all other rights of termination contained in this Agreement, PATH shall have the right at any time, on not less than thirty (30) days' written notice to the Lessee to withdraw the permission herein granted for the sale or dispensing of lottery tickets, and in such event the Lessee shall discontinue the sale or dispensing of lottery tickets on or before the effective date stated in PATH's written notice to the Lessee.

Section 52. Premises

The Lessee acknowledges that it has not relied upon any representation or statement of PATH or its Directors, officers, employees or agents as to the suitability of the

premises for the operations permitted on the premises by this Agreement. Without limiting any obligation of the Lessee to commence operations hereunder at the time and in the manner stated elsewhere in this Agreement, the Lessee agrees that no portion of the premises will be used initially or at any time during the letting which is in a condition unsafe or improper for the conduct of the Lessee's operations hereunder so that there is possibility of injury or damage to life or property. Without limiting the generality the generality of any of the provisions of this Agreement, PATH shall not be liable to the Lessee for any claims for loss, theft, or damage involving any property stored or placed in the premises. For all purposes of this Agreement the premises hereunder (notwithstanding any statement elsewhere in this Agreement of any rule for the measurement of the area thereof) shall be deemed to include all of the enclosing partitions, and the adjacent exterior building walls and glass to and including the exterior surface thereof.

Section 53. Changes, Additions and Deletions to this Agreement

Prior to the execution of this Agreement by either of the parties hereto, the following changes, additions and deletions were made in the foregoing terms and conditions:

Paragraph (c) and (d) of Section 12 were deleted and the following paragraph (c) was inserted in lieu thereof:

“(c) The Lessee shall not sell any items hereunder at a price other than the pre-printed manufacturer's or distributor's recommended retail price, provided however that if the price charged for the same item at any other establishment located at a transportation terminal within the Port of New York District which has any ownership, financial or management connection with the Lessee or any majority stockholder thereof is lower than the pre-printed manufacturer's or distributor's recommended retail price, the Lessee shall notify PATH in writing of that fact and shall charge only the lower price. If the Lessee charges any price in excess of the prices described in this paragraph, the amount by which the actual price deviates from the approved price shall constitute an overcharge which will, upon demand of PATH or of the Lessee's customer, be promptly refunded to the customer. Notwithstanding any repayment of overcharges to a customer by the Lessee, any such overcharge shall constitute a breach of the Lessee's obligations hereunder and PATH shall have all remedies consequent upon breach which would otherwise be available to it at law, in equity or by reason of this Agreement.”

It shall not be necessary to physically make the aforesaid changes additions and deletions in the aforesaid Sections of this Agreement.

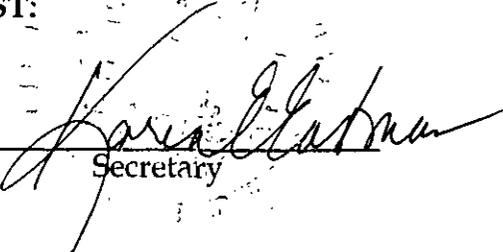
Section 54. Entire Agreement

This Agreement consists of the following: pages 1 through 41 inclusive, plus Exhibits A, A-1 and B and Schedule E.

It constitutes the entire agreement of the parties on the subject matter hereof and may not be changed, modified, discharged or extended except by written instrument duly executed by PATH and the Lessee. The Lessee agrees that no representations or warranties shall be binding upon PATH unless expressed in writing in this Agreement.

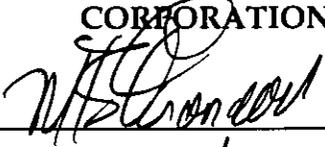
IN WITNESS WHEREOF, the parties hereto have executed these presents as of the day and year first above written.

ATTEST:



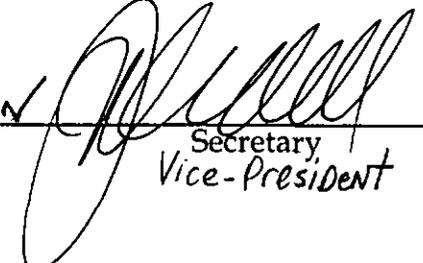
Secretary

PORT AUTHORITY TRANS-HUDSON CORPORATION

By 

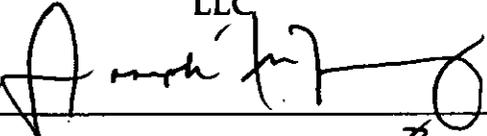
(Title) **MICHAEL B. FRANCOIS**
Acting Chief of Real Estate /
Regional & Economic Development

ATTEST:



Secretary
Vice-President

AIRPORT MANAGEMENT SERVICES, LLC

By 

(Title) **EXECUTIVE VICE PRESIDENT**
(Corporate Seal)

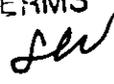
"APPROVED"
FORM _____ TERMS _____
RMS  

EXHIBIT B

Item 1: Rental Provisions

(1) Effective upon the Commencement Date and continuing throughout the balance of the term of the letting under the Lease, the Lessee shall pay PATH a basic rental for the Retail Space at the rate of Sixty-two Thousand Four Dollars and No Cents (\$62,004.00) per annum, in the sum of One Thousand Three Hundred Seventy-seven Dollars and Sixty Cents (\$1,377.60) on November 23, 2003 and in advance in equal monthly installments in the amount of Five Thousand One Hundred Sixty-seven Dollars and No Cents (\$5,166.00) on December 1, 2003 and on the first day of each calendar month thereafter throughout the balance of the term of the letting.

(2) Effective upon the Commencement Date and continuing throughout the balance of the term of the letting under the Lease, the Lessee shall pay PATH a basic rental for the Storage Space at the rate of Eight Thousand Four Dollars and No Cents (\$8,004.00) per annum, in the sum of One Hundred Seventy-seven Dollars and Eighty-seven Cents (\$177.87) on November 23, 2003 and in advance in equal monthly installments in the amount of Six Hundred Sixty-six Dollars and No Cents (\$667.00) on December 1, 2003 and on the first day of each calendar month thereafter throughout the balance of the term of the letting.

(b) Time of Payment upon Termination:

Upon any termination of the letting hereunder (even if stated to have the same effect as expiration), the Lessee shall, within twenty (20) days after the effective date of such termination, make a payment of rental computed as follows: first, if the letting hereunder is terminated effective on a date other than the last day of a month, the basic rental for the portion of that month in which the letting remains effective shall be the amount of the monthly installment of basic rental prorated on a daily basis, and if the monthly installment due on the first day of that month has not been paid, the Lessee shall pay the prorated part of the amount of that installment; if the monthly installment has been paid, then the excess thereof shall be credited to the Lessee's other obligations.

(c) Abatement:

(1) For every calendar day or major fraction thereof that the Lessee shall be entitled to abatement with respect to the Retail Space during the entire term of the letting commencing on the Commencement Date and continuing through the balance of the term of the letting under the Lease, the annual basic rental for the Retail Space shall be reduced by the product of One Hundred Sixty-nine Dollars and Eighty-six Cents (\$169.86) multiplied by a fraction the numerator of which shall be the number of square feet of floor space as to which the abatement applies and the denominator of which shall be the total number of square feet in the Retail Space.

(2) For every calendar day or major fraction thereof that the Lessee shall be entitled to abatement with respect to the Storage Space during the entire term of the letting commencing on the Commencement Date and

continuing through the balance of the term of the letting under the Lease, the basic rental for the Storage Space shall be reduced by the product of Twenty-one Dollars and Ninety-three Cents (\$21.93) multiplied by a fraction the numerator of which shall be the number of square feet of floor space as to which the abatement applies and the denominator of which shall be the total number of square feet in the Storage Space.

(3) For the purpose of abatement, the ascertainment of the number of square feet contained in the premises to be measured shall be in accordance with the following: Areas of the premises and parts thereof will be computed by measuring from the inside plaster surface of outer building walls to the plaster surface of the corridor side of corridor partitions and to the center of partitions that separate the premises from adjoining rentable area; no deduction will be made for columns, pilasters, or projections necessary to the building or for toilets, porter's closets, and slop sinks used exclusively by the Lessee and contained within the premises. Permanent partitions enclosing elevator shafts, stairs, fire towers, vents, pipe shafts, meter closets, flues, stacks and any vertical shafts have the same relation to rentable areas as do outer building walls.

(d) Nothing contained in the foregoing shall affect the survival of the obligations of the Lessee as set forth in Section 24 of this Agreement.

Item 2: Insurance Limits:

(a) The limits of liability insurance referred to in Section 11(b) shall be not less than the following and shall include full contractual liability coverage:

commercial general liability insurance in a combined single limit of not less than \$2,000,000 for liability for bodily injury, for wrongful death and for property damage arising from any one occurrence.

All such coverage shall be effective throughout the term of the letting under this Agreement.

(b) Notwithstanding the provisions of Section 11(c) of this Agreement, PATH shall be included as an additional insured in any policy of liability insurance required by the provisions of this Agreement, and each such policy shall contain a provision that the insurer shall not, without obtaining express advance permission from the General Counsel of PATH or PATH, raise any defense involving in any way the jurisdiction of the tribunal over the person of PATH or the Port Authority, the immunity of PATH or the Port Authority, their Directors, Commissioners, officers, agents or employees, the governmental nature of PATH or the Port Authority or the provisions of any statutes respecting suits against either of them. Such policies shall not exclude or except from their coverage damages arising out of injury to or destruction of property occupied or used by or rented to the Lessee, and shall include products liability and premises operations coverage and a contractual liability endorsement covering the obligations assumed by the Lessee under the Section of this Agreement entitled "*Indemnity; Liability Insurance.*"

(c) Such policies shall not contain any care, custody or control exclusions, or any exclusion for bodily injury to or sickness, disease or death of any employee of the Lessee or of any of its contractors which would conflict with or in any

way impair the coverages resulting from PATH's status as additional insured or the coverage under the contractual liability endorsement described in this subparagraph. Such insurance shall also contain an endorsement providing that the protection afforded the Lessee thereunder with respect to any claim or action against the Lessee by a third party shall pertain and apply with like effect with respect to any claim or action against the Lessee by PATH and against PATH by the Lessee, but such endorsement shall not limit, vary, change or affect the protections afforded PATH as an additional insured.

(d) In addition to the coverage referred to in paragraph (b) of Section 11 of the Lease and paragraph (a) of this Item 2, the Lessee in its own name as assured shall secure and keep in full force and effect throughout the term of the letting under this Agreement, at Lessee's sole cost and expense, a fire or other casualty policy insuring the full replacement value of all construction, installation and finishing work performed by the Lessee in the premises and the Lessee's furniture, trade fixtures, equipment and other personal property, such insurance to include a replacement cost endorsement, with a deductible of no more than \$1,000 against loss or damage by fire and theft and such other risks or hazards as are insurable under present or future forms of "All Risk" insurance policies.

(e) As to insurance of any type whatsoever required or permitted by any provision of this Agreement, a certified copy of each of the policies or a certificate or certificates evidencing the existence thereof, or binders, shall be delivered to PATH within twenty (20) days after the commencement date of the letting hereunder. 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 including said endorsements and such waiver of subrogation. Within thirty (30) days after request of PATH made at any time during the term of the letting under this Agreement the Lessee shall deliver a certified copy of the policy to PATH. Each such copy or certificate shall contain a valid provision or endorsement that: (1) the policy may not be canceled, terminated, changed or modified, without giving ten (10) days written advance notice thereof to PATH, and (2) the Lessee shall be solely responsible for the payment of premiums therefor notwithstanding that PATH is named as an additional insured. A renewal policy shall be delivered to PATH at least fifteen (15) days prior to the expiration date of each expiring policy, except for any policy expiring after the date of expiration of the letting. If at any time any of the policies shall be or become unsatisfactory to PATH as to form or substance, or if any of the carriers issuing such policies shall be or become unsatisfactory to PATH the Lessee shall promptly obtain a new and satisfactory policy in replacement. Notwithstanding anything contained in this Section, it is specifically understood and agreed that PATH shall have the right upon notice to the Lessee given from time to time and at any time to require the Lessee to increase any or all of the limits set forth in this Section and the Lessee shall promptly comply therewith and shall promptly submit a certificate or certificates evidencing the same to PATH.

Item 3: (a) Heat and Air-Cooling:

Not to be sold, furnished or supplied by the Lessee.

(b) Electricity:

PATH will supply electricity only to the Retail Space on such days and during such hours as the Lessee conducts its business, solely for illumination, by which is meant the energizing of fluorescent and incandescent

bulbs (to be supplied, paid for and installed by the Lessee) and for operation of such machines and equipment as PATH may consent to in advance; however, the electricity supplied to the Retail Space shall not necessarily comply with the specifications nor have the characteristics set forth in Section 14 (a)(1) of the Lease. The charges for such electricity are included in the basic rental for the Retail Space, and the Lessee shall not be required to pay PATH separately for such electricity. PATH will not supply any electricity to the Storage Space at any time during the letting under the Lease.

(c) Domestic Hot and Cold Water:

Not to be sold, furnished or supplied by PATH to the Lessee.

THERE IS NO SUBPARAGRAPH (d)

(e) Steam:

Not to be sold, furnished or supplied by PATH to the Lessee.

(f) Gas:

Not to be sold, furnished or supplied by PATH to the Lessee.

Item 4: New Construction: As set forth in Section 46.

Item 5: Construction Liability Insurance Limits:

The limits of liability insurance shall be not less than the amounts specified in the Alteration Application referred to in Section 46 hereof.

Item 6: Cost and Proration Thereof:

(a) To the extent permitted by sound accounting practice, the sum of the following items of cost incurred by the Lessee for such equipment and fixtures and the installation thereof and the making of such improvements as are necessary to initially equip and improve the premises for the Lessee's commencement of operations hereunder, all as mentioned in the Section of the Agreement entitled "*Thirty Day Termination*", and to the extent that such sum does not exceed Two Hundred Fifty Thousand Dollars and No Cents (\$250,000.00) shall constitute items of "cost" under the said Section and under subdivisions (b), (c), (d), (e), (f) and (g) hereof:

(1) Direct labor and material costs;

(2) Contract costs for purchases and installations excluding those of the types mentioned in the following subdivision (3);

(3) Engineering, architectural, planning, designing, financing, interest, insurance and other overhead or carrying charges which are due for a period ending not later than the date of completion of installation of any such initial equipment, fixtures or improvements for which they are incurred, and not

to exceed 20% of the total of the amounts covered by subdivisions (1) and (2) above.

(b) A statement of the cost detailing all the foregoing including copies of invoices and contracts and certified by a responsible officer of the Lessee shall be delivered by the Lessee to PATH not later than ninety (90) days after the complete supplying and installing of all such initial fixtures or equipment and the making of all such initial improvements, and the Lessee shall permit PATH, by its agents, employees and representatives, at all reasonable times prior to a final settlement or determination of cost, to examine and audit the records and books of the Lessee which pertain to the cost; the Lessee agrees to keep such records and books of account within the Port of New York District during such time.

(c) If the Lessee includes in cost any item as having been incurred but which, in the opinion of PATH, was not so incurred or which, in the opinion of PATH, if so incurred is not an item properly chargeable to cost under sound accounting practice, then PATH, within ninety (90) days after receipt of the said statement of cost as mentioned in paragraph (b) above, shall give written notice to the Lessee stating its objection to any such item and the grounds therefor. If such notice is given and if the dispute is not settled within thirty (30) days by agreement between the parties, then such dispute shall be disposed of by arbitration in accordance with the then existing rules of the American Arbitration Association or any successor association. Costs of said arbitration shall be borne equally by PATH and the Lessee.

(d) In any such arbitration as to whether any item included by the Lessee in its computation of cost has been incurred, the question to be submitted to the arbitrators for decision shall be as follows:

“Was all or any part of such cost incurred by the Lessee; and if part but not all of such cost was incurred, what was the amount which was so incurred?”

(e) In any such arbitration as to whether any item included by the Lessee in its computation of cost is properly chargeable thereunder under sound accounting practice, the question to be submitted to the arbitrators for decision shall be as follows:

“Can it reasonably be held that all or any part of such cost is properly chargeable under sound accounting practice; and if part but not all of such cost can reasonably be held to be so chargeable, then what amount can reasonably be held to be so chargeable?”

The arbitrators to whom such question shall be submitted shall be accountants or auditors.

(f) The proration of cost as referred to in the section of the Agreement entitled “*Thirty Day Termination*” shall be ascertained by multiplying the cost by a fraction, the numerator of which shall be the number of whole calendar months (in the term of the letting as originally set forth) subsequent to the effective date of termination, and the denominator of which shall be the total number of months in the term of the letting as originally set forth.

(g) Notwithstanding any other provision of the Section of the Agreement entitled “*Thirty Day Termination*”, in ascertaining the amount that PATH

shall be obligated to pay to the Lessee under said Section, the cost computed as heretofore stated in this Item shall be diminished by the amount that any part of the components of cost as stated in subparagraphs (1), (2) and (3) of paragraph (a) above are secured by liens, mortgages, other encumbrances or conditional bills of sale on such equipment, fixtures and improvements and less any other amounts whatsoever due under this Agreement from the Lessee to PATH. In no event whatsoever shall cost, as defined and computed in accordance with this Item and as used in the Section of the Agreement entitled "Thirty Day Termination" and in this Item, include any expenses, outlays or charges whatsoever by or for the account of the Lessee for or in connection with any equipment or fixtures or the making of any improvements mentioned in said Section or in this Item unless said equipment, fixtures and/or improvements are actually and completely installed in and/or made to the premises.

Item 7: Cash Security: See Section 29

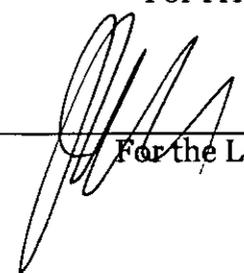
Item 8: Performance Bond: Not applicable.



For PATH

Initialed:

✓ _____
For the Lessee



SCHEDULE E

For purposes hereof, Minority Business Enterprise (MBE) shall mean any business enterprise which is at least fifty-one percentum owned by one or more citizens or permanent resident aliens who are minorities and such ownership is real, substantial and continuing, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by citizens or permanent resident aliens who are minorities and such ownership is real, substantial and continuing. As used herein minority shall mean an individual member of any of the following racial groups

(i) Black (all persons having origins in any of the Black African racial groups not of Hispanic origin;

(ii) Hispanic (all persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American origin, regardless of race);

(iii) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asian, the Indian Subcontinent, or the Pacific Islands) which includes persons whose origins are from Japan, China, Taiwan, Korea, Vietnam, Laos, Cambodia, the Philippines, Samoa, Guam, the U.S. Trust Territories of the Pacific, the Northern Marianas, India, Pakistan, Bangladesh, and Sri Lanka; and

(iv) American Indian or Alaskan Native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification) which includes persons who are American Indians, Eskimos, Aleuts, or Native Hawaiians.

For the purposes hereof, Women-owned Business Enterprise (WBE) shall mean any business enterprise which is at least fifty-one percentum owned by one or more women and such ownership is real, substantial and continuing, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by one or more women and such ownership is real, substantial and continuing. "Meaningful participation" shall mean that at least twelve percent (12%) of the total dollar value of the contracts (including subcontracts) are for the participation of Minority Business Enterprises, and that at least five percent (5%) of the total dollar value of the contracts (including subcontracts) are for the participation of Women-owned Business Enterprises. Good faith efforts to include

meaningful participation by MBEs and WBEs shall include at least the following:

(1) Dividing work into smaller portions where feasible.

