FINE, OLIN & ANDERMAN, LLP FOIL #14891

F&A
Attorneys at Law

(888) 909-4362
Fax: (866) 711-1087
www.foalaw.com

Vincent J. Rossillo (NY)
Pamela Thomas (NY & CT)
Andrew G. Finkelstein, P.C. (NY & NJ) *
Donald A. Crouch (NY & CT)
Karen O'Brien (NY)
David Stauber (NY)

Jennifer Safier (NY & NJ)
Thomas P. Welch (NY)
Annie Ma (NY & NJ)
Marjorie T. Richemard (NY)
Howard S. Lipman (NY)
Jared Baker (NY & DC)
Noreen Tuller, R.N. (NY)
Cristina L. Dulay (NY)
Justin M. Cinnamon (NY & CT)
Robin N. D'Amore (NY)
Robert Seidner (NY)
Nicole Murphy (NY)
Rodrigo Arcuri (NY)

Brandon Weinstein (NY)

Of Counsel
Marvin Anderman, P.C. (NY)
Duncan W. Clark (NY)
George M. Levy (NY)
Robert J. Camera (NY & NJ)
Joseph P. Rones (NY)
Ronald Rosenkranz (NY) *
Steven Lim (NY)
George A. Kohl, II (NY & MA)
Eleanor L. Polimeni (NY)
Andrew J. Genna, LLM (NY & PA)
Andrew L. Spitz (NY)
Thomas C. Yatto (NY)
Elyssa M. Fried-DeRosa (NY)
James W. Shuttleworth, III (NY)
David E. Gross (NY & NJ) *
Mary Ellen Wright, R.N. (NY) *

Kenneth B. Fromson (NY, NJ & PA) *
Nancy Y. Morgan (NY, NJ & PA)
Lawrence D. Lissauer (NY)
Michael T. McGarry (NY)
Victoria Lieb Lightcap (NY & MA) *
Ann R. Johnson (NY & CT)
Marshall P. Richer (NY)
Thomas J. Pronti (NY)
Edward M. Steves (NY)
John F. Dowd (NY & CT)
Kara L. Campbell (NY & CT)
Silvia Fermanian (NY)
Marie M. DuSault (NY)
Melody A. Gregory (NY & CT)
Gail Schlanger (NY)
Elizabeth A. Wolff (NY & MA)
Robert E. Borrero (NY)
Christine Khalili-Borna Clemens (NY & CA)
Brian D. Acard (NY)
Sasha Ensslin (NY)

Nicholas Maiorano (NY & NJ)
Cynthia M. Maurer (NY & NJ)
Michael Feldman (NY & NJ) *
Linda Armatti-Epstein (NY)
Kenneth Cohen (NJ) *
David Akerib (NY)
Frances M. Bova, RN (NY & NJ)
Michael H. Glassman (NJ)
Mark B. Hudoba (NY)
Gustavo W. Alzugaray (NY)
Sharon A. Scanlan (NY & CT)
Marc S. Becker (NY)
Antonio S. Grillo (NY & NJ)
Ramsen Youash (NY)
Aparna Anantharaman (NY)
Frank R. Massaro (NY)
Kenneth G. Bartlett (CT & NJ)

*** The Neurolaw Trial Group**

REFER TO OUR FILE #: 108660-03

April 29, 2014

Port Authority of New York & New Jersey
FOIL Administrator, Office of the Secretary
225 Park Avenue, 17th Floor
New York, NY 10003

FREEDOM OF INFORMATION LAW REQUEST
Please return a copy of this request letter with your response

Re: FOIL #: 14842
Our Client: Joy D. Smith
Date of Accident: February 20, 2014

05-06-14A10:33 RCVD

Dear Records Access Officer,

Our law firm represents the above plaintiff, who was injured on February 20, 2014 in a parking lot located in Cargo Area C that is bordered by Cargo Plaza Road, 150th Avenue and 148th Street at JFK Airport, Jamaica, New York. It is the parking lot used by employees of your tenant, United Parcel Service and by your other tenants in Buildings Number 83, 84, 86, 189, 68 and 147.

Under the provision of the New York Freedom of Information Law, Article 6 of the Public Officer's Law, we hereby request all records or portions thereof pertaining to the following:

1. If the Port Authority is responsible for or does in fact do snow removal and ice abatement in the aforementioned lot, kindly provide a copy of all snow and ice removal plans on effect for the aforementioned parking lot and the schedule logs for the actual snow removal for the month of February 2014.

2. If in fact it is the tenants of the aforementioned building who are responsible for snow and ice removal from the aforementioned parking lot, kindly provide the documents that make the tenants responsible for snow and ice removal.

If there are any fees for copying the requested records, please inform us before filling the request.

As you know, the Freedom of Information Law requires an agency to respond to a request within five (5) business days of receipt of the request. Therefore, we would appreciate a response as soon as possible and look forward to hearing from you shortly.

If for any reason any portion of our request is denied, please inform us, in writing, of the reasons for the denial and provide the name and address of the person or body to whom an appeal should be directed.

Please include our file number listed above on all correspondence regarding this request.

Thank you for your cooperation in this matter.

Very truly yours,

Fine, Olin & Anderman, LLP

Edward M Steves

By: EDWARD M. STEVES, ESQ.
CARMELLA VEGA, CASE ASSISTANT
(845) 562-0203, X: 2600 or cvega@lawampm.com

ES/cps

THE PORT AUTHORITY OF NY & NJ

FOI Administrator

May 22, 2014

Mr. Edward M. Steves
Fine, Olin & Anderman, LLP
1279 Route 300, P.O. Box 1111
Newburgh, NY 12551

Re: Freedom of Information Reference No. 14891

Dear Mr. Steves:

This is in response to your April 29, 2014 request, which has been processed under the Port Authority's Freedom of Information Code (the "Code") for copies of all snow and ice removal plans on effect for the parking lot located in Cargo Area C that is bordered by Cargo Plaza Road, 150th Avenue and 148th Street at JFK Airport and the schedule logs for the actual snow removal for the month of February 2014 and copies of the documents that make the tenants responsible for snow and ice removal.

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/14891-LPA.pdf. Paper copies of the available records are available upon request.

Certain material responsive to your request is exempt form disclosure pursuant to exemptions (1), (2.a.) and (4) of the Code.

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

Very truly yours,

Daniel D. Duffy
FOI Administrator

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

:This Space for Port Authority Use Only:

:Permit Number AYE-215 :

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

JOHN F. KENNEDY INTERNATIONAL AIRPORT
SPACE 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 (hereinafter referred to as the "**Space**") at John F. Kennedy International Airport (hereinafter called the "**Airport**") for the purposes hereinafter specified and purposes incidental thereto in accordance with the Terms and Conditions hereof; and said Permittee agrees to pay the fee or fees hereinafter specified and to perform all other obligations imposed upon it in said Terms and Conditions.

PERMITTEE: CONTEGO SYSTEMS-JFK, LLC, a limited liability company formed under the laws of the State of New Jersey.

2. PERMITTEE'S ADDRESS: 614 Frelinghuysen Avenue
Newark, New Jersey 07114

3. PERMITTEE'S REPRESENTATIVE: Ron DeLucia

4. SPACE: As set forth in Special Endorsement No. 1.

5. PURPOSES: As set forth in Special Endorsement No 2 hereof.

6. FEES: As set forth in Special Endorsement No. 3 hereof.

7. EFFECTIVE DATE: December 1, 2011

8. EXPIRATION DATE: November 30, 2021

9. ENDORSEMENTS: Standard Endorsements 11.1 and 14.1, Special Endorsements, Exhibit A and Insurance Schedule.

Dated: As of December 1, 2011

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By _____

Name _____
(Please Print Clearly)

(Title) David Kagan
Assistant Director
Business, Properties & Airport Development

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

LLF/NEI

CONTEGO SYSTEMS-JFK, LLC
Permittee

By _____

Name E. V. DANBERRY
(Please Print Clearly)

(Title) CEO Member

TERMS AND CONDITIONS

1. Certain Definitions:

(a) "**Airport**" shall mean John F. Kennedy International Airport, consisting of certain premises identified as "John F. Kennedy International Airport" on Sheet JFK-1 of Exhibit A, and more particularly described in Exhibit B, annexed to the City Lease, and such other property 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 Lease**" shall mean the Amended and Restated Agreement of Lease of the Municipal Air Terminals between The City of New York, as Landlord, and The Port Authority of New York and New Jersey, as Tenant, dated as of November 24, 2004 and recorded in the office of the City Register of the City on December 3, 2004 under City Register File No. 2004000748687, as the same may have been or may be amended or supplemented.

(d) "**Effective Date**" shall mean the date designated as the "Effective Date" in Item 7 on the cover page of this Permit.

(e) "**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.

(f) "**Expiration Date**" shall mean the date designated as the "Expiration Date" in Item 8 on the cover page of this Permit.

(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 the Manager by this Permit; until further notice from the Port Authority to the Permittee it shall mean the General Manager or the Acting General Manager of John F. Kennedy International Airport for the time being, or his duly designated representative or representatives.

(h) "**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.

(i) **"Permittee's Representative"** shall mean the individual named in Item 3 on the cover page of this Permit or such other individual as the Permittee may designate by notice in accordance with the provisions of Section 21 below, entitled "*Notices*".

2. Effectiveness:

(a) The permission granted by this Permit shall take effect upon the Effective Date. Notwithstanding any other term or condition hereof, it may at any time be revoked by the Port Authority without cause upon thirty (30) days' prior notice, and terminated by the Permittee without cause upon thirty (30) days' prior notice; provided, however, that it may be revoked on twenty-four (24) hours' notice if the Permittee fails to keep, perform and observe each and every promise, agreement, condition, term and provision contained in this Permit, including without limitation 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 cleaning, repair or restoration of any space which may be used and occupied under this Permit (on failure of the Permittee to have it cleaned, repaired or restored), 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 the space and putting the space in order (such as but not limited to repairing, cleaning and restoring the same). Unless sooner revoked or terminated, such permission shall expire in any event upon the Expiration Date. 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) 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.

(c) The permission hereby granted shall in any event terminate with the expiration or termination of the City Lease.

3. Use of Space by Permittee:

(a) The Space shall be used, pursuant to the permission hereby granted,

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

(2) 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,

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

(4) if the Permittee is an individual, by the Permittee acting only personally or through the medium of his employees; or

(5) 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, use the Space through the medium of any other person, corporation or legal entity. The Permittee shall not assign or transfer this Permit or the permission granted hereby, or enter into any contract requiring or permitting the doing of anything hereunder by an independent contractor, without the written approval of the Port Authority. 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) The Permittee's Representative specified in Item 3 of the cover 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 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 hereof and to give and receive notices hereunder.

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

(d) The Permittee hereby agrees that it will not carry on any business or operation in the Space or at the Airport other than as specifically provided herein without receiving the prior written consent of the Port Authority, which consent, if given, will be in the form of a Supplement hereto or a separate agreement with the Port Authority, which consent will specify whether the provisions regarding fees contained herein or any other provisions regarding fees shall apply thereto.

4. Condition of Space:

(a) The Permittee hereby acknowledges that prior to the execution of this Permit it has thoroughly examined and inspected the Space and has found the Space in good order and repair and has determined the Space to be suitable for the Permittee's operations hereunder and acknowledges and agrees that it has not relied on any representations or statements of the Port Authority, its Commissioners, officers, employees or agents as to the condition or suitability thereof for use by the Permittee for the purposes contemplated herein. The Permittee agrees to and shall take the Space in its "as is" condition and the Port Authority

shall have no obligation hereunder for preparation of the Space for the Permittee's use. The Permittee agrees that no portion of the Space will be used initially or at any time during the effective period of the permission granted hereunder which is in a condition unsafe or improper for the purposes contemplated herein so that there is possibility of injury or damage to life or property and the Permittee further agrees that before any use it will immediately correct any such unsafe or improper condition.

(b) Except to the extent required for the performance of any of the obligations of the Permittee under this Permit, nothing contained in this Permit shall grant to the Permittee any rights whatsoever in the air space above the height of the structures located on the Space as of the Effective Date hereof.

(c) The parties to this Permit hereby acknowledge that the Space is non-residential real estate.

5. Payment of Fees:

(a) Unless otherwise expressly provided in this Permit, the Permittee shall pay to the Port Authority a fee for its use and occupancy of the Space. The fee specified is a monthly fee, payable in advance on the Effective Date and on the first day of each and every calendar month thereafter.

(b) Payments made hereunder shall be sent to the following address:

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY
P.O. BOX 95000-1517
PHILADELPHIA, PENNSYLVANIA 19195-0001

or made via the following wire transfer instructions:

Bank: TD Bank
Bank ABA Number: 031201360
Account Number: Ex. 1/4

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

(c) 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.

(d) Upon execution of this Permit by the Permittee, the Permittee shall pay to the Port Authority all unpaid fees and other monies due and payable under this Permit as of the date of execution.

6. Late and Service Charges:

(a) If the Permittee should fail to pay any amount required under this Permit 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 Ex. 2.a. 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 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 hereof 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.

(b) The Permittee shall permit and/or cause to be permitted in ordinary business hours during the effective period of this Permit and for one (1) year thereafter 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 in connection with the Permittee's use and occupancy of the Space as permitted hereunder within ten (10) days following any request by the Port Authority from time to time and at any time to examine and audit any such corporate records and books of account.

7. Security Deposit: 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.

8. Indemnification of Port Authority:

(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 of the operations, acts or omissions of the Permittee hereunder, including claims and demands of the City against the Port Authority pursuant to the provisions of the City Lease.

(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 Airport 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 Airport 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 Permittee.

9. Right of Entry Reserved: The Port Authority shall have the right at any time and as often as it considers necessary, to inspect the Space and (without any obligation so to do) to enter thereon to make ordinary repairs, and in the event of emergency to take such action therein as may be required for the protection of persons or property.

10. Rules and Regulations: 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.

11. Conduct of Operations:

(a) 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 designations, approvals, substitutions or redesignations given by it hereunder.

(b) 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.

(c) Unless otherwise expressly provided, the Permittee shall not install any vending machines or similar devices in the Space or use the Space (or permit it to be used) for the sale to its employees or to the public of any of the following goods and services: beverages, food, candy, gum, ice cream or ice cream products, tobacco or tobacco products, periodicals, books, drugs, toys, games, souvenirs, jewelry, novelties, clothing, flowers, sporting or photographic goods, toilet articles, theatre tickets, shoe shines, pressing and cleaning (except of its employees' uniforms), developing and printing of photographs and films or baggage-checking. The specificity of the foregoing enumeration of disallowed activities shall not be deemed to infer that any particular activities not so enumerated are permitted under this Permit.

(d) 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. The Permittee shall not display, or permit the display of, advertising of third parties in the Space.

(e) The Permittee, its employees, invitees and those doing business with it shall have no right hereunder to park vehicles within the Airport, except in regular parking areas upon payment of regular charges therefor.

(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 which shall be subject to the approval of the General Manager. 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 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.

(h) The Permittee shall at all times maintain the Space 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 of the Space. 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 of the Space 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 use and occupancy thereof.

12. Permittee Property:

(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 Date or on or before the revocation 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 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 (30) 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. 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.

13. Prohibited Acts:

(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 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.

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

(1) 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

(2) 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

(3) 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

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

(5) 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

(6) 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 purposes of this Section, "Airport" includes all structures located thereon.

14. Specifically Prohibited Activities:

(a) 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 at the Airport.

(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. 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 be completely removed and/or remediated by the Permittee at its sole cost and expense.

(c) The Permittee shall not operate any engine or any item of automotive equipment in the Space without adequate ventilation.

(d) The Permittee shall not use any cleaning materials having a harmful or corrosive effect in the Space.

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

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

(g) The Permittee shall not solicit business in the public areas of the Airport and shall not at any time use any electric amplifying devices or hand megaphones whatsoever.

15. Labor Disturbances:

(a) Labor Disputes

(1) 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 Permittees, licensees, permittees or other users of the Airport or with the operations of the Permittee under this Permit.

(2) 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.

(b) 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 adversely to affect the operation of the Airport or the operations of other permittees, Permittees 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.

16. The City Lease:

(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:

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

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

(3) 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;

(4) 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;

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

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

(7) 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

(8) 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.

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

17. Law Compliance:

(a) 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.

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

(c) 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 hereunder or on the gross receipts or income therefrom, and shall make all applications, reports and returns required in connection therewith.

(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 any such requirements.

(e) The Port Authority has agreed by a provision in the City Lease 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 improvements at the Airport and in regard to life safety, 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 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.

18. Federal Airport Aid: 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, Permittees 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.

19. 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 (i) 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 the Space, (ii) that in the construction of any improvements on, over, or under the Space 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, (iii) that the Permittee shall use the Space in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, 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 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 the Space.

20. 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.

21. Notices: 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 cover 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 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.

22. No Broker: The Permittee represents and warrants that no broker has been concerned in the negotiation or execution of this Permit and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Permittee shall indemnify the

Port Authority and save it harmless from any and all claims which have been or which may be made by any and all persons, firms, or corporations whatsoever for services in connection with the negotiation and execution of this Permit or in connection with any permission to use the Space.

23. 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 use of the Space 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 rent or other amounts which may be brought by the Port Authority unless such claims would be deemed waived if not so interposed.

24. Effect of Use and Occupancy after Expiration, Revocation or Termination:

(a) Notwithstanding any other provision in this Permit, in the event that the Permittee shall continue to use the Space after the expiration or earlier termination of the period of permission of this Permit, such continuation of use shall not be deemed to operate as a renewal or extension of this Permit but shall only create a month-to-month extension of this Permit, which extension shall be terminable on thirty (30) days' notice.

(b) The Permittee acknowledges that the failure of the Permittee 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 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.

25. No Personal Liability: 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.

26. No Waiver: No failure by the Port Authority to insist upon the strict performance of any agreement, term, covenant 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, covenant or condition. No agreement, term, covenant 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, covenant or condition of this Permit shall affect or alter

this Permit but each and every agreement, term, covenant and condition thereof shall continue in full force and effect with respect to any other existing or subsequent breach or default thereof.

27. Construction and Application of Terms:

(a) The use of headings in this Permit is for convenience of reference only and in no way intended to define, limit or describe the scope or intent of any provision hereof.

(b) Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applicable to the interpretation of this Permit or any amendments, addendums or supplements hereto or any endorsements, exhibits, schedules or other attachments hereto.

(c) The provisions and obligations contained in any endorsements, exhibits, schedules or other attachments hereto shall have the same force and effect as if set forth in full herein.

28. Governing Law:

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

29. Entire Agreement:

This Permit, including the attached exhibits, endorsements, schedules and other attachments, if any, constitutes the entire agreement of the parties on the subject matter hereof and may not be changed, modified, discharged or extended, except by written endorsement duly executed on behalf of the parties and attached hereto. The Permittee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing herein.

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.

Nothing contained in this Endorsement 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 to do so.

STANDARD ENDORSEMENT NO. 11.1
MAINTENANCE OF SERVICE FACILITIES
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

SPECIAL ENDORSEMENTS

1. **The Space**. The Space under the Permit shall consist of that portion of Building 84 at the Airport as shown in the shaded area ("Area A") on the sketch attached hereto, hereby made a part hereof and marked "Exhibit A," and the open areas contiguous to Building 84 as shown in diagonal hatching and in cross-hatching ("Area B") on Exhibit A.

2. **Use**. Without limiting the generality of the Section of the Terms and Conditions of this Permit entitled "*Use of Space by Permittee*", the Permittee shall use the Space for the on-airport deicing operations and for no other purpose or purposes whatsoever.

3. **Rental Fees**.

(a) As used in paragraphs (b) and (c) of this paragraph:

(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 September 2011.

(3) "Adjustment Period" shall mean, as the context requires, the calendar month of September 2012 and the calendar month of September of every calendar year which thereafter occurs during the period of permission granted under this Permit.

(4) "Anniversary Date" shall mean, as the context requires, December 1, 2012 (the "First Anniversary Date"), and December 1 of every calendar year which thereafter occurs during the period of permission granted under this Permit.

(5) "Percentage 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 Percentage Increase for the Anniversary Date that is December 1, 2012 would be a fraction of which the numerator is the Index for September 2012 less the Index for September 2011 and the denominator is the Index for September 2011).

(b) Area A Rental

(1) For the period from December 1, 2012 through November 30, 2013, both dates inclusive, the Permittee shall pay to the Port Authority an annual basic fee for Area A in the amount of

Ex. 2.a.

payable in advance in equal monthly installments, each in the amount of Ex. 2.a. on December 1, 2012 and on the first day of each and every calendar month for the entire period.

(2) For the period from December 1, 2013 through November 30, 2014, both dates inclusive, the Permittee shall pay to the Port Authority an annual basic fee for Area A in the amount of Ex. 2.a. payable in advance in equal monthly installments, each in the amount of on December 1, 2013 and on the first day of each and every calendar month for the entire period.

(3) For the period from December 1, 2014 through November 30, 2015, both dates inclusive, the Permittee shall pay to the Port Authority an annual basic fee for Area A in the amount of Ex. 2.a. payable in advance in equal monthly installments, each in the amount of on December 1, 2014 and on the first day of each and every calendar month for the entire period.

(4) For the period from December 1, 2015 through November 30, 2016, both dates inclusive, the Permittee shall pay to the Port Authority an annual basic fee for Area A in the amount of Ex. 2.a. payable in advance in equal monthly installments, each in the amount of Ex. 2.a. on December 1, 2015 and on the first day of each and every calendar month for the entire period.

(5) For the period from December 1, 2016 through November 30, 2017, both dates inclusive, the Permittee shall pay to the Port Authority an annual basic fee for Area A in the amount of Ex. 2.a. payable in advance in equal monthly installments, each in the amount of on December 1, 2016 and on the first day of each and every calendar month for the entire period.

(6) For the period from December 1, 2017 through November 30, 2018, both dates inclusive, the Permittee shall pay to the Port Authority an annual basic fee for Area A in the amount of Ex. 2.a. payable in advance in equal monthly installments, each in the amount of on December 1, 2017 and on the first day of each and every calendar month for the entire period.

(7) For the period from December 1, 2018 through November 30, 2019, both dates inclusive, the Permittee shall pay to the Port Authority an annual basic fee for Area A in the amount of Ex. 2.a. payable in advance in equal monthly installments, each in the amount of on December 1, 2018 and on the first day of each and every calendar month for the entire period.

(8) For the period from December 1, 2019 through November 30,

2020, both dates inclusive, the Permittee shall pay to the Port Authority an annual basic fee for Area A in the amount of payable in advance in equal monthly installments, each in the amount of Ex. 2.a. on December 1, 2019 and on the first day of each and every calendar month for the entire period.

(9) For the period from December 1, 2020 through November 30, 2021, both dates inclusive, the Permittee shall pay to the Port Authority an annual basic fee for Area A in the amount of payable in advance in equal monthly installments, each in the amount of Ex. 2.a. on December 1, 2020 and on the first day of each and every calendar month for the remainder of the period.

(c) Area B Rental

(1) For the period from December 1, 2011 through November 30, 2012, both dates inclusive, the Permittee shall pay to the Port Authority an annual basic fee for Area B in the amount of Ex. 2.a. payable in advance in equal monthly installments, each in the amount of on December 1, 2011 and on the first day of each and every calendar month for the entire period;

(2) Commencing on each Anniversary Date and continuing through to the day preceding the next Anniversary Date, or the expiration date of the period of permission granted under the Permit, as the case may be, in lieu of the basic fee set forth in subparagraph (1) of paragraph (c) of this Special Endorsement the Permittee shall pay a basic fee for Area B at a rate per annum equal to the greater of:

(i) the sum of (x) the basic fee payable immediately prior to such Anniversary Date, including all amounts included therein as a result of prior adjustment thereof pursuant to the provisions of this Special Endorsement and (y) the product obtained by multiplying such basic fee by one-half of the Percentage Increase for such Anniversary Date, or

(ii) the sum obtained by adding to the basic fee 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 subparagraph, the product obtained by multiplying such basic fee by

(d) In the event the Index to be used in computing any adjustment referred to in paragraphs (b) and (c) of this Special Endorsement is not available on the effective date of such adjustment, the Permittee shall continue to pay the basic 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 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 the basic fee shall have been fixed for any period, the Index used for computing such adjustment shall be changed or adjusted, then the basic fee adjustment for that period shall be recomputed, and from and after notification of the change or adjustment, the Permittee shall make payments based upon the recomputed basic fee and upon demand shall pay any excess in the basic fee due for such period as recomputed over amounts theretofore actually paid on account of the basic fee for such period.

If any adjustment in the basic fee referred to in paragraphs (b) and (c) of this Special Endorsement 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 the fee adjustment an installment of the basic fee equal to of the increment of the annual basic fee as adjusted multiplied by a fraction, the numerator of which shall be the number of days from the effective date of the fee adjustment to the end of the calendar month in which the fee adjustment was effective and the denominator of which shall be the number of days in that calendar month.

4. **Improvement Work**

(a) The Permittee shall replace all fire safety panels, fire alarms, and other apparatus (hereinafter the "Improvement Work", as further defined in paragraph (c) below) as more fully described in Tenant Alteration Application No. Y-8225 dated September 16, 2009, at Building 84.

(b) As used in this Permit the Permittee's "Cost of Improvements" shall mean:

(1) the amounts paid by the Permittee to independent contractors for work actually performed and labor and materials actually furnished inclusive of sales, use and like taxes where applicable in connection with the Improvement Work;

(2) the payments made and expenses incurred by the Permittee in connection with the Improvement Work for engineering, architectural, professional and consulting services, and the supervision of construction, inclusive of sales, use and like taxes where applicable; it being under stood that payments under this item (2) shall not exceed Ex. 2.a. of the sum of the amounts described in subparagraph (b)(1) above; and further, in each case, as the aforementioned amounts and payments described in subparagraphs (b)(1) and (a) (2) above shall be evidenced, from time to time, by certificates of a responsible fiscal officer of the Permittee, sworn to before a notary public and delivered to the Port Authority, which

certificates shall (aa) set forth, in reasonable detail, the amounts paid to specified independent contractors, the payments made to other specified persons and the other expenses incurred by the Permittee, which have not previously been reported in certificates delivered to the Port Authority, (bb) have attached thereto reproduction copies or duplicate originals of the invoices of such independent contractors and other persons acknowledging the receipt by them of such amounts and payments, and (cc) certify that the amounts and payments therein set forth constitute the Permittee's Improvement arising out of the performance of the Improvement Work. The Permittee shall keep a separate accounting of the Permittee's Improvement which accounting shall be kept at all times within the Port of New York District for a period of two (2) years after the final costs of all the Improvement Work have been submitted by the Permittee to the Port Authority or the end of the period of permission under the Permit (as hereby amended), whichever is later, and shall be subject to the audit and inspection of the Port Authority, its representatives and employees.

(c) (1) The Permittee agrees and covenants to the Port Authority that it will make or cause to be made, at its sole cost and expense, the refurbishment, alterations, additions and improvements of and to the Space, all in accordance with the terms and provisions of the Port Authority Construction and Alteration Application (said Construction and Alteration Application as approved by the Port Authority being hereinafter called the "Construction Application") to be submitted to the Port Authority for its approval, 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 proposed by the Permittee, and the manner of and time periods for performing the same. All such work covered by the Construction Application as approved by the Port Authority is hereinafter called the "Improvement Work." The Construction Application shall set forth the plans, specifications and schedules for the aforesaid refurbishment, alterations, additions and improvements of and to the Space. The Permittee shall perform the Improvement Work in accordance with the terms and provisions of the Construction Application and subject to the terms and provisions of this Agreement.

(2) The Permittee shall be responsible at its sole cost and 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 Permittee's Improvement Work. All plans and specifications submitted by the Permittee 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 work. The Permittee shall not engage any contractor to permit the use of any subcontractor unless and until each such contractor or subcontractor has been approved by the Port Authority and the Permittee upon request will furnish the Port Authority with a copy of its proposed contract with its contractor. The Permittee shall include in any such contract or subcontract such provisions as the Port Authority may require. The Permittee or its contractors and subcontractors shall obtain and maintain in force such insurance coverages and performance bonds in such amounts as the Port Authority may specify. All of the Permittee's Improvement Work hereunder shall be done in accordance with the said Construction 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 said work and after the completion thereof and the Permittee shall redo or replace at its own

expense any of said work not done in accordance therewith. Upon completion of the Permittee's Improvement Work, the Permittee shall supply the Port Authority with as-built plans and drawings in form and number requested by the Port Authority. Notwithstanding the submission by the Permittee to the Port Authority of the contracts to be entered into by the Permittee or the incorporation therein of Port Authority requirements or recommendations, and notwithstanding any rights the Port Authority may have reserved to itself hereunder, the Port Authority shall have no liabilities or obligations of any kind to any contractors engaged by the Permittee or to others in connection with any proposed or actual contracts entered into by the Permittee for the Permittee's Improvement Work or for any other matter in connection therewith and the Permittee hereby releases and discharges the Port Authority, its Commissioners, officers, representatives, and employees of and from any and all liability, claim for damages or losses of any kind, whether legal or equitable, or from any action or cause of action arising or alleged to arise out of the performance of any of the Permittee's Improvement Work pursuant to the contracts between the Permittee and its contractors.

(3) No Improvement Work shall be commenced by the Permittee until the Construction Application and plans and specifications referred to in paragraph (c) above have been finally approved by the Port Authority for the entire Permittee's Improvement Work and the Permittee is specifically permitted in writing by the Port Authority to commence such Improvement Work. In the event of any inconsistency between the provisions of this Permit and those in the Construction Application, the provisions of this Permit shall control. Upon receipt by the Permittee of said written permission from the Port Authority, the Permittee shall commence construction of the Permittee's Improvement Work as soon as possible and shall expeditiously continue such construction until completion.

(4) The Permittee 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, alterations, installations and decorations 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 improvements, alterations, installations and decorations constituting the Permittee's Improvement Work, whether performed by the Permittee or on its behalf, or the contracts for the performance thereof entered into by the Permittee. Any warranties extended or available to the Permittee in connection with the Permittee's Improvement Work shall be for the benefit of the Port Authority as well as the Permittee.

(5) Title to the Improvement Work shall pass to the City of New York as the same or any part is erected, constructed or installed and shall be and remain at all times in the City of New York and the same shall be deemed to be a part of the premises when the same are constructed, erected or installed on the Space.

(6) When the Improvement Work has been completed, the Permittee shall deliver to the Port Authority a certificate to such effect signed by an authorized officer of the Permittee and also signed by the Permittee's licensed architect or engineer certifying that the Improvement Work has been performed strictly in accordance with the approved Construction

Application and the approved plans and specifications, data and materials forming a part thereof and the provisions of this Permit and in compliance with all applicable laws, ordinances and governmental rules, regulations, orders and directives. Thereafter, the Improvement Work will be inspected by the Port Authority and if the same has been completed as certified by the Permittee and the Permittee's licensed architect or engineer, as aforesaid, a certificate to such effect shall be delivered to the Permittee by the Port Authority subject to the condition that all risks thereafter with respect of the Improvement Work and any liability therefor for negligence or other reason shall be borne by the Permittee.

(7) All of the Permittee's Improvement Work shall be performed by the Permittee strictly in accordance with the following:

(i) The Permittee hereby assumes, and shall itself and shall also require its contractors to indemnify and hold harmless 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 Permittee, any contractors of the Permittee, the Port Authority, employees, agents and representatives of the Port Authority, third persons, or from acts of God or the public enemy, or otherwise, excepting only risks which result solely from affirmative wilful acts done by the Port Authority with respect to the Improvement Work:

(aa) Risk of loss or damage to all or any part of the Improvement Work prior to the completion thereof and the risk of loss or damage of any property of the Port Authority arising out of or in connection with the performance of the Improvement Work. In the event of such loss or damage, the Permittee shall forthwith repair, replace and make good the Improvement Work and the property of the Port Authority without cost or expense to the Port Authority.

(bb) The risk of all claims and demands, just or unjust, of third persons (including employees, officers, and agents of the Port Authority) arising or alleged to arise out of the performance of the Improvement Work and for all costs and expenses incurred by the Port Authority 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.

If so directed, the Permittee shall at its own expense defend any suit based upon any such claim or demand (even if such claim or demand is groundless, false or fraudulent), and in handling such it shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal 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, in defending such suit, may not settle or compromise any claim or demand except with the prior written permission of the Port Authority.

(ii) The Permittee shall pay or cause to be paid when due 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 Improvement Work and the Permittee shall cause its contractors and subcontractors to pay all such claims lawfully made against them, provided, however, that nothing herein contained shall be construed to limit the right of the Permittee to contest any claim of a contractor, subcontractor, materialman, workmen and/or other person and no such claim shall be considered to be an obligation of the Permittee within the meaning of this paragraph unless and until the same has been finally adjudicated. The Permittee shall use its best efforts to resolve any such claims and shall keep the Port Authority fully informed with respect thereto. The Permittee shall indemnify the Port Authority against all claims, damages or losses that may arise or result therefrom, including interest thereon, and costs and expenses including attorneys' fees and penalties or fines. Nothing herein contained shall be deemed to constitute consent to the creation of any lien or claim against the premises nor to create any rights in said third persons against the Port Authority.

(8) The Permittee understands that if the premises contain asbestos, the Permittee, in connection with the performance of the Improvement Work, will be required to remove or encapsulate any asbestos located within the premises, as directed by the Port Authority. Without limiting the generality of any of the provisions of this paragraph, the Permittee shall obtain the Port Authority's prior approval as to the method and manner in which the Permittee performs any asbestos work, and shall obtain any additional insurance coverage as the Port Authority shall specify covering the performance of such work. The Permittee shall also conform to any Port Authority requirements imposed in connection with the removal and disposal of asbestos from the Facility.

(d) The Permittee's Cost of Improvements shall be no less than

5. **Outstanding Fees**

(a) The Permittee acknowledges that it is in arrears in the payment of fees and other charges due to the Port Authority under a prior agreement entered into between the Port Authority and the Permittee, dated as of January 1, 2009, and denominated by Permit No. AYD-919, and further acknowledges that there is due and owing to the Port Authority as of December 1, 2011, for the period beginning January 1, 2009 through November 30, 2011, both dates inclusive, by the Permittee the principal sum of Ex. 2.a. (the "Outstanding Principal Balance"), consisting of outstanding Rental Fees in the amount of (the "Rental Fees Amount"), and late fees in the amount of on account of such arrearages without set-off or counterclaim (the "Late Fee Amount"). In consideration of the making of this Permit by the Port Authority, the Permittee hereby agrees to pay to the Port Authority the outstanding Rental Fees, and the Port Authority has agreed to permit such payment to be made in five (5) monthly installments, each installment in the amount of Nine Thousand Ex. 2.a. (an "Installment"), each Installment to be due and payable in advance on April 1, 2012 and on the fifteenth (1st) day of every calendar month thereafter occurring during the period commencing April 1, 2012 and expiring August 31, 2012, both dates inclusive (the period from April 1, 2012 to August 31, 2012

being hereinafter referred to as the "Repayment Period"). The Installments shall be payable in like manner and collectible with like remedies as if they were a part of the fees payable under this Permit, and the Permittee's obligations to make the payments described in this paragraph shall be unaffected by any termination or revocation of the effective period of the permission granted under this Permit during the Repayment Period. Upon receipt of the full balance of the Rental Fees Amount prior to the expiration of the Repayment Period, the Late Fee Amount shall be waived. Upon the revocation or termination of this Permit, or upon a default in the payment of any one of the Installments, then, at the election of the Port Authority, by notice to the Permittee, the entire Outstanding Principal Balance due to be made by the Permittee shall thereupon become immediately due and payable to the Port Authority, and further, failure of the Permittee to pay any Installment, notwithstanding any such election by the Port Authority, shall constitute a default under this Permit and termination hereof. No acceptance by the Port Authority of any payment hereunder after the occurrence of any default in the payment of any Installment shall be deemed a waiver on the part of the Port Authority of its right to accelerate the remaining Outstanding Principal Balance. Nothing contained herein shall be deemed in any way to affect the obligation of the Permittee to pay fees and any other Port Authority charges reserved under this Permit for the balance of the effective period of the permission granted thereunder, or shall be or be construed to be a waiver by the Port Authority of, or discharge of the Permittee from, any of the Permittee's other liabilities or obligations under this Permit. The execution of this Permit, any action by the Port Authority pursuant to the terms of this Permit or receipt by the Port Authority of funds under this Permit shall not be and shall not be deemed to be a waiver of any prior or subsequent default by the Permittee under the terms of this Permit, and no remedies of the Port Authority under this Permit consequent upon such default shall be affected by the execution of this Permit or recourse to any such funds. The Permittee shall have the right to prepay in whole the Outstanding Principal Balance described herein.

(b) In the event this Permit is revoked or terminated for any reason whatsoever prior to August 31, 2012, then the Permittee shall immediately pay to the Port Authority the entire Outstanding Principal Balance on or before such date.

(c) The Permittee agrees to submit all statements and pay all fees and other amounts due under this Permit for the balance of the effective period of the permission granted thereunder subsequent to the execution of this Permit in strict compliance with the provisions thereof. The obligations of the Permittee under this Special Endorsement No. 4 shall be in addition to all obligations of the Permittee under this Permit and shall not be or be deemed to alter, supersede or diminish either the obligations of the Permittee thereunder, or the rights and remedies of the Port Authority thereunder upon the failure of the Permittee to pay all fees and other amounts due and owing thereunder.

6. **Additional Fees**. If the Port Authority is required or elects to pay the sum or sums or incurs any obligations or expense by reason of the failure, neglect or refusal of the Permittee to perform or fulfill any one or more of the terms, conditions, or agreements contained in this Permit or as a result of an act or omission of the Permittee contrary to the said terms, conditions, and agreements, the Permittee agrees to pay the sum or sums so paid or the expense so incurred including all the interest, costs, damages and penalties, and the same and the same shall be due and payable by the Permittee to the Port Authority upon demand.

7. **Security Deposit.**

(a) Pursuant to and in compliance with the Section of the Terms and Conditions of this Permit entitled "*Security Deposit*", the Required Security Amount shall be Forty-five Thousand Dollars and No Cents ($45,000.00).

(b) As security under the Prior Permit, the Permittee deposited the Required Security Amount with the Port Authority (the "***Prior Security Deposit***"). The Permittee and the Port Authority hereby agree that the Prior Security Deposit shall remain deposited with the Port Authority and shall be held and used by 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, pursuant to and in compliance with the Section of the Terms and Conditions of this Permit entitled "*Security Deposit*".

(c) The Permittee hereby certifies that its Federal Tax Identification Number is for the purposes of this Special Endorsement and the Section of the Terms and Conditions of this Permit entitled "*Security Deposit*".

(d) The Permittee acknowledges and agrees that the Port Authority reserves the right, at its sole discretion, to adjust at any time and from time to time upon fifteen (15) days notice to the Permittee, the security deposit amount as set forth in paragraph (a). 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 this Special Endorsement.

8. **Condition of the Space.**

(a) As used in this Permit **"Environmental Damages"** shall mean any one or more of the following: (i) the presence in, on, or under the Space of any Hazardous Substance whether such presence occurred prior to or during the period of permission under this Permit or resulted from any act or omission of the Permittee or others, and/or (ii) the disposal, discharge, release or threatened release of any Hazardous Substance from the Space or of any Hazardous Substance from under the Space and/or (iii) the presence of any Hazardous Substance in, on or under other property at the Airport as a result of (a) the Permittee's use and occupancy of the Space or the performance of any work or activities at the Space or (b) a migration of a Hazardous Substance from the Space or from under the Space or (c) the Permittee'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 Space and/or the activities thereon.

(b) The Permittee hereby acknowledges that it has agreed to accept the Space in its present condition and shall pay for all costs and expenses to prepare the Space for the purposes permitted hereunder, all in accordance with all of the provisions of this Permit. In addition, upon the expiration or earlier termination or revocation of this Permit, the Permittee shall restore the Space to the same condition as the Space existed upon the Effective Date hereof.

Further, 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 the public and other permittees, licensees and Permittees 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.