(2) Actively and affirmatively soliciting bids and proposals for contracts or subcontracts to provide commodities and services from MBEs and WBEs including circulation of solicitations to minority and female contractor associations. The Lessee shall maintain records detailing the efforts it and its contractors have made to provide for meaningful MBE and WBE participation, including the names and addresses of all MBEs and WBEs contacted and, if any such MBE or WBE is not selected, the reason for such decision. The Lessee shall supply to PATH such information, data, and documentation with respect to the efforts the Lessee has made to provide for meaningful MBE and WBE participation in contracts and subcontracts as PATH may from time to time and at any time request.

(3) Providing prospective MBEs and WBEs with plans, specifications, and other necessary background materials with regard to prospective work available to MBEs and WBEs in sufficient time for review.

(4) Meeting regularly with representatives of PATH to identify forthcoming business opportunities and suitable MBEs and WBEs, following up on specific recommendations made by such representatives, and utilizing the list of eligible MBEs and WBEs hereinafter described in this Schedule, maintained by PATH, or seeking minorities and women from other sources for the purpose of soliciting contractors, subcontractors, and suppliers.

(5) Encouraging the formation of joint ventures, partnerships or other similar arrangements among contractors, where appropriate, to insure that the Lessee and its contractors will meet their obligations hereunder.

(6) Insuring that provision is made to provide progress payments to MBEs and WBEs on a timely basis, where appropriate.

(7) Not requiring bonds from and/or providing bonds and insurance for MBEs and WBEs, where appropriate.

PATH has compiled a list, which may be supplemented and revised from time to time by PATH, of the firms PATH has determined satisfy the criteria for MBE and WBE certification. Such list shall be made available to the Lessee and its contractors upon request. PATH makes no representation as to the financial responsibility of such firms, their technical competence to perform, or any other performance-related qualifications. Only listed MBEs and WBEs and such firms as are not so listed but as are certified by PATH as MBEs and WBEs hereunder will count toward the MBE and WBE goals.

Certification of MBE's and WBEs hereunder shall be made by the Office of Business and Job Opportunity of PATH. If the Contractor wishes to utilize a firm not so listed but which the Contractor believes should be certified because it is an MBE or WBE the Contractor shall submit to PATH a written request for a determination that the proposed firm is eligible for certification. This shall be done by completing and forwarding such form as may be required by PATH from time to time. All such requests shall be in writing addressed to Mr. John Alexander or other designee of the Office of Business and Job Opportunity, PATH of New York and New Jersey, One World Trade Center, 37 South, New York, N.Y. 10048. If any such firm is determined eligible for certification it shall only be by a writing over the name of the Director in charge of such Office. The determination of PATH shall be final and binding on the Contractor. For inquiries or assistance, please contact Mr. John Alexander at (212) 432-4188.

The following organizations may be able to refer the Contractor to firms which the referring organization has a reasonable basis to believe may meet PATH's criteria for certification as an MBE or WBE. Any referrals which are not listed shall be submitted to PATH for a determination as to eligibility as provided above.

1. National Minority Bus.
Council, Inc.
235 East 42nd Street
New York, N.Y. 10017
(212) 573-2385
2. N.Y./N.J. Minority
Purchasing Council
1412 Broadway - 11th floor
New York, N.Y. 10018
(212) 944-2442
3. Newark, Paterson, Jersey
City Business Development
Center
60 Park Place, Suite 1307
Newark, N.J. 01702
(201) 623-7712
4. The Council For Airport
Opportunity
2 World Trade Center
Suite 2228
New York, N.Y. 10048
(212) 466-1091
5. Assoc. of Minority
Enterprises of N.Y.
(AMENY)
165-40A Baisley Blvd.
Suite #3
Jamaica, N.Y., 11434
6. Air Services Development
Office
90-04 161st Street
Jamaica, N.Y. 11432
(718) 262-9012

In the event that the participation of any MBE or WBE selected by the Lessee or any of its contractors to participate in any contracts or subcontracts entered into with respect to any construction work performed on the premises, is cancelled or terminated for any reason, the Lessee agrees and agrees to require its contractors to make every good faith effort, to the

maximum extent feasible, and consistent with the Lessee's exercise of good business judgment, including, without limitation, the consideration of cost competitiveness, to utilize other MBEs and WBEs so as to maintain appropriate participation by MBEs and WBEs in such contracts.

Labor Force Utilization

Without limiting the foregoing provisions of this Schedule, and without limiting any of the terms and conditions of the Agreement to which this Schedule is attached, the Lessee agrees and agrees to require its construction and maintenance contractors and subcontractors at each tier of any construction undertaken pursuant to the provisions of the Agreement to which this Schedule is attached to make good faith efforts to achieve a supervisory and non-supervisory work force on each contract that is representative of the local community labor force with respect to minority and female participation and will work with PATH's Office of Business and Job Opportunity to identify referral sources when needed. The Lessee will cooperate with PATH to develop on the job training programs and will participate in apprenticeship and other training programs that expressly include minority and female workers. The Lessee agrees to require its contractors and subcontractors to participate in such programs and to make a good faith effort to utilize apprentices or other trainees in the work as appropriate. The Lessee agrees to and shall require its contractors and subcontractors to appoint an executive of their respective companies to assume the responsibility for the implementation of the contractors' good faith efforts to achieve minority and female participation in the work force under the contract.

The goals for minority and female participation, expressed in percentage terms for the aggregate workforce in each trade on all construction work are as follows:

Journey level trade workers

Minority participation: 30%

Female participation: 6.9%

Laborers and other unskilled workers

Minority participation: 40%

Female participation: 6.9%

These goals are applicable to all construction work performed in and for the premises. Compliance with the goals will be measured against the total work hours performed.

(a) The Lessee agrees to require its contractors and subcontractors to provide written notification to the Lessee and the Lessee agrees to provide written notification to the Office of Business and Job Opportunity of PATH within 10 working days of award of any construction contract or subcontract in excess of \$10,000.00 at any tier for construction work. The notification shall list the name, address, telephone number and employer identification number of the contractor or subcontractor; and the estimated starting and completion dates of the contract or subcontract. As used herein, "Employer identification number" shall mean the Federal Social Security Number used on the Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941. The term minority shall mean an individual member of any of the racial groups described in this Schedule.

(b) The Lessee agrees to require its contractors and subcontractors, at any tier, whenever they subcontract a portion of the construction work involving any construction trade, to physically include in each subcontract in excess of \$10,000 those provisions which include the applicable goals for minority and female participation.

(c) The Lessee agrees to require its contractors and subcontractors to implement the specific affirmative action standards provided in subparagraphs (1) through (16) of paragraph (f) hereof. The goals set forth above are expressed as percentages of the total hours of employment and training of minority and female utilization the Lessee's contractors and subcontractors should reasonably be able to achieve in each construction trade in which it has employees on the premises. The Lessee agrees and agrees to require its contractors and subcontractors to use good faith efforts to make substantially uniform progress toward its goals in each craft during the period specified.

(d) The Lessee agrees to provide in its construction contracts that neither the provisions of any collective bargaining agreement, nor the failure by a union with which the contractor has a collective bargaining agreement, to refer either minorities or women shall excuse the contractor's obligations thereunder.

(e) The Lessee further agrees to provide in its agreements with its contractors that in order for the nonworking training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees shall be employed by the contractor during the training period, and the contractor shall have made a commitment to employ the apprentices and trainees at the completion of their training, subject to the availability of employment opportunities. Trainees shall be trained pursuant to training programs approved by the U. S. Department of Labor.

(f) The Lessee agrees to require its contractors and subcontractors to take specific affirmative actions to ensure equal employment opportunity ("EEO"). The Lessee's evaluation of the contractor's compliance with these provisions shall be based upon the contractor's good faith effort to achieve maximum results from its actions. The Lessee agrees to require its contractors and subcontractors to document these efforts fully, and to implement affirmative action steps at least as extensive as the following:

(1) Ensure and maintain a working environment free of harassment, intimidation, and coercion at all portions of the premises at which the contractor's employees are assigned to work. The contractor, where possible, will assign two or more women to each phase of the construction project. The contractor shall specifically ensure that all foremen, superintendents, and other supervisory personnel at the premises are aware of and carry out the contractor's obligation to maintain such a working environment, with specific attention to minority or female individuals working at the premises.

(2) Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the contractor or its unions have employment opportunities available, and maintain a record of the organizations' responses.

(3) Maintain a current file of the names, addresses and telephone numbers of each minority and female off-the-street applicant and minority or female referral from a union, a recruitment source or community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the contractor by the union or, if referred, not employed by the contractor, this shall be documented in the file with the reason therefor, along with whatever additional action the contractor may have taken.

(4) Provide immediate written notification to the Lessee when the union or unions with which the contractor has a collective bargaining agreement has not referred to the contractor a minority person or woman, sent by the contractor, or when the contractor has other information that the union referral process has impeded the contractor's efforts to meet its obligations.

(5) Develop on-the-job training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and trainee

programs relevant to the contractor's employment needs, especially those programs funded or approved by the Department of Labor. The contractor shall provide notice of these programs to the sources compiled under subparagraph (2) above.

(6) Disseminate the contractor's EEO policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the contractor's newspaper, annual report, etc.; by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and by posting the contractor's EEO policy on bulletin boards accessible to all employees at each location where the construction work is performed.

(7) Review, at least every six months, the contractor's EEO policy and affirmative action obligations hereunder with all employees having any responsibility for hiring, assignment, layoff, termination or other employment decisions including specific review of these items with on-area supervisory personnel such as Superintendents, General Foremen, etc., prior to the initiation of construction work at the premises. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.

(8) Disseminate the contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the contractor's EEO policy with other contractors and subcontractors with whom the contractor does or anticipates doing business.

(9) Direct its recruitment efforts, both oral and written, to minority, female and community organizations, to schools with minority and female students, to minority and female recruitment and training organizations and to State certified minority referral agencies serving the contractor's recruitment area and employment needs. Not later than one month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the contractor shall send written notification to organizations such as the above, describing the openings, screening procedures, and tests to be used in the selection process.

(10) Encourage present minority and female employees to recruit other minority persons and women and, where reasonable, provide after school, summer and vacation employment to minority and female youth both on the premises and in other areas of a contractor's workforce.

(11) Tests and other selection requirements shall comply with 41 CFR Part 60-3.

(12) Conduct, at least every six months, an inventory and evaluation of all minority and female personnel for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.

(13) Ensure that seniority practices, job classifications, work assignments and other personnel practices, do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the contractor's obligations hereunder are being carried out.

(14) Ensure that all facilities and company activities are nonsegregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.

(15) Document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitations to minority and female contractor associations and other business associations.

(16) Conduct a review, at least every six months, of all supervisors' adherence to and performance under the contractor's EEO policies and affirmative action obligations.

(g) The Lessee shall encourage its contractors to participate in voluntary associations which assist in fulfilling one or more of the affirmative action obligations set forth in subparagraphs (1)-(16) of paragraph (f) of this Section. The efforts of a contractor association, joint contractor-union, contractor-community, or other similar group of which the contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under paragraph (f) hereof provided that: the contractor actively participates in the group, makes every effort to assure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the contractor's minority and female workforce participation,

makes a good faith effort to meet its individual goals and timetables, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the contractor. The requirement for good faith efforts to comply, however, shall remain with the contractor and the Lessee shall provide in its agreements with the contractor that failure of such a group to fulfill an obligation shall not be a defense for the contractor's non-compliance.

(h) Goals for minorities and a separate single goal for women have been established. The Lessee, however, agrees to require its contractors and subcontractors to provide equal employment opportunity and to take affirmative action for all minority groups, both male and female, and all women, both minority and non-minority, and to provide that consequently, the contractor may be in violation of its agreement with the Lessee if a particular group is employed in a substantially disparate manner (for example, even though the contractor has achieved its goals for women generally, the contractor may be in violation if a specific minority group of women is under-utilized).

(i) The Lessee agrees to provide that the contractor shall not use the goals and timetables or affirmative action standards to discriminate against any person because of race, color, religion, sex, or national origin.

(j) The Lessee agrees that it will not enter into any contract with any person or firm debarred from Government contracts pursuant to Executive Order 11246, and agrees to require that its contractors and subcontractors not enter into any subcontract with any such person or firm.

(k) The Lessee agrees to carry out such sanctions and penalties for violation of these provisions including suspension, termination and cancellation of existing contracts and subcontracts as may be required and the Lessee further agrees to require its contractors and subcontractors to agree to carry out such sanctions and penalties for violation of these provisions including suspension, termination and cancellation of existing contracts and subcontracts as may be imposed or ordered by the Lessee.

(l) The Lessee agrees to require its contractors and subcontractors, in fulfilling their obligations to the Lessee, to implement specific affirmative action steps, at least as extensive as those standards prescribed in paragraph (f) hereof so as to achieve maximum results from their efforts to ensure equal employment opportunity. If the contractor fails to comply with such requirements, the Lessee shall proceed accordingly.

(m) The Lessee agrees to require its contractors and subcontractors to designate a responsible official to monitor all employment related activity to ensure that the company EEO policy

is being carried out, to submit reports relating to the contractor's EEO obligations as may be required, and to keep records. Records shall at least include for each employee the name, address, telephone numbers, construction trade, union affiliation if any, employee identification number when assigned, social security number, race, sex, status (e.g. mechanic, apprentice, trainee, helper, or laborer), date of changes in status, hours worked per week in the indicated trade, rate of pay, and location at which the work was performed. Records shall be maintained in an easily understandable and retrievable form; however, to the degree that existing records satisfy this requirement, contractors need not be required to maintain separate records.

(n) Nothing herein provided shall be construed as a limitation upon the application of any laws which establish different standards of compliance or upon the application of requirements for the hiring of local or other area residents (e.g., those under the Public Works Employment Act of 1977 and the Community Development Block Grant Program).

(o) Without limiting any other term or provision of this Agreement, the Lessee agrees and agrees to require its contractors and subcontractors to cooperate with all federal, state, or local agencies established for the purpose of implementing affirmative action compliance programs and the Lessee agrees and agrees to require its contractors and subcontractors to comply with all procedures which may be agreed to by and between PATH and the Lessee.

(p) In addition to and without limiting any of the terms and provisions of this Agreement, the Lessee agrees to provide in its contracts and all subcontracts covering construction work, or any portion thereof, that:

(i) The contractor shall not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status, and shall undertake or continue existing programs of affirmative action to ensure that minority group persons are afforded equal employment opportunity without discrimination. Such programs shall include, but not be limited to, recruitment, employment, job assignment, promotion, upgrading, demotion, transfer, layoff, termination, rates of pay or other forms of compensation, and selections for training or retraining, including apprenticeships and on-the-job training;

(ii) At the request of either PATH or the Lessee, the contractor shall request such employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding and which is involved in the performance of the contract with the Lessee to furnish a written statement that such employment

agency, labor union or representative shall not discriminate because of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will cooperate in the implementation of the contractor's obligations hereunder;

(iii) The contractor will state, in all solicitations or advertisements for employees placed by or on behalf of the contractor in the performance of the contract, that all qualified applicants will be afforded equal employment opportunity without discrimination because of race, creed, color, national origin, sex, age, disability or marital status;

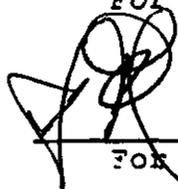
(iv) The contractor will include the provisions of subdivisions (i) through (iii) of this paragraph in every subcontract or purchase order in such a manner that such provisions will be binding upon each subcontractor or vendor as to its work in connection with the contract;

(v) "Contractor" as used in subdivisions (i) through (iv) of this paragraph shall include each contractor and subcontractor at any tier of construction.

Initialed:



For PATH



For the Lessee

(PATH Acknowledgment)

STATE OF NEW YORK)
):
): ss.
COUNTY OF NEW YORK)

On the 26th day of October, 2004, before me, the subscriber, a notary public of New York, personally appeared Michael B. Francois, the Acting Chief of Real Estate/Regional + Economic Development of PORT AUTHORITY TRANS-HUDSON CORPORATION, who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

Dilcia Hernandez (Poehrich)
(notarial seal and stamp)

DILCIA HERNANDEZ
Notary Public, State of New York
No. 01HE6078369
Qualified in Orange County
Commission Expires May 27, 2009

(Airport Management Services, LLC)

STATE OF New Jersey)
):
): ss.
COUNTY OF Bergen)

On the 20 day of July, 2004, before me, the subscriber, a notary public of New Jersey personally appeared Joseph Abonmigo, the Executive Vice President of AIRPORT MANAGEMENT SERVICES, LLC, who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors, and of such corporation.

JENIECE D. JACKSON
Notary Public, State of New Jersey
No. 2306319
Qualified in Passaic County
Commission Expires 10/08/2008

Jeniece D. Jackson
(notarial seal and stamp)

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, dated as of the 30th day of November, 2006, by and between **PORT AUTHORITY TRANS-HUDSON CORPORATION** (hereinafter called "PATH") and **AIRPORT MANAGEMENT SERVICES, LLC, d/b/a HUDSON NEWS**, a limited liability company organized and existing under and by virtue of the laws of the State of New Jersey, having an office and place of business at One Meadowlands Plaza, Suite 902, East Rutherford, New Jersey 07073, whose representative is Joseph DiDomizio (hereinafter called the "Lessee"),

WITNESSETH, That:

WHEREAS, PATH and the Lessee heretofore and as of November 22, 2003, entered into a lease agreement identified above by PATH Lease Number covering premises located at the temporary PATH Station constructed at the site of the World Trade Center in the City, County and State of New York (hereinafter called the "Lease"); and

WHEREAS, PATH and the Lessee desire to extend the term of the letting under the Lease for an additional period hereinafter described and to amend the Lease in certain other respects;

NOW, THEREFORE, for and in consideration of the covenants and mutual agreements herein contained, PATH and the Lessee hereby agree as follows:

1. The term of the letting under the Lease is hereby extended for the period from and after December 1, 2006 through and including October 31, 2007, unless sooner terminated, at the basic rental set forth in the Lease, payable at the times and in the manner set forth therein. In addition to the foregoing annual basic rental, the Lessee shall continue to pay the additional basic rental set forth the Lease determined in accordance with the provisions of the Schedule A attached to said Supplement.

2. Effective as of the date of this Agreement, the provisions of Section 34 of the Lease shall be deemed deleted in their entirety, and the following shall be deemed inserted in lieu thereof:

"All payments required of the Lessee by this Agreement shall be made to:

Port Authority Trans-Hudson Corporation
P.O. Box 95000-1538
Philadelphia, Pennsylvania 19195-1538

or sent by wire transfer as follows:

Bank: Commerce Bank
Bank ABA Number: 026013673
Account No. (Ex. 1)

3. The Lessee represents and warrants that no broker has been concerned in the negotiation or execution of this Agreement or the extension of the term of the letting hereunder and that there is no broker who is or maybe entitled to be paid a commission in connection therewith. The Lessee shall indemnify and save harmless PATH of and from any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Agreement or the extension of the term of the letting hereunder.

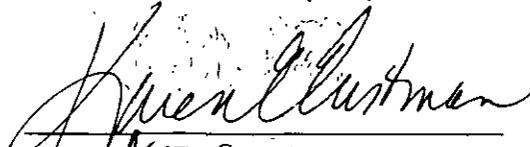
4. Neither the Directors of PATH, nor any of them, nor any officer, agent or employee thereof, shall be charged personally by the Lessee with any liability, or be held liable to it under any term or provision of this Agreement, or because of its execution or attempted execution or because of any breach thereof.