(c) The Permittee hereby 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 Space. The Permittee prior to the execution of this Permit, has thoroughly examined the Space and determined it to be suitable for the Permittee's operations under the Permit and the Permittee hereby agrees to take aforesaid area in the condition it is in as of the Effective Date and to relieve the Port Authority from and assume all responsibility for any and all risks, costs and expenses of any kind whatsoever caused by, arising out of or in connection with, the condition of the said area whether any aspect of such condition existed prior to, on or after the Effective Date, including without limitation all Environmental Requirements (as defined in this Permit) and all Environmental Damages (as defined in this Permit) and to indemnify and hold harmless the Port Authority for all such risks, responsibilities, costs and expenses; provided, however, but without limiting the provisions of paragraph (a) of this Special Endorsement, it is agreed that as to environmental contamination or contaminants existing in or at the Space prior to the Effective Date ("**Prior Contaminants**"), all of the foregoing responsibilities, risks, costs and expenses assumed by the Permittee shall obtain and apply only where any such Prior Contaminants (i) were caused by the Permittee or any of its agents, contractors, representatives or subusers, or (ii) placed or introduced in, on or at the Space by the Permittee or any of its agents, contractors, representatives or subusers or (iii) resulted or arose from the Permittee's use or occupancy of, or operations at, the Space or any portion thereof, or any of its agents', contractors', representatives' or subusers' use or occupancy of, or operations at, the Space, or any portion thereof, whether under any of the Permit, the Prior Permit, the prior subuse agreement or otherwise or (iv) resulted from the Permittee's use (or any of its agents', contractors', representatives' or subusers' use) of any of the above or below ground storage tanks whether under the Permit or otherwise, or (v) resulted or arose from any act or omission of the Permittee or of any of its agents, contractors or representatives or subusers, or (vi) are not at any time accessible for remediation, removal or cleanup by the prior permittee or by the Port Authority or its designees or others due to any act or omission, interruption, obstruction or hindrance by the Permittee or any of its agents, contractors or representatives or subusers including but not limited to any refusal or failure by the Permittee or any of its agents, contractors or representatives or subusers to grant or allow full and complete access to the Space or any portion thereof to the prior permittee or to the Port Authority or others. Neither said access nor any such work by the Port Authority or others nor any approval or consent granted to others to perform such work shall result in or entitle the Permittee to any abatement, reduction, diminution or suspension of any of the fees or charges under this Permit.

(d) In addition to and without limiting the foregoing in the event that the Port Authority asserts at any time or from time to time that the Permittee is responsible, as aforesaid, for any such Prior Contaminants and/or the remediation, removal and cleanup thereof, the Permittee shall have the burden of proof, to the reasonable satisfaction of the Port Authority, that the Permittee is not so responsible under the criteria set forth in the foregoing proviso of the

immediately preceding paragraph.

(e) It is hereby understood and agreed that whenever reference is made in this Permit to the condition of the Space as of the Effective Date, the same shall be deemed to mean the condition of the Space as of the Effective Date except as to the improvements made and the alteration work performed during the period of the permission granted under this Permit the same shall be deemed to mean the condition existing after the completion of the same.

(f) All the obligations of the Permittee under the Permit with respect to the aforesaid responsibilities, risks, costs and expenses assumed by the Permittee shall survive the expiration, termination or revocation of the Permit.

9. **Hazardous Materials**. The Permittee shall comply with all environmental laws, rules, regulations, requirements, orders and directions, and shall obtain all licenses, certificates, permits, approvals or other authorizations from appropriate environmental authorities in connection with its operations under this Permit. The Permittee acknowledges that it is solely responsible for ensuring that any materials brought onto the Space or the Facility are free of contaminants or hazardous materials, substances or waste either alone or by combination thereof, and shall be solely responsible at its own expense for the cleaning, removal or remediation of the Space or the Facility and adjacent areas which may be required as a result of the Permittee's failure to comply with the foregoing or as a result of its operations under this Permit, which cleaning, removal or remediation shall be pursuant to and in accordance with all applicable environmental laws, rules, regulations, requirements, orders and directions. The Permittee understands and agrees that its indemnification and hold harmless obligations under the Section of the Terms and Conditions of this Permit entitled "*Indemnification of Port Authority*" shall extend to and include all claims and demands of any kind whatsoever arising out of or in connection with the Permittee's introduction onto the Space or the Facility of contaminates or hazardous materials, substances or waste or any breach of its obligations under this Special Endorsement or any other provision of this Permit.

10. **Care, Maintenance, Repair and Rebuilding by the Permittee**.

Without in any way limiting or in derogation of any obligation of the Permittee under the Special Endorsement of this Permit entitled "*Condition of Space*":

(a) The Permittee shall repair, replace, rebuild and paint all or any part of the Airport which may be damaged or destroyed by the acts or omissions of the Permittee or by those of the officers or employees of the Permittee or of other persons on or at the Space with the consent of the Permittee.

(b) The Permittee shall, throughout the period of permission under the Permit, assume the entire responsibility for, shall perform and shall relieve the Port Authority from all responsibility for all repair, replacement, rebuilding and maintenance whatsoever in the Space, whether such repair, replacement, rebuilding or maintenance be ordinary or extraordinary, partial or entire, inside or outside, foreseen or unforeseen, structural or otherwise, and without limiting the generality of the foregoing, the Permittee shall:

(i) Remove all snow and ice and perform all other activities and functions necessary or proper to make the Space available for use;

(ii) Repair any damage to the paving or other surface of the Space caused by any oil, gasoline, grease, lubricants or other flammable liquids and substances having a corrosive or detrimental effect thereon.

(c) In the event the Permittee fails to commence so to maintain, clean, repair, replace, lamp, relamp, rebuild, paint repaint or to restore as required by this Permit within a period of twenty (20) days after notice from the Port Authority so to do in the event that the said notice specifies that the required work to be accomplished by the Permittee includes maintenance or repair other than preventive maintenance, or within a period of one hundred eighty (180) days if the said notice specifies that the work to be accomplished by the Permittee involves preventive maintenance only, or fails diligently to continue to completion the cleaning, maintenance, repair, replacement, lamping and relamping, rebuilding, painting, repainting or restoration of all of the Space required to be repaired, replaced, rebuilt, painted, repainted or restored by the Permittee under the terms of this Permit, the Port Authority may, at its option, and in addition to any other remedies which may be available to it, clean, maintain, repair, replace, lamp or relamp, rebuild, paint, repaint or restore all or any part of the Space included in the said notice, and the cost thereof shall be payable by the Permittee upon demand.

(d) Nothing in this Special Endorsement shall relieve the Permittee from its obligation to secure the Port Authority's approval before installing any fixtures in or upon or making any alterations, decorations, additions or improvements in or to the Space.

11. **Construction by the Permittee.**

(a) The Permittee shall not erect any structures, make any improvements or do any construction on the Space or alter, modify, or make additions, improvements or repairs to or replacements of any structure existing at the Effective Date of the Permit or built at any time during the period of the permission hereunder, or install any fixture (other than trade fixtures, removable without material damage to the Space, any such damage to be immediately repaired by the Permittee) without the prior written approval of the Port Authority and in the event any construction, improvement, alteration, modification, repair, replacement or addition is made without such approval, then upon reasonable notice so to do, the Permittee 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 Permittee to comply with such notice, the Port Authority may effect the removal or change and the Permittee shall pay the cost thereof to the Port Authority.

(b) Notwithstanding the obligation of maintenance imposed upon the Permittee under the Permit, the Permittee shall not make any repairs or replacements (except emergency repairs or replacements) unless and until it has first obtained an approved Port Authority Alteration Application for such repairs or replacements which shall then be performed in full accordance with the terms of said Alteration Application.

12. **Services to the Permittee**. 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.

13. **Personal Property**. Without limiting the generality of any of the provisions of this Permit, the Port Authority shall have no liability of any kind whatsoever for loss, theft or damage of or to any property, equipment or materials of any kind whatsoever placed or parked on the Space or elsewhere at the Airport including, but not limited to, any loss, theft or damage due to the acts or omissions of the Port Authority.

14. **Additional Prohibited Acts**.

(a) Without limiting the generality of the Section of the Terms and Conditions of this Permit entitled "*Prohibited Acts,*" the Permittee shall not dispose of nor permit any one to dispose of any waste material taken from aircraft (whether liquids or solid) by means of the toilets, manholes, sanitary sewers or storm sewers in the Space except after treatment in installations or equipment included in plans and specifications submitted to and approved by the Port Authority.

(b) The Permittee shall not use the Space or operate therein so as to create excessive odor, dust, fumes, smoke, noise or vibration or so as to adversely affect or interfere with other tenants and occupants at the Facility or surrounding areas.

15. **Liability**.

(a) The Permittee hereby acknowledges that the Port Authority shall have no responsibility to keep the Space guarded, attended, policed or patrolled at any time nor shall the Port Authority have any responsibility to ensure that others do not use or occupy the Space, or to provide any other service whatsoever in connection therewith and the Port Authority has not nor shall it be deemed to have assumed any liability, duty or obligation whatsoever, with respect to vehicles parking in the Space nor any property of the Permittee or any other person in said vehicles, and the Permittee hereby releases the Port Authority of any claims or demands of loss, theft or damage of or to the same.

(b) The Rules and Regulations 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 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.

16. **Indemnity**. In the use of the means of ingress and egress to and 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 the Section of the Terms and Conditions of this Permit entitled "*Indemnification of Port Authority*" shall cover all 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.

17. **Certain Permittee Obligations.**

In addition to any other maintenance and repair obligations set forth herein, the Permittee shall be responsible for the following:

(a) Operations. The Permittee specifically acknowledges and agrees that it shall be responsible for any and all operations occurring at the Space, to be performed pursuant to the Rules and Regulations of the Facility and the directions of the Manager of the Facility.

(b) Drainage. The Permittee specifically acknowledges and agrees that it shall be responsible for the maintenance of the pavement and drainage in the Space.

(c) Lighting. The Permittee specifically acknowledges and agrees that the Port Authority shall not be responsible for the lighting in the Space.

(d) Infrastructure. The Permittee specifically acknowledges and agrees that it shall not perform any work on the Space or construct any structures on the Space without the prior approval of the Port Authority and shall comply with the Port Authority's Tenant Alteration Application process.

18. **No Relationship between the Parties**. 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 garagekeeper, 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 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.

19. **Construction and Application of Terms**. The fact that certain of the terms and provisions hereunder are expressly stated to survive the expiration or termination of the letting hereunder does not mean nor shall be construed to 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.

20. **OFAC Compliance.**

(a) *Permittee's Representation and Warranty.* The Permittee hereby represents and warrants to the Port Authority that the Permittee (x) is not a person or entity with whom the Port Authority is restricted from doing business under the regulations of the Office of Foreign Assets Control ("OFAC") of the United States Department of the Treasury (including, without limitation, those named on OFAC's Specially Designated and Blocked Persons list) or under any statute, executive order or other regulation relating to national security or foreign policy (including, without limitation, Executive Order 13224 of September 23, 2001, *Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit, or Support Terrorism*), or other governmental action related to national security, the violation of which would also constitute a violation of law, such persons being referred to herein as "Blocked

Persons" and such regulations, statutes, executive orders and governmental actions being referred to herein as "Blocked Persons Laws") and (y) is not engaging in any dealings or transactions with Blocked Persons in violation of any Blocked Persons Laws. The Permittee acknowledges that the Port Authority is entering into this Permit 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 Permit.

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

(c) *Permittee's Indemnification Obligation.* The Permittee 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 Permittee's breach of any of its representations and warranties made under this Permit. Upon the request of the Port Authority, the Permittee shall at its own expense defend any suit based upon any such claim or demand (even if such suit, claim or demand is groundless, false or fraudulent) and in handling such it shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provision of any statutes respecting suits against the Port Authority.

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

21. **Miscellaneous**.

(a) 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.

(b) All remedies provided in this Permit shall be deemed cumulative and additional and not in lieu of or exclusive of each other or of any other remedy available to the Port Authority or to the Permittee 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.

For the Port Authority

Initialed:

For the Permittee

EXEMPTION (4)

DRAWINGS OF NON-PUBLIC AREAS

INSURANCE SCHEDULE

(a) The Permittee named in the permit to which this Insurance Schedule is attached and of which it constitutes an integral part (the "**Permit**"), in its own name as insured and including the Port Authority and the City of New York as additional insureds, shall maintain and pay the premiums during the effective period of the Permit on a policy or policies of Commercial General Liability Insurance and Commercial Automobile 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 limit set forth below:

	Minimum Limits
Commercial General Liability Insurance Combined single limit per occurrence for death, bodily injury and property damage liability:	$25,000,000.00
Commercial Automobile Liability Insurance Combined single limit per occurrence for death, Bodily injury and property damage liability:	$25,000,000.00
Workers' Compensation and Employers Liability Insurance Permittee's obligations under the applicable State Workers' Compensation Law for those employees of the Permittee employed in operations conducted pursuant to the Permit at or from the Airport:	Statutory

In the event the Permittee maintains the foregoing insurance in limits greater than aforesaid, the Port Authority and the City of New York shall be included therein as additional insureds, 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 the Permit, including without limitation this Insurance Schedule.

(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 or the City of New York and any claim or action against the Port Authority or the City of New York by the Permittee, as if the Port Authority or the City of New York were the named insured thereunder, but such clause or endorsement shall not limit, vary, change or affect the protections afforded the Port Authority and the City of New York thereunder as additional insureds. Each policy of insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Permittee under this Permit.

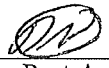
(c) All insurance coverages and policies required under this Insurance Schedule may be reviewed by the Port Authority for adequacy of terms, conditions and limits of coverage at any time and from time to time during the period of permission under the Permit. The Port Authority may, at any such time, require 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 and the Permittee shall promptly comply therewith.

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

(e) A certified copy of each policy or a certificate or certificates of insurance evidencing the existence thereof, or binders, shall be delivered to the Port Authority upon execution and delivery of the Permit by the Permittee to the Port Authority. In the event any binder is delivered it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate of insurance. Any renewal policy shall be evidenced by a renewal certificate of insurance delivered to the Port Authority at least thirty (30) days prior to the expiration of each expiring policy, except for any policy expiring after the date of expiration of the 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 Permittees 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 the 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 the Permit or any other agreement or by law.



For the Port Authority

Initialed:

For the Permittee

: For Port Authority Use Only :
:
:Permit Number: AYE-309 :

JOHN F. KENNEDY INTERNATIONAL AIRPORT
SPACE PERMIT

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

1. **PERMITTEE:** VET-PORT ANIMAL HOSPITAL P.C. a professional corporation formed under the laws of the state of New York and VETPORT INC., a company formed under the laws of the State of New York, Vet-Port Animal Hospital P.C. and Vetport Inc.being jointly and severally liable hereunder and being collectively referred to as the "Permittee".

2. **PERMITTEE'S ADDRESS:** Building No. 189, John F. Kennedy International Airport, Jamaica, NY 11430

3. **PERMITTEE'S REPRESENTATIVE:** For Vet-Port Animal Hospital P.C.: Dr. Steven Weinstein and For Vetport Inc.: John Miller

4. **PRIVILEGE:** To provide such services as are described in Special Endorsement No.2 hereof (the "Authorized Service"), and for no other purpose or purposes whatsoever.

5. **FEES:** As set forth in Special Endorsement Nos. 3 and 4 hereof

6. **EFFECTIVE DATE:** August 1, 2013

7. **EXPIRATION DATE:** July 31, 2015, unless sooner revoked or terminated as provide in the Permit.

8. **REQUIRED SECURITY DEPOSIT:** $4,000.00

9. **INSURANCE REQUIREMENTS:** $2,000,000.00 minimum limit Commercial General Liability
$2,000,000.00 minimum limit Commercial Automobile Liability
$5,000,000.00 minimum limit Professional Liability

10. **ENDORSEMENTS:** Standard Endorsements 11.1, 14.1, 23.1, Specials, Exhibit A and Insurance Schedule

Dated: As of August 1, 2013

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

Name _____
(Please Print Clearly)

(Title) _____

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

MG/mmw

VET-PORT ANIMAL HOSPITAL P.C., Permittee

By _____

Name Steven Weinstein
(Please Print Clearly)

(Title) President ~~Member/Manager~~

VETPORT INC., Permittee

By _____

Name John M. Miller
(Please Print Clearly)

(Title) President

TERMS AND CONDITIONS

1. Certain Definitions:

(a) "**Airport**" shall mean John F. Kennedy International Airport, consisting of certain premises identified as "John F. Kennedy International Airport" on Sheet JFK-1 of Exhibit A, and more particularly described in Exhibit B, annexed to the City Lease, and such other property 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 Lease**" shall mean the Amended and Restated Agreement of Lease of the Municipal Air Terminals between The City of New York, as Landlord, and The Port Authority of New York and New Jersey, as Tenant, dated as of November 24, 2004 and recorded in the office of the City Register of the City on December 3, 2004 under City Register File No. 2004000748687, as the same may have been or may be amended or supplemented.

(d) "**Effective Date**" shall mean the date designated as the "Effective Date" in Item 7 on the cover page of this Permit.

(e) "**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.

(f) "**Expiration Date**" shall mean the date designated as the "Expiration Date" in Item 8 on the cover page of this Permit.

(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 the Manager by this Permit; until further notice from the Port Authority to the Permittee it shall mean the General Manager or the Acting General Manager of John F. Kennedy International Airport for the time being, or his duly designated representative or representatives.

(h) "**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.

(i) **"Permittee's Representative"** shall mean the individual named in Item 3 on the cover page of this Permit or such other individual as the Permittee may designate by notice in accordance with the provisions of Section 21 below, entitled "Notices".

2. Effectiveness:

(a) The permission granted by this Permit shall take effect upon the Effective Date. Notwithstanding any other term or condition hereof, it may at any time be revoked by the Port Authority without cause upon thirty (30) days' prior notice, and terminated by the Permittee without cause upon thirty (30) days' prior notice; provided, however, that it may be revoked on twenty-four (24) hours' notice if the Permittee fails to keep, perform and observe each and every promise, agreement, condition, term and provision contained in this Permit, including without limitation 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 cleaning, repair or restoration of any space which may be used and occupied under this Permit (on failure of the Permittee to have it cleaned, repaired or restored), 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 the space and putting the space in order (such as but not limited to repairing, cleaning and restoring the same). Unless sooner revoked or terminated, such permission shall expire in any event upon the Expiration Date. 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) 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.

(c) The permission hereby granted shall in any event terminate with the expiration or termination of the City Lease.

3. Use of Space by Permittee:

(a) The Space shall be used, pursuant to the permission hereby granted,

(1) if the Permittee is a corporation, by the Permittee acting only through

the medium of its officers and employees,

(2) 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,

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

(4) if the Permittee is an individual, by the Permittee acting only personally or through the medium of his employees; or

(5) 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, use the Space through the medium of any other person, corporation or legal entity. The Permittee shall not assign or transfer this Permit or the permission granted hereby, or enter into any contract requiring or permitting the doing of anything hereunder by an independent contractor, without the written approval of the Port Authority. 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) The Permittee's Representative specified in Item 3 of the cover 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 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 hereof and to give and receive notices hereunder.

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

(d) The Permittee hereby agrees that it will not carry on any business or operation in the Space or at the Airport other than as specifically provided herein without receiving the prior written consent of the Port Authority, which consent, if given, will be in the form of a Supplement hereto or a separate agreement with the Port Authority, which consent will specify whether the provisions regarding fees contained herein or any other provisions regarding fees shall apply thereto.

4. Condition of Space:

(a) The Permittee hereby acknowledges that prior to the execution of this Permit it has thoroughly examined and inspected the Space and has found the Space in good order and

repair and has determined the Space to be suitable for the Permittee's operations hereunder and acknowledges and agrees that it has not relied on any representations or statements of the Port Authority, its Commissioners, officers, employees or agents as to the condition or suitability thereof for use by the Permittee for the purposes contemplated herein. The Permittee agrees to and shall take the Space in its "as is" condition and the Port Authority shall have no obligation hereunder for preparation of the Space for the Permittee's use. The Permittee agrees that no portion of the Space will be used initially or at any time during the effective period of the permission granted hereunder which is in a condition unsafe or improper for the purposes contemplated herein so that there is possibility of injury or damage to life or property and the Permittee further agrees that before any use it will immediately correct any such unsafe or improper condition.

(b) Except to the extent required for the performance of any of the obligations of the Permittee under this Permit, nothing contained in this Permit shall grant to the Permittee any rights whatsoever in the air space above the height of the structures located on the Space as of the Effective Date hereof.

(c) The parties to this Permit hereby acknowledge that the Space is non-residential real estate.

5. Payment of Fees:

(a) Unless otherwise expressly provided in this Permit, the Permittee shall pay to the Port Authority a fee for its use and occupancy of the Space. The fee specified is a monthly fee, payable in advance on the Effective Date and on the first day of each and every calendar month thereafter.

(b) Payments made hereunder shall be sent to the following address:

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY
P.O. BOX 95000-1517
PHILADELPHIA, PENNSYLVANIA 19195-0001

or made via the following wire transfer instructions:

Bank: TD Bank
Bank ABA Number: 031201360
Account Number: Ex. 1/4

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

(c) 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.

(d) Upon execution of this Permit by the Permittee, the Permittee shall pay to the Port Authority all unpaid fees and other monies due and payable under this Permit as of the date of execution.

6. Late and Service Charges:

(a) If the Permittee should fail to pay any amount required under this Permit 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 Ex. 2.a. 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 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 hereof 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.