5. As hereby amended, all the terms, covenants, provisions, conditions and agreements of the Lease shall be and remain in full force and effect.

6. This Agreement and the Lease which it amends and supplements constitute the entire agreement between PATH and the Lessee on the subject matter and may not be changed, modified, discharged or extended except by instrument in writing duly executed on behalf of both PATH and the Lessee. The Lessee agrees that no representations or warranties shall be binding upon PATH unless expressed in writing in the Lease or this Agreement.

IN WITNESS WHEREOF, PATH and the Lessee have executed these presents as of the date first above written.

ATTEST:



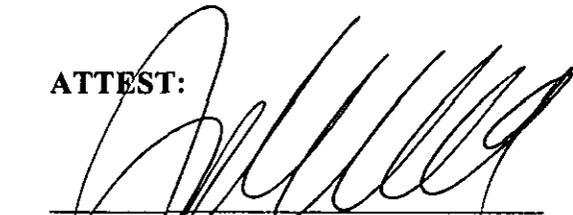
Asst. Secretary

PORT AUTHORITY TRANS-HUDSON CORPORATION

By 

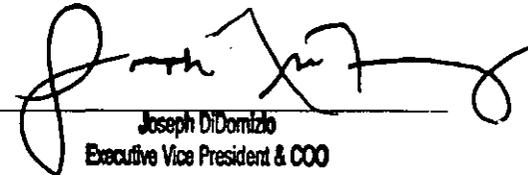
(Title) **Francis A. DiMola**
Director, Real Estate Department
(Seal)

ATTEST:



Secretary

AIRPORT MANAGEMENT SERVICES, LLC

By 

(Title) **Joseph DiDornizio**
Executive Vice President & COO
(Corporate Seal)

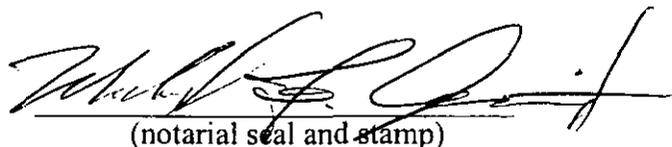
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| "APPROVED" | |
|------------|-------|
| FORM | TERMS |
| RMS | PS |

(PATH Acknowledgment)

STATE OF NEW YORK)
)ss.:
COUNTY OF NEW YORK)

On this 28th day of February, 2007, before me, the subscriber, a notary public of New York, personally appeared Francis A. DiMola, the Director, Real Estate Department of Port Authority Trans-Hudson Corporation, who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

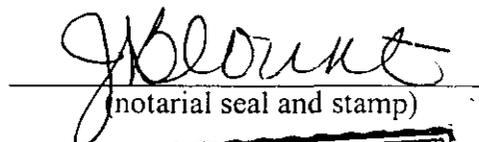

(notarial seal and stamp)

MICHAEL F. SCHMIDT
Notary Public, State of New York
No. 01SC6118149
Qualified in New York County
Commission Expires November 1, 20 08

(Limited Liability Company Acknowledgment)

STATE OF New Jersey)
)ss.:
COUNTY OF Bergen)

On this 16th day of February, 2007, before me, the subscriber, a notary public of New Jersey, personally appeared Joseph DiDomizio, the Executive Vice President of Airport Management Services, LLC, who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.


(notarial seal and stamp)

JENNY BLOUNT
Notary Public, State of New Jersey
My Commission Expires
July 18, 2011

PORT AUTHORITY TRANS-HUDSON
CORPORATION

PATH 33rd STREET STATION

AGREEMENT OF LEASE

between

PORT AUTHORITY TRANS-HUDSON
CORPORATION

and

HUDSON NEWS COMPANY

AGREEMENT OF LEASE
between
PORT AUTHORITY TRANS-HUDSON CORPORATION
and
HUDSON NEWS COMPANY

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THIS AGREEMENT, made as of November 29, 2005, by and between PORT AUTHORITY TRANS-HUDSON CORPORATION (hereinafter called "PATH"), a corporation organized and existing under the laws of the States of New York and New Jersey, and having an office at One PATH Plaza in the City of Jersey City, County of Hudson, State of New Jersey, and HUDSON NEWS COMPANY, a corporation organized and existing under the laws of the State of New Jersey having an office and place of business at One Meadowlands Plaza, Suite 902, East Rutherford, New Jersey 07063 (hereinafter called the "Lessee") whose representative is Joseph DiDomizio,

WITNESSETH That:

PATH and the Lessee, for and in consideration of the rents, covenants and agreements hereinafter contained, mutually covenant and agree as follows:

Section 1. Letting

PATH hereby lets to the Lessee and the Lessee hereby hires and takes from PATH, in the City, County and State of New York at the PATH 33rd Street Station, Platform Level: (a) the two spaces shown in diagonal hatching on the sketch annexed hereto, hereby made a part hereof and marked "Exhibit A," together with the fixtures, improvements and other property of PATH located or to be located therein or thereon, the said spaces, consisting of approximately 555 square feet of space and approximately 451 square feet of space, together with such fixtures, improvements and other property of PATH, being sometimes hereinafter referred to as the "Retail Space;" and (b) the two spaces shown in crosshatching on Exhibit A, together with the fixtures, improvements and other property of PATH located or to be located therein or thereon, the said spaces, consisting of approximately 447 square feet of space and approximately 271 square feet of space, together with such fixtures, improvements and other property of PATH, being sometimes hereinafter referred to as the "Storage Space;" the Retail Space and the Storage Space being sometimes hereinafter jointly referred to as the "premises." PATH and the Lessee hereby acknowledge that the aforesaid premises constitutes non-residential real property.

Section 2. Term

The term of the letting of the premises under this Agreement shall commence at 12:01 o'clock A.M. on December 1, 2001 (which date is sometimes hereinafter referred to as the "Effective Date") and shall, unless sooner terminated or unless extended, expire at 11:59 o'clock P.M. on November 30, 2011.

Section 3. Rights of User by the Lessee

The Lessee shall use the Retail Space for the following purposes only and for no other purpose whatsoever: for the construction and operation of a newsstand for the sale, at retail, of products only in the following categories: newspapers, magazines and books, packaged food items, tobacco products, convenience items, lottery tickets issued by the Lottery Division of the New York State Department of Taxation and Finance, and mass transit travel tickets, such as PATH QuickCards. Sales inconsistent with the unique nature and significance of the events of September 11, 2001 will not be among those permitted by this Agreement, including but not limited to sales of souvenirs, toys and other materials whose sales are inconsistent with the unique nature and significance of the events of that date. The Lessee shall use the Storage Space solely for storage purposes in connection with its permitted business activities in the Retail Space and for no other purpose or purposes whatsoever.

Section 4. Rental

(a) The Lessee agrees to pay to PATH a basic rental for the Retail Space and for the Storage Space at the rates as set forth in Item 1 of Exhibit B attached hereto and hereby made a part hereof.

(b) The Lessee agrees to pay to PATH the percentage rental, if any, set forth in Item 1 of Exhibit B.

(c) The time for making payments of rental and the method of computation and abatement thereof are set forth in Item 1 of Exhibit B.

Section 5. Obligations in Connection with Any Percentage Rental

If any rental hereunder is measured by a percentage of the Lessee's gross receipts, the Lessee shall:

(a) Take all reasonable measures in every proper manner to maintain, develop and increase the business conducted by it hereunder;

(b) Not divert or cause or allow to be diverted any business from the premises;

(c) Maintain in accordance with accepted accounting practice during the letting and for one year thereafter and for such further period until the Lessee shall receive written permission from PATH to do otherwise, records and books of account recording all transactions at, through, or in anywise connected with the premises, which records and books of account shall be kept at all times within the Port of New York District and permit, in ordinary business hours during

such time, the examination and audit by the officers, employees and representatives of PATH of such records and books of account and also any records and books of account of any company which is owned or controlled by the Lessee, if said company performs services, similar to those performed hereunder by the Lessee, anywhere in the Port of New York District;

(d) Permit in ordinary business hours the inspection by the officers, employees and representatives of PATH of any equipment used by the Lessee, including but not limited to cash registers and recording tapes;

(e) Furnish on or before the twentieth day of each month following the commencement date of the letting a sworn statement of gross receipts arising out of the operations of the Lessee hereunder for the preceding month;

(f) Install and use such cash registers, sales slips, invoicing machines and any other equipment or devices for recording orders taken or services rendered as may be appropriate to the Lessee's business and necessary or desirable to keep accurate records of gross receipts.

Section 6. Governmental Requirements

(a) The Lessee shall procure from all governmental authorities having jurisdiction over the operations of the Lessee at the premises all licenses, certificates, permits or other authorization which may be necessary for the conduct of its operations.

(b) The Lessee 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.

(c) The Lessee 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 operations of the Lessee on the premises or its occupancy thereof, and the Lessee shall, in accordance with and subject to the provisions of Section 15 hereof, make any and all structural and nonstructural improvements, alterations or repairs of the premises that may be required at any time hereafter by any such present or future law, rule, regulation, requirement, order or direction.

(d) The obligation of the Lessee to comply with governmental requirements is provided herein for the purpose of assuring proper safeguards for the protection of persons and property on the premises and a proper operation by the Lessee. Such provision is not to be construed as a submission by PATH to the application to itself of such requirements or any of them.

Section 7. Rules and Regulations

The Lessee covenants and agrees to observe and obey (and to compel its officers, members, employees, agents, representatives, contractors, customers, guests, invitees and those doing business with it to observe and obey) present and future rules and regulations of PATH for the Facility or building.

Section 8. Various Obligations of the Lessee

(a) The Lessee shall conduct its operations in an orderly and proper manner and so as not to annoy, disturb or be offensive to others. The Lessee shall take all reasonable measures to eliminate vibrations tending to damage the premises and to keep the sound level of its operations as low as possible.

(b) The Lessee shall control the conduct, demeanor and appearance of its officers, members, employees, agents, representatives, contractors, customers, guests, invitees and those doing business with it, and upon objection from PATH concerning the conduct, demeanor or appearance of any such shall immediately take all steps necessary to remove the cause of the objection.

(c) No garbage, debris or other waste materials (whether solid or liquid) shall be allowed to collect or accumulate in the premises and the Lessee shall remove from the premises and from the building and Facility, which the premises may be a part, all garbage, debris and other waste materials (whether solid or liquid) arising out of its occupancy or use of the premises. The Lessee shall use extreme care when effecting removal of all such waste and in no event shall use any facilities of PATH without its prior consent in writing and shall effect such removal only during such hours as are prescribed by PATH.

(d) If the premises have an entrance or exit opening out on a sidewalk the Lessee shall keep all sidewalks and curbs adjacent to the premises and all exclusive lobbies, vestibules and steps free from snow, ice, dirt and rubbish.

(e) If PATH deems it advisable for security reasons the Lessee shall provide and its employees shall wear or carry badges or other suitable means of identification which shall be subject to the prior written approval of PATH.

(f) If the Lessee is permitted under this Agreement to sell food and/or beverages, it shall, in connection with any preparation, packaging, handling, storage, delivery and dispensing of such food and/or beverages, comply with the following:

(1) Its employees shall wear clean, washable uniforms and female employees shall wear caps or nets. The employees shall be clean in their habits and shall thoroughly wash their hands before beginning work and immediately after each visit to the toilet and shall keep

them clean during the entire work period. No person affected with any disease in a communicable form or who is a carrier of such disease shall work or be permitted to work for the Lessee.

(2) All food and beverages shall be clean, fresh, pure, of first class quality and safe for human consumption.

(3) The premises and all equipment and materials used by the Lessee shall at all times be clean, sanitary, and free from rubbish, refuse, dirt, offensive or unclean material, flies and other insects, rodents and vermin. All apparatus, utensils, devices, machines and piping used by the Lessee shall be constructed so as to facilitate the cleaning and inspection thereof and shall be properly cleaned after each period of use (which shall at no time exceed eight hours) with hot water and a suitable soap or detergent and shall be rinsed by flushing with hot water. Where deemed necessary by PATH, final treatment by live steam under pressure or other sterilizing procedure shall be used. All trays, dishes, crockery, glassware, cutlery, and other equipment of such type shall be cleaned and sterilized immediately before using same.

(4) All packing materials, including but not limited to wrappers, stoppers, caps, enclosures and containers, shall be clean and sterile and shall be so stored as to be protected from dust, dirt, flies and other insects, rodents, vermin, unsanitary handling and unclean materials.

(5) It is intended that the standards and obligations imposed by this subdivision (f) shall be maintained or complied with by the Lessee in addition to its compliance with all applicable governmental laws, ordinances and regulations, and in the event that any of said laws, ordinances and regulations shall be more stringent than such standards and obligations, the Lessee agrees that it will comply with such laws, ordinances and regulations in its operations hereunder.

(g) In the event that all or any portion of the premises is required by PATH to comply with any present or future governmental law, rule, regulation, requirements, order or direction, PATH shall give the Lessee notice that all or any such portion of the premises is so required, and the Lessee shall deliver all or any such portion of the premises so required on the date specified in such notice, and, if the Lessee does not so deliver, PATH may take the same. No such taking or delivery shall be or be construed to be an eviction of the Lessee or a breach of any present or future governmental law, rule, regulation, requirements, order or direction, PATH shall give the Lessee notice that all or any such portion of the premises is so required and the Lessee shall deliver all or any such portion of the premises so required on the date specified in such notice and if the Lessee does not so deliver, PATH may take the same. In the event that the Lessee has received a notice hereunder it shall deliver all or any such portion of the premises so required in the same condition as that required hereunder for the delivery of the premises on the cessation of the letting. In the event of the taking or delivery of all the premises, this Agreement and the letting hereunder shall on the day of such taking or delivery cease and expire as if that day were the date originally stated herein for the expiration of this Agreement; and, in the event of the taking or delivery of any portion of the premises, then, from and after such taking or delivery, such portion of the premises shall cease to be a part of the premises hereunder. There shall be an abatement of the rental in the event of any such taking or delivery of a portion of the premises if so provided in Item 1 of Exhibit B.

Section 9. Prohibited Acts

The Lessee shall not: (a) commit any nuisance on the premises, or do or permit to be done anything which may result in the creation or commission of a nuisance on the premises; (b) cause or produce or permit to be caused or produced upon the premises, or to emanate therefrom, any unusual, noxious or objectionable smokes, gases, vapors, or odors; (c) use the premises for lodgings or sleeping purposes or for any immoral purposes; (d) install window shades or venetian blinds on the windows of the premises unless and until the type, size and color of the same shall have been previously approved in writing by PATH; (e) obstruct or permit the obstruction of light, air or passage in the building or Facility of which the premises may be a part; (f) do or permit to be done anything which may interfere with the effectiveness or accessibility of existing and future utilities systems or portions thereof on the premises, including therein, without limitation thereto, systems for the supply of heat, water hot and cold, gas, electricity and fuel and for the furnishing of fire-alarm, fire-protection, sprinkler, sewerage, drainage, air-conditioning, telephone, telegraph, tele-register, pneumatic-tube dispatch and intercommunications services, including lines, pipes, mains, wires, conduits and equipment connected with or appurtenant to all such systems, nor do or permit to be done anything which may interfere with free access and passage in the premises, or in the building or Facility of which the premises may be a part, or in the streets and sidewalks adjacent thereto; (g) do or permit to be done anything which may interfere with the effectiveness or accessibility of any elevators or escalators, including lines, pipes, wires, conduits and equipment connected with or appurtenant thereto; (h) overload any floor in the premises; (i) place any furniture, machine or equipment over any expansion or contraction joint unless one end of such furniture, machine or equipment is free to permit expansion or contraction; (j) place any additional lock of any kind upon any window or interior or exterior door in the premises unless a key therefor is delivered to PATH, nor make any change in any existing door or window lock or the mechanism thereof, except with the prior written approval of PATH, and upon the expiration or sooner termination of the letting hereof, the Lessee shall surrender to PATH any and all keys to interior and exterior doors on the premises, whether said keys were furnished to or were otherwise procured by the Lessee, and in the event of the loss of any keys furnished by PATH to the Lessee, the Lessee shall pay to PATH on demand the cost of replacement thereof; (k) do or permit to be done any act or thing upon the premises which will invalidate or conflict with any insurance policies covering the premises or any part thereof or covering the building or Facility of which the premises may be a part, or which, in the opinion of PATH, may constitute an extra hazardous condition so as to increase the risks normally attendant upon the operations contemplated by Section 3 hereof, and the Lessee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of the New York Board of Fire Underwriters, the New York Fire Insurance Exchange, or if the premises are located in New Jersey of the National Board of Fire Underwriters, the Fire Insurance Rating Organization of N.J., or of any other board or organization exercising or which may exercise similar functions that may pertain or apply to the operations of the Lessee on the premises, and the Lessee shall subject to and in accordance with the provisions of Section 15 hereof, make any and all nonstructural improvements, alterations or repairs of the premises that may be required at any time hereafter by any such present or future rule, regulation, requirement, order or direction, and if by reason of any failure on the part of the Lessee to comply with the provisions of this subdivision, any insurance rate on the premises or any part

thereof, or on the building or Facility of which the premises may be a part, shall at any time be higher than It otherwise would be, then the Lessee shall pay to PATH on demand that part of all insurance premiums paid by PATH which shall have been charged because of such violation or failure by the Lessee; (l) unless otherwise expressly permitted so to do elsewhere in this Agreement, install, maintain or operate, or permit the installation, maintenance or operation on the premises of any vending machine or device designed to dispense or sell food, beverages, tobacco products or merchandise of any kind, whether or not included in the above categories, or of any restaurant, cafeteria, kitchen, stand or other establishment of any type for the preparation, dispensing or sale of food, beverages, tobacco or tobacco products, or of any telephone paystations.

Section 10. Maintenance and Repair

(a) The Lessee shall at all times keep in a clean and orderly condition and appearance the premises and all the Lessee's fixtures, equipment and personal property.

(b) The Lessee shall repair, replace, rebuild and paint all or any part of the premises, or of the building or Facility of which the premises may be a part, including therein, without limitation thereto, walls, partitions, floors, ceilings, columns, windows, doors, glass of every kind, fixtures, systems for the supply of heat, water hot and cold, gas, electricity and fuel and for the furnishing of fire-alarm, fire-protection, sprinkler, sewerage, drainage, air-conditioning, telephone, tele-register, pneumatic-tube dispatch and inter communication services, including lines, pipes, mains, wires, conduits and equipment connected with or appurtenant to all such systems that may be damaged or destroyed by the acts or omissions of the Lessee, its officers, members, employees, agents, representatives, contractors, customers, guests, Invitees or other persons doing business with it.

(c) The Lessee shall take good care of the premises, including therein, without limitation thereto, walls, partitions, floors, ceilings, columns, windows, doors, glass of every kind fixtures, and shall make or do all nonstructural repairs, replacements, rebuilding and painting necessary to keep the premises in the condition existing as of the commencement date of the letting and to keep all improvements and fixtures made or installed subsequent to the commencement date of the letting in the condition existing as of the date such improvements are made and such fixtures installed.

(d) The Lessee shall not lay any linoleum, asphalt tile or other such affixed floor covering in direct contact with the floor of the premises. If the Lessee lays any linoleum, asphalt tile or other such affixed covering on the floor of the premises, an interlining of builder's deadening felt shall first be affixed to the floor with water-soluble paste or other water-soluble material, the use of cement or other adhesive non-soluble in water being expressly prohibited.