(b) The Permittee shall permit and/or cause to be permitted in ordinary business hours during the effective period of this Permit and for one (1) year thereafter 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 in connection with the Permittee's use and occupancy of the Space as permitted hereunder within ten (10) days following any request by the Port Authority from time to time and at any time to examine and audit any such corporate records and books of account.

7. Security Deposit: 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.

8. Indemnification of Port Authority:

(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 of the operations, acts or omissions of the Permittee hereunder, including claims and demands of the City against the Port Authority pursuant to the provisions of the City Lease.

(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 Airport 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 Airport 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.

9. Right of Entry Reserved: The Port Authority shall have the right at any time and as often as it considers necessary, to inspect the Space and (without any obligation so to do) to enter thereon to make ordinary repairs, and in the event of emergency to take such action therein as may be required for the protection of persons or property.

10. Rules and Regulations: 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.

11. Conduct of Operations:

(a) 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 designations, approvals, substitutions or redesignations given by it hereunder.

(b) 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.

(c) Unless otherwise expressly provided, the Permittee shall not install any vending machines or similar devices in the Space or use the Space (or permit it to be used) for the sale to its employees or to the public of any of the following goods and services: beverages, food, candy, gum, ice cream or ice cream products, tobacco or tobacco products, periodicals, books, drugs, toys, games, souvenirs, jewelry, novelties, clothing, flowers, sporting or photographic goods, toilet articles, theatre tickets, shoe shines, pressing and cleaning (except of its employees' uniforms), developing and printing of photographs and films or baggage-checking. The specificity of the foregoing enumeration of disallowed activities shall not be deemed to infer that any particular activities not so enumerated are permitted under this Permit.

(d) 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. The Permittee shall not display, or permit the display of, advertising of third parties in the Space.

(e) The Permittee, its employees, invitees and those doing business with it shall have no right hereunder to park vehicles within the Airport, except in regular parking areas upon payment of regular charges therefor.

(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 which shall be subject to the approval of the General Manager. 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 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.

(h) The Permittee shall at all times maintain the Space 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 of the Space. 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 of the Space 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 use and occupancy thereof.

12. Permittee Property:

(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 Date or on or before the revocation 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 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 (30) 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. 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.

13. Prohibited Acts:

(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 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.

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

(1) 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

(2) 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

(3) 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

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

(5) 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

(6) 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 purposes of this Section, "Airport" includes all structures located thereon.

14. Specifically Prohibited Activities:

(a) 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 at the Airport.

(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. 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 be completely removed and/or remediated by the Permittee at its sole cost and expense.

(c) The Permittee shall not operate any engine or any item of automotive equipment in the Space without adequate ventilation.

(d) The Permittee shall not use any cleaning materials having a harmful or corrosive effect in the Space.

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

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

(g) The Permittee shall not solicit business in the public areas of the Airport and shall not at any time use any electric amplifying devices or hand megaphones whatsoever.

15. Labor Disturbances:

(a) (1) 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.

(2) 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.

(b) 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 adversely to 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.

16. The City Lease:

(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:

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

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

(3) 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;

(4) 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;

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

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

(7) 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

(8) 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.

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

17. Law Compliance:

(a) 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.

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

(c) 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 hereunder or on the gross receipts or income therefrom, and shall make all applications, reports and returns required in connection therewith.

(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 any such requirements.

(e) The Port Authority has agreed by a provision in the City Lease 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 improvements at the Airport and in regard to life safety, 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 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.

18. Federal Airport Aid: 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.

19. 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 (i) 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 the Space, (ii) that in the construction of any improvements on, over, or under the Space 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, (iii) that the Permittee shall use the Space in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, 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 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 the Space.

20. 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.

21. Notices: 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 cover 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 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.

22. No Broker: The Permittee represents and warrants that no broker has been concerned in the negotiation or execution of this Permit and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Permittee shall indemnify the Port Authority and save it harmless from any and all claims which have been or which may be made by any and all persons, firms, or corporations whatsoever for services in connection with the negotiation and execution of this Permit or in connection with any permission to use the Space.

23. Counterclaims: The Permittee specifically agrees that it shall not interpose any claims as counterclaims in any summary proceeding or 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. The foregoing reference to summary proceedings shall not be construed to mean that a landlord-tenant relationship exists between the Port Authority and the Permittee.

24. Effect of Use and Occupancy after Expiration, Revocation or Termination:

(a) Notwithstanding any other provision in this Permit, in the event that the Permittee shall continue to use the Space after the expiration or earlier termination of the period of permission of this Permit, such continuation of use shall not be deemed to operate as a renewal or extension of this Permit but shall only create a month-to-month extension of this Permit, which extension shall be terminable on thirty (30) days' notice.

(b) The Permittee acknowledges that the failure of the Permittee 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 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.

25. No Personal Liability: 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.

26. No Waiver: No failure by the Port Authority to insist upon the strict performance of any agreement, term, covenant 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, covenant or condition. No agreement, term, covenant 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, covenant or condition of this Permit shall affect or alter this Permit but each and every agreement, term, covenant and condition thereof shall continue in full force and effect with respect to any other existing or subsequent breach or default thereof.

27. Construction and Application of Terms:

(a) The use of headings in this Permit is for convenience of reference only and in no way intended to define, limit or describe the scope or intent of any provision hereof.

(b) Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applicable to the interpretation of this Permit or any amendments, addendums or supplements hereto or any endorsements, exhibits, schedules or other attachments hereto.

(c) The provisions and obligations contained in any endorsements, exhibits, schedules or other attachments hereto shall have the same force and effect as if set forth in full herein.

28. Governing Law:

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

29. Entire Agreement:

This Permit, including the attached exhibits, endorsements, schedules and other attachments, if any, constitutes the entire agreement of the parties on the subject matter hereof and may not be changed, modified, discharged or extended, except by written endorsement duly executed on behalf of the parties and attached hereto. The Permittee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing herein.

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.

Nothing contained in this Endorsement 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 to do so.

STANDARD ENDORSEMENT NO. 11.1
MAINTENANCE OF SERVICE FACILITIES
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

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 Four Thousand Dollars and No Cents ($4,000.00) 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.

SPECIAL ENDORSEMENTS

1. The Space. Effective as of the Effective Date, the Space under this Permit shall consist of the building space, located in Building 189, outlined in solid lines and labeled BLDG. 189 on the drawing attached hereto, hereby made a part hereof and marked "Exhibit A" and the ground space shown in stipple on Exhibit A, together with all fixtures, improvements and other property of the Port Authority located therein or thereon. The building space and ground space shall be collectively sometimes referred to herein as the "Space". The Space is the same space let to the Permittee under (a) the agreement of lease, dated as of January 1, 2011, identified by Port Authority agreement number AYE-065 and between the Port Authority and the Lessee (as amended, the "Old Lease"), and (b) the Space Permit, dated as of January 1, 2013, identified by Port Authority Space Permit number AYE-264 and between the Port Authority and the Permittee (the "Old Permit')as referenced in Special Endorsement No. 21 herein.

2. Use. (a) Without limiting the generality of the Section of the Terms and Conditions of this Permit entitled "*Use of Space by Permittee*", the Permittee shall use the Space for the Permittee's business, using best practices in the veterinary profession, of operating an airport animal care facility for the care, maintenance, housing and provision of veterinary services to in-transit animals which have been transported to the Airport by aircraft, animals which are destined for imminent departure from the Airport by aircraft, animals used on the Airport in connection with the operation of the Airport, and any other animals located at the Airport which are sick, injured, lost or abandoned, and for no other purpose or purposes whatsoever. The Permittee shall also advise the Port Authority and other users of the Airport on an as-needed basis, or as requested, as to all aspects of animal care and animal transport that may be useful, appropriate or necessary to assure the safe, secure, and effective transport to and from their point of origin and their point of intended destination.

(b) The Lessee shall be expressly prohibited from conducting the following activities at or from the Space or the Airport:

(i) the use of any portion of the Space for, or the involvement of any Permittee employee or independent contractor who provides services at or to the Space in, or the involvement of any invitee at the Space in, the transport, conduit, import, export, sale or otherwise of animals for animal fighting, animal hunting, rites or rituals that are harmful to animals, or animals used for entertainment purposes to the extent such uses are prohibited under City, State of New York or Federal law, or any international law binding on the United States, including, without limitation, the New York Agriculture and Markets Law, New York Education Law, Animal Welfare Act, Endangered Species Act, Marine Mammal Protection Act, Lacey Act, African Elephant Conservation Act, Humane Methods of Slaughter Act, and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES treaty);

(ii) the sale, use, storage, transfer or other handling of animal fighting paraphernalia;

(iii) the use of any portion of the Space for, or the involvement of any Permittee employee or independent contractor which provides services at or to the Space, or the involvement of any invitee at the Space in, animal experimentation or testing; provided,

however, the testing of animals by a Governmental Agency (e.g., U.S. Department of Agriculture, Centers for Disease Control and Prevention, U.S. Department of the Interior) or solely for purposes of an animal's health and welfare shall be permitted;

(iv) the use in grooming services for animals of a cage or box dryer which contains a heating element as prohibited under the New York Agriculture and Markets Law;

(v) surgical devocalization procedures or other elective procedures unless medically necessary to relieve an animal from pain or harm;

(vi) the introduction of infectious or possibly infectious animals into populations of healthy animals;

(vii) the sale of animals for any purpose; and

(viii) the adoption of animals; provided, however, abandoned animals may be adopted out by the Permittee to no-kill animal humane organizations, shelters or sanctuaries which, after conducting due diligence, the Permittee has a basis for concluding are reputable (by way of example only, do not engage in hoarding of animals), engaged in animal rescue or adoption, have expertise concerning the animal species which is the subject of adoption and have suitable accommodations for the animal to be adopted.

3. **Fee**. The Permittee shall pay a basic monthly fee for the Space in the amount of Ex. 2.a. payable in advance on the Effective Date and on the first day of each calendar month occurring thereafter, subject to Section 24 of the Terms and Conditions entitled "*Effect of Use and Occupancy after Expiration, Revocation or Termination.*"

4. **Additional Fees**. If the Port Authority is required or elects to pay the sum or sums or incurs any obligations or expense by reason of the failure, neglect or refusal of the Permittee to perform or fulfill any one or more of the terms, conditions, or agreements contained in this Permit or as a result of an act or omission of the Permittee contrary to the said terms, conditions, and agreements, the Permittee agrees to pay the sum or sums so paid or the expense so incurred including all the interest, costs, damages and penalties, and the same shall be due and payable by the Permittee to the Port Authority upon demand.

5. The following definition shall be added to Section 1 of the Terms and Conditions, entitled "Definitions":

"(j) **"Environmental Damages"** shall mean any one or more of the following: (i) the presence in, on, or under the Space of any Hazardous Substance whether such presence occurred prior to or during the period of permission under this Permit or resulted from any act or omission of the Permittee or others, and/or (ii) the disposal, discharge, release or threatened release of any Hazardous Substance from the Space or of any Hazardous Substance from under the Space and/or (iii) the presence of any Hazardous Substance in, on or under other property at the Airport as a result of (a) the Permittee's use and occupancy of the Space or the performance of any work or activities at the Space or (b) a migration of a Hazardous Substance from the Space or from under the Space or (c) the Permittee'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 Space and/or the activities thereon."

6. The following provision shall be added to Section 4 of the Terms and Conditions entitled "*Condition of Space*":

"(d) The Permittee hereby agrees that it took the Space under the Old Lease in the condition it was on the effective date of the Old Lease and that the Port Authority is relieved from, and the Lessee assumes, all responsibility for any and all risks, costs and expenses of any kind whatsoever caused by, arising out of or in connection with, the condition of the Space, whether any aspect of such condition existed prior to, on or after the effective date of the Old Lease (or the Effective Date of this Permit), including without limitation all Environmental Requirements (as defined in this Permit) and all Environmental Damages (as defined in this Permit) and to indemnify and hold harmless the Port Authority for all such risks, responsibilities, costs and expenses; and provided further, however, it is agreed that as to environmental contamination or contaminants existing in or at the Space prior to the Effective Date ("**Prior Contaminants**"), all of the foregoing responsibilities, risks, costs and expenses assumed by the Permittee shall obtain and apply only where any such Prior Contaminants (i) were caused by the Permittee or any of its agents, contractors, representatives or subusers, or (ii) placed or introduced in, on or at the Space by the Permittee or any of its agents, contractors, representatives or subusers or (iii) resulted or arose from the Permittee's use or occupancy of, or operations at, the Space or any portion thereof, or any of its agents', contractors', representatives' or subusers' use or occupancy of, or operations at, the Space, or any portion thereof, whether under any of the Permit, the Prior Permit, the prior subuse agreement or otherwise or (iv) resulted from the Permittee's use (or any of its agents', contractors', representatives' or subusers' use) of any of the above or below ground storage tanks whether under the Permit or otherwise, or (v) resulted or arose from any act or omission of the Permittee or of any of its agents, contractors or representatives or subusers, or (vi) are not at any time accessible for remediation, removal or cleanup by the prior permittee or by the Port Authority or its designees or others due to any act or omission, interruption, obstruction or hindrance by the Permittee or any of its agents, contractors or representatives or subusers including but not limited to any refusal or failure by the Permittee or any of its agents, contractors or representatives or subusers to grant or allow full and complete access to the Space or any portion thereof to the prior permittee or to the Port Authority or others. Neither said access nor any such work by the Port Authority or others nor any approval or consent granted to others to perform such work shall result in or entitle the Permittee to any abatement, reduction, diminution or suspension of any of the fees or charges under this Permit."

7. The following provision shall be added to Section 11 of the Terms and Conditions entitled "*Conduct of Operations*":

"(i) **Evacuation/Contingency Plan.** The Permittee shall devise an evacuation/contingency plan to be implemented in the event of emergencies and/or disasters (including, by way of example only, floods, fires, earthquakes, hurricanes, and power or HVAC failures) that provides for the safe, secure and effective handling, treatment, transportation,

housing and care of all animals on the Space. The Permittee and all of its employees must be trained in the implementation of such evacuation/contingency plan. If the Permittee elects or is required to evacuate the Space or if the Port Authority evacuates all non-essential personnel at the Airport, then the Permittee shall implement such evacuation plan. Upon request the Permittee shall immediately provide the Port Authority with a copy of the aforesaid evacuation/contingency plan."

8. **Hazardous Materials.**

(a) General. The Permittee shall comply with all environmental laws, rules, regulations, requirements, orders and directions, and shall obtain all licenses, certificates, permits, approvals or other authorizations from appropriate environmental authorities in connection with its operations under this Permit. The Permittee acknowledges that it is solely responsible for ensuring that any materials brought onto the Space or the Facility are free of contaminants or hazardous materials, substances or waste either alone or by combination thereof, and shall be solely responsible at its own expense for the cleaning, removal or remediation of the Space or the Facility and adjacent areas which may be required as a result of the Permittee's failure to comply with the foregoing or as a result of its operations under this Permit, which cleaning, removal or remediation shall be pursuant to and in accordance with all applicable environmental laws, rules, regulations, requirements, orders and directions. The Permittee understands and agrees that its indemnification and hold harmless obligations under the Section of the Terms and Conditions of this Permit entitled "*Indemnification of Port Authority*" shall extend to and include all claims and demands of any kind whatsoever arising out of or in connection with the Permittee's introduction onto the Space or the Facility of contaminates or hazardous materials, substances or waste or any breach of its obligations under this Special Endorsement or any other provision of this Permit.

(b) Disposal of Medical Waste. Without limiting the generality of any of the foregoing subparagraph, the Permittee may generate, place, hold, store, use, locate or dispose of Hazardous Substances commonly and legally used or stored as a consequence of using the Space as an animal care facility, but only so long as the quantities thereof do not pose a threat to public health or to the environment and the Permittee strictly complies, or causes compliance with, all applicable Environmental Requirements that apply to hazardous medical waste. With respect to the foregoing, the Permittee shall obtain the Port Authority's prior written approval as to the method and manner in which the Permittee disposes of hazardous medical wastes, and the Permittee shall conform to any requirements imposed by the Port Authority in connection with the removal and disposal of hazardous medical wastes from the Space.

9. **Care, Maintenance, Repair and Rebuilding by the Permittee.**

Without in any way limiting or in derogation of any obligation of the Permittee elsewhere in this Permit:

(a) The Permittee shall repair, replace, rebuild and paint all or any part of the Airport which may be damaged or destroyed by the acts or omissions of the Permittee or by those of the officers or employees of the Permittee or of other persons on or at the Space with the consent of the Permittee.

(b) The Permittee shall, throughout the period of permission under the Permit, assume the entire responsibility for, shall perform and shall relieve the Port Authority from all responsibility for all repair, replacement, rebuilding and maintenance whatsoever in the Space, whether such repair, replacement, rebuilding or maintenance be ordinary or extraordinary, partial or entire, inside or outside, foreseen or unforeseen, structural or otherwise, and without limiting the generality of the foregoing, the Permittee shall:

(i) Remove all snow and ice and perform all other activities and functions necessary or proper to make the Space available for use;

(ii) Repair any damage to the paving or other surface of the Space caused by any oil, gasoline, grease, lubricants or other flammable liquids and substances having a corrosive or detrimental effect thereon.

(c) In the event the Permittee fails to commence so to maintain, clean, repair, replace, lamp, relamp, rebuild, paint repaint or to restore as required by this Permit within a period of five (5) days after notice from the Port Authority so to do in the event that the said notice specifies that the required work to be accomplished by the Permittee includes maintenance or repair other than preventive maintenance, or within a period of sixty (60) days if the said notice specifies that the work to be accomplished by the Permittee involves preventive maintenance only, or fails diligently to continue to completion the cleaning, maintenance, repair, replacement, lamping and relamping, rebuilding, painting, repainting or restoration of all of the Space required to be repaired, replaced, rebuilt, painted, repainted or restored by the Permittee under the terms of this Permit, the Port Authority may, at its option, and in addition to any other remedies which may be available to it, clean, maintain, repair, replace, lamp or relamp, rebuild, paint, repaint or restore all or any part of the Space included in the said notice, and the cost thereof shall be payable by the Permittee upon demand.

(d) Nothing in this Special Endorsement shall relieve the Permittee from its obligation to secure the Port Authority's approval before installing any fixtures in or upon or making any alterations, decorations, additions or improvements in or to the Space.

10. **Construction by the Permittee**.

(a) The Permittee shall not erect any structures, make any improvements or do any construction on the Space or alter, modify, or make additions, improvements or repairs to or replacements of any structure existing at the Effective Date of the Permit or built at any time during the period of the permission hereunder, or install any fixture (other than trade fixtures, removable without material damage to the Space, any such damage to be immediately repaired by the Permittee) without the prior written approval of the Port Authority and in the event any construction, improvement, alteration, modification, repair, replacement or addition is made without such approval, then upon reasonable notice so to do, the Permittee 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 Permittee to comply with such notice, the Port Authority may effect the removal or change and the Permittee shall pay the cost thereof to the Port Authority.

(b) Notwithstanding the obligation of maintenance imposed upon the Permittee under the Permit, the Permittee shall not make any repairs or replacements (except emergency repairs or replacements) unless and until it has first obtained an approved Port Authority Alteration Application for such repairs or replacements which shall then be performed in full accordance with the terms of said Alteration Application.

11. **Personal Property**. Without limiting the generality of any of the provisions of this Permit, the Port Authority shall have no liability of any kind whatsoever for loss, theft or damage of or to any property, equipment or materials of any kind whatsoever placed or parked on the Space or elsewhere at the Airport including, but not limited to, any loss, theft or damage due to the acts or omissions of the Port Authority.

(a) Without limiting the generality of the Section of the Terms and Conditions of this Permit entitled "*Prohibited Acts,*" the Permittee shall not dispose of nor permit any one to dispose of any waste material taken from aircraft (whether liquids or solid) by means of the toilets, manholes, sanitary sewers or storm sewers in the Space except after treatment in installations or equipment included in plans and specifications submitted to and approved by the Port Authority.

(b) The Permittee shall not use the Space or operate therein so as to create excessive odor, dust, fumes, smoke, noise or vibration or so as to adversely affect or interfere with other tenants and occupants at the Facility or surrounding areas.

12. **Amendment to Section 17 of the Terms and Conditions entitled "*Law Compliance*."** Section 17 of the Terms and Conditions shall be amended by adding the following provisions:

"(f) Without limiting the generality of the subparagraphs (a), (b) and (d), above, of this Section, the Permittee hereby acknowledges and agrees that the Permittee and all employees or other persons operating on or at the Space are subject to and shall be in strict compliance with all applicable animal-related City, New York State (e.g., Agricultural and Markets Law and New York Education Law including, without limitation, the Practice Guidelines applicable to Veterinary Medicine) and Federal (e.g., Animal Welfare Act, Endangered Species Act, Lacey Act, Marine Mammal Protection Act, African Elephant Conservation Act, Humane Methods of Slaughter Act) laws, rules, ordinances, orders regulations, or the like as well as all animal-related treaties and laws binding on the United States (including, without limitation, the CITES treaty).