(e) The Lessee shall maintain and pay the premiums on a policy of plate and mirror glass insurance covering all plate and mirror glass which is a part of or is located on or in the premises and shall replace any of such plate or mirror glass which is damaged or destroyed from any cause whatsoever.

(f) In the event that as a result of any casualty, the premises are damaged without the fault of the Lessee, its officers, members, employees, agents, representatives, contractors, customers, guests, invitees or other persons doing business with it, so as to render them untenable in whole or part, then

(1) If in the opinion of PATH the necessary repairs or rebuilding can be completed within ninety (90) days after the occurrence of the damage, PATH shall repair or rebuild with due diligence, and the rental hereunder shall, if so provided in item 1 of Exhibit B, be abated only for the period from the occurrence of the damage to the completion of the repairs or rebuilding, whether or not the work of repair or rebuilding is actually completed within the said ninety (90) days; or

(2) If in the opinion of PATH such repairs or rebuilding cannot be completed within ninety (90) days after the occurrence of the damage or if the entire premises require rebuilding, then PATH shall have options: (i) to proceed with due diligence to repair or to rebuild as necessary; or (ii) to terminate the letting as to the damaged portion of the premises only, or (iii) to cancel this Agreement and terminate the letting as to the entire premises; and the rental hereunder shall, if so provided in Item 1 of Exhibit B, be abated, either, as the case may require, for the period from the occurrence of the damage to the completion of repairs and rebuilding or for the period from the occurrence of the damage to the effective date of termination.

(g) The parties hereby stipulate that if the premises are in the State of New Jersey neither the provisions of Titles 46:8-6 and 46:8-7 of the Revised Statutes of New Jersey nor those of any other similar statute shall extend or apply to this Agreement, and if the premises are in the State of New York, neither the provisions of Section 227 of the Real Property Law of New York, nor those of any other similar statute shall extend or apply to this Agreement.

(h) In the event of a partial or total destruction of the premises, the Lessee shall immediately remove any and all of its property and/or debris from the premises or the portion thereof destroyed, and if the Lessee does not promptly so remove, PATH may remove such property to a public warehouse for deposit or retain the same in its own possession and sell the same at public auction, the proceeds of which shall be applied first to the expenses of removal, storage and sale, second to any sums owed by the Lessee to PATH, with any balance remaining to be paid to the Lessee; if the expenses of such removal, storage and sale shall exceed the proceeds of sale, the Lessee shall pay such excess to PATH upon demand.

Section 11. Indemnity; Liability Insurance

(a) The Lessee shall indemnify and hold harmless PATH, its Directors, officers, agents, representatives and employees from all claims and demands of third persons, including but not limited to those due to death or personal injuries or for property damage arising wholly or partially out of the use or occupancy of the premises by the Lessee or out of any of the acts or omissions of the Lessee, its officers, members, employees, agents, representatives, contractors, customers, guests, invitees, and other persons doing business with it where such acts or omissions

are on the premises or, if the premises are a part of a Facility or of a building, out of any acts or omissions of the Lessee, its officers, members, employees, agents and representatives, where such acts or omissions are elsewhere in the Facility or the building. Such indemnification shall include all expenses incurred or assumed in connection with such claims and demands.

(b) In addition to the obligations set forth in the above subdivision, the Lessee in its own name as assured shall maintain and pay the premiums on a policy or policies of comprehensive public liability insurance, including products liability, which shall cover its operations hereunder and shall be effective throughout the letting, in limits not lower than those set out in Item 2 of Exhibit B.

(c) PATH shall not be named as an insured in any policy of liability insurance required by this Section, unless PATH shall, at any time during the letting, direct otherwise in writing, in which case the Lessee shall cause PATH to be so named. As to any insurance required by the provisions of this or any other Section of this Agreement, a certified copy of each of the policies or a certificate or certificates evidencing the existence thereof or binders, shall be delivered to PATH within ten (10) days after the execution of this Agreement or, in the case of insurance required under the provisions of Section 15, prior to the commencement of the work. In the event any binder is delivered, it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy or certificate shall contain endorsements that the policy may not be cancelled, terminated, changed or modified without giving ten (10) days' written advance notice thereof to PATH. A renewal policy shall be delivered to the Port Authority at least fifteen (15) days prior to the expiration date of each expiring policy, except for any policy expiring after the date of the expiration of the letting. If at any time any of the policies shall be or become unsatisfactory to PATH as to form or substance or if any of the carriers issuing such policies shall be or become unsatisfactory to PATH, the Lessee shall promptly obtain a new and satisfactory policy in replacement.

Section 12. Sales and Services by the Lessee

(a) A principal purpose of PATH in entering into this Agreement is to have available for all members of the public the merchandise and/or services which the Lessee is permitted to sell and/or render hereunder, all for the better accommodation, convenience and welfare of such individuals and in fulfillment of PATH's obligation to operate facilities for the use and benefit of the public, and the Lessee agrees that it will conduct a first class operation and will furnish and install all necessary or proper equipment, fixtures, improvements (subject to Section 15) personnel, supplies, materials and other facilities and replacements therefor and all such fixtures and improvements (except trade fixtures removable without injury to the premises) shall on installation become the property of PATH and a part of the premises, provided, however, that PATH shall have the option, exercisable by notice delivered to the Lessee on or before a date sixty (60) days after expiration or termination hereof, to require the Lessee to remove any or all such fixtures, equipment and improvements and to restore the premises to the condition thereof prior to any installation and in the event of a failure on the part of the Lessee so to remove and restore, PATH may do so, and the Lessee shall pay the cost thereof to PATH on demand. All equipment, fixtures and improvements to

be used in the premises and the installation thereof shall be subject to the prior written approval of PATH as to type and quality. PATH may by written authorization allow the Lessee to enter and occupy the premises prior to the commencement date of the letting stated or referred to in Section 2, solely for the purpose of installing fixtures and making improvements. In the event that the Lessee receives such written authorization the Lessee shall use and occupy the premises in accordance with and subject to all the provisions of this Agreement other than those relating to the conducting of a business and the payment of rental.

(b) The Lessee shall furnish good, prompt and efficient service hereunder, adequate to meet all demands therefor; shall furnish said service on a fair, equal and non-discriminatory basis to all users thereof; and shall charge fair, reasonable and nondiscriminatory prices for all items and/or services which it is permitted to sell and/or render hereunder.

(c) The Lessee shall, prior to selling any items or rendering any services hereunder, prepare schedules of prices and rates for said items and services. Such schedules shall be submitted to PATH for its prior written approval as to compliance by the Lessee with its obligations under this Agreement. PATH shall examine such schedules and make such modifications therein as may be necessary. Any changes thereafter in the schedules shall be similarly submitted to PATH for its prior written approval and, if necessary, modification. All such schedules shall be made available to the public by the Lessee at locations designated from time to time by PATH. The Lessee agrees to adhere to the prices and rates stated in the approved schedules. If the Lessee charges any price or applies any rate in excess of the approved prices or rates, the amount by which the actual price or the charge based on such actual rate deviates from the approved price or a charge based on the approved rates shall constitute an overcharge which will, upon demand of PATH or the Lessee's customer, be promptly refunded to the customer. If the Lessee charges any price or applies any rate which is less than the approved prices or rates, the amount by which the actual price or the charge based on such actual rate deviates from the approved price or a charge based on the approved rates shall constitute an undercharge and an amount equivalent thereto shall be included in any gross receipts hereunder and the percentage rental, if any, shall be payable in respect thereto. Notwithstanding any repayment of overcharges to a customer by the Lessee or any inclusion of undercharges in gross receipts, any such overcharge or undercharge shall constitute a breach of the Lessee's obligations hereunder and PATH shall have all remedies consequent upon breach which would otherwise be available to it at law, in equity or by reason of this Agreement.

(d) In the event that the Lessee in its operations hereunder offers for sale such a variety of items that the submission of schedules, under the preceding subdivision of this Section, is not feasible in the opinion of PATH, then the Lessee shall be under no obligation to submit such schedules of prices, but the Lessee shall not then sell any items hereunder at a price other than the manufacturer's or distributor's recommended retail price, provided, however that if the price charged for the same item at any other establishment within the Port of New York District which has any ownership, financial or management connection with the Lessee or any majority stockholder thereof is lower than the manufacturer's or distributor's recommended retail price, the Lessee shall notify PATH in writing of that fact and shall charge only the lower price. If the Lessee wishes to charge a price different from the manufacturer's or distributor's recommended retail price or different from the

lower price at any other establishment, as the case may be, then the Lessee shall prepare and submit to PATH schedules therefor in the same manner and subject to the same conditions as set forth in the preceding subdivision of this Section. Every overcharge or undercharge resulting from a breach by the Lessee of its obligation under this subdivision shall be respectively refunded to the customer or included in gross receipts, all in the same manner and subject to the conditions as set forth in the preceding subdivision of this Section for overcharges or undercharges.

(e) The Lessee shall be open for and conduct business and furnish services twenty four hours a day, seven days a week, or for such other hours and days as PATH, from time to time by notice to the Lessee, may determine to properly serve the needs of the public. The determination of proper business hours and days made by PATH shall be controlling.

Section 13. Displays

(a) Except with the prior approval of PATH, the Lessee shall not erect, maintain or display any sign, lettering or any advertising at or on the exterior part of the premises or in the premises so as to be visible through the windows or exterior doors thereof. Without limiting the effect of the above, it is agreed that all signs, lettering, advertising, decorating and displays of merchandise or services anywhere in or on the premises shall be subject to the continuing approval of PATH, and on direction of PATH at any time given, the exhibition thereof shall be immediately discontinued. PATH may in its discretion in any way change the appearance, design or size of any show window, exterior door or other display area which is a part of the premises.

(b) Upon the expiration or termination of the letting, the Lessee shall remove, obliterate or paint out, as PATH may direct, any and all signs, lettering, advertising, decorating and displays on the premises, or elsewhere in the building or Facility of which the premises may be a part, and in connection therewith shall restore the premises or building or Facility to the saw condition as prior to the placement thereof. In the event that there is a failure by the Lessee so to remove, obliterate or paint out and so to restore, PATH may, at its option, perform the necessary work at the expense of the Lessee, and the charge therefor shall be paid by the Lessee to PATH on demand.

(c) The exercise of any right hereunder by PATH shall not be or be construed to be an eviction of the Lessee, nor grounds for any diminution or abatement of the rentals payable hereunder, nor constitute grounds for any claim by the Lessee for damages, consequential or otherwise, unless due to the negligence of PATH, its employees or agents.

Section 14. Services

(a) Unless otherwise stated in Item 3 of Exhibit B, PATH shall, without additional charge, heat the premises to an even and comfortable working temperature during the hours and days stated in said Item 3.

(b) PATH shall also, without additional charge, furnish non-exclusive toilet and washroom facilities for the employees of the Lessee if toilet and washroom facilities are not a part of the premises.

(c) PATH agrees to sell, furnish and supply to the Lessee in the premises, and the Lessee agrees to take and pay PATH for the following:

(1) Unless otherwise stated in Item 3 of Exhibit B, electricity, in reasonable quantities, for illumination (all bulbs to be supplied and installed by the Lessee) and power; said electricity unless otherwise specified in said Item 3 to be 60 cycle, alternating current, single phase, at 110 volts, and to be paid for by the Lessee at the rates specified in said Item 3.

(2) Unless otherwise stated In Item 3 of Exhibit B, cold water, in reasonable quantity, of the character furnished by the municipality or utility company supplying in the vicinity and to be paid for by the Lessee at the rates specified in said Item 3.

(3) Unless otherwise stated in Item 3 of Exhibit B, hot water, in reasonable quantities, at the temperature stated in said Item 3 and to be paid for by the Lessee at the rates specified in said Item 3.

(4) Unless otherwise stated in Item 3 of Exhibit B, steam, in reasonable quantities, of the character specified in said Item 3 and to be paid for by the Lessee at the rates specified in said Item 3.

(5) Unless otherwise stated in Item 3 of Exhibit B, air-conditioning sufficient to maintain the premises to the temperature stated in said Item 3 during the hours and days stated in said Item 3 and to be paid for by the Lessee at the rates specified in said Item 3.

(d) The above utilities may be charged for at a flat rate as provided in Item 3 of Exhibit B or at a metered rate as provided in Item 3 of Exhibit B. In the latter event, the quantity thereof shall be measured by a meter or meters installed for that purpose; provided, however, that, if for any reason any meter fails to record the consumption thereof, the consumption during any such period that the meter is out of service will be considered to be the same as the consumption for a like period immediately before or immediately after the interruption, as selected by PATH.

(e) Charges by PATH for the above services shall be paid for by the Lessee on demand; and, unless otherwise specified in Item 3 of Exhibit B, the services shall be supplied through existing wires, fixtures, conduits, outlets, pipes or vents, if any.

(f) If any federal, state, municipal or other governmental body, authority or agency or any public utility assesses, levies, imposes, makes or increases any charge, fee or rent on PATH for any service, system or utility now or in the future applied to or available to the premises or to any occupants or users thereof or to the structure or building of which the premises form a part (including but not limited to any sewer rent or charge for the use of sewer systems), the Lessee shall, at the option of PATH exercised at any time and from time to time by notice to the Lessee, pay, in

accordance with said notice, such charge, fee or rent or increase thereof (or the portion thereof allocated by PATH to the premises or the Lessee's operations hereunder) either directly to the governmental body, authority or agency or to the public utility or directly to PATH.

(g) Notwithstanding that PATH may have agreed to supply a service hereunder to the Lessee where such service is to be metered, PATH shall be under no obligation to provide or continue any such service if PATH is prevented by law from submetering such service or has agreed with the supplier of such service not to submeter such service.

(h) PATH shall have the right to temporarily discontinue the supply of any of the above services when necessary or desirable in the opinion of PATH in order to make any repairs, alterations, changes or improvements in the premises or elsewhere in the building of which the premises form a part including all systems for the supply of services.

(i) Notwithstanding that PATH may have agreed to supply a service hereunder to the Lessee, PATH shall be under no obligation to supply any such service if and to the extent that the supplying of such service, and, during any period that the supplying of any such service or the use of any component necessary therefor, shall be prohibited or rationed by any federal, state or municipal law, rule, regulation, requirement, order or direction and if PATH deems it in the public interest to comply therewith, even though such law, rule, regulation, requirement, order or direction may not be mandatory on PATH. If by operation of this subdivision or the previous subdivision any service for which the Lessee has agreed to pay a flat sum is discontinued for any period of the letting, the Lessee shall be relieved of its obligation to pay for such service for any such period or if any such service is supplied during fewer hours or in lesser amounts than agreed during any period of the letting, the Lessee shall be relieved proportionately of its obligation to pay for any such service for any such period.

(j) No failure, delay or interruption in any of the above services shall be or shall be construed to be an eviction of the Lessee, shall be grounds for any diminution or abatement of the rentals payable hereunder, or shall constitute grounds for any claim by the Lessee for damages, consequential or otherwise, unless due to the negligence of PATH, its employees or agents. The Lessee shall not be entitled to receive any of the above services during any period during which the Lessee wastes any of the services or is in default under any of the provisions of this Agreement.

Section 15. Construction by the Lessee

(a) Except with the prior approval of PATH, the Lessee shall not erect any structures, make any improvements or do any other construction work on the premises, or alter, modify, or make additions, improvements, or repairs to or replacements of any structure now existing or built at any time during the letting, or install any fixtures (other than trade fixtures, removable without injury to the premises) and in the event any construction, improvement alteration, modification, addition, repair or replacement is made with or without such approval and unless the approval of PATH shall expressly provide otherwise, the same shall immediately become the property of PATH and the Lessee shall have no right to change the same or remove the same either

during the term or at the expiration or termination thereof unless PATH, at any time during the letting or within sixty (60) days' after the expiration date or effective date of termination of the letting, shall give notice to the Lessee to remove the same or cause the same be changed to the satisfaction of PATH, in which case the Lessee shall remove the same or change it in compliance with such notice.

(b) In the event that Item 4 of Exhibit B provides that the Lessee is required (or is permitted) to build a structure or make repairs, alterations, improvements or additions to the premises, the structure, repairs, alterations, improvements or additions described in the said Item 4 shall be built or made strictly in accordance with the following terms and conditions:

(1) The Lessee shall, to the extent allowed under the law, be the insurer of PATH, its Directors, officers, agents and employees, against the following distinct and several risks, whether they arise from acts or omissions of the Lessee, of PATH, its Directors, officers, agents, representatives and employees or of third persons, or from acts of God or of the public enemy, or otherwise, excepting only risks which result solely from affirmative, willful acts done by PATH subsequent to the commencement of the work of construction, repair, alteration, improvement or addition:

(i) The risk of loss or damage to all such required repairs, alterations, additions, improvements or structures prior to the completion thereof. In the event of such loss or damage, the Lessee shall forthwith repair, replace and make good the work without cost to PATH.

(ii) The risk of death, injury or damage, direct or consequential to PATH, its Directors, officers, agents, representatives and employees, and to its or their property, arising out of or in connection with the performance of the work. The Lessee shall indemnify PATH, its Directors, officers, agents, representatives and employees, for all such deaths, injuries and damages, and for all losses suffered by reason thereof.

(iii) The risk of claims and demands, just or unjust, by third persons against PATH, its Directors, officers, agents, representatives and employees arising or alleged to arise out of the performance of the work. The Lessee shall indemnify PATH, its Directors, officers, agents, representatives and employees, against and from all such claims and demands, and for all loss and expense incurred by it and by them in the defense, settlement or satisfaction thereof.

(2) All construction work done pursuant to this Section shall be done in accordance with drawings and specifications to be submitted to and approved by the Chief Engineer of PATH prior to the commencement of the work, shall be done to his satisfaction and shall be subject to his inspection during the progress of such work and after completion thereof; and the Lessee shall redo or replace at its own expense any work not approved by the said Chief Engineer. Unless otherwise expressly provided herein, all workmanship and materials are required to be first class.

(3) The Lessee shall pay all claims lawfully made against it by its contractors, subcontractors, materialmen and workmen and all claims lawfully made against it by other third persons arising out of or in connection with or because of the performance of the work and shall cause its contractors and subcontractors to pay all such claims lawfully made against them.

(4) The Lessee shall procure and maintain comprehensive public liability insurance, or, if the work is to be done by an independent contractor, the Lessee shall require such contractor to procure and maintain such insurance in the name of the contractor, in either case, in limits not lower than those set forth for such categories of insurance in Item 5 of Exhibit B.

(5) As soon as such structure, repair, alteration, improvement or addition shall have been completed to the satisfaction of the Chief Engineer of PATH, then (subject to the provisions of the following subdivision (c)) title thereto shall immediately and without execution of any further instrument vest in PATH, and every said structure and all such repairs, alterations, improvements or additions, shall thereupon become and thereafter be part of the premises.

(c) PATH shall have the option, exercisable by notice delivered on or before a date sixty (60) days after expiration, cancellation or termination hereof, to require the Lessee to remove any or all such structures, alterations, improvements or additions, and to restore the premises to the condition thereof prior to the construction or installation thereof. In the event of a failure on the part of the Lessee so to remove and restore, PATH may do so, and the Lessee shall pay the cost thereof to PATH on demand.

Section 16. Injury and Damage to Person or Property

PATH shall not be liable to the Lessee, or to any person, for injury or death to any person or persons whomsoever, or damage to any property whatsoever at any time in the premises or elsewhere in the building or Facility of which the premises may be a part, including but not limited to any such injury, death or damage from falling material, water, rain, hail, snow, gas, steam, and/or electricity, whether the same may leak into, or fall, issue, or flow from the premises, or from any other place or quarter, unless said damage, injury or death shall be due to the negligence of PATH, its employees or agents.