(g) Without limiting the generality of subparagraphs (a), (b) and (d), above, of this Section, the Lessee hereby acknowledges and agrees that neither the Permittee nor any employee or other person operating on or at the Space shall assist any person directly or indirectly that they know, or have reason to know, is engaging or intending to engage in acts or omissions that will violate any laws, ordinances, governmental rules, regulations, orders, or the like that are the subject of this Section 17.

(h) The Permittee covenants and agrees to report to government authorities (e.g., law enforcement law and regulatory agencies with jurisdiction, or both, as

applicable), any and all persons and occurrences where Permittee knows or has reason to know that there is a violation or intent to violate an animal-related City, New York state, Federal and/or international law, rule, regulation, order, treaty, or the like including, without limitation, instances of animal cruelty, animal abuse, animal neglect and illegal trafficking or commercial trade in animals or animal parts involving threatened or endangered species. Such notice shall be made immediately in an oral manner and simultaneously, or followed immediately thereafter, by written notice. Permittee shall be obligated at all times to cooperate with government authorities concerning all aspects of any investigation or proceeding concerning violations of the above-described nature."

13. **Port Authority Not Responsibility for Security or Policing.**

The Permittee hereby acknowledges that the Port Authority shall have no responsibility to keep the Space guarded, attended, policed or patrolled at any time nor shall the Port Authority have any responsibility to ensure that others do not use or occupy the Space, or to provide any other service whatsoever in connection therewith and the Port Authority has not nor shall it be deemed to have assumed any liability, duty or obligation whatsoever, with respect to vehicles parking in the Space nor any property of the Permittee or any other person in said vehicles, and the Permittee hereby releases the Port Authority of any claims or demands of loss, theft or damage of or to the same.

The Rules and Regulations 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 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. If a copy of the Rules and Regulations is not attached, then the Port Authority will notify the Permittee thereof either by delivery or a copy, or by mailing a copy available at the office of the Secretary of the Port Authority.

14. **Ingress/Egress**

In the use of the means of ingress and egress to and 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 the Section of the Terms and Conditions of this Permit entitled "*Indemnification of Port Authority*" shall cover all 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.

15. **Certain Permittee Obligations.**

In addition to any other maintenance and repair obligations set forth herein, the Permittee shall be responsible for the following:

(a) Operations. The Permittee specifically acknowledges and agrees that it shall be responsible for any and all operations occurring at the Space, to be performed pursuant to the Rules and Regulations of the Facility and the directions of the Manager of the Facility.

(b) Drainage. The Permittee specifically acknowledges and agrees that it shall be responsible for the maintenance of the pavement and drainage in the Space.

(c) Lighting. The Permittee specifically acknowledges and agrees that the Port Authority shall not be responsible for the lighting in the Space.

(d) Infrastructure. The Permittee specifically acknowledges and agrees that it shall not perform any work on the Space or construct any structures on the Space without the prior approval of the Port Authority and shall comply with the Port Authority's Tenant Construction and Alteration Process.

16. **Relationship between the Parties.** 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 garagekeeper, 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 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.

17. **Construction and Application of Terms.**

(a) The fact that certain of the terms and provisions hereunder are expressly stated to survive the expiration or termination of the letting hereunder does not mean nor shall be construed to mean that those provisions hereunder which are not expressly stated to survive shall terminate or expire on the expiration or termination of the period of permission hereunder and do not survive such termination or expiration.

(b) The Permitte's representative, hereinbefore specified in 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 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.

(c) Wherever in this Permit a third person singular neuter pronoun or adjective is used, referring to the Permittee, the same shall be taken and understood to refer to the Permittee, regardless of the actual gender or number thereof.

(d) Whenever in this Permit, the Permittee is placed under an obligation or covenant to do or to refrain from or is prohibited from doing, or is entitled or privileged to do, any act or thing, its obligations shall be performed or its rights or privileges shall be execised only by its officers and employees. None of the provisions of this paragraph shall be taken to alter, amend or diminish any obligation of the Permittee assumed in relation to its invitees,

business, visitors, agents, representatives, contractors, customers, guests, or other persons, firms or corporations doing business with it or using or on or at the premises with its consent.

(e) Each and every obligation of the Permittee shall be the joint and several obligation of Vet-Port Animal Hospital P.C. and Vetport Inc.

18. **Obligations in Connection with the Conduct of the Permittee's Business**

(a) In addition to maintaining and keeping its operating records, the Permittee shall:

(i) generate and maintain legible or computerized, true and accurate veterinary medical records for all animals ("*Veterinary Records*") pursuant to and in accordance with the Practice Guidelines of the New York Education Law; and

(ii) take all appropriate measures to protect the Veterinary Records from tampering so that in the event of a law enforcement or other legal administrative or similar investigation or proceding, the Permittee is able to certify that such records are complete, true and accurate.

(b) Without limiting any other instance where a veterinarian involved in the Permittee's operations at the Space may properly disclose the Veterinary Records, Veterinary Records shall be disclosed (i) upon the written request of the owner of the animal whose records are being requested, (ii) when a veterinarian suspects and is reporting animal cruelty, abuse or neglect in good faith, and/or (iii) when a veterinarian reasonably believes disclosure is necessary to protect the health or welfare of the animal, a person, or the public.

19. **OFAC Compliance.**

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

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

(c) *Permittee's Indemnification Obligation.* The Permittee 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 Permittee breach of any of its representations and warranties made under this Permit. Upon the request of the Port Authority, the Permittee shall at its own expense defend any suit based upon any such claim or demand (even if such suit, claim or demand is groundless, false or fraudulent) and in handling such it shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provision of any statutes respecting suits against the Port Authority.

(d) *Survival.* The provisions of this Special Endorsement shall survive the expiration or earlier termination of the term of the permission hereunder.

20. **Old Lease Superseded**

(a) Notwithstanding the provisions of paragraph (a) of the Section hereof entitled "*Condition of Space*", as such Section is amended by Special Endorsement No. 6 to this Permit, the parties hereby acknowledge that the Space was occupied by the Permittee pursuant to the Old Lease.

(b) It is hereby agreed that the Old Lease and the letting thereunder expired on December 31, 2012, that the Permittee thereafter remained in possession thereunder as a holdover tenant, and that this Permit is supplanting the Old Lease with no reversion with respect to the Space prior to the commencement of the permission hereunder. Further, it is hereby acknowledged that the Permittee remained in possession of the Space hereunder continuously during the term of the Old Lease through to the Effective Date of this Permit, and at no time did the Permittee surrender the Space to the Port Authority.

(c) The terms, provisions and conditions of the Old Lease shall apply to the letting of the Space to the Permittee and the rights and obligations of the parties thereto prior to the Effective Date of this Permit. From and after the Effective Date, the terms, provisions and conditions of this Permit shall apply to the use and occupancy of the Space, to the Permittee and the rights and obligations of the parties hereto. Accordingly, and without limiting the generality of any of the foregoing, any of the obligations under the Old Lease which were to mature upon

the expiration or termination thereof, shall mature upon the expiration or termination of this Permit; provided, however, that in the event of a conflict between the Old Lease and this Permit, this Permit shall control.

(d) All obligations and liabilities of the Permittee under the Old Lease that arose or accrued during or with respect to the period prior to the Effective Date shall survive the execution and delivery of this Permit. The Permittee shall not, by virtue of this Permit, be or be deemed to be released or discharged from any obligations or liabilities whatsoever arising under the Old Lease or any other Port Authority permits or agreements including, but not limited to, any permits to make alterations, all of which shall survive.

(e) All references in this Permit to the condition of the Space at the beginning of the term of the permission hereunder shall mean and be deemed to mean the condition of the Space as they existed at the beginning of the term under the Old Lease. Further, the obligation of the Permittee to remove any alterations or improvements, etc. made during the letting hereunder shall apply and pertain to any alterations and improvements, etc. made during the term of the Old Lease, as well as to alterations and improvements made by the Permittee during the term of this Permit.

21. **Security Deposit.** (a) Vetport Inc. hereby certifies that its Federal Tax Identification Number is

(b) Vet-Port Animal Hospital P.C. hereby certifies that its Federal Tax Identification Number is

(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 Standard Endorsement No. 23.1 of this Permit. 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 the terms and conditions of Standard Endorsement No. 23.1 of this Permit.

22. **Right of Termination – Securities Ownership and Business Management**

(1) (a) Vetport represents, knowing that the Port Authority is relying on the accuracy of such representation, that, at the time of execution of this Permit, it is a corporation organized and existing under the laws of the State of New York, and has issued and has outstanding voting securities, which constitute all its outstanding voting securities, with direct or indirect beneficial ownership as follows:

J. Meredith Miller, DVM	50% of all outstanding voting securities
Sarah F. Ehrenson, DVM	50% of all outstanding voting securities

Vetport represents and agrees that throughout the term of this Permit the control and ownership of the voting securities of Vetport shall be and remain exclusively and solely by and among the foregoing named persons or any one of them and that the foregoing shareholders, so long as they shall remain shareholders of Vetport, shall actively and directly manage and operate the business of Vetport hereunder.

(b) Vetport understands and agrees that the ownership, control, management and operation of Vetport and its business is considered of the essence of this Permit by the Port Authority and Vetport agrees that any change in the ownership of the voting securities of Vetport or any withdrawal of the above-listed shareholders from the direct management and operation of the business of Vetport for reasons other than death or physical disability, except as permitted in paragraph (a) above, shall be and shall be deemed an event of default **under the Section of this Permit entitled "Termination"** and, upon the occurrence of any such event or at any time thereafter during the continuance thereof, the Port Authority shall have the right to terminate this Permit and the permission hereunder.

(c) The phrase "direct or indirect beneficial ownership" shall include, without limiting the generality thereof, the direct or indirect power through contract, arrangement, understanding, relationship or otherwise to dispose of or to direct the disposal of, or to vote or to direct the voting of, any voting security of Vetport.

(d) The term "voting security" shall include any stock, bond or other obligation of Vetport the holder of which has any voting rights, including but not limited to the right to vote for the election of members of the board of directors of Vetport corporation and shall include any security convertible into a voting security and any right, option or warrant to purchase a voting security.

(e) Vetport shall promptly advise the Port Authority of any change in the representation made in paragraph (1)(a) of this Special Endorsement.

(2) (a) Vet-Port Animal Hospital represents, knowing that the Port Authority is relying on the accuracy of such representation, that, at the time of execution of this Permit, it is a corporation organized and existing under the laws of the State of New York, and has issued and has outstanding voting securities, which constitute all its outstanding voting securities, with direct or indirect beneficial ownership as follows:

Steven Weinstein, DVM	50% of all outstanding voting securities
Amal Mabardi, DVM	50% of all outstanding voting securities

Vet-Port Animal Hospital represents and agrees that throughout the period of permission of this Permit the control and ownership of the voting securities of Vet-Port Animal Hospital shall be and remain exclusively and solely by and among the foregoing named persons or any one of them and that the foregoing shareholders, so long as they shall remain shareholders of Vet-Port Animal Hospital, shall actively and directly manage and operate the business of Vet-Port Animal Hospital hereunder.

(b) Vet-Port Animal Hospital understands and agrees that the ownership, control, management and operation of Vet-Port Animal Hospital and its business is considered of the essence of this Permit by the Port Authority and Vet-Port Animal Hospital agrees that any change in the ownership of the voting securities of Vet-Port Animal Hospital or any withdrawal of the above-listed shareholders from the direct management and operation of the business of Vet-Port Animal Hospital for reasons other than death or physical disability, except as permitted

in paragraph (a) above, shall be and shall be deemed an event of default **under the Special Endorsement of this Permit entitled "Termination"** and, upon the occurrence of any such event or at any time thereafter during the continuance thereof, the Port Authority shall have the right to terminate this Permit and the permission hereunder.

(c) The phrase "direct or indirect beneficial ownership" shall include, without limiting the generality thereof, the direct or indirect power through contract, arrangement, understanding, relationship or otherwise to dispose of or to direct the disposal of, or to vote or to direct the voting of, any voting security of Vet-Port Animal Hospital.

(d) The term "voting security" shall include any stock, bond or other obligation of Vet-Port Animal Hospital the holder of which has any voting rights, including but not limited to the right to vote for the election of members of the board of directors of Vet-Port Animal Hospital corporation and shall include any security convertible into a voting security and any right, option or warrant to purchase a voting security.

(e) Vet-Port Animal Hospital shall promptly advise the Port Authority of any change in the representation made in paragraph (2)(a) of this Section.

23. **Various Obligations of the Lessee in Connection with Business Operations**

(a) The Permittee shall make every good faith effort to enter into an agreement with the U.S. Department of Agriculture to provide care and boarding to the U.S. Department of Agriculture APHIS dogs used at the Airport.

(b) The incidental and occasional providing of the services described in the Section of this Permit entitled **"Rights of Use by the Lessee"** upon request of passengers and others using the Airport, and the community surrounding the Airport, for animals not in-transit by aircraft to or from the Airport or used on the Airport shall not be deemed a violation of said **Section** hereof; provided, however, that the Permittee agrees it shall always retain the capacity to serve all those persons requesting service for the categories of animals set forth in the above-cited Section of this Permit.

(c) A principal purpose of the Port Authority in granting the permission under this Permit is to have available for users of the Airport 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 the Airport for the use and benefit of the public. The Permittee agrees that it shall conduct a first-class operation and shall furnish all fixtures, equipment, personnel (including licensed personnel as necessary), supplies, materials and other facilities and replacements necessary or proper therefor.

(d) 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. Notwithstanding any repayment of overcharges to a customer by the Permittee, any such overcharge 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.

(e) The Permittee shall refrain from entering into continuing contracts or arrangements with third parties for furnishing services covered hereunder when such contracts or arrangements will have the effect of utilizing to an unreasonable extent the Permittee's capacity for rendering such services. A reasonable amount of capacity shall be reserved by the Permittee for the purpose of rendering services hereunder to those who are not parties to continuing contracts with the Permittee. The Permittee shall not enter into any agreement or understanding, express or implied, binding or nonbinding, 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 **Services.**

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:

(a) Heat, to an even and comfortable working temperature during the months of November to April, inclusive; and

(b) 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 Permittee shall pay the Port Authority upon demand the actual cost of extermination service, if any, provided by the Port Authority in the enclosed portion of the Space. This paragraph does not impose an obligation on the Port Authority to furnish such service.

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 days after notice to the Port Authority) shall not be grounds for any claim by the Permittee for damages, consequential or otherwise.

25. **Miscellaneous.**

a. 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.

b. All remedies provided in this Permit shall be deemed cumulative and additional and not in lieu of or exclusive of each other or of any other remedy available to the Port Authority or to the Permittee 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.

For the Port Authority

Initialed:

For the Permittee

For the Permittee

EXEMPTION (4)

DRAWINGS OF NON-PUBLIC AREAS

INSURANCE SCHEDULE

(a) The Permittee named in the permit to which this Insurance Schedule is attached and of which it constitutes an integral part (the "Permit"), 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 and Commercial Automobile 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 limit set forth below:

	Minimum Limits
Commercial General Liability Insurance Combined single limit per occurrence for death, bodily injury and property damage liability:	$2,000,000.00
Commercial Automotive Liability Insurance Combined single limit per occurrence for death, Bodily injury and property damage liability:	$2,000,000.00
Professional Liability Insurance	$5,000,000.00
Workers' Compensation and Employers Liability Insurance Permittee's obligations under the applicable State Workers' Compensation Law for those employees of the Permittee employed in operations conducted pursuant to the Permit at or from the Airport:	Statutory

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 the Permit, including without limitation this Insurance Schedule.

(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 this Permit.

(c) All insurance coverages and policies required under this Insurance Schedule 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 of permission under the Permit. The Port Authority may, at any such time, require 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 and the Permittee shall promptly comply therewith.

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

(e) A certified copy of each policy or a certificate of insurance evidencing the existence thereof, or binders, shall be delivered to the Port Authority upon execution and delivery of the Permit by the Permittee to the Port Authority. In the event any binder is delivered it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate of insurance. Any renewal policy shall be evidenced by a renewal certificate of insurance delivered to the Port Authority at least thirty (30) days prior to the expiration of each expiring policy, except for any policy expiring after the date of expiration of the 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 the 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 the Permit or any other agreement or by law.

For the Port Authority

Initialed:

For the Permittee

For the Permittee

:THIS SPACE FOR PORT AUTHORITY:
:USE ONLY - AYE-281
:

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

JOHN F. KENNEDY INTERNATIONAL AIRPORT
Space 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 John F. Kennedy International Airport (hereinafter referred to as the "Space") for the purposes hereinafter specified and purposes incidental thereto in accordance with the Terms and Conditions hereof; and said Permittee agrees to pay the fee or fees hereinafter specified and to perform all other obligations imposed upon it in said Terms and Conditions.

1. PERMITTEE: M S N AIR SERVICE INC., a corporation of the State of New York
2. PERMITTEE'S ADDRESS: 121-05 107 Avenue
   Richmond Hill, New York 11419
3. PERMITTEE'S REPRESENTATIVE: Roopnarine Singh
4. SPACE: As set forth in Special Endorsement No. 1 hereof.
5. PURPOSES: As set forth in Special Endorsement No 2 hereof.
6. FEES: As set forth in Special Endorsement No. 3 hereof.
7. EFFECTIVE DATE: June 1, 2013
8. EXPIRATION DATE: May 31, 2015
9. ENDORSEMENTS ANNEXED AT TIME OF ISSUANCE: 5.1, 6.2, 14.1, Special Endorsements and Exhibit A

Dated: as of May 31, 2013

THE PORT AUTHORITY OF
NEW YORK AND NEW JERSEY

By: _____

David Kagan
(Title) Assistant Director
Business, Properties & Airport Development

M S N AIR SERVICE INC.
Permittee

By: Roopnarine Singh

Print Name: ROOPNARINE SINGH

Title: President

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

LL/mmw

TERMS AND CONDITIONS

1. Certain Definitions:

(a) "**Airport**" shall mean John F. Kennedy International Airport, consisting of certain premises identified as "John F. Kennedy International Airport" on Sheet JFK-1 of Exhibit A, and more particularly described in Exhibit B, annexed to the City Lease, and such other property 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 Lease**" shall mean the Amended and Restated Agreement of Lease of the Municipal Air Terminals between The City of New York, as Landlord, and The Port Authority of New York and New Jersey, as Tenant, dated as of November 24, 2004 and recorded in the office of the City Register of the City on December 3, 2004 under City Register File No. 2004000748687, as the same may have been or may be amended or supplemented.

(d) "**Effective Date**" shall mean the date designated as the "Effective Date" in Item 7 on the cover page of this Permit.

(e) "**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.

(f) "**Expiration Date**" shall mean the date designated as the "Expiration Date" in Item 8 on the cover page of this Permit.

(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 the Manager by this Permit; until further notice from the Port Authority to the Permittee it shall mean the General Manager or the Acting General Manager of John F. Kennedy International Airport for the time being, or his duly designated representative or representatives.

(h) "**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.

(i) **"Permittee's Representative"** shall mean the individual named in Item 3 on the cover page of this Permit or such other individual as the Permittee may designate by notice in accordance with the provisions of Section 21 below, entitled "Notices".

2. Effectiveness:

(a) The permission granted by this Permit shall take effect upon the Effective Date. Notwithstanding any other term or condition hereof, it may at any time be revoked by the Port Authority without cause upon thirty (30) days' prior notice, and terminated by the Permittee without cause upon thirty (30) days' prior notice; provided, however, that it may be revoked on twenty-four (24) hours' notice if the Permittee fails to keep, perform and observe each and every promise, agreement, condition, term and provision contained in this Permit, including without limitation 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 cleaning, repair or restoration of any space which may be used and occupied under this Permit (on failure of the Permittee to have it cleaned, repaired or restored), 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 the space and putting the space in order (such as but not limited to repairing, cleaning and restoring the same). Unless sooner revoked or terminated, such permission shall expire in any event upon the Expiration Date. 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) 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.

(c) The permission hereby granted shall in any event terminate with the expiration or termination of the City Lease.

3. Use of Space by Permittee:

(a) The Space shall be used, pursuant to the permission hereby granted,

(1) if the Permittee is a corporation, by the Permittee acting only

through the medium of its officers and employees,

(2) 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,

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

(4) if the Permittee is an individual, by the Permittee acting only personally or through the medium of his employees; or

(5) 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, use the Space through the medium of any other person, corporation or legal entity. The Permittee shall not assign or transfer this Permit or the permission granted hereby, or enter into any contract requiring or permitting the doing of anything hereunder by an independent contractor, without the written approval of the Port Authority. 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) The Permittee's Representative specified in Item 3 of the cover 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 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 hereof and to give and receive notices hereunder.

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

(d) The Permittee hereby agrees that it will not carry on any business or operation in the Space or at the Airport other than as specifically provided herein without receiving the prior written consent of the Port Authority, which consent, if given, will be in the form of a Supplement hereto or a separate agreement with the Port Authority, which consent will specify whether the provisions regarding fees contained herein or any other provisions regarding fees shall apply thereto.

4. Condition of Space:

(a) The Permittee hereby acknowledges that prior to the execution of this Permit it has thoroughly examined and inspected the Space and has found the Space in good order and repair and has determined the Space to be suitable for the Permittee's operations

hereunder and acknowledges and agrees that it has not relied on any representations or statements of the Port Authority, its Commissioners, officers, employees or agents as to the condition or suitability thereof for use by the Permittee for the purposes contemplated herein. The Permittee agrees to and shall take the Space in its "as is" condition and the Port Authority shall have no obligation hereunder for preparation of the Space for the Permittee's use. The Permittee agrees that no portion of the Space will be used initially or at any time during the effective period of the permission granted hereunder which is in a condition unsafe or improper for the purposes contemplated herein so that there is possibility of injury or damage to life or property and the Permittee further agrees that before any use it will immediately correct any such unsafe or improper condition.

(b) Except to the extent required for the performance of any of the obligations of the Permittee under this Permit, nothing contained in this Permit shall grant to the Permittee any rights whatsoever in the air space above the height of the structures located on the Space as of the Effective Date hereof.

(c) The parties to this Permit hereby acknowledge that the Space is non-residential real estate.

5. Payment of Fees:

(a) Unless otherwise expressly provided in this Permit, the Permittee shall pay to the Port Authority a fee for its use and occupancy of the Space. The fee specified is a monthly fee, payable in advance on the Effective Date and on the first day of each and every calendar month thereafter.

(b) Payments made hereunder shall be sent to the following address:

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY
P.O. BOX 95000-1517
PHILADELPHIA, PENNSYLVANIA 19195-0001

or made via the following wire transfer instructions:

Bank: TD Bank
Bank ABA Number: 031201360
Account Number: Ex. 1/4

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

(c) 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.

(d) Upon execution of this Permit by the Permittee, the Permittee shall pay to the Port Authority all unpaid fees and other monies due and payable under this Permit as of the date of execution.

6. Late and Service Charges:

(a) If the Permittee should fail to pay any amount required under this Permit 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 Ex. 2.a. 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 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 hereof 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.

(b) The Permittee shall permit and/or cause to be permitted in ordinary business hours during the effective period of this Permit and for one (1) year thereafter 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 in connection with the Permittee's use and occupancy of the Space as permitted hereunder within ten (10) days following any request by the Port Authority from time to time and at any time to examine and audit any such corporate records and books of account.

7. Security Deposit: 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.

8. Indemnification of Port Authority:

(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 of the operations, acts or omissions of the Permittee hereunder, including claims and demands of the City against the Port Authority pursuant to the provisions of the City Lease.

(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 Airport 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 Airport 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.

9. Right of Entry Reserved: The Port Authority shall have the right at any time and as often as it considers necessary, to inspect the Space and (without any obligation so to do) to enter thereon to make ordinary repairs, and in the event of emergency to take such action therein as may be required for the protection of persons or property.

10. Rules and Regulations: 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.

11. Conduct of Operations:

(a) 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 designations, approvals, substitutions or redesignations given by it hereunder.

(b) 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.

(c) Unless otherwise expressly provided, the Permittee shall not install any vending machines or similar devices in the Space or use the Space (or permit it to be used) for the sale to its employees or to the public of any of the following goods and services: beverages, food, candy, gum, ice cream or ice cream products, tobacco or tobacco products, periodicals, books, drugs, toys, games, souvenirs, jewelry, novelties, clothing, flowers, sporting or photographic goods, toilet articles, theatre tickets, shoe shines, pressing and cleaning (except of its employees' uniforms), developing and printing of photographs and films or baggage-checking. The specificity of the foregoing enumeration of disallowed activities shall not be deemed to infer that any particular activities not so enumerated are permitted under this Permit.

(d) 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. The Permittee shall not display, or permit the display of, advertising of third parties in the Space.

(e) The Permittee, its employees, invitees and those doing business with it shall have no right hereunder to park vehicles within the Airport, except in regular parking areas upon payment of regular charges therefor.

(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 which shall be subject to the approval of the General Manager. 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 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.

(h) The Permittee shall at all times maintain the Space 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 of the Space. 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 of the Space 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 use and occupancy thereof.

12. Permittee Property:

(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 Date or on or before the revocation 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 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 (30) 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. 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.

13. Prohibited Acts:

(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 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.

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

(1) 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

(2) 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

(3) 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

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

(5) 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

(6) 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 purposes of this Section, "Airport" includes all structures located thereon.

14. Specifically Prohibited Activities:

(a) 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 at the Airport.

(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. 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 be completely removed and/or remediated by the Permittee at its sole cost and expense.

(c) The Permittee shall not operate any engine or any item of automotive equipment in the Space without adequate ventilation.

(d) The Permittee shall not use any cleaning materials having a harmful or corrosive effect in the Space.

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

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

(g) The Permittee shall not solicit business in the public areas of the Airport and shall not at any time use any electric amplifying devices or hand megaphones whatsoever.

15. Labor Disturbances:

(a) (1) 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.

(2) 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.

(b) 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 adversely to 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.

16. The City Lease:

(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:

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

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

(3) 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;

(4) 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;

(5) The Permittee shall not use any portion of the Airport for any use

other than as permitted under the City Lease;

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

(7) 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

(8) 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.

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

17. Law Compliance:

(a) 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.

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

(c) 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 hereunder or on the gross receipts or income therefrom, and shall make all applications, reports and returns required in connection therewith.

(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 any such requirements.

(e) The Port Authority has agreed by a provision in the City Lease 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 improvements at the Airport and in regard to life safety, 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 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.

18. Federal Airport Aid: 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.

19. 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 (i) 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 the Space, (ii) that in the construction of any improvements on, over, or under the Space 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, (iii) that the Permittee shall use the Space in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, 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 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 the Space.

20. 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.

21. Notices: 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 cover 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 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.

22. No Broker: The Permittee represents and warrants that no broker has been concerned in the negotiation or execution of this Permit and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Permittee shall indemnify the Port Authority and save it harmless from any and all claims which have been or which may be made by any and all persons, firms, or corporations whatsoever for services in connection with the negotiation and execution of this Permit or in connection with any permission to use the Space.

23. Counterclaims: The Permittee specifically agrees that it shall not interpose any claims as counterclaims in any summary proceeding or 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. The foregoing reference to summary proceedings shall not be construed to mean that a landlord-tenant relationship exists between the Port Authority and the Permittee.

24. Effect of Use and Occupancy after Expiration, Revocation or Termination:

(a) Notwithstanding any other provision in this Permit, in the event that the Permittee shall continue to use the Space after the expiration or earlier termination of the period of permission of this Permit, such continuation of use shall not be deemed to operate as a renewal or extension of this Permit but shall only create a month-to-month extension of this Permit, which extension shall be terminable on thirty (30) days' notice.

(b) The Permittee acknowledges that the failure of the Permittee 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 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.

25. No Personal Liability: 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.

26. No Waiver: No failure by the Port Authority to insist upon the strict performance of any agreement, term, covenant 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, covenant or condition. No agreement, term, covenant 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, covenant or condition of this Permit shall affect or alter this Permit but each and every agreement, term, covenant and condition thereof shall continue in full force and effect with respect to any other existing or subsequent breach or default thereof.

27. Construction and Application of Terms:

(a) The use of headings in this Permit is for convenience of reference only and in no way intended to define, limit or describe the scope or intent of any provision hereof.

(b) Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applicable to the interpretation of this Permit or any amendments, addendums or supplements hereto or any endorsements, exhibits, schedules or other attachments hereto.

(c) The provisions and obligations contained in any endorsements, exhibits, schedules or other attachments hereto shall have the same force and effect as if set forth in full herein.

28. Governing Law:

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

29. Entire Agreement:

This Permit, including the attached exhibits, endorsements, schedules and other attachments, if any, constitutes the entire agreement of the parties on the subject matter hereof and may not be changed, modified, discharged or extended, except by written endorsement duly executed on behalf of the parties and attached hereto. The Permittee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing herein.

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:

(a) Heat, to an even and comfortable working temperature during the months of November to April, inclusive; and

(b) 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 also, without additional charge, furnish non-exclusive toilet and washroom facilities for the employees of the Permittee.

The Permittee shall pay the Port Authority upon demand the actual cost of extermination service, if any, provided by the Port Authority in the enclosed portion of the Space. This paragraph does not impose an obligation on the Port Authority to furnish such service.

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 days after notice to the Port Authority) shall not be grounds for any claim by the Permittee for damages, consequential or otherwise.

In those parts of the Space which are open to or visible by the general public, the Permittee shall at all times maintain in a clean and orderly condition and appearance the Space, all fixtures, equipment and personal property of the Port Authority and of the Permittee which are located in or on such parts of the Space.

The Permittee shall repair, replace or rebuild all or any part of the Space and any Port Authority fixtures, equipment or personal property which is located in or on the Space and which may be damaged or destroyed by its acts or omissions or those of its employees, customers, guests, invitees or other persons doing business with it. The Port Authority shall have no duty of repair or maintenance as to the Space or any fixtures, equipment or personal property which is located in or on the Space.

The Permittee shall immediately clear all drainage and supply stoppages and partial blocks, in and in connection with any plumbing fixtures, equipment and systems which are a part of or are located in or on the Space. All plate and mirror glass in the Space (including, without limitation thereto, all glass in windows and doors which are a part of or are located in or on the Space), and the lettering, signs or decorations, if any, on such plate and mirror glass, which may be damaged or broken shall be replaced by the Permittee not later than five (5) days after the damage or breakage or at any earlier date if so directed by the Port Authority and immediately if such replacement is necessary to protect the Space, any part thereof or any other property of the Port Authority against damage, lose or theft. The Permittee shall have no obligation under this paragraph where the condition is caused by the negligence of the Port Authority.

The Permittee shall immediately notify the Port Authority if any portion or all of the Space or any of the said Port Authority fixtures, equipment or personal property is destroyed, damaged or in need of repair, regardless of the Permittee's responsibility therefor.

The Permittee shall be the insurer of the Port Authority against the risk of loss or theft of or damage to any Port Authority fixtures, equipment and personal property which are a part of or are located in or on the Space and shall promptly replace or repair the same within five days of such loss, theft or damage.

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.

In the event of a partial or total destruction of the Space, the Permittee shall immediately remove any and all of its property and debris from the Space or portion thereof destroyed.

STANDARD ENDORSEMENT NO. 6.2
CARE OF SPACE
All Facilities- 7/22/49; rev. 1/24/50

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. The Space under this Permit shall consist of the portions of the Airport as follows:

(a) the area in Building 86 as shown in gray and outlined in broken lines (hereinafter called "Area A") on the sketch attached hereto, hereby made a part hereof and marked "Exhibit A";

(b) the outside paved area contiguous to Building 86 as shown in diagonal hatching and outlined in broken lines (hereinafter called "Area B") on Exhibit A; and

(c) the outside paved area contiguous to Building 86 as shown in stipple and outlined in broken lines (hereinafter called "Area C") on Exhibit A; and

(d) the outside paved area contiguous to Building 86 as shown in diagonal cross-hatching and outlined in broken lines (hereinafter called "Area D") on Exhibit A.

2. The Permittee, in connection with its air cargo operations at the Airport, shall use the Space as follows, and for no other purpose whatsoever:

(a) Area A shall be used for (i) the receipt, temporary storage and distribution of air cargo transported or to be transported on aircraft operated by the Permittee and for business offices and appropriate federal inspection services by federal agencies (if the United States Government makes the same available to the Permittee) in connection therewith; (ii) the reception, storage and distribution of repair parts, supplies and other personal property owned by the Permittee and for the performance of minor repairs to personal property of the Permittee; and (iii) general administrative offices.

(b) Area B shall be used for the loading and unloading of air cargo on and from automobiles and trucks;

(c) Area C shall be used for (i) the loading and unloading of air cargo on and from aircraft; (ii) the parking and storage of aircraft and ramp equipment; (iii) the performance of transit or turn-around aircraft maintenance incidental to the Permittee's air cargo operations, provided, however, that aircraft engines shall not be tested; and (iv) the fueling and servicing of aircraft and ramp equipment operated by the Permittee and used by it in connection with its air cargo operations.

(d) Area D shall be used for the parking of automobiles operated by officers, employees and business guests of the Permittee.

3. (a) The Permittee shall pay to the Port Authority the following basic fee for Area A:

(i) For the period from June 1, 2013 through May 31, 2014, both dates inclusive, at the rate of

Ex. 2.a. per annum, payable in advance in equal monthly installments of commencing on June 1, 2013 and on the first day of each month occurring during such period.

(ii) For the period from June 1, 2014 through May 31, 2015, both dates inclusive, at the rate of

Ex. 2.a. per annum, payable in advance in equal monthly installments of commencing on June 1, 2014 and on the first day of each month occurring during such period.

(b) The Permittee shall pay to the Port Authority the following basic fee for Areas B, C, and D:

(i) For the period from June 1, 2013 through May 31, 2014, both dates inclusive, at the rate of

Ex. 2.a. per annum, payable in advance in equal monthly installments of commencing on June 1, 2013 and on the first day of each month occurring during such period.

(ii) Effective from and after June 1, 2014, the basic fee shall be adjusted during the period of permission granted under the Permit in accordance with the provisions of Special Endorsement No. 4 below.

4. (a) As used in subparagraph (b) of this paragraph:

(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 March 2013.

(3) "Adjustment Period" shall mean, as the context requires, the calendar month of March 2014 and the calendar month of March of every calendar year which thereafter occurs during the period of permission granted under this Permit.

(4) "Anniversary Date" shall mean, as the context requires, June 1, 2014 (the "First Anniversary Date"), and June 1 of every calendar year which thereafter occurs during the period of permission granted under this Permit.

(5) "Percentage 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 Percentage Increase for the Anniversary Date that is June 1, 2015 would be a fraction of which the numerator is the Index for March 2015 less the Index for March 2014 and the denominator is the Index for March 2014).

(b) Commencing on each Anniversary Date and continuing through to the day preceding the next Anniversary Date, or the expiration date of the period of permission granted under the Permit, as the case may be, in lieu of the fee set forth in subparagraph (a) of Special Endorsement No. 3 hereof the Permittee shall pay a fee for the Space at a rate per month equal to the greater of:

(i) the sum of (x) the fee payable immediately prior to such Anniversary Date, including all amounts included therein as a result of prior adjustment thereof pursuant to the provisions of this Special Endorsement and (y) the product obtained by multiplying such fee by Ex. 2.a. of the Percentage Increase for such Anniversary Date, or

(ii) the sum of (x) the fee payable immediately prior to such Anniversary Date, including all amounts included therein as a result of prior adjustment thereof pursuant to the provisions of this Special Endorsement and (y) the product obtained by multiplying such fee by Ex. 2.a. or

(iii) the amount of the fee payable immediately prior to the subject Anniversary Date.

(c) In the event the Index to be used in computing any adjustment referred to in subparagraph (b) of this Special Endorsement is not available on the effective date of such adjustment, the Permittee shall continue to pay the basic fee at the 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 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 basic fee shall have been fixed for any period, the Index used for computing such adjustment shall be changed or adjusted, then the fee adjustment for that period shall be recomputed, and from and after notification of the change or adjustment, the Permittee shall make payments based upon the recomputed fee and upon demand shall pay any excess in the basic fee due for such period as recomputed over amounts theretofore actually paid on account of the basic fee for such period. If such change or adjustment results in a reduction in the basic fee due for any period prior to notification, the Port Authority will credit the Permittee with the difference between the basic fee as recomputed for that period and amounts of basic fee actually paid.

5. Without limiting the generality of any of the provisions of this Permit, the Port Authority shall have no liability of any kind whatsoever for loss, theft or damage of or to any property, equipment or materials of any kind whatsoever placed or parked on the Space or elsewhere at the Airport including, but not limited to, any loss, theft or damage due to the acts or omission of the Port Authority.

6. (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 covering bodily injury liability, including death, and property damage liability, and providing for coverage in the minimum limit set forth below, Commercial Automobile Liability Insurance covering owned, non-owned and hired vehicles and including automatic coverage for newly acquired vehicles, covering bodily injury, including death, and property damage liability, and providing for coverage in the minimum limit set forth below, and Cargo Legal Liability providing for the coverage in the minimum limit set forth below. All the aforesaid policy or policies 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, all the aforesaid policy or policies 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. The said policy or policies of insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Permittee under Section 8 of the Terms and Conditions of this Permit.

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

The liability policy(ies) and certificate(s) of insurance shall include a cross-liability endorsement providing severability of interests so that coverage will respond as if separate policies were in force for each insured.

Without limiting the provisions hereof, 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 to the full extent of all such insurance in accordance with all the terms and provisions hereof.

(b) Notwithstanding any minimum insurance coverage limits set forth in the Permit it is specifically understood and agreed that the Port Authority shall have the right to review all insurance coverage 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, to require the Permittee to amend or modify the insurance coverage, or may require such other or 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 and shall promptly submit a certificate or certificates evidencing the same to the Port Authority.

(c) A certified copy of each of the policies or a certificate or certificates evidencing

the existence thereof, or binders, shall be delivered to the Port Authority upon execution and delivery of the Permit by the Permittee to the Port Authority. Each policy, certificate or binder delivered shall bear the endorsement of or be accompanied by evidence of payment of the premium thereon. In the event any binder is delivered it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy or certificate shall contain a valid provision or endorsement that the policy may not be canceled, terminated, changed or modified without giving thirty (30) days' written advance notice thereof to the Port Authority. Each such copy or certificate 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. Any renewal policy shall be delivered to the Port Authority at least thirty (30) days prior to the expiration of each expiring policy, except for any policy expiring after the date of expiration of this Permit. The aforesaid insurance shall be written by a company or companies approved by the Port Authority. If at any time any of the insurance policies shall be or become unsatisfactory to the Port Authority as to form or substance or if any of the carriers issuing such policies shall be or become unsatisfactory to the Port Authority, the Permittee shall promptly obtain a new and satisfactory policy in replacement. If the Port Authority at any time so requests, a certified copy of each of the policies shall be delivered to the Port Authority.

7. No greater rights or privileges with respect to the use of the Space or any part thereof are granted or intended to be granted to the Permittee by this Permit, or by any provision thereof, than the rights and privileges expressly and specifically granted hereby.

8. The Permittee shall repair any damage to the paving or other surface of the Space caused by oil, fuel, grease, lubricants, chemicals or other liquids and substances. 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 and charge the cost thereof to the Permittee which cost the Permittee hereby agrees to pay on demand.

9. The Permittee 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 and egress to and from the Space, which may leak or be spilled or placed thereon by reason of the operations of the Permittee hereunder. The Permittee shall not perform mechanical, electrical or structural repairs of equipment in or on the Space, and shall not therein clean, wash, fuel, lubricate or paint any equipment and shall not store in or on the Space any fuel or lubricant, oil, greases or other chemicals or supplies.

10. (a) The Permittee hereby acknowledges that the Port Authority shall have no responsibility to keep the Space guarded, attended or patrolled at any time and the Port Authority has not nor shall it be deemed to have assumed any liability, duty or obligation whatsoever, with respect to vehicles parking in the Space nor any property of the Permittee or any other persons in said vehicles, and the Permittee hereby releases the Port Authority of any claims or demands of loss, theft or damage of or to the same.

(b) The Port Authority shall not be obligated to keep the Space or the means of ingress thereto and egress therefrom free from snow or ice or otherwise unobstructed for use by the Permittee, or to police the use of the Space or to keep the Space guarded or attended at any time, nor shall the Port Authority have any responsibility to ensure that others do not use or occupy the Space, or to provide any other service whatsoever in connection therewith.

11. The use of the means of ingress and egress to and 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 8 of the Terms and Conditions of this Permit shall cover all 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.

12. 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 garagekeeper, 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 expressly agrees that unless otherwise agreed in writing, the Port Authority shall have not 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.