Section 17. Additional Rent and Charges

(a) If PATH has paid any sum or sums or has incurred any obligations or expense which the Lessee has agreed to pay or reimburse PATH for, or if PATH is required or elects to pay any sum or sums or incurs any obligations or expense by reason of the failure, neglect or refusal of the Lessee to perform or fulfill any one or more of the conditions, covenants or agreements contained in this Agreement or as a result of an act or omission of the Lessee contrary to the said conditions, covenants and agreements, the Lessee agrees to pay the sum or sums so paid or the

expense so incurred, including all interest, costs, damages and penalties, and the same may be added to any installment of rent thereafter due hereunder, and each and every part of the same shall be and become additional rent, recoverable by PATH in the same manner and with like remedies as if it were originally a part of the basic rental, or if there is no basic rental as a part of the percentage rental, all as set forth in Section 4 hereof.

(b) For all purposes under this Section and in any suit, action or proceeding of any kind between the parties hereto, any receipt showing any payment of sum or sums by PATH for any work done or material furnished shall be prima facie evidence against the Lessee that the amount of such payment was necessary and reasonable. Should PATH elect to use its own operating and maintenance staff in making any repairs, replacements, and/or alterations and to charge the Lessee with the cost of same, any time sheet of any employee of PATH showing hours of labor or work allocated to any such repair, replacement and/or alteration, or any stock requisition of PATH showing the issuance of materials for use in the performance thereof, shall likewise be prima facie evidence against the Lessee that the amount of such charge was necessary and reasonable.

Section 18. Rights of Entry Reserved

(a) PATH, by its officers, employees, agents, representatives and contractors shall have the right at all reasonable times to enter upon the premises for the purpose of inspecting the same, for observing the performance by the Lessee of its obligations under this Agreement, and for the doing of any act or thing which PATH may be obligated or have the right to do under this Agreement or otherwise.

(b) Without limiting the generality of the foregoing, PATH, by its officers, employees, representatives, and contractors shall have the right, for the benefit of the Lessee or for the benefit of others in or at the building or Facility of which the premises may be a part, to maintain and install existing and future utilities systems or portions thereof on the premises, including therein without limitation thereto systems for the supply of heat, water hot and cold, gas, electricity and fuel and for the furnishing of fire-alarm, fire-protection, sprinkler, sewerage, drainage, air-conditioning, telephone, telegraph, tele-register, pneumatic-tube dispatch and intercommunication services, and to maintain and install existing and future elevator and escalator systems, including lines, pipes, mains, wires, conduits and equipment connected with or appurtenant to all such systems, and to enter upon the premises at all reasonable times to make such installations, repairs, alterations and replacements as may, in the opinion of PATH, be deemed necessary or advisable and, from time to time, to construct or install over, in, under or through the premises new lines, pipes, mains, wires, conduits and equipment; provided, however, that such repair, alteration, replacement, installation, or construction shall not unreasonably interfere with the use of the premises by the Lessee.

(c) Nothing in this Section shall or shall be construed to impose upon PATH any obligations so to construct or maintain or to make repairs, replacements, alterations or additions, or shall create any liability for any failure so to do.

(d) At any time and from time to time during ordinary business hours within the six (6) months next preceding the expiration of the letting, PATH, by its agents and employees, whether or not accompanied by prospective lessees, occupiers or users of the premises, shall have the right to enter thereon for the purpose of exhibiting and viewing all parts of the same and during such six-month period PATH may place and maintain on the premises the usual "To-Let" signs, which signs the Lessee shall permit to remain without molestation.

(e) If during the last month of the letting, the Lessee shall have removed all or substantially all the Lessee's property from the premises, PATH may immediately enter and alter, renovate and redecorate the premises.

(f) No abatement of rental shall be claimed by or allowed to the Lessee by reason of the exercise of any or all of the foregoing rights by PATH or others.

Section 19. Condemnation

(a) In any action or proceeding instituted by any governmental agency or agencies for the taking for a public use of any interest in all or any part of the premises, the Lessee shall not be entitled to assert any claim to any award or part thereof made or to be made therein, or to institute any action or proceeding or to assert any claim against such agency or agencies or against PATH, for or on account of any such taking, except the possible claim to an award for loss of fixtures furnished and installed by the Lessee (and for the purpose of such possible claim alone, title to such fixtures shall revert to the Lessee), it being understood and agreed between PATH and the Lessee that, except for the possible claim to an award for loss of fixtures, PATH shall be entitled to all the compensation or awards made or to be made or paid for any such taking, free of any claim or right of the Lessee.

(b) In the event of a taking of the entire premises by any governmental agency or agencies, this Agreement shall be cancelled and the letting shall, as of the date possession is taken from PATH by such agency or agencies, cease and determine in the same manner and with the same effect as if the term of the letting had on that date expired.

(c) In the event of a taking by any governmental agency or agencies of a part of the premises, then the letting as to such part only shall, as of the date possession thereof is taken from PATH by any such agency or agencies, cease and determine, and the rentals thereafter to be paid by the Lessee to PATH shall, if so provided in Item 1 of Exhibit B, be abated from and after the date of such taking.

Section 20. Assignment and Sublease

(a) The Lessee shall not assign, sell, convey, transfer, mortgage, or pledge this Agreement, or the letting, or any part thereof.

(b) The Lessee shall not sublet the premises or any part thereof.

(c) If the Lessee assigns, sells, conveys, transfers, mortgages, pledges or sublets in violation of subdivisions (a) or (b) of this Section or if the premises are occupied by anybody other than the Lessee, PATH may collect rent from any assignee, sublessee or anyone who claims a right to this Agreement or letting or who occupies the premises and shall apply the net amount collected to the rental herein reserved; no such collection shall be deemed a waiver by PATH of the covenants contained in subdivisions (a) and (b) of this Section nor an acceptance by PATH of any such assignee, sublessee, claimant or occupant as Lessee, nor a release of the Lessee by PATH from the further performance by the Lessee of the covenants contained herein.

(d) The Lessee shall not use, or permit any person to use, the premises or any portion thereof, except for the purposes set forth in Section 3 hereof.

Section 21. Termination

(a) If any one or more of the following events shall occur, that is to say:

(1) The Lessee shall become insolvent, or shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy or a petition or answer seeking an arrangement or its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any other law or statute of the United States or of any State thereof, or consent to the appointment of a receiver, trustee, or liquidator of all or substantially all its property; or

(2) By order or decree of a court the Lessee shall be adjudged bankrupt or an order shall be made approving a petition filed by any of the creditors or, if the Lessee is a corporation, by any of the stockholders of the Lessee, seeking its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any law or statute of the United States or of any State thereof; or

(3) A petition under any part of the federal bankruptcy laws or an action under any present or future insolvency law or statute shall be filed against the Lessee and shall not be dismissed within thirty (30) days after the filing thereof; or

(4) The letting hereunder or the interest or estate of the Lessee under this Agreement shall be transferred to, pass or devolve upon, by operation of law or otherwise, any other person, firm or corporation; or

(5) The Lessee, if a corporation, shall, without the prior written approval of PATH, become a possessor or merged corporation in a merger, a constituent corporation in a consolidation, or a corporation in dissolution; or

(6) The Lessee is, or the Lessees collectively are doing business as, or constitute a copartnership, and the said copartnership shall be dissolved as the result of any act or omission of its copartners or any of them, or by operation of law or the order or decree of any court having jurisdiction, or for any other reason whatsoever; or

(7) By or pursuant to, or under authority of any legislative act, resolution or rule, or any order or decree of any court or governmental board, agency or officer having jurisdiction, a receiver, trustee, or liquidator shall take possession or control of all or substantially all of the property of the Lessee, and such possession or control shall continue in effect for a period of fifteen (15) days; or

(8) Any type of strike or other labor activity is directed against the Lessee at the premises resulting in picketing or boycott for a period of at least forty-eight (48) hours which, in the opinion of PATH, adversely affects or is likely adversely to affect the operation of any PATH Facility or the operations of other lessees or licensees thereat, whether or not the same is due to the fault of the Lessee, and whether caused by the employees of the Lessee or by others; or

(9) Any lien is filed against the premises because of any act or omission of the Lessee and is not removed within ten (10) days; or

(10) The Lessee shall voluntarily abandon, desert, vacate or discontinue its operations in the premises; or

(11) The Lessee shall fail duly and punctually to pay the rentals or to make any other payment required hereunder when due to PATH; or

(12) The Lessee shall fail to keep, perform and observe each and every other promise, covenant and agreement set forth in this Agreement, on its part to be kept, performed or observed within ten (10) days after receipt of notice of default thereunder from PATH (except where fulfillment of its obligation requires activity over a period of time, and the Lessee shall have commenced to perform whatever may be required for fulfillment within ten (10) days after receipt of notice and continues such performance without interruption except for causes beyond its control);

then upon the occurrence of any such event or at any time thereafter during the continuance thereof, PATH may by five (5) days' notice terminate the letting and the rights of the Lessee hereunder, such termination to be effective upon the date specified in such notice. Such right of termination and the exercise thereof shall be and operate as a conditional limitation.

(b) If any of the events enumerated in subdivision (a) of this Section shall occur prior to the letting, the Lessee shall not be entitled to enter into possession of the premises and PATH upon the occurrence of any such event or at any time thereafter during the continuance thereof by twenty four (24) hours' notice may cancel the interest of the Lessee under this Agreement, such cancellation to be effective upon the date specified in such notice.

(c) No acceptance by PATH of rentals, fees, charges or other payments in whole or in part for any period or periods after a default of any of the terms, covenants and conditions to be performed, kept or observed by the Lessee shall be deemed a waiver of any right on the part of PATH to terminate the letting.

(d) No waiver by PATH of any default on the part of the Lessee in performance of any of the terms, covenants or conditions hereof to be performed, kept or observed by the Lessee shall be or be construed to be a waiver by PATH of any other or subsequent default in performance of any of the said terms, covenants and conditions.

Section 22. Right of Re-entry

PATH shall, as an additional remedy upon the giving of a notice of termination as provided in Section 21 hereof, have the right to re-enter the premises and every part thereof upon the effective date of termination without further notice of any kind, and may regain and resume possession either with or without the institution of summary or any other legal proceedings or otherwise. Such re-entry, or regaining or resumption of possession, however, shall not in any manner affect, alter or diminish any of the obligations of the Lessee under this Agreement, and shall in no event constitute an acceptance of surrender.

Section 23. Waiver of Redemption

The Lessee hereby waives any and all rights of redemption, granted by or under any present or future law, arising in the event it is evicted or dispossessed for any cause, or in the event PATH obtains or retains possession of the premises in any lawful manner.

Section 24. Survival of the Obligations of the Lessee

(a) In the event that the letting shall have been terminated in accordance with a notice of termination as provided in Section 21 hereof, or the interest of the Lessee cancelled pursuant thereto, or in the event that PATH has re-entered, regained or resumed possession of the premises in accordance with the provisions of Section 22 hereof, all the obligations of the Lessee under this Agreement shall survive such termination or cancellation, re-entry, regaining or resumption of possession and shall remain in full force and effect for the full term of this Agreement, and the amount or amounts of damages or deficiency shall become due and payable to PATH to the same extent, at the same time or times and in the same manner as if no termination, cancellation, re-entry, regaining or resumption of possession had taken place. PATH may maintain separate actions each month to recover the damage or deficiency then due or at its option and at any time may sue to recover the full deficiency less the proper discount, for the entire unexpired term.

(b) The amount of damages for the period of time subsequent to termination or cancellation (or re-entry regaining or resumption of possession) shall be:

(1) On account of the Lessee's basic rental obligation, the amount of the total of all annual basic rentals, less the installments thereof payable prior to the effective date of termination except that the credit to be allowed for the installment payable on the first day of the month in which the termination is effective shall be prorated on a daily basis for the part of the month the letting remains in effect;

(2) On account of the Lessee's percentage rental obligation in the event that a basic rental is also reserved under this Agreement, an amount equal to the percentage stated in Item 1 of Exhibit B applied to the amount of gross receipts in excess of the annual exemption amount or amounts, which gross receipts would have been received by the Lessee during the balance of the term if there had been no termination or cancellation (or re-entry, regaining, or resumption of possession), and for the purpose of calculation hereunder: (i) the said amount of gross receipts shall be derived by multiplying the number of days in the balance of the term originally fixed, by the Lessee's average daily gross receipts; (ii) the average daily gross receipts shall be the total actual gross receipts of the Lessee during that part of the effective period of the letting (including all annual periods falling within the effective period) in which no abatement was in effect, divided by the number of days included in such part of the effective period; and (iii) the annual exemption amount for any period of less than a year shall be the product of the original annual exemption amount multiplied by a fraction, the numerator of which shall be the number of days from the effective date of termination to the end of the annual period and the denominator of which shall be 365;

(3) On account of the Lessee's percentage rental obligation in the event that no basic rental is reserved under this Agreement, an amount equal to the percentage stated in Item 1 of Exhibit B applied to the amount of gross receipts which would have been received by the Lessee during the balance of the term if there had been no termination or cancellation (or re-entry, regaining or resumption of possession), and for the purpose of calculation hereunder (i) the said amount of gross receipts shall be derived by multiplying the number of days in the balance of the term originally fixed, by the Lessee's average daily gross receipts; (ii) the average daily gross receipts shall be the total actual gross receipts of the Lessee during that part of the effective period of the letting (including all annual periods falling within the effective period) divided by the number of days included in such part of the effective period.

(c) It is understood and agreed that the statement of damages under the preceding subdivision (b) shall not affect or be construed to affect PATH's right to damages in the event of termination or cancellation (or re-entry, regaining or resumption of possession) where the Lessee has not received any actual gross receipts under this Agreement.

Section 25. Reletting by PATH

PATH, upon termination or cancellation pursuant to Section 21 hereof, or upon any re-entry, regaining or resumption of possession pursuant to Section 22 hereof, may occupy the premises or may relet the premises, and shall have the right to permit any person, firm or corporation to enter upon the premises and use the same. Such reletting may be of part only of the premises or of the premises or a part thereof together with other space, and for a period of time the same as or

different from the balance of the term hereunder remaining, and on terms and conditions the same as or different from those set forth in this Agreement. PATH shall also, upon termination or cancellation pursuant to the said Section 21, or upon its re-entry, regaining or resumption of possession pursuant to the said Section 22, have the right to repair or to make structural or other changes in the premises, including changes which alter the character of the premises and the suitability thereof for the purposes of the Lessee under this Agreement, without affecting, altering or diminishing the obligations of the Lessee hereunder. In the event either of any reletting or of any actual use and occupancy by PATH (the mere right to use and occupy not being sufficient however) there shall be credited to the account of the Lessee against its survived obligations hereunder any net amount remaining after deducting from the amount actually received from any lessee, licensee, permittee or other occupier in connection with the use of the said premises or portion thereof during the balance of the letting as the same is originally stated in this Agreement, or from the market value of the occupancy of such portion of the premises as PATH may during such period actually use and occupy, all expenses, costs and disbursements incurred or paid by PATH in connection therewith. No such reletting shall be or be construed to be an acceptance of surrender.

Section 26. Remedies to be Non-exclusive

All remedies provided in this Agreement shall be deemed cumulative and additional and not in lieu of or exclusive of each other or of any other remedy available to PATH at law or in equity.

Section 27. Surrender

(a) The Lessee covenants and agrees to yield and deliver peaceably to PATH possession of the premises on the date of the cessation of the letting, whether such cessation be by termination, expiration or otherwise, promptly and in good condition such reasonable wear excepted as would not adversely affect or interfere with a first class, efficient and proper operation such as is required under this Agreement.

(b) Subject to the provision of Sections 12 and 26 the Lessee shall have the right at any time during the letting to remove its equipment, inventories, removable fixtures and other personal property from the premises. If the Lessee shall fail to remove its property on or before the termination or expiration of the letting, PATH may remove such property to a public warehouse for deposit or retain the same in its own possession, and sell the same at public auction, the proceeds of which shall be applied first to the expenses of removal, storage and sale, second to any sums owed by the Lessee to PATH's with any balance remaining to be paid to the Lessee; if the expenses of such removal, storage and sale shall exceed the proceeds of sale, the Lessee shall pay such excess to PATH upon demand.

Section 28. Acceptance of Surrender of Lease

No agreement of surrender or to accept a surrender shall be valid unless and until the same shall have been reduced to writing and signed by the duly authorized representatives of PATH and of the Lessee. Except as expressly provided in this Section, neither the doing of, nor any omission to do, any act or thing, by any of the officers, agents or employees of PATH shall be deemed an acceptance of a surrender of the letting or of this Agreement.

Section 29. Security Deposit or Letter of Credit

(a) Upon the execution of this Agreement by the Lessee and delivery thereof to the Port Authority, the Lessee shall deposit with PATH (and shall keep deposited throughout the letting under this Agreement) either the sum of Fifteen Thousand Dollars and No Cents (\$15,000.00) 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 Lessee, all of the terms, provisions, covenants and conditions of this Agreement 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 Lessee may deposit such bond or bonds in registered form, provided however that PATH 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 Lessee) in a manner satisfactory to PATH. The Lessee may request PATH to accept a registered bond in the Lessee's name and if acceptable to PATH the Lessee shall deposit such bond together with a bond power (and such other instruments or other documents as PATH may require) in form and substance satisfactory to PATH. In the event the deposit is returned to the Lessee any expenses incurred by PATH in re-registering a bond to the name of the Lessee shall be borne by the Lessee. In addition to any and all other remedies available to it, PATH 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 Lessee. There shall be no obligation on PATH 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 Lessee. With respect to any bonds deposited by the Lessee, PATH shall have the right, in order to satisfy any of its claims or demands against the Lessee, 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 PATH, together with the right to purchase the same at such sale free of all claims, equities or rights of redemption of the Lessee. The Lessee 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 PATH against the Lessee. The proceeds of every such sale shall be applied by PATH first to the costs and expenses of the sale (including but not limited to advertising or commission expenses) and then to the amounts due PATH from the Lessee. Any balance remaining shall be retained in cash toward bringing the deposit to the sum specified above. In the event that PATH 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 Lessee shall, on demand of PATH and within two (2) days thereafter, deposit with PATH 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 Section. After the expiration or earlier termination of the letting under this Agreement as the said letting may have been extended, and upon condition that the Lessee shall then be in no wise in default under any part of this Agreement, as this Agreement may have been amended or extended (or both), and upon written request therefor by the Lessee, PATH will return the deposit to the Lessee less the amount of any and all unpaid claims and demands (including estimated damages) of PATH by reason of any default or breach by the Lessee of this Agreement or any part thereof. The Lessee agrees that it will not assign or encumber the deposit. The Lessee 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 PATH 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 PATH shall not be obligated by this provision to place or to keep cash deposited hereunder in interest-bearing bank accounts.

(b) In lieu of the security deposit required pursuant to paragraph (a) of this Section the Lessee may deliver to PATH, as security for all obligations of the Lessee under this Agreement, a clean irrevocable letter of credit issued by a banking institution satisfactory to PATH and having its main office within the Port of New York District, in favor of PATH in the amount of Fifteen Thousand Dollars and No Cents (\$15,000.00). The form and terms of such letter of credit, as well as the institution issuing it, shall be subject to the prior and continuing approval of PATH. Such letter of credit shall provide that it shall continue throughout the term of the letting under this Agreement and for a period of not less than six (6) months thereafter; such continuance may be by provision for automatic renewal or by substitution of a subsequent satisfactory letter. Upon notice of cancellation of a letter of credit the Lessee 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 the amount required in accordance with paragraph (a) of this Section or another letter of credit satisfactory to PATH, PATH may draw down the full amount thereof and thereafter PATH will hold the same as security under paragraph (a) of this Section. Failure to provide such letter of credit at any time during the term of the letting which is valid and available to PATH, including any failure of any banking institution issuing any such letter of credit previously accepted by PATH to make one or more payments as may be provided in such letter of credit shall be deemed to be a breach of this Agreement on the part of the Lessee. Upon acceptance of such letter of credit by PATH, and upon request by the Lessee made thereafter, PATH will return any security deposit theretofore made under and in accordance with the provisions of paragraph (a) of this Section. The Lessee 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 letting and fulfillment of the obligations of the Lessee under this Agreement. If PATH shall make any drawing under a letter of credit held by PATH hereunder, the Lessee on demand of PATH and within two (2) days thereafter, shall bring the letter of credit back up to its full amount.

(c) No action by PATH pursuant to the terms of any letter of credit, or receipt by PATH of funds from any bank issuing any such letter of credit, shall be or be deemed to be a waiver of any default by the Lessee under the terms of this Agreement and all remedies under this Agreement of PATH consequent upon such default shall not be affected by the existence of or a recourse to any such letter of credit.

(d) For the purposes of the provisions set forth in paragraph (a) above, the Lessee hereby certifies that its I.R.S. Employer Identification Number is 22-1002650.

Section 30. Brokerage

The Lessee represents and warrants that no broker has been concerned in the negotiation of this Agreement and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Lessee shall indemnify and save harmless PATH of and from any claim for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Agreement. The Lessee's indemnification obligations hereunder shall extend only to claims and demands based upon the acts or omissions of the Lessee.

Section 31. Limitation of Rights and Privileges Granted

(a) The premises are let to the Lessee and the Lessee takes the same subject to all the following: (i) easements, restrictions, reservations, covenants and agreements, if any, to which the premises may be subject; rights of the public in and to any public street; (ii) rights, if any, of the enterprise, public or private, which is engaged in furnishing any services including without limitation thereto heating, lighting, power, telegraph, telephone, steam, water, sewerage, or transportation services, and of the municipality and State in which the premises are located; and (iii) permits, licenses, regulations and restrictions, if any, of the United States, the municipality or State in which the premises are located, or other governmental authority.

(b) No greater rights or privileges with respect to the use of the premises or any part thereof or with respect to any PATH property are granted or intended to be granted to the Lessee by this Agreement, or by any provision thereof, than the rights and privileges expressly granted hereby.

Section 32. Relationship of the Parties

This Agreement does not constitute the Lessee the agent or representative of PATH for any purpose whatsoever and neither a partnership nor any joint adventure is hereby intended nor shall it be deemed to be created by this Agreement.

Section 33. Notices

(a) All notices, permissions, requests, consents and approvals given or required to be given to or by either party shall be in writing (which shall include a telegram when delivered to the telegraph company), and all such notices and requests shall be (i) personally delivered to the party or to the duly designated officer or representative of such party; or (ii) delivered to an office of such party, officer or representative during regular business hours; or (iii) delivered to the residence of such party, officer or representative at any time; or (iv) if directed to the Lessee, delivered to the premises at any time; or (v) forwarded to such party, officer or representative, at the office or residence address by registered or certified mail, provided that notices of default or termination served by PATH on the Lessee must be delivered or forwarded by the methods listed in clause (i) or (v) of this sentence. The Lessee shall designate an office within the Port of New York District and an officer or representative whose regular place of business is at such office. Until further notice, PATH hereby designates its President, and the Lessee designates the person whose name appears on the first page of this Agreement as their respective officers or representatives upon whom notices and requests may be served, and PATH designates its office at One PATH Plaza, Jersey City, New Jersey 07306, and the Lessee designates its office, the address of which is set forth on the first page of this Agreement, as their respective offices where notices and requests may be served.

(b) If any notice is mailed or delivered, the giving of such notice shall be complete upon receipt or, in the event of a refusal by the addressee, upon the first tender of the notice to the addressee or at the permitted address. If any notice is sent by telegraph, the giving of such notice shall be complete upon receipt or, in the event of a refusal by the addressee, upon the first tender of the notice by the telegraph company to the address or at the address thereof.

Section 34. Place of Payments

All payments required of the Lessee by this Agreement shall be mailed to PATH, c/o The Port Authority of New York and New Jersey, P.O. Box 95000-1517, Philadelphia, PA 19195-1517, or made via the following wire transfer instructions:

Name of Bank: Commerce Bank
Bank ABA Number: 026013673
Account Number: (Ex. 1)

Section 35. Quiet Enjoyment

PATH covenants and agrees that as long as it remains the owner of the premises, the Lessee, upon paying all rentals hereunder and performing all the covenants, conditions and provisions of this Agreement on its part to be performed, shall and may peaceably and quietly have, hold and enjoy the premises free of any act or acts of PATH except as expressly permitted in this Agreement.

Section 36. Headings

The section headings and the paragraph headings, if any, 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 thereof.

Section 37. Changes in the Facility

PATH shall have the right at any time and from time to time prior to and during the letting, in the interest of the efficient operation of the building or Facility of which the premises may be a part, to close, move or alter any common way in the said building or Facility, including but not limited to entrances, exits, passages, halls, corridors, aisles, stairways, elevators or escalators, or to restrict or change the traffic on or through any such common way; and no such action by PATH shall release the Lessee from any of its obligations under this Agreement. In the event PATH exercises its right provided in this Section to close, move or alter the common way immediately contiguous to an entrance to the premises and such exercise results in the Lessee being deprived of access to its premises through such entrance, then PATH shall provide the Lessee with reasonably equivalent alternate means of access to its premises.

Section 38. Construction and Application of Terms

(a) Wherever in this Agreement a third person singular neuter pronoun or adjective is used, referring to the Lessee, the same shall be taken and understood to refer to the Lessee, regardless of the actual Lessee's gender or number.

(b) Whenever in this Agreement the Lessee is placed under an obligation or covenants to do or to refrain from or is prohibited from doing, or is entitled or privileged to do, any act or thing, the following shall apply:

(1) If the Lessee is a corporation, its obligations shall be performed or its rights or privileges shall be exercised only by its officers and employees; or

(2) If the Lessee is an unincorporated association or a business or "Massachusetts" trust, the obligation shall be that of its members or trustees, as well as of itself, and shall be performed only by its members or trustees, and its officers and employees, and its rights or privileges shall be exercised only by its members or trustees, and its officers and employees; or

(3) If the Lessee is a partnership, the obligation shall be that of its partners, and shall be performed only by its partners and employees, and its rights or privileges shall be exercised only by its partners and employees; or

(4) If the Lessee is an individual, the obligation shall be that of himself (or herself) and shall be performed only by himself (or herself) and his (or her) employees and the rights or privileges of the Lessee shall be exercised only by himself (or herself) and his (or her) employees.

(5) None of the provisions of this subdivision (b) shall be taken to alter, amend or diminish any obligation of the Lessee assumed in relation to its invitees, customers, agents, representatives, contractors or other persons, firms or corporations doing business with it.

(c) In the event that more than one individual or other legal entity are the Lessee under this Agreement, then and in that event each and every obligation under this Agreement shall be the joint and several obligation of each such individual or other legal entity.

(d) The Lessee's representative hereinbefore specified (or such substitute as the Lessee may hereafter designate in writing) shall have full authority to act for the Lessee in connection with this Agreement and any things done or to be done hereunder and to execute on the Lessee's behalf any amendments or supplements to this Agreement or any extension thereof.

Section 39. Non-Liability of Individuals

Neither the Directors of PATH nor any of them, nor any officer, agent or employee thereof, shall be charged personally by the Lessee with any liability or held liable to it under any term or provision of this Agreement, or because of its execution or attempted execution or because of any breach or attempted or alleged breach thereof.

Section 40. Grease Traps and Ventilation Ducts

Without in anywise limiting the Lessee's other obligations under this Agreement, the Lessee shall supply, replace, install, repair, maintain and keep clean all grease traps in all drainage pipes exclusively used by it in its operations hereunder whether such pipes are located on the premises or elsewhere in the building or Facility of which the premises may be a part. The Lessee shall also keep clean, repair and maintain (other than structurally) all ventilation ducts including the replacement of all filters where such ducts are exclusively used by it in its operations hereunder and whether such ducts are located on the premises or elsewhere in the said building or Facility.

Section 41. Extermination Service

If PATH is required or requested to provide extermination services to the premises, the Lessee shall pay PATH upon demand the cost of such extermination service actually provided by PATH in the enclosed portion of the premises, provided, however, that PATH shall not be required by this Agreement to furnish such service.

Section 42. Intentionally Omitted

Section 43. Definitions

The following terms, when used in this Agreement, shall have the respective meanings given below:

(a) "Letting" shall mean the letting under this Agreement for the original term stated herein, and shall include any extensions thereof which may be made pursuant to the provisions of this Agreement.

(b) "Causes or conditions beyond the control of PATH", shall mean and include acts of God, the elements, weather conditions, tides, earthquakes, settlements, fire, acts of Governmental authority, war, shortage of labor or materials, acts of third parties for which PATH is not responsible, injunctions, labor troubles or disputes of every kind (including all those affecting PATH, its contractors, suppliers or subcontractors) or any other condition or circumstance, whether similar to or different from the foregoing (it being agreed that the foregoing enumeration shall not limit or be characteristic of such conditions or circumstances) which is beyond the control of PATH or which could not be prevented or remedied by reasonable effort and at reasonable expense.

(c) "Facility", "Terminal" or "Transportation Center" shall mean:

With respect to any portion of the premises located in the PATH 33rd Street Station, the 33rd Street Station of the PATH Interstate Railway System located within the City, County and State of New York.

(d) "Gross receipts" shall include all monies paid or payable to the Lessee for sales made and services rendered at or from the Facility, regardless of when or where the order therefor is received, and outside of the Facility, if the order therefor is received at the Facility, and any other revenues of any type arising out of or in connection with the Lessee's operations at the Facility, provided however, that any taxes imposed by law which are separately stated to and paid by a customer, and are directly payable to the taxing authority by the Lessee shall be excluded therefrom.

Section 44. Thirty Day Termination and Reimbursement

PATH shall have the right to terminate this Agreement and the letting hereunder, without cause, on thirty (30) days' notice to the Lessee. In the event of termination pursuant to this Section, this Agreement and the letting hereunder shall cease and expire as if the effective date of termination stated in the notice were the date originally stated herein for the expiration of this Agreement. In the event this Agreement and the letting of the premises hereunder is terminated by PATH at any time during the term of the letting, PATH shall not be required to compensate or

reimburse the Lessee in any manner for any portion of the Lessee's cost in supplying and installing in the premises any fixtures, equipment or improvements, including any replacements thereof.

Section 45. Force Majeure

PATH shall not be liable for any failure, delay or interruption in performing its obligations hereunder due to causes or conditions beyond the control of PATH. Further, PATH shall not be liable unless the failure, delay or interruption shall result from failure on the part of PATH to use reasonable care to prevent or reasonable efforts to cure such failure, delay or interruption.

Section 46. Finishes and Decorating by the Lessee

(a) PATH shall deliver the premises to the Lessee in its "as is" condition. The Lessee acknowledges that it has thoroughly inspected the premises and agrees to take the same in such "as is" condition. Nothing contained herein shall or shall be construed to relieve the Lessee of its obligations under Section 12 to install in the premises all necessary or proper equipment or fixtures required for its operations in the premises. Subject to the provisions of this Section and Section 15 of this Agreement the Lessee agrees to and shall perform at its sole cost and expense all construction and installation work necessary or proper for its occupancy of the premises and its operations therein including, without limitation, the design and creation of a new retail store, including but not limited to the installation of interior and demising walls, floors, ceilings, lighting, display cabinets, other appropriate equipment and sprinkler and electrical systems and storefronts (the work described in this Section being sometimes hereinafter referred to as the "Construction Work"). Prior to commencing the performance of any of the Construction Work the Lessee shall submit to PATH for its approval an Alteration Application, in the form supplied by PATH, setting forth in detail and by appropriate plans and specifications the work the Lessee proposes to perform and the manner of and time periods for performing the same. The data to be supplied by the Lessee shall identify separately each of the items constituting the Construction Work and shall describe in detail the fixtures and equipment to be installed by the Lessee. The Lessee shall be responsible at its sole expense for retaining all architectural, engineering and other technical consultants and services as PATH shall deem necessary, and for developing, completing and submitting detailed plans and specifications for the work. The plans and specifications to be submitted by the Lessee to PATH shall bear the seal of a qualified architect or professional engineer, who shall be responsible for the administration of the work in accordance with PATH's requirements, and shall be in sufficient detail for a contractor to perform the work. In connection with review by PATH of the Lessee's submissions under this paragraph, the Lessee shall submit to PATH, at PATH's request, such additional data, detail or information as PATH may require for such review. The Lessee shall not engage any contractor or permit the use of any subcontractor unless and until each such contractor or subcontractor has been approved by PATH. The Lessee shall include in any such contract or subcontract such provisions as PATH may approve or require, including, without limitation thereto, provisions regarding labor harmony. The Lessee hereby assumes the risk of loss or damage to all the Construction Work prior to the completion thereof and the risk of loss or damage to all property of

PATH arising out of or in connection with the performance of the Construction Work. In the event of such loss or damage, the Lessee shall forthwith repair, replace and make good the Construction Work and the property of PATH without cost or expense to PATH. The Lessee shall itself and shall also require its contractors to indemnify and hold harmless PATH, its Directors, officers, agents and employees from and against all claims and demands, just or unjust, of third persons (including employees, officers and agents of PATH) arising or alleged to arise out of the performance by the Lessee's Construction Work and for all expenses, including, without limitation thereto, legal expenses incurred by it and by them in the defense, settlement or satisfaction thereof, including, without limitation thereto, claims and demands for death, for personal injury or for property damage, direct or consequential, whether they arise from the acts or omissions of the Lessee, of any contractors of the Lessee, of PATH, or of third persons, or from acts of God or of the public enemy, or otherwise, excepting only claims and demands which result solely from affirmative willful acts done by PATH, its Directors, officers, agents and employees with respect to the Construction Work, provided, however, that the Lessee shall not be required to indemnify PATH where such indemnity shall be precluded pursuant to the provisions of Section 5-322.1 of the General Obligations Law of the State of New York. The Lessee shall, and shall cause each of its contractors and subcontractors, to obtain and maintain in force such insurance coverage, including, without limitation, a contractual liability endorsement covering the obligations assumed by the Lessee in the three preceding sentences, and performance bonds as PATH shall specify. All work to be performed by the Lessee hereunder shall be done in accordance with the Alteration Application and final plans and specifications approved by PATH, shall be subject to inspection by PATH during the progress of the work and after the completion thereof and the Lessee shall redo or replace at its own expense any work not done in accordance therewith. Upon completion of the Construction Work the Lessee shall supply PATH with a certificate signed by the architect or engineer who sealed the Lessee's plans pursuant to the provisions of this paragraph certifying that all of the work performed by the Lessee has been performed in accordance with the plans and specifications approved by PATH and the provisions of this Agreement and in compliance with all applicable governmental laws, ordinances, enactments, resolutions, rules, regulations and orders. PATH shall inspect the Construction Work and if the same has been completed as certified by the Lessee and such architect or engineer, PATH shall so certify to the Lessee, subject to the condition that all risks thereafter with respect to the Construction Work and any liability therefor for negligence or other reason shall be borne by the Lessee. Upon completion of the Construction Work, the Lessee shall supply PATH with "as-built" drawings in form and number as requested by PATH.

(b) The Lessee shall not commence any portion of the Construction Work until the Alteration Application and plans and specifications covering the work to be performed, referred to in paragraph (a) of this Section, have been finally approved by PATH. The Lessee recognizes that its obligation to pay basic rental shall commence on the Commencement Date established pursuant to Section 2 this Agreement regardless of whether or not the Construction Work is then completed and whether or not the Lessee is then conducting any public operations in the premises on such date. The Lessee shall conduct no public operations in the premises until PATH shall have notified the Lessee in writing that the Construction Work has been completed or substantially completed to its satisfaction. In the event of any inconsistency between the provisions of this Agreement and those of the Alteration Application, the provisions of this Agreement shall control.

(c) The Lessee shall be solely responsible for the plans and specifications used by it, and for the adequacy or sufficiency of such plans, specifications and all the improvements depicted thereon or covered thereby, regardless of the consent thereto or approval thereof by PATH or the incorporation therein of any Port Authority requirements or recommendations. PATH shall have no obligations or liabilities in connection with the performance of finishing, decorating or installation work performed by the Lessee, or on its behalf, or the contracts for the performance thereof entered into by the Lessee. Any warranties extended or available to the Lessee in connection with finishing, decorating, or installation work performed by or on behalf of the Lessee shall be for the benefit of PATH as well as the Lessee.

(d) Without limiting or affecting any other term or provision of this Agreement, the Lessee shall be solely responsible for the design, adequacy and operation of all utility, mechanical, electrical, communications and other systems installed in the premises by the Lessee and shall do all preventive maintenance and make all repairs, replacements, rebuilding (ordinary or extraordinary, structural or non-structural) and painting necessary to keep such systems and all other improvements, additions and fixtures, finishes and decorations made or installed by the Lessee (whether the same involves structural or non-structural work) in the condition they were in when made or installed except for reasonable wear which does not adversely affect the watertight condition or structural integrity of the building or adversely affect the efficient or proper utilization or appearance of any part of the premises.

(e) Title to and property in the Base Building Work and to all fixtures, equipment and systems and any replacement or replacements thereof installed as part of the Base Building Work shall vest in PATH upon the construction, installation or replacement thereof and the Lessee shall execute such necessary documents confirming the same as PATH may require.

Section 47. Operating Names

Any name, designation or any service mark proposed to be used or displayed at the premises or at the Facility or for the Lessee's operations therein shall be approved in advance in writing by PATH, and the Lessee shall have the right to use and display the name, designation or mark only so long as this Agreement is in full force and effect. If for any reason the Lessee ceases its operations in the premises, the Lessee's right to use such name, designation or service mark shall immediately cease and come to an end, and PATH or its designee shall have the sole right to use such name, designation or service mark and the Lessee hereby consents to such use thereof. Any registration or filing by the Lessee with respect to such name, designation or service mark shall be approved in advance by PATH in writing. The Lessee agrees to assign and transfer to PATH any such registration or filing and any other rights in or to the use of such name, designation or service mark promptly upon written request therefor by PATH.

Section 48. Late Charges

If the Lessee should fail to pay any amount required under this Agreement when due to PATH, including without limitation any payment of basic, percentage or other rental or any payment of utility or other charges, or if any such amount is found to be due as the result of an audit, then in such event PATH may impose (by statement, bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period (hereinbelow described) during the entirety of which such amount remains unpaid, each such late charge not to exceed an amount equal to eight-tenths of one percent of such unpaid amount for each late charge period. There shall be twenty-four late charge periods during each calendar year; each late charge period shall be for a period of at least fifteen (15) calendar days except one late charge period each calendar year may be for a period of less than fifteen (but not less than thirteen) calendar days. Without limiting the generality of the foregoing, late charge periods in the case of amounts found to have been owing to PATH as a result of Port Authority audit findings shall consist of each late charge period following the date the unpaid amount should have been paid under this Agreement. Each late charge shall be payable immediately upon demand made at any time therefor by PATH. No acceptance by PATH of payment of any unpaid amount or of any unpaid late charge amount shall be deemed a waiver of the right of PATH to payment of any late charge or late charges payable under the provisions of this Section with respect to such unpaid amount. Each late charge shall be recoverable by PATH in the same manner and with like remedies as if it were originally a part of the rental as set forth in Section 4 of this Agreement and Item 1 of Exhibit B annexed hereto. Nothing in this Section is intended to, or shall be deemed to affect, alter, modify or diminish in any way (1) any rights of PATH under this Agreement, including without limitation PATH's rights set forth in the section of this Agreement entitled "Termination" or (2) any obligations of the Lessee under this Agreement. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Agreement shall be payable instead at such legal maximum.