13. (a) Without limiting the generality of Section 17 of the Terms and Conditions or any other term or provision of this Permit, the Permittee shall not dispose of, release or discharge nor permit anyone to dispose of, release or discharge any Hazardous Substance on the Space or on or from the Airport. Any Hazardous Substance disposed of, released or discharged by the Permittee (or permitted by the Permittee to be disposed of, released or discharged) on or from the Space or the Airport, shall, upon notice by the Port Authority to the Permittee and subject to the provisions of Section 8 of the Terms and Conditions of this Permit and to all Environmental Requirements, be completely removed/and or remediated by the Permittee. The obligations of the Permittee under this Special Endorsement shall survive the expiration or termination or revocation of this Permit.

(b) "Environmental Requirement" shall mean in the singular and "Environmental Requirements" shall mean in the plural 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:

(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;

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

(iii) All applicable requirements, contained in but not limited to the following laws as they are or may be supplemented and/or amended and their state and local counterparts: 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 York State Environmental Conservation

Law; the New York State Navigation Law; together, in each case, with any amendment thereto, and the regulations adopted, guidances, memoranda and publications promulgated thereunder and all substitutions thereof.

14. (a) 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 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 One Hundred Fifty Thousand Dollars and No Cents ($150,000.00). 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 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 a 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, 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 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 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 waiver of any default by the Permittee under the terms of this Permit and all remedies of 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) The Permittee herebycertifies that is Federal Tax Identification Number is Ex. 1/4 for the purposes of this Special Endorsement.

(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). 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 this Special Endorsement.

15. The Port Authority and the Permittee were heretofore parties to Port Authority Space Permit No. AYD-860, dated as of May 31, 2008, which has been replaced with this Permit, AYE-281. The Permittee shall remain liable for all obligations and liabilities which accrued under Permit No. AYD-860 through the expiration or termination date of Permit No. AYD-860 and all such obligations and liabilities which were expressly or impliedly stated or intended to survive the expiration or termination of said agreement shall so survive. The Space is the same Space from Permit No. AYD-860 and the Permittee has been in continuous occupancy of the Space. At the expiration or termination of AYE-281, the Permittee agrees that it shall be obligated to return the Space to the Port Authority in the same good order and repair in which such Space were delivered to it under Permit No. AYD-860 as such Permit was amended from time to time.

Initialed:

For the Port Authority

For the Permittee

EXEMPTION (4)

DRAWINGS OF NON-PUBLIC AREAS

Lease No. AYE-067

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

AGREEMENT OF LEASE

Between

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

And

VERIZON NEW YORK INC.

Dated as of: January 1, 2012

DATED: January 1, 2012

TABLE OF CONTENTS

Section 1. Definitions 1
Section 2. Letting 4
Section 3. Term 5
Section 4. Rental and Abatement 5
A. Basic Ground Rental 5
B. Building Rental 7
C. Abatement 8
Section 5. Additional Rent and Charges 8
Section 6. Place of Payments 9
Section 7. Late Charges 9
Section 8. Security Deposit 10
Section 9. Use of Premises 10
Section 10. Condition of Premises 10
Section 11. Lessee's Rights Non-Exclusive 11
Section 12. Limitation of Rights and Privileges Granted 11
Section 13. Rights of Entry Reserved 11
Section 14. Services to the Lessee 13
Section 15. Construction by the Lessee 13
Section 16. Care, Maintenance, Rebuilding and Repair by the Lessee 14
Section 17. Demolition Work 16
Section 18. Signs 17
Section 19. Obstruction Lights 18
Section 20. Ingress and Egress 18
Section 21. Non-liability of Individuals 18
Section 22. Indemnity and Liability Insurance 18
Section 23. Insurance 21
Section 24. Damage to or Destruction of Premises 22
Section 25. Condemnation 23
Section 26. Assignment and Sublease 26
Section 27. Events of Default 27
Section 28. Right of Re-entry 29
Section 29. Waiver of Redemption 30
Section 30. Survival of the Obligations of the Lessee 30
Section 31. Reletting by the Port Authority 31
Section 32. Remedies to be Non-Exclusive 31
Section 33. Surrender 31
Section 34. Acceptance of Surrender of Lease 32
Section 35. Removal of Property 32
Section 36. Reciprocal Termination Rights 32
Section 37. Compliance with Governmental Requirements 32
Section 38. Rules and Regulations 34
Section 39. Various Obligations of the Lessee 34
Section 40. Prohibited Acts 36
Section 41. OFAC Compliance 38
Section 42. Effect of Basic Lease 39
Section 43. Compliance with Basic Lease 40
Section 44. Federal Airport Aid 40
Section 45. Method of Operation 41
Section 46. Non-Discrimination 41
Section 47. Affirmative Action 42
Section 48. Environmental Compliance 43

Section 49. *Maintenance and Repair of the Storage Tanks.* 47
Section 50. *Certain Environmental Testing and Clean-up Obligations* 48
Section 51. *Brokerage* 49
Section 52. *Notices* 50
Section 53. *Holding Over* 50
Section 54. *Construction and Application of Terms* 51
Section 55. *Force Majeure* 51
Section 56. *Relationship of the Parties* 51
Section 57. *Waiver of Trial by Jury* 51
Section 58. *Quiet Enjoyment* 52
Section 59. *Labor Disturbances* 52
Section 60. *Governing Law* 52
Section 61. *Entire Agreement* 53

EXHIBIT A Premises

SCHEDULE E Affirmative Action – Equal Opportunity – Minority Business Enterprises – Women Owned Business Enterprises

SCHEDULE F Local Business Enterprise Program

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

Lease No. AYE-067

AGREEMENT OF LEASE

THIS AGREEMENT OF LEASE (this "*Agreement*"), made as of the 1st day of January, 2012, by and between **The Port Authority of New York and New Jersey** (hereinafter called the "*Port Authority*"), a body corporate and politic, established 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, New York, New York 10003, and **Verizon New York Inc.**, (hereinafter called the "*Lessee*"), a New York corporation, and having an office address at 140 West Street, New York, New York 10007, whose representative is Vice President – Real Estate.

WITNESSETH, That:

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

Section 1. Definitions

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

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

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

(c) "*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 of New York on December 3, 2004 under City Register File No. 2004000748687, as the same may have been or may be amended or supplemented.

(d) "***Environmental Damages***" shall mean any one or more of the following: (i) the presence on, about or under the Premises of any Hazardous Substance and/or (ii) the disposal, release or threatened release of any Hazardous Substance from the Premises, and/or (iii) the presence of any Hazardous Substance on, about or under other property at the Airport as a result of the Lessee's use and occupancy of the Premises or a migration of a Hazardous Substance from the Premises, and/or (iv) any personal injury (including wrongful death) or property damage arising out of or related to any such Hazardous Substance, and/or (v) the violation of any Environmental Requirements pertaining to any such Hazardous Substance, the Premises and/or the activities thereon.

(e) "***Environmental Requirements***" and "***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 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:

(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; and

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

(iii) 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 York State Environmental Conservation Law; the New York State Navigation Law; together, in each case, with any amendment thereto, and the regulations adopted, guidances, memoranda and publications promulgated thereunder and all substitutions thereof.

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

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

(h) "***Hazardous Substance***" and "***Hazardous Substances***" shall mean and include without limitation any pollutant, contaminant, toxic or hazardous waste, dangerous substance, potentially dangerous substance, noxious substance, toxic substance, flammable, explosive, radioactive material, urea formaldehyde foam insulation, asbestos, polychlorinated biphenyls (PCBs), chemicals known to cause cancer or reproductive toxicity, petroleum and petroleum products and other substances which has or in the future shall be declared to be hazardous or toxic, or the removal of which has or in the future shall be required, or the manufacture, preparation, production, generation, use, maintenance, treatment, storage, transfer, handling or ownership of which has or in the future shall be restricted, prohibited, regulated or penalized by any Environmental Requirement.

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

(j) "***Premises***" as defined in Section 2 hereof shall without limiting the generality of said Section include the land, buildings, structures and other improvements located or to be located or to be constructed therein or thereon, the equipment permanently affixed or permanently located therein, such as electrical, plumbing, sprinkler, fire protection and fire alarm, heating, steam, sewage, drainage, refrigeration, communications, gas and other systems, and their pipes, wires, mains, lines, tubes, conduits, equipment and fixtures, and all paving, drains, culverts, ditches and catch-basins.

(k) "***Remediate***" or "***Remediation***" shall mean the investigation (including any feasibility studies or reports), cleanup, removal, abatement, transportation, disposal, treatment

(including in-situ treatment), management, stabilization, neutralization, collection, or containment of a Hazardous Substance or contamination, that may be required to satisfy, the Environmental Requirements, including, without limitation, any closure, restoration or monitoring, operations and maintenance activities that may be required by any Government Agency after the completion of such investigation, cleanup, removal, transportation, disposal, treatment, neutralization, collection, or containment activities as well as the performance of any and all obligations imposed by any Governmental Agency in connection with such investigation, cleanup, removal, transportation, disposal, treatment (including in situ treatment), management, stabilization, neutralization, collection, or containment (including any such obligation that may be imposed pursuant to an Environmental Permit or a consent order).

(l) "***Storage Tank***" and "***Storage Tanks***" shall mean underground storage tanks and its or their appurtenances, pipes, lines, fixtures and other related equipment.

Section 2. **Letting**

(a) **Premises.** Effective as of the Commencement Date (as hereinafter defined) the Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority at the Airport, upon all the terms, conditions, provisions and agreements of this Agreement, the space shown in diagonal-hatching on the drawing attached hereto, hereby made a part hereof, and marked "Exhibit A," and all buildings, structures, additions, fixtures, improvements, and facilities located, constructed or installed, or which may be located, constructed or installed therein, thereon or thereunder, and all easements and other rights appurtenant thereto and granted by this Agreement, all of the foregoing being hereinafter collectively referred to as the "***Premises***."

(b) **Air Space.** Except to the extent required for the performance of any of the obligations of the Lessee hereunder, nothing contained in this Agreement shall grant to the Lessee any rights whatsoever in the air space above the Premises above the heights of the structures thereon as of the Commencement Date. Further, the Lessee shall construct its facilities and operate on the Premises within the height limitations contained in and as shown on "Exhibit A." The Port Authority acknowledges that the present heights of the structures on the Premises do not violate the height limitations shown on Exhibit A.

(c) **Non-Residential.** The parties acknowledge that the Premises constitute non-residential real property.

(d) **Continuous Possession and Occupancy**. The parties acknowledge and agree that the commencement of the term of this Agreement is occurring immediately upon the expiration of that certain Agreement, Port Authority Lease No. AYA-969, dated May 17, 1960, by and between the Port Authority, as lessor, and New York Telephone Company (the predecessor-in-interest to the Lessee), as lessee, as amended, modified, extended and supplemented (the "***Prior Lease***"), and that no gap in time and no reversion with respect to the Continuing Premises occurred between the expiration of the Prior Lease and the commencement

of the term of this Agreement. Further, it is hereby acknowledged that the Lessee remained in possession of the Premises hereunder continuously from prior to the expiration of the Prior Lease through the Commencement Date, and at no time did the Lessee surrender the Premises to the Port Authority.

(e) **Survival of Prior Lease Obligations**. The Lessee shall not, by virtue of this Agreement, be released or discharged from any liabilities or obligations whatsoever under the Prior Lease or any other Port Authority permits or agreements, all of which shall survive. Further, all the terms, provisions and conditions of the Prior Lease and such permits and agreements shall survive and continue in full force and effect, and any breach or default under the Prior Lease or under such permits and agreements, whether prior to or after the Commencement Date, shall be deemed breaches and defaults under this Agreement. Without limiting the generality of any of the foregoing, any obligations under the Prior Lease that were to mature upon the expiration or termination thereof, shall be deemed to have survived and shall mature upon the expiration or termination of this Agreement.

Section 3. **Term**

Commencement and Termination Dates. The term of the letting under this Agreement shall commence upon January 1, 2012 (the "***Commencement Date***"), and, unless sooner terminated, expire at 11:59 o'clock p.m. on December 31, 2021 (the "***Termination Date***").

Section 4. **Rental and Abatement**

A. **Basic Ground Rental**

(a) The Lessee agrees to pay to the Port Authority the following Ground Rentals for the Premises:

During the period commencing on the Commencement Date and continuing through the balance of the term of the letting, the Lessee shall pay to the Port Authority the Basic Ground Rental for the Premises at the annual rate of Ex. 2.a. ("***Basic Ground Rental***"), payable in equal monthly installments of on the Commencement Date and thereafter on the first day of each calendar month thereafter throughout the term of the letting hereunder, subject to the increases as provided in paragraph (c) below.

(b) As used in subparagraph (c) of this paragraph:

(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 September 2011.

(iii) "***Adjustment Period***" shall mean, as the context requires, the calendar month of September and the calendar month of September of every calendar year which thereafter occurs during the balance of the term of the letting granted under this Agreement.

(iv) "***Anniversary Date***" shall mean, as the context requires, January 1, 2013 (the "***First Anniversary Date***"), and January 1 of every calendar year which thereafter occurs during the balance of the term of the letting granted under this Agreement.

(v) "***Percentage Increase***" shall mean of increase in the Index on each Anniversary Date, equal to: (x) 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 Percentage Increase for the Anniversary Date that is January 1, 2013 would be Ex. 2.a. the fraction of which the numerator is the Index for September 2011 less the Index for September 2010 and the denominator is the Index for September 2011).

(c) As of the First Anniversary Date, commencing on each Anniversary Date and continuing through to the day preceding the next Anniversary Date, or the expiration date of this Agreement, as the case may be, in lieu of the Basic Ground Rental set forth in subparagraph (a) hereof the Lessee shall pay the Basic Ground Rental for the Premises at a rate per month equal to the greater of:

(i) the sum of (x) the Basic Ground Rental payable immediately prior to such Anniversary Date, including all amounts included therein as a result of prior adjustment thereof pursuant to this subparagraph 4(A)(c) and (y) the product obtained by multiplying such Basic Ground Rental by the Percentage Increase for such Anniversary Date, or

(ii) the sum of (x) the Basic Ground Rental payable immediately prior to such Anniversary Date, including all amounts included therein as a result of prior adjustment thereof pursuant to this subparagraph 4(A)(c) and (y) the product obtained by multiplying such Basic Ground Rental by

(d) In the event the Index to be used in computing any adjustment referred to in subparagraph (c) hereof is not available on the effective date of such adjustment, the Lessee shall continue to pay the monthly Basic Ground Rental at the 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 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 monthly Basic Ground Rentals shall have been fixed for any period, the Index used for computing such adjustment shall be changed or adjusted, then the Basic Ground 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 Basic Ground Rentals and upon demand shall pay any excess in the monthly Basic Ground Rentals due for such period as recomputed over amounts theretofore actually paid on account of the monthly Basic Ground Rentals for such period.

(e) 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 the applicable Basic Ground Rental computed as follows: if the letting hereunder is terminated effective on a date other than the last day of a month the Basic Ground Rental for the portion of that month in which the letting remains effective shall be the amount of the monthly installment of Basic Ground 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 obligations.

(f) Nothing contained in the foregoing shall affect the survival obligations of the Lessee as set forth in Section 30 hereof.

B. Building Rental

(a) In addition to the Basic Ground Rental, the Lessee agrees to pay to the Port Authority a building rental in an amount equal to the following:

During the period commencing on the Commencement Date and continuing through the balance of the term of the letting, the Lessee shall pay to the Port Authority the Building Rental for the Premises at the annual rate of Ex. 2.a. (***"Building Rental"***), payable in equal monthly installments of on the Commencement Date and thereafter on the first day of each calendar month thereafter throughout the term of the letting hereunder, subject to the increases as provided in paragraph (c) below.

(b) As used in subparagraph (c) of this paragraph, "***Anniversary Date***" shall mean, as the context requires, January 1, 2013 (the "***First Anniversary Date***"), and January 1 of every calendar year which thereafter occurs during the balance of the term of the letting granted under this Agreement.

(c) Commencing on each Anniversary Date (a "***Present Anniversary Date***") and continuing through to the day preceding the next Anniversary Date, or the expiration date of this Agreement, as the case may be, in lieu of the Building Rental set forth in subparagraph (a) hereof, the Lessee shall pay the Building Rental for the Premises at a rate per month equal to the sum of (x) the Building Rental payable immediately prior to the Present Anniversary Date, including all amounts included therein as a result of prior adjustment thereof pursuant to this subparagraph 4(B)(c) and (y) the product obtained by multiplying such Building Rental by

(d) 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 the applicable Building Rental computed as follows: if the letting hereunder is terminated effective on a date other than the last day of a month the Building Rental for the portion of that month in which the letting remains effective shall be the amount of the monthly installment of Building 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 obligations.

(e) Nothing contained in the foregoing shall affect the survival obligations of the Lessee as set forth in Section 30 hereof.

C. Abatement

(a) In the event the Lessee shall at any time by the provisions of this Agreement become entitled to an abatement of Basic Ground Rental, the Basic Ground Rental for each square foot of land the use of which is denied the Lessee, shall be reduced for each calendar day or major fraction thereof at the daily rate of Ex. 2.a. as appropriately adjusted to reflect any and all Index adjustments pursuant to Part A of this Section, above.

(b) In the event the Lessee shall at any time by the provisions of this Agreement become entitled to an abatement of Building Rental, the Building Rental for each square foot of space the use of which is denied the Lessee, shall be reduced for each calendar day or major fraction thereof at the daily rate of Ex. 2.a. as appropriately adjusted to reflect any and all Index adjustments pursuant to Part B of this Section, above.

Section 5. Additional Rent and Charges

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 rent as set forth in Section 4 hereof.

Section 6. Place of Payments

All payments required of the Lessee by this Agreement 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 via the following wire transfer instructions:

Bank: TD Bank
Bank ABA Number: 031201360
Account No.: Ex. 1/4

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

Section 7. Late Charges

If the Lessee should fail to pay any amount required under this Agreement when due to the Port Authority, including but not limited to, any payment of rental or any payment of utility or other charges, 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 Ex. 2.a. 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. 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 and Abatement.*" 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 but not limited to, the Port Authority's rights set forth in Section 28 of this Agreement 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 charges then, in such event, each such late charge payable under this Agreement shall be payable instead at such legal maximum.

Section 8. Security Deposit

Lessee shall not be required to provide the Port Authority with a security deposit.

Section 9. Use of Premises

The Lessee shall use the Premises for the following purposes only and for no other purpose whatsoever: as a telecommunications facility containing communications equipment to provide communications services to the Lessee's customers and as administrative and clerical offices in connection therewith. In addition, the Lessee has the right to park its commercial vehicles on the Premises and perform equipment assembly and distribution so long as such uses are related to the Lessee's use of the Premises as a telecommunications facility.

Section 10. Condition of Premises

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

(b) **Survival.** All the obligations of the Lessee under this Section with respect to the aforesaid responsibilities, risks, costs and expenses assumed by the Lessee shall survive the expiration or termination of this Agreement.

Section 11. 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.

Section 12. Limitation of Rights and Privileges Granted

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

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

Section 13. Rights of Entry Reserved

(a) **Inspection and Performance of Obligations.** 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.

(b) **Utility Maintenance.**

(i) Without limiting the generality of the foregoing, the Port Authority, by its officers, employees, agents, representatives and contractors, and furnishers of utilities and other services, shall have the right, for its own benefit, for the benefit of the Lessee, or for the benefit of persons other than the Lessee at the Airport, to maintain existing and future sewerage, utility, mechanical, electrical and other systems or portions thereof on the Premises, including but not limited to, systems for the supply of heat, water, gas, fuel, electricity and for the furnishing of fire-alarm, fire-protection, sprinkler, sewerage, drainage, telegraph and telephone service, including all lines, pipes, mains, wires, conduits and equipment connected with or appurtenant to such systems, and to enter upon the Premises at all reasonable times to make such repairs, replacements or alterations as may, in the opinion of the Port Authority, be deemed necessary or advisable and, from time to time, to construct or install over, in or under the

Premises new systems or parts thereof, and to use the Premises for access to other parts of the Airport otherwise not conveniently accessible; provided, however, that in the exercise of such rights of access, repair, alteration or new construction the Port Authority shall not unreasonably interfere with the use and occupancy of the Premises by the Lessee. Notwithstanding the foregoing, the Port Authority shall not have the right to require the Lessee to use telecommunications services that are neither owned nor leased by Verizon for the Premises.

(ii) In the event that any property of the Lessee shall obstruct the access of the Port Authority, its employees, agents or contractors to any of the existing or future utility, mechanical, electrical and other systems and thus shall interfere with the inspection, maintenance or repair of any such system, the Lessee shall move such property, as directed by the Port Authority, in order that access may be had to the system or part thereof for its inspection, maintenance or repair, and, if the Lessee shall fail to so move such property after direction from the Port Authority to do so, the Port Authority may move it and the Lessee hereby agrees to pay the cost of such moving upon demand.