Section 49. Intentionally Omitted

Section 50. Affirmative Action

Without limiting any of the terms and conditions of this Agreement, the Lessee agrees, and agrees to require its contractors, to make every good faith effort, to the maximum extent feasible, to seek meaningful participation by minorities and women both as to Minority Business Enterprise (MBE) and Women-owned Business Enterprise (WBE) participation as contractors and subcontractors and as to the composition of the labor force on contracts and subcontracts entered into with respect to any construction work performed on the premises. PATH has a long-standing practice of making its contracting opportunities available to MBEs and WBEs. The affirmative steps PATH takes to maximize opportunities for MBEs and WBEs to participate in the performance of PATH construction contracts either directly or as subcontractors are hereby set forth for the Lessee's

consideration in the schedule attached hereto, hereby made a part of this Agreement, and marked "Schedule E".

Section 51. Additional Provision

Notwithstanding the provisions of paragraph (d) of the Section of this Agreement entitled "Definitions," and without otherwise limiting the generality thereof, no monies, including, without limitation, fees and commissions received or receivable by the Lessee from the sale or dispensing of lottery tickets issued by the Lottery Division of the New York State Department of Taxation and Finance shall be included in gross receipts under this Agreement. Without limiting the generality of the provisions of the Section of this Agreement entitled "Displays," the Lessee shall display in such areas of the premises as shall be designated by PATH only such signs and advertising relating to the sale of lottery tickets issued by the Lottery Division of the New York State Division of Taxation and Finance as may be supplied or approved in advance by PATH. In addition to all other rights of termination contained in this Agreement, PATH shall have the right at any time, on not less than thirty (30) days' written notice to the Lessee to withdraw the permission herein granted for the sale or dispensing of lottery tickets, and in such event the Lessee shall discontinue the sale or dispensing of lottery tickets on or before the effective date stated in PATH's written notice to the Lessee.

Section 52. Premises

The Lessee acknowledges that it has not relied upon any representation or statement of PATH or its Directors, officers, employees or agents as to the suitability of the premises for the operations permitted on the premises by this Agreement. Without limiting any obligation of the Lessee to commence operations hereunder at the time and in the manner stated elsewhere in this Agreement, the Lessee agrees that no portion of the premises will be used initially or at any time during the letting which is in a condition unsafe or improper for the conduct of the Lessee's operations hereunder so that there is possibility of injury or damage to life or property. Without limiting the generality of any of the provisions of this Agreement, PATH shall not be liable to the Lessee for any claims for loss, theft, or damage involving any property stored or placed in the premises. For all purposes of this Agreement the premises hereunder (notwithstanding any statement elsewhere in this Agreement of any rule for the measurement of the area thereof) shall be deemed to include all of the enclosing partitions, and the adjacent exterior building walls and glass to and including the exterior surface thereof.

Section 53. Changes, Additions and Deletions to this Agreement

Prior to the execution of this Agreement by either of the parties hereto, the following changes, additions and deletions were made in the foregoing terms and conditions:

Paragraph (c) and (d) of Section 12 were deleted and the following paragraph (c) was inserted in lieu thereof:

“(c) The Lessee shall not sell any items hereunder at a price other than the pre-printed manufacturer’s or distributor’s recommended retail price, provided however that if the price charged for the same item at any other establishment located at a transportation terminal within the Port of New York District which has any ownership, financial or management connection with the Lessee or any majority stockholder thereof is lower than the pre-printed manufacturer’s or distributor’s recommended retail price, the Lessee shall notify PATH in writing of that fact and shall charge only the lower price. If the Lessee charges any price in excess of the prices described in this paragraph, the amount by which the actual price deviates from the approved price shall constitute an overcharge which will, upon demand of PATH or of the Lessee’s customer, be promptly refunded to the customer. Notwithstanding any repayment of overcharges to a customer by the Lessee, any such overcharge shall constitute a breach of the Lessee’s obligations hereunder and PATH shall have all remedies consequent upon breach which would otherwise be available to it at law, in equity or by reason of this Agreement.”

It shall not be necessary to physically make the aforesaid changes additions and deletions in the aforesaid Sections of this Agreement.

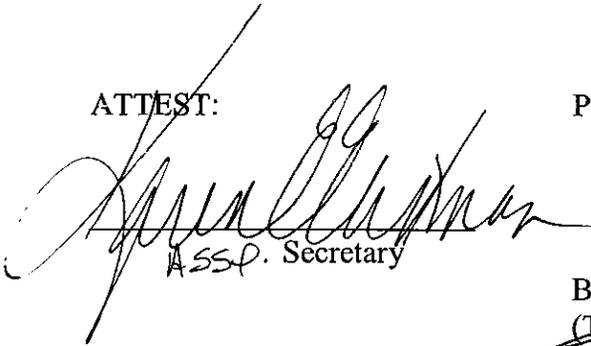
Section 54. Entire Agreement

This Agreement consists of the following: pages 1 through 36, inclusive, plus Exhibits A and B and Schedule E.

It constitutes the entire agreement of the parties on the subject matter hereof and may not be changed, modified, discharged or extended except by written instrument duly executed by PATH and the Lessee. The Lessee agrees that no representations or warranties shall be binding upon PATH unless expressed in writing in this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed these presents as of the day and year first above written.

ATTEST:



ASSP. Secretary

PORT AUTHORITY TRANS-HUDSON
CORPORATION

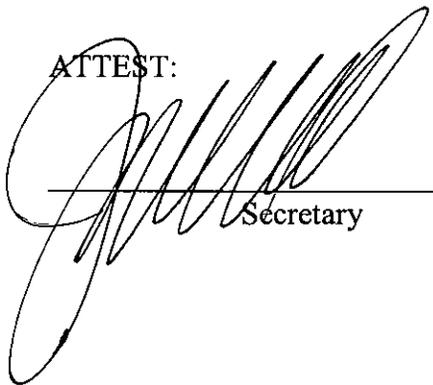
By

(Title)



Francis A. DiMola
Director, Real Estate Department

ATTEST:

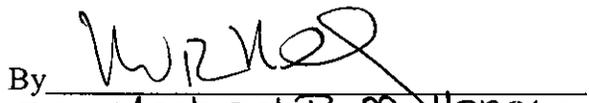


Secretary

HUDSON NEWS CORPORATION

By

(Title)



Michael B. Mollanely
Senior Vice President (Corporate Seal)

| PATH Use Only | |
|---|----------------------|
| Approval as to Terms: | Approval as to Form: |
|  | RMS |

EXHIBIT B

Item 1: Rental Provisions(a) Definitions

(1) "Annual period" shall mean, as the context requires, the twelve-month period commencing with the Effective Date established pursuant to the provisions of this Agreement and each of the twelve-month periods thereafter occurring during the term of the letting.

(2) "Annual exemption amount" shall mean (i) for and during the first through the fifth annual periods, Eight Hundred Thirty-three Thousand Three Hundred Sixty Dollars and No Cents (\$833,360.00) and (ii) for and during the sixth through tenth annual periods, Nine Hundred Sixteen Thousand Six Hundred Ninety-six Dollars and No Cents (\$916,696.00) as each of the same may be reduced by the operation of the abatement and/or proration provisions hereof.

(3) For the purpose of calculating the percentage rental due for any annual period which is other than 365 days the annual exemption amount shall be prorated over the actual number of days contained in such annual period.

(b) Basic Rental

(1) The Lessee shall pay a basic rental for the Retail Space as follows:

(A) For each annual period that falls during the period from and after the Effective Date and continuing through the last day of the fifth annual period, both dates inclusive, at the rate of Eighty-three Thousand Three Hundred Thirty-five Dollars and Ninety-two Cents (\$83,335.92) per annum, in advance in monthly installments of Six Thousand Nine Hundred Forty-four Dollars and Sixty-six Cents (\$6,944.66) on the Effective Date and on the first day of each calendar month thereafter occurring during each such annual period that falls during such period.

(B) For each annual period that falls during the period from and after the first day of the sixth annual period and continuing through the balance of the term of the letting hereunder, at the rate of Ninety-one Thousand Six Hundred Sixty-nine Dollars and Fifty-six Cents (\$91,669.56) per annum, in advance in monthly installments of Seven Thousand Six Hundred Thirty-nine Dollars and Thirteen Cents (\$7,639.13) on the first day of each calendar month thereafter occurring during each such annual period that falls throughout the balance of the term of the letting.

(2) The Lessee shall pay a basic rental for the Storage Space as follows:

(A) For each annual period that falls during the period from and after the Effective Date and continuing through the last day of the fifth annual period, both dates inclusive, at the rate of Seven Thousand One Hundred Seventy-nine Dollars and Ninety-six Cents (\$7,179.96) per annum, in advance in equal monthly installments of Five Hundred Ninety-eight Dollars and Thirty-three Cents (\$598.33), each, on the Effective Date and on the first day of each calendar month thereafter occurring during each such annual period that falls during such period.

(B) For each annual period that falls during the period from and after the first day of the sixth annual period and continuing through the balance of the term of the letting hereunder, at the rate of Seven Thousand Eight Hundred Ninety-eight Dollars and Four Cents (\$7,898.04) per annum, payable in advance in monthly installments of Six Hundred Fifty-eight Dollars and Seventeen Cents (\$658.17) on the first day of each calendar month thereafter occurring during each such annual period that falls throughout the balance of the term of the letting.

(3) If the term of the letting hereunder is terminated (without default by the Lessee) on a date other than the last day of the month, the basic rental payable for the Retail Space and for the Storage Space for the portion of the month in which the termination date occurs shall be the amount of the applicable monthly installment of basic rental for each of the Retail Space and the Storage Space prorated on a daily basis.

(c) Percentage Rental

The Lessee shall pay to PATH an annual percentage rental equivalent to ten percent (10%) of the gross receipts of the Lessee arising during each annual period that are in excess of the annual exemption amount established for the Retail Space for each such annual period. The computation of percentage rental for each annual period, or a portion of an annual period, as hereinafter provided, shall be individual to such annual period, or such portion of an annual period, and without relation to any other annual period, or any other portion of any annual period.

(d) Time of Payment of Percentage Rental, Computations of Amounts and Accounting:

(1) The Lessee shall pay the percentage rental as follows: on the 20th day of the first month following the commencement of each annual period, and on the 20th day of each and every month thereafter including the month following the end of each annual period, the Lessee shall render to PATH a sworn statement showing the Lessee's gross receipts for the preceding month and the cumulative amount of the Lessee's gross receipts from the commencement of the annual period for which the report is made through the last day of the preceding month; whenever any such statement shall show that the Lessee's cumulative gross receipts for that annual period are in excess of the annual exemption amount established for that annual period, the Lessee shall pay at the time of rendering the statement an amount equal to the percentage stated in paragraph (c) of this Item 1

applied to such excess and the Lessee shall thereafter on the 20th day of each month during that annual period and on the 20th day of the month following the end of that annual period pay an amount equal to the percentage stated in paragraph (c) of this Item 1 applied to the gross receipts of each subsequent month during that annual period. At any time that the established annual exemption amount is decreased by abatement or proration as herein provided so that there is an excess of gross receipts as to which the percentage rental has not been paid, the same shall be payable to PATH on demand. The Lessee's statement following the close of each annual period be certified, at the Lessee's expense, and shall report total gross receipts for such annual period and total percentage rental due therefor and if any adjustments are required the same shall be made at the time such report is rendered.

(2) Upon any termination of the letting hereunder (even if stated to have the same effect as expiration), the Lessee shall, within twenty (20) days after the effective date of such termination, make a payment of rental computed as follows: first, if the letting hereunder is terminated effective on a date other than the last day of a month, the basic rental for the portion of that month in which the letting remains effective shall be the amount of the monthly installments of basic rental for the Retail Space and the Storage Space prorated on a daily basis, and if the said monthly installments due on the first day of that month have not been paid, the Lessee shall pay the prorated part of the amount of those installments; if the monthly installments have been paid, then the excess thereof shall be credited to the Lessee's other obligations; second, the Lessee shall within twenty (20) days after the effective date of termination render to PATH a sworn statement of all its gross receipts for the annual period in which the effective date of termination falls; third, the payment then due on account of all percentage rental for the annual period in which the effective date of termination falls shall be the excess of the percentage rental, computed as follows, over the total of such percentage rental payments previously made for such annual period: an amount equal to the percentage stated above in paragraph (c) of this Item 1 applied to the gross receipts of the Lessee for such annual period which are in excess of the annual exemption amount established for such annual period, *provided however*, that the annual exemption amount established for such annual period shall be multiplied by a fraction the numerator of which shall be the number of days from the commencement of such annual period to the effective date of termination and the denominator of which shall be 365.

(e) Abatement

(i) For the Retail Space

(1) For every calendar day or major fraction thereof that the Lessee shall be entitled to abatement during the period commencing on the Effective Date and continuing through the end of the fifth annual period, both dates inclusive, the basic rental established for each such annual period shall be reduced by the product of Two Hundred Twenty-eight Dollars and Thirty-two Cents (\$228.32) multiplied by a fraction the numerator of which shall be the number of square feet of floor space as to which the abatement applies and the denominator of which shall be the total number of square feet in the premises.

(2) For every calendar day or major fraction thereof that the Lessee shall be entitled to abatement during the period commencing on the

commencement of the sixth annual period and continuing through the balance of the term of the letting hereunder, the basic rental established for each such annual period shall be reduced by the product of Two Hundred Fifty-one Dollars and Fifteen Cents (\$251.15) multiplied by a fraction the numerator of which shall be the number of square feet of floor space as to which the abatement applies and the denominator of which shall be the total number of square feet in the premises.

(3) During any annual period in which the Lessee shall be entitled to abatement, the annual exemption amount established for such annual period shall be reduced proportionately to the reduction of the basic rental.

(4) For the purpose of abatement, the ascertainment of the number of square feet contained in the Retail Space to be measured shall be in accordance with the following: areas of the Retail Space and parts thereof will be computed by measuring from the inside plaster surface of outer building walls to the plaster surface of the corridor side of corridor partitions and to the center of partitions that separate the premises from adjoining rentable area; no deduction will be made for columns, pilasters, or projections necessary to the building or for toilets, porter's closets, and slop sinks used exclusively by the Lessee and contained within the premises. Permanent partitions enclosing elevator shafts, stairs, fire towers, vents, pipe shafts, meter closets, flues, stacks and any vertical shafts have the same relation to rentable areas as do outer building walls.

(ii) For the Storage Space

(1) For every calendar day or major fraction thereof that the Lessee shall be entitled to abatement during the period commencing on the Rent Commencement Date and continuing through the end of the third annual period, both dates inclusive, the basic rental established for each such annual period shall be reduced by the product of Nineteen Dollars and Sixty-seven Cents (\$19.67) multiplied by a fraction the numerator of which shall be the number of square feet of floor space as to which the abatement applies and the denominator of which shall be the total number of square feet in the premises.

(2) For every calendar day or major fraction thereof that the Lessee shall be entitled to abatement during the period commencing on the commencement of the fourth annual period and continuing through the end of the sixth annual period, both dates inclusive, the basic rental established for each such annual period shall be reduced by the product of Twenty-one Dollars and Sixty-four Cents (\$21.64) multiplied by a fraction the numerator of which shall be the number of square feet of floor space as to which the abatement applies and the denominator of which shall be the total number of square feet in the premises.

(3) During any annual period in which the Lessee shall be entitled to abatement, the annual exemption amount established for such annual period shall be reduced proportionately to the reduction of the basic rental.

(4) For the purpose of abatement, the ascertainment of the number of square feet contained in the Storage Space to be measured shall be in accordance with the following: areas of the Storage Space and parts thereof will be computed by measuring from the inside plaster surface of outer building walls to the

plaster surface of the corridor side of corridor partitions and to the center of partitions that separate the premises from adjoining rentable area; no deduction will be made for columns, pilasters, or projections necessary to the building or for toilets, porter's closets, and slop sinks used exclusively by the Lessee and contained within the premises. Permanent partitions enclosing elevator shafts, stairs, fire towers, vents, pipe shafts, meter closets, flues, stacks and any vertical shafts have the same relation to rentable areas as do outer building walls.

(f) Nothing contained in the foregoing shall affect the survival of the obligations of the Lessee as set forth in Section 24 of this Agreement.

Item 2: Insurance Limits:

(a) The limits of liability insurance referred to in Section 11(b) shall be not less than the following and shall include full contractual liability coverage: commercial general liability insurance for such coverage as may reasonably be stipulated from time to time by PATH covering the Lessee's operations hereunder shall initially be in a combined single limit of not less than \$2,000,000 for liability for bodily injury, for wrongful death and for property damage arising from any one occurrence.

All such coverage shall be effective throughout the term of the letting under this Agreement.

(b) Notwithstanding the provisions of Section 11(c) of this Agreement, PATH shall be included as an additional insured in any policy of liability insurance required by the provisions of this Agreement, and each such policy shall contain a provision that the insurer shall not, without obtaining express advance permission from the General Counsel of PATH or PATH, raise any defense involving in any way the jurisdiction of the tribunal over the person of PATH or the Port Authority, the immunity of PATH or the Port Authority, their Directors, Commissioners, officers, agents or employees, the governmental nature of PATH or the Port Authority or the provisions of any statutes respecting suits against either of them. Such policies shall not exclude or except from their coverage damages arising out of injury to or destruction of property occupied or used by or rented to the Lessee, and shall include products liability and premises operations coverage and a contractual liability endorsement covering the obligations assumed by the Lessee under the Section of this Agreement entitled "*Indemnity; Liability Insurance*".

(c) Such policies shall not contain any care, custody or control exclusions, or any exclusion for bodily injury to or sickness, disease or death of any employee of the Lessee or of any of its contractors which would conflict with or in any way impair the coverages resulting from PATH's status as additional insured or the coverage under the contractual liability endorsement described in this subparagraph. Such insurance shall also contain an endorsement providing that the protection afforded the Lessee thereunder with respect to any claim or action against the Lessee by a third party shall pertain and apply with like effect with respect to any claim or action against the Lessee by PATH and against PATH by the Lessee, but such endorsement shall not limit, vary, change or affect the protections afforded PATH as an additional insured.

(d) In addition to the coverage referred to in paragraph (b) of Section 11 of the Lease and paragraph (a) of this Item 2, the Lessee in its own name as assured shall secure and keep in full force and effect throughout the term of the letting under this Agreement, at Lessee's sole cost and expense, a fire or other casualty policy insuring the full replacement value of all construction, installation and finishing work performed by the Lessee in the premises and the Lessee's furniture, trade fixtures, equipment and other personal property, such insurance to include a replacement cost endorsement, with a deductible of no more than \$1,000 against loss or damage by fire and theft and such other risks or hazards as are insurable under present or future forms of "All Risk" insurance policies.

(e) As to insurance of any type whatsoever required or permitted by any provision of this Agreement, a certified copy of each of the policies or a certificate or certificates evidencing the existence thereof, (including all required endorsements and evidence of the waivers of subrogation required by paragraph (f) of this Item 2), or binders, shall be delivered to PATH within twenty (20) days after the commencement date of the letting hereunder. 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 including said endorsements and such waiver of subrogation. Within thirty (30) days after request of PATH made at any time during the term of the letting under this Agreement the Lessee shall deliver a certified copy of the policy to PATH. Each such copy or certificate shall contain a valid provision or endorsement that: (1) the policy may not be canceled, terminated, changed or modified, without giving ten (10) days written advance notice thereof to PATH, and (2) the Lessee shall be solely responsible for the payment of premiums therefor notwithstanding that PATH is named as an additional insured. A renewal policy shall be delivered to PATH at least fifteen (15) days prior to the expiration date of each expiring policy, except for any policy expiring after the date of expiration of the letting. If at any time any of the policies shall be or become unsatisfactory to PATH as to form or substance, or if any of the carriers issuing such policies shall be or become unsatisfactory to PATH the Lessee shall promptly obtain a new and satisfactory policy in replacement. A carrier shall be deemed satisfactory to PATH if it has and maintains a rating by Best's Insurance Reports or any successor publication of comparable standing of "A-X" or better or the then equivalent of such rating. PATH will not find a policy issued by a satisfactory carrier to be unsatisfactory as to form or substance unless it contains provisions not generally included in Commercial General Liability policies which landlords in the City of New York owning comparable first class office buildings at the time of such determination require to be maintained by tenants conducting operations similar to those conducted by the Lessee in the premises. Notwithstanding anything contained in this Section, it is specifically understood and agreed that PATH shall have the right upon notice to the Lessee given from time to time and at any time to require the Lessee to increase any or all of the limits set forth in this Section and the Lessee shall promptly comply therewith and shall promptly submit a certificate or certificates evidencing the same to PATH.

Item 3: (a) Heat and Air-Cooling:

Notwithstanding the provisions of Section 14 hereof, PATH shall not furnish or supply heat or air-cooling to the Retail Space or the Storage Space.

(b) Electricity:

To be supplied by PATH to the Retail Space to the extent that the Lessee's consumption thereof does not exceed the capacity of exiting feeders, risers, or wiring on or off the Retail Space and to be metered by PATH and to be paid for by the Lessee at the greater of (1) the rates (including the fuel or other adjustment factor if any) which the Lessee at the time of such purchase and under the service classification then applicable to it would have to pay for the same quantity of electricity to be used for the same purposes under the same conditions if it received the electricity directly from the public utility supplying the same to commercial buildings in the vicinity, or (2) PATH's cost of obtaining and supplying the same quantity of electricity. It is understood that in lieu of metering the Lessee's consumption of electricity in any portion of the Retail Space, PATH may periodically throughout the term of the letting, at such times as it may elect, survey the Retail Space for the purpose of establishing the lessee's annual consumption and demand for the electricity based on the total rated wattage of all lamps and electrical equipment, appliances, machines, power units, and other devices which are located in or on such portion of the Retail Space, and are or may be used by the Lessee therein, and the frequency and duration of the use thereof. The determination of total rated wattage and consumption and demand by PATH shall be binding and conclusive and for the purposes of payment under this Agreement shall be deemed to remain constant until changed by PATH after another survey. Notwithstanding that PATH has agreed to supply electricity to the Lessee in the Retail Space, PATH shall be under no obligation to provide or continue such service if PATH is prevented by law, agreement or otherwise from metering or surveying the lessee's consumption and demand for electricity as hereinabove set forth or elects not to so meter or survey the same; then, in any such event the Lessee shall make all arrangements and conversions necessary to obtain electricity directly from the public utility. Also in such event the Lessee shall perform the construction necessary for conversion and if any lines or equipment of PATH are with the consent of PATH used therefor PATH may make an appropriate charge therefor to the Lessee based on its costs and expenses for the said lines and equipment.

PATH shall furnish to the Lessee in the Storage Space, without additional charge, electricity for illumination only, by which is meant the energizing of fluorescent bulbs (to be supplied and installed by the Lessee) through existing wires, conduits and outlets, if any. Except as provided herein, PATH shall not supply any services or utilities to the Storage Space.

(c) Domestic Hot and Cold Water: Not to be sold, furnished or supplied by PATH to the Lessee.

THERE IS NO SUBPARAGRAPH (d)

(e) Steam: Not to be sold, furnished or supplied by PATH to the Lessee.

(f) Gas: Not to be sold, furnished or supplied by PATH to the Lessee.

Item 4: New Construction: As set forth in Section 46.

Item 5: Construction Liability Insurance Limits: The limits of liability insurance shall be not less than the amounts specified in the Alteration Application referred to in Section 46 hereof.

Item 6: Cost and Proration Thereof: Not Applicable.

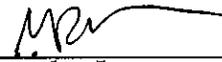
Item 7: Cash Security: See Section 29.

Item 8: Performance Bond: Not applicable.



For PATH

Initialed:



For the Lessee

SCHEDULE E

AFFIRMATIVE ACTION-EQUAL OPPORTUNITY---MINORITY BUSINESS ENTERPRISES ---WOMEN-OWNED BUSINESS ENTERPRISES REQUIREMENTS

Part I. Affirmative Action Guidelines - Equal Employment Opportunity

I. As a matter of policy, PATH requires the Lessee, and the Lessee shall require the Contractor, as hereinafter defined, to comply with the provisions set forth hereinafter in this Schedule E. The provisions set forth in this Part I are similar to the conditions for bidding on federal government contracts adopted by the Office of Federal Contract Compliance and effective May 8, 1978.

The Lessee, as well as each bidder, contractor and subcontractor of the Lessee and each subcontractor of a contractor at any tier of construction (herein collectively referred to as "the Contractor"), must fully comply with the following conditions set forth herein as to each construction trade to be used on the construction work or any portion thereof (said conditions being herein called "Bid Conditions"). The Lessee hereby commits itself to the goals for minority and female utilization set forth below and all other requirements, terms and conditions of the Bid Conditions. The Lessee shall likewise require the Contractor to commit itself to the said goals for minority and female utilization set forth below and all other requirements, terms and conditions of the Bid Conditions by submitting a properly signed bid.

II. The Lessee and the Contractor shall each appoint an executive of their respective companies to assume the responsibility for the implementation of the requirements, terms and conditions of the following Bid Conditions:

(a) The goals for minority and female participation, expressed in percentage terms for the Contractor's aggregate workforce in each trade on all construction work, are as follows:

- | | |
|-----------------------------|------|
| (1) Minority participation: | |
| Minority, except laborers | 30% |
| Minority, laborers | 40% |
| (2) Female participation: | |
| Female, except laborers | 6.9% |
| Female, laborers | 6.9% |

These goals are applicable to all the Contractor's construction work performed in and for the premises.

The Contractor's specific affirmative action obligations required herein of minority and female employment and training must be substantially uniform throughout the length of the contract, and in each trade, and the Contractor shall make good faith efforts to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from contractor to contractor or from project to project for the sole purpose of meeting the Contractor's goals shall be a violation of the contract. Compliance with the goals will be measured against the total work hours performed.

(b) The Contractor shall provide written notification to the Lessee and the Lessee shall provide written notification to the Manager of the Office of Business and Job Opportunity of the Port Authority within ten (10) working days of awarding of any construction subcontract in excess of \$10,000 at any tier for construction work. The notification shall list the name, address and telephone number of the subcontractor; employer identification number; estimated starting and completion dates of the subcontract; and the geographical area in which the subcontract is to be performed.

(c) As used in these specifications:

(1) "Employer identification number" means the Federal Social Security number used on the Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941:

(2) "Minority" includes:

(i) Black (all persons having origins in any of the Black African racial groups not of Hispanic origin);

(ii) Hispanic (all persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American culture or origin, regardless of race);

(iii) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands); and

(iv) American Indian or Alaskan Native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).

(d) Whenever the Contractor, or any subcontractor at any tier, subcontracts a portion of the construction work involving any construction trade, it shall physically include in each subcontract in excess of \$10,000 those provisions which include the applicable goals for minority and female participation.

(e) The Contractor shall implement the specific affirmative action standards provided in subparagraphs (1) through (16) of Paragraph (h) of Part I hereof. The goals set forth above are expressed as percentages of the total hours of employment and training of minority and female utilization the Contractor should reasonably be able to achieve in each construction trade in which it has employees in the premises. The Contractor is expected to make substantially uniform progress toward its goals in each craft during the period specified.

(f) Neither the provisions of any collective bargaining agreement, nor the failure by a union with whom the Contractor has a collective bargaining agreement to refer either minorities or women shall excuse the Contractor's obligations hereunder.

(g) In order for the nonworking training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees must be employed by the Contractor during the training period, and the Contractor must have made a commitment to employ the apprentices and trainees at the completion of their training subject to the availability of employment opportunities. Trainees must be trained pursuant to training programs approved by the U.S. Department of Labor.

(h) The Contractor shall take specific affirmative actions to ensure equal employment opportunity ("EEO").

The evaluation of the Contractor's compliance with these provisions shall be based upon its good faith efforts to achieve maximum results from its actions. The Contractor shall document these efforts fully, and shall implement affirmative action steps at least as extensive as the following:

(1) Ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which the Contractor's employees are assigned to work. The Contractor, where possible, will assign two or more women to each Phase of the construction project. The Contractor shall specifically ensure that all foremen, superintendents, and other supervisory personnel at the premises are aware of and carry out the Contractor's obligation to maintain such a working environment, with specific attention to minority or female individuals working at the premises.

(2) Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the Contractor or its unions have employment opportunities available, and maintain a record of the organizations' responses.

(3) Maintain a current file of the names, addresses and telephone numbers of each minority and female off-the-street applicant and minority or female

referral from a union, a recruitment source or community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the Contractor by union or, if referred, was not employed by the Contractor, this shall be documented in the file with the reason therefor, along with whatever additional actions the Contractor may have taken.

(4) Provide immediate written notification to the Lessee when the union or unions with which the Contractor has a collective bargaining agreement has not referred to the Contractor a minority person or woman sent by the Contractor, or when the Contractor has other information that the union referral process has impeded the Contractor's efforts to meet its obligations.

(5) Develop on-the-job training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and training programs relevant to the Contractor's employment needs, especially those programs funded or approved by the Department of Labor. The Contractor shall provide notice of these programs to the sources compiled pursuant to subparagraph (2) of paragraph II (h) of Part I hereof.

(6) Disseminate the Contractor's EEO policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the Contractor in meeting its EEO obligations; by including said policy in any policy manual and collective bargaining agreement; by publicizing said policy in the Contractor's newspaper, annual report, etc.; by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and by posting the Contractor's EEO policy on bulletin boards accessible to all employees at each location where construction work is performed.

(7) Review, at least every six (6) months the Contractor's EEO policy and affirmative action obligations hereunder with all employees having any responsibility for hiring, assignment, layoff, termination or other employment decisions including specific review of these items with on-premises supervisory personnel such as Superintendents, General Foremen, etc., prior to the initiation of construction work at the premises. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.

(8) Disseminate the Contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the Contractor's EEO policy with other Contractors and Subcontractors with whom the Contractor does or anticipates doing business.

(9) Direct its recruitment efforts, both oral and written, to minority, female and community organizations, to schools with minority and female students and to minority and female recruitment and training organizations and to State-certified minority referral agencies serving the Contractor's recruitment area and employment needs. Not later than one month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the Contractor shall send written notification to organizations such as the above, describing the openings, screening procedures, and tests to be used in the selection process.

(10) Encourage present minority and female employees to recruit other minority persons and women and, where reasonable, provide after school, summer and vacation employment to minority and female youth both on the premises and in other areas of a Contractor's work force.

(11) Tests and other selection requirements shall comply with 41 CFR Part 60-3.

(12) Conduct, at least every six (6) months, an inventory and evaluation at least of all minority and female personnel for promotional opportunities and encourage these employees to seek or to prepare for, such opportunities through appropriate training, etc.

(13) Ensure that seniority practices, job classifications, work assignments and other personnel practices, do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the Contractor's obligations hereunder are being carried out.

(14) Ensure that all facilities and company activities are nonsegregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.

(15) Document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitations to minority and female contractor associations and other business associations.

(16) Conduct a review, at least every six (6) months, of all supervisors' adherence to and performance under the Contractors' EEO policies and affirmative action obligations.

(i) Contractors are encouraged to participate in voluntary associations which assist in fulfilling one or more of their affirmative action obligations (subparagraphs (1)-(16) of

paragraph (II)(h) of Part I, above). The efforts of a contractor association, joint contractor-union, contractor-community, or other similar group of which the Contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under paragraph (II)(h) of Part I, above, provided that the Contractor: actively participates in the group, makes good faith efforts to assure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the Contractor's minority and female work force participation, makes good faith efforts to meet its individual goals and timetables, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the Contractor. The obligation to comply, however, is the Contractor's and failure of such a group to fulfill an obligation shall not be a defense for the Contractor's non-compliance.

(j) A single goal for minorities and a separate single goal for women have been established. The Contractor, however, is required to provide equal employment opportunity and to take affirmative action for all minority groups, both male and female, and all women, both minority and non-minority. Consequently, the Contractor may be in violation hereof if a particular group is employed in a substantially disparate manner (for example, even though the Contractor has achieved its goals for women generally, the Contractor may be in violation hereof if a specific minority group of women is underutilized).

(k) The Contractor shall not use the goals and timetables or affirmative action standards to discriminate against any person because of race, color, religion, sex or national origin.

(l) The Contractor shall not enter into any subcontract with any person or firm debarred from Government contracts pursuant to Executive Order 11246.

(m) The Contractor shall carry out such sanctions and penalties for violation of this clause including suspension, termination and cancellation of existing subcontracts as may be imposed or ordered by the Lessee. Any Contractor who fails to carry out such sanctions and penalties shall be in violation hereof.

(n) The Contractor, in fulfilling its obligations hereunder, shall implement specific affirmative actions steps, at least as extensive as those standards prescribed in paragraph (II)(h) of Part I, above, so as to achieve maximum results from its efforts to ensure equal employment opportunity. If the Contractor fails to comply with the requirements of these provisions, the Lessee shall proceed accordingly.

(o) The Contractor shall designate a responsible official to monitor all employment related activity to ensure that the company EEO policy is being carried out, to submit reports relating to the provisions hereof as may be required and to keep records. Records shall at least include for each employee, the name, address, telephone numbers, construction trade, union affiliation if any, employee identification number when assigned, social security

number, race, sex, status (e.g. mechanical apprentice, trainee, helper, or laborer), dates of changes in status, hours worked per week in the indicated trade, rate of pay, and location at which the work is performed. Records shall be maintained in an easily understandable and retrievable form; however, to the degree that existing records satisfy this requirement, contractors shall not be required to maintain separate records.

(p) Nothing herein provided shall be construed as a limitation upon the application of any laws which establish different standards of compliance or upon the application of requirements for the hiring of local or other area residents (e.g., those under the Public Works Employment Act of 1977 and the Community Development Block Grant Program).

(q) Without limiting any other obligation, term or provision under the Lease, the Contractor shall cooperate with all federal, state or local agencies established for the purpose of implementing affirmative action compliance programs and shall comply with all procedures and guidelines established or which may be established by the Port Authority on behalf of PATH.

PART II. MINORITY BUSINESS ENTERPRISES/WOMEN-OWNED BUSINESS ENTERPRISES

As a matter of policy, PATH requires the Lessee and the Lessee shall itself and shall require the general contractor or other construction supervisor and each of the Lessee's contractors to use every good faith effort to provide for meaningful participation by Minority Business Enterprises (MBEs) and Women-owned Business Enterprises (WBEs) in the construction work pursuant to the provisions of this Schedule E. For purposes hereof, "Minority Business Enterprise" ("MBE") shall mean any business enterprise which is at least fifty-one percent of which is owned by, or in the case of a publicly owned business, at least fifty-one percent of the stock of which is owned by citizens or permanent resident aliens who are minorities and such ownership is real, substantial and continuing. For the purposes hereof, Women-owned Business Enterprise ("WBE") shall mean any business enterprise which is at least fifty-one percentum owned by, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by women and such ownership is real, substantial and continuing. A minority shall be as defined in paragraph II(c) of Part I of this Schedule E. "Meaningful participation" shall mean that at least seventeen percent (17%) of the total dollar value of the construction contracts (including subcontracts) covering the construction work are for the participation of MBEs and WBEs, of which at least twelve percent (12%) are for the participation of MBEs. Good faith efforts to include meaningful participation by MBEs and WBEs shall include at least the following:

(a) Dividing the work to be subcontracted into smaller portions where feasible.

(b) Actively and affirmatively soliciting bids for subcontracts from MBEs and WBEs, including circulation of solicitations to minority and female contractor

associations. The Contractor shall maintain records detailing the efforts made to provide for meaningful MBE and WBE participation in the work, including the names and addresses of all MBEs and WBEs contacted and, if any such MBE or WBE is not selected as a joint venturer or subcontractor, the reason for such decision.

(c) Making plans and specifications for prospective construction work available to MBEs and WBEs in sufficient time for review.

(d) Utilizing the list of eligible MBEs and WBEs maintained by the PATH (or the Port Authority on its behalf) or seeking minorities and women from other sources for the purpose of soliciting bids for subcontractors.

(e) Encouraging the formation of joint ventures, partnerships or other similar arrangements among subcontractors, where appropriate, to insure that the Lessee and Contractor will meet their obligations hereunder.

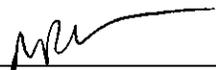
(f) Insuring that provision is made to provide progress payments to MBEs and WBEs on a timely basis.

(g) Not requiring bonds from and/or providing bonds and insurance for MBEs and WBEs, where appropriate.



For PATH

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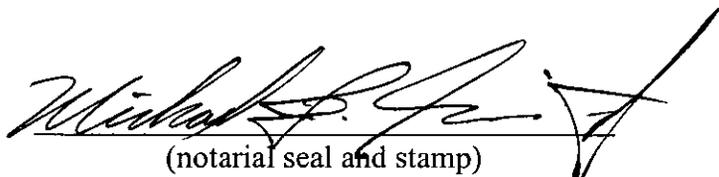


For the Lessee

(PATH Acknowledgment)

STATE OF NEW YORK)
):
COUNTY OF NEW YORK) ss.

On the 22nd day of February, 2006, before me, the subscriber, a notary public of New York, personally appeared Francis A. DiMola, the Director, Real Estate Department of PORT AUTHORITY TRANS-HUDSON CORPORATION, who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.



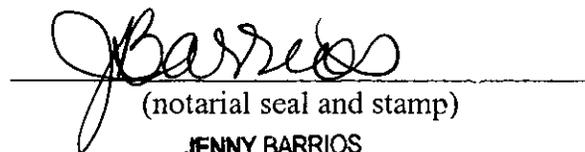
(notarial seal and stamp)

MICHAEL F. SCHMIDT
Notary Public, State of New York
No. 01SC6118149
Qualified in New York County
Commission Expires November 1, 2008

(Hudson News Company)

STATE OF New Jersey)
):
COUNTY OF Bergen) ss.

On the 31st day of January, 2006, before me, the subscriber, a notary public of New Jersey, personally appeared Michael R. Mullaney, the Senior Vice President of HUDSON NEWS COMPANY, who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors, and of such corporation.



(notarial seal and stamp)

JENNY BARRIOS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires July 18, 2006