(c) **No Liability.** Nothing in this Section shall or shall be construed to impose upon the Port Authority any obligations so to construct or maintain or to make repairs, replacements, alterations or additions, or shall create any liability for any failure so to do. The Lessee is and shall be in exclusive control and possession of the Premises during the letting and the Port Authority shall not in any event be liable for any injury or damage to any property or to any person happening on or about the Premises nor for any injury or damage to the Premises nor to any property of the Lessee or of any other person located in or thereon (other than those occasioned by the sole affirmative, willful acts of the Port Authority, its employees, agents and representatives).

(d) **Preparation for New Lease.**

(i) At any time and from time to time during ordinary business hours within the six (6) months next preceding the expiration of the letting, the Port Authority, for and by its agents and employees, whether or not accompanied by prospective lessees, occupiers or users of the Premises, shall have the right to enter thereon for the purpose of exhibiting and viewing all parts of the same.

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

(e) **No Eviction.** The exercise of any or all of the foregoing rights by the Port Authority or others shall not be or be construed to be an eviction of the Lessee nor be made the grounds for any abatement of rental nor any claim or demand for damages, consequential or otherwise.

Section 14. Services to the Lessee

(a) **No Obligation to Provide Utilities.** The Port Authority shall be under no obligation to supply the Lessee with any services provided by utility companies and other service providers, including but not limited to water, gas, electricity, sewer service, heat, steam, air-conditioning, telephone, telegraph, cable, or electrical guard or watch service.

(b) **Utility Fees.** If any federal, state, municipal or other governmental body, authority or agency, or any public utility or other entity providing any service, assesses, levies, imposes, makes or increases any charge, fee, rent or assessment on the Port Authority, for any service, system or utility now or in the future supplied to or available at the Premises or to any tenant, lessee, occupant or user thereof, or to the structures or buildings, which, or a portion or portions of which, are included in the Premises, 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 any such notice, such charge, fee, rent or assessment or such increase thereof (or the portion thereof allocated by the Port Authority to the Premises or to the operations of the Lessee under this Agreement) either directly to the governmental body, authority or agency, or to the public utility or other entity, or directly to the Port Authority, as such notice may direct. All such payments shall constitute items of additional rent.

(c) **Service Interruptions.** No failure, delay or interruption in any service or services, whether such service or services shall be supplied by the Port Authority or by others, shall relieve or be construed to relieve the Lessee of any of its obligations hereunder, or shall be or be construed to be an eviction of the Lessee, or shall constitute grounds for any diminution or abatement of the rental or rentals payable under this Agreement, or grounds for any claim by the Lessee for damages, consequential, or otherwise.

(d) **Extermination Services.** 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 reasonable cost thereof, upon demand. This paragraph does not impose any obligation on the Port Authority to furnish such service.

Section 15. Construction by the Lessee

(a) **Tenant Alteration Application.** 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 without the prior consent of the Port Authority (any such work to be hereinafter referred to as the "***Construction Work***"), which shall be subject to the Lessee's submission of a construction application to the Port Authority for its approval in the form supplied by the Port Authority, and containing such terms and conditions as the Port Authority may include, setting forth in detail by appropriate plans and specifications the work the Lessee proposes to perform and the manner of and time periods for performing the same, including without limitation a schedule listing each contract proposed to be entered into

for the performance of the work and the estimated cost of the work to be performed under each such contract (the "***Tenant Alteration Application***"). Except for the Lessee's personal property, in the event any construction, improvement, alteration, modification, addition, repair or replacement is made, with or without the Port Authority's consent, and unless the consent of the Port Authority shall expressly provide otherwise, the same shall immediately become the property of the Port Authority, and the Lessee shall have no right to remove the same either during the letting or at the expiration thereof unless the Port Authority, at any time prior to the expiration of the term of the letting, or any extension or renewal thereof, shall give notice to the Lessee to remove the same, or to cause the same to be changed to the satisfaction of the Port Authority, in which case the Lessee agrees to remove the same, or change it in compliance with such notice. 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 hereby agrees to pay the cost thereof to the Port Authority upon demand.

(b) **Affirmative Action Schedules.** If the Lessee performs any Construction Work on or under the Premises, it must comply with Schedules E and F attached hereto.

(c) **Completion Certification.** Upon final completion of all of the work under each specific contract to be performed by the Lessee as set forth in the Lessee's approved plans and specifications, the Lessee shall submit to the Port Authority a certification signed by a responsible officer thereof certifying that all such work has been completed and the final cost of such work. The Lessee shall also supply to the Port Authority such supporting documents and records as the Port Authority shall deem necessary to substantiate the matters set forth in the Lessee's certificate. The Port Authority shall have the right (but shall not be obligated) to conduct an interim inspection and audit in connection with the work performed under the specific contract certified as completed. Upon final completion of all of the Construction Work, the Lessee shall submit to the Port Authority a certification signed by a responsible officer thereof certifying that all such work has been completed and the final cost of such work. The Lessee shall also supply to the Port Authority such supporting documents and records as the Port Authority shall deem necessary to substantiate the matters set forth in the Lessee's certificate.

Section 16. Care, Maintenance, Rebuilding and Repair by the Lessee

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

(i) 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;

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

(iii) Take good care of the Premises and maintain the same at all times in good condition, except for reasonable wear and tear, perform all necessary preventive maintenance, including but not limited to, painting (the exterior of the structures on the Premises and areas visible to the general public to be painted only in colors which have been approved by the Port Authority); and make all repairs and replacements and, subject to and in accordance with the provisions of Section 15 hereof, do all rebuilding, inside and outside, ordinary and extraordinary, partial and entire, foreseen and unforeseen, structural or otherwise, which repairs, rebuilding and replacements by the Lessee shall be in quality and class not inferior to the original in materials and workmanship; and to pay promptly the cost and expense of such repairs, replacements and maintenance;

(iv) Without limiting its obligations elsewhere in this Section, the Lessee agrees to perform all decorating and painting (including redecorating and repainting) so that at all times the Premises and all parts thereof are in good appearance and condition, reasonable wear and tear excepted;

(v) Provide and maintain all obstruction lights and similar devices on the Premises, and provide and maintain all fire-protection and safety equipment and all other equipment of every kind and nature required by any law, rule, ordinance, resolution or regulation of the type and nature described in Sections 37 and 38 of this Agreement;

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

(vii) Be responsible for the maintenance and repair of all utility service lines, including but not limited to, service lines for the supply of low pressure water, gas service lines, electrical power and telephone conduits and lines, sanitary sewers and storm sewers, located upon the Premises and used by the Lessee exclusively or in common, or, subject to having access thereto, located off the Premises and used by the Lessee exclusively or in common; and

(viii) Repair any damage to the paving or other surface of the Premises caused by any oil, gasoline, grease, lubricants or other flammable liquids and substances having a corrosive or detrimental effect thereon.

(b) **Failure to Maintain or Repair.** In the event the Lessee fails to commence so to maintain, clean, repair, replace, rebuild or paint within a period twenty (20) days after notice from the Port Authority so to do in the event that the said notice specifies that the required

work to be accomplished by the Lessee includes maintenance or repair other than preventive maintenance, or within a period of twenty (20) days if the said notice specifies that the work to be accomplished by the Lessee involves preventive maintenance only, or fails diligently to continue to completion the repair, replacement, rebuilding or painting of all of the Premises required to be repaired, replaced, rebuilt or painted by the Lessee under the terms of this Agreement, the Port Authority may, at its option and in addition to any other remedies which may be available to it, repair, replace, rebuild or paint all or any part of the Premises included in the said notice, and the cost thereof shall be payable by the Lessee upon demand.

Section 17. **Demolition Work**

(a) **Demolition Work.** Within one (1) year after the date that the Port Authority accepts the Lessee's surrender of this Agreement pursuant to Section 34 hereof, the Lessee is required to demolish, raze, destroy and otherwise tear down Building 147 located on the Premises to the existing grade (the "***Demolition Work***"); provided that, the Lessee has not received written notice from the Port Authority that Lessee should not perform the Demolition Work, which notice must be received by Lessee prior to the end of the lease term. Prior to performing the Demolition Work, the Lessee shall be required to enter into a right-of-entry agreement (the "***ROE***") with the Port Authority that meets the then current Port Authority standards for such agreement. For avoidance of doubt, during the said one year period following the surrender of this Agreement, there shall be no Ground Rental or Building Rental due and owing the Port Authority from Lessee.

(b) **Lessee's Obligations.** The ROE shall require the Lessee, at the Lessee's sole cost and expense,

(i) To perform the Demolition Work in accordance with all applicable Environmental Requirements, which shall include, without limitation,

(1) the demolition, removal and Disposal of the Storage Tanks and contaminated soil,

(2) all appropriate, required or necessary removal and Disposal of Hazardous Substances located on the Premises and

(3) the handling, transporting and off-airport Disposal of the Storage Tanks and all Hazardous Substances located on the Premises;

(ii) to remove and Dispose of all cables, wires and all of the cables' and wires' associated equipment and accoutrements from all underground conduits and duct banks that are located within the Premises and beyond the boundary of the Premises until each of such conduits and duct banks connects with its nearest off-site manhole;

(iii) to complete the Demolition Work as described in paragraph (a) and subparagraphs (b)(i) – (ii) hereinabove;

(iv) to perform required clean-up and Remediation in connection with the Demolition Work;

(v) to backfill the site of the Demolition Work to the top of the foundation of the demolished building, formerly referred to as Building 147, with river rock coating, ensuring adequate site drainage; and

(vi) to complete the Exit Baseline (as defined in paragraph (c) of Section 50 hereof.)

(c) **Completion.** The Lessee hereby assumes all risks arising out of or in connection with the Demolition Work. Upon the completion of the Demolition Work, the Lessee shall (i) perform such testing of the soil, subsoil and ground water of the Premises and of such surrounding areas as the Port Authority shall in its sole discretion deem necessary, (ii) perform any clean-up and Remediation that the Port Authority deems necessary as set forth in subdivisions (i) and (ii) of paragraph (b), above and (iii) .

(d) **Construction Work.** Demolition Work is Construction Work that is subject to the requirements of Section 15 hereof.

(e) **Survival.** All of the Lessee's obligations under this Section 17 shall survive the expiration or termination of this Agreement.

Section 18. Signs

(a) **Exterior Signs.** Except with the prior written approval 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 from outside the Premises or at or on any other portion of the Airport outside the Premises. Without in any way limiting the foregoing, the Lessee will be permitted to erect an exterior sign on the Premises after the Lessee has received the prior written approval of the Port Authority to do so. Interior signs affecting public safety and security shall be in accordance with established Port Authority standards. Notwithstanding the foregoing, all signs erected and/or displayed by the Lessee as of the Commencement Date (i) at or on the exterior parts of the Premises, (ii) in the Premises so as to be visible from outside the Premises or (iii) at or on any other portion of the Airport outside the Premises, are hereby deemed approved by the Port Authority.

(b) **Removal of Signs.** 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 on the Airport and in connection therewith shall restore the portion of the Premises and the Airport affected by such signs or advertising to the same condition as existing prior to the installation of such signs and advertising. In the event of a failure on the part of the Lessee so to remove, obliterate or paint out each and every such sign or advertising and so to restore the Premises and the Airport, the Port Authority may perform the necessary work and the Lessee shall pay the cost thereof to the Port Authority on demand.

Section 19. Obstruction Lights

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

Section 20. Ingress and Egress

(a) **Access.** The Lessee, its officers, employees, customers, invitees, contractors, agents and representatives, shall have the right of ingress and egress between the Premises and a city street or public way outside the Airport by means of existing roadways used in common with others having rights of passage within the Airport, provided, however, that the Port Authority may from time to time substitute other reasonably equivalent means of ingress and egress.

(b) **Rules and Regulations.** The use of all roadways shall be subject to the Rules and Regulations of the Port Authority which are now in effect or which may hereafter be promulgated for the safe and efficient operation of the Airport. The Port Authority may, at any time, temporarily or permanently close, or consent to or request the closing of, any such roadway and any other area at the Airport presently or hereafter used as such, so long as means of ingress and egress reasonably equivalent to that provided in paragraph (a) above are concurrently made and remain available to the Lessee. The Lessee hereby releases and discharges the Port Authority, its successors and assigns, of and from any and all claims, demands or causes of action which the Lessee may now or at any time hereafter have against any of the foregoing, arising or alleged to arise out of the closing of any street, roadway, taxiway or other area used as such whether within or outside the Airport, provided, that the Port Authority makes available to the Lessee a means of ingress and egress reasonably equivalent to that provided in paragraph (a) above.

Section 21. Non-liability of Individuals

No Commissioner, director, shareholder, 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 22. Indemnity and Liability Insurance

(a) **Indemnity.**

(i) The Lessee 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 reasonable 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 Lessee in performing or observing 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, employees, guests, invitees and other persons who are doing business with the Lessee or who are at the Premises with the consent of the Lessee or arising out of the acts or omissions of the Lessee, its officers and employees elsewhere at the Airport (excepting only claims and demands arising from the sole willful acts of the Port Authority), 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 through agreement of the Port Authority with the said City.

(ii) 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 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.

(b) **Liability Insurance.**

(i) In addition to the obligations set forth in paragraph (a) of this Section and all other insurance required under this Agreement, the Lessee during the term of this Agreement in its own name as insured and including the Port Authority and The City of New York as an additional insured shall maintain and pay the premiums on a policy or policies of Commercial General Liability Insurance, including products-completed operations, Premises-operations, and covering bodily injury, including death, and property damage liability, Warehouseman's Legal Liability, and Fire Legal Liability, and providing for coverage in the limit set forth below; and, if applicable, 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 limit set forth below; and Workers' Compensation Insurance in accordance with the requirements of law. All the aforesaid liability policy or policies of insurance shall also provide or contain an endorsement providing that the protections afforded the Lessee thereunder with respect to any claim or action against the Lessee by a third person shall pertain and apply with like effect with respect to any claim or action against the Lessee by the Port Authority but such endorsement shall not limit, vary, change, or affect the protections afforded the Port Authority thereunder as an additional insured. In addition, all the aforesaid liability policy or policies of insurance shall also provide or contain an endorsement providing that the protections afforded the Port Authority thereunder with respect to any claim or action against the Port Authority by the Lessee shall be the same as the protections afforded the Lessee thereunder with respect to any claim or action against the Lessee by a third person as if

the Port Authority were the named insured thereunder. The said liability policy or policies of insurance, where applicable, shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Lessee under paragraph (a) hereof.

	General Minimum Limits
Commercial General Liability Combined single limit per occurrence for death, bodily injury and property damage liability:	$2,000,000

Without limiting the provisions hereof, in the event the Lessee maintains the foregoing insurance in limits greater than aforesaid, the Port Authority and The City of New York shall be included therein as additional insureds to the full extent of all such insurance in accordance with all the terms and provisions hereof.

(ii) 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 term of the letting hereunder. The Port Authority may, at any such time, require an increase in the minimum limits, or 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 reasonably deem required and the Lessee shall promptly comply therewith.

(iii) As to all insurance required hereunder, a certified copy of each policy or a certificate evidencing the existence thereof, or a binder, shall be delivered to the Port Authority within thirty (30) days after the execution of this Agreement. 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 be specifically endorsed to state that the policy may not be cancelled, terminated, changed or modified, without giving thirty (30) days' written notice thereof to the Port Authority. Evidence of 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 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. The aforesaid insurance shall be written by a company or companies approved by the Port Authority, the Port Authority agreeing not to withhold its approval unreasonably. If at any time any of the insurance policies shall be or become unsatisfactory to the Port Authority as to the form or substance or if any of the carriers issuing such policies shall be or become unsatisfactory to the Port Authority, the Lessee shall

promptly obtain a new and satisfactory policy in replacement, the Port Authority covenanting and agreeing not to act unreasonably hereunder. If the Port Authority at any time so requests, a certified copy of each of the policies shall be delivered to the Port Authority.

Section 23. Insurance

(a) **Property Insurance.** The Lessee shall, during the term of this Agreement, insure and keep insured to the extent of the full Replacement Cost thereof, all buildings, structures, improvements, installations, facilities and fixtures now or in the future located on the Premises when the same are located on the Premises against all risks of physical loss or damage, including loss against flood and earthquake, if available, and if not available, then against such hazards and risks as may now or in the future be included under a standard form of fire and extended coverage insurance policy available in the State of New York including damage or loss by windstorm, cyclone, tornado, hail, explosion, riot, civil commotion, aircraft, vehicles, flood, earthquake and smoke, and, if the Port Authority so requests, also covering nuclear property losses and contamination hazards and risks (if such coverage is or becomes available) and boiler and machinery hazards and risks in a separate insurance policy or policies or as an additional coverage endorsement to the aforesaid policies in the form as may now or in the future be prescribed as of the effective date of said insurance by the Rating Organization having jurisdiction or the Superintendent of Insurance of The State of New York and the Lessee shall furthermore provide additional insurance with respect to the Premises covering any other property risk that the Port Authority may at any time during the term of this Agreement cover by carrier or self-insurance covered by appropriate reserves at other locations at the Airport upon written notice to the Lessee to such effect.

(b) **Business Interruption Insurance.** In addition to all other policies of insurance required under this Agreement, the Lessee shall also procure and maintain throughout the term of this Agreement (including any and all extensions) Business Interruption Insurance in such amount as shall be at least sufficient to cover, and applicable to, all fees, charges and other payments that are payable by the Lessee to the Port Authority under this Agreement including rental expenses for a period of not less than three (3) years for any business interruption losses in business revenue that occur when the Premises or any portion thereof is unusable or is out of operation due to a fire or for any other risks or hazards that are normally covered under a standard form of "All Risk" policy.

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

(d) **Occurrence of Insured Event.** In the event the Premises or any part thereof shall be damaged by any casualty against which insurance is carried pursuant to this Section 23, the Lessee shall promptly furnish to the Port Authority such information and data as may be necessary to enable the Port Authority to adjust the loss.

(e) **Policies.** As to all insurance required hereunder, a certified copy of each policy or a certificate evidencing the existence thereof, or a binder, shall be delivered to the Port Authority within thirty (30) days after the execution of this Agreement. 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 be specifically endorsed to state that the policy may not be cancelled, terminated, changed or modified, without giving thirty (30) days' written notice thereof to the Port Authority. Evidence of a renewal policy shall be delivered to the Port Authority at least fifteen (15) days prior to the expiration date of each expiring policy.

(f) **References to "Insurance".** Regardless, however, of the persons whose interests are insured, the proceeds of all policies covered by this Section 23 shall be applied as provided in Section 24; and the word "insurance" and all other references to insurance in said Section 24 shall be construed to refer to the insurance which is the subject matter of this Section 23, and to refer to such insurance only.

(g) **Insurance Requirements.** The insurance covered by this Section 23 shall be written by companies approved by the Port Authority, the Port Authority covenanting and agreeing not to withhold its approval unreasonably. All insurance coverages and policies required under these Sections 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 this 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 and may require such other and additional insurance, in such reasonable amounts, against such other insurable risks and hazards, as the Port Authority may deem advisable and the Lessee shall promptly comply therewith.

Section 24. Damage to or Destruction of Premises

(a) **Removal of Debris.** If the Premises, or any part thereof, shall be damaged by fire, the elements, the public enemy or other casualty, the Lessee shall promptly remove all debris resulting from such damage from the Premises, and to the extent, if any, that the removal of debris under such circumstances is covered by insurance, the proceeds thereof shall be made available to the Port Authority and be used by the Lessee for that purpose.

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

(c) **Major Damage to or Destruction of the Premises.**

(i) If the Premises, or any part thereof, shall be destroyed or so

damaged by fire, the elements, the public enemy or other casualty as to be untenantable or unusable for ninety (90) days, or if within thirty (30) days after such damage or destruction the Lessee notifies the Port Authority in writing (the "***Major Casualty Notification***") that in its opinion said Premises will be untenantable or unusable for ninety (90) days, then the Lessee shall either (x) terminate this Agreement or (ii) proceed with due diligence to make the necessary repairs or replacements to restore such Premises in accordance with the plans and specifications for the Premises as the same existed prior to such damage or destruction; or with the approval in writing of the Port Authority make such other repairs, replacements or changes as may be desired by the Lessee. If such destruction or damage was covered by insurance, the proceeds thereof shall be made available to the Port Authority and be used by the Lessee for such restoration.

(ii) If the Lessee elects to terminate this Agreement pursuant to paragraph (c)(i) of this Section, then Lessee shall: (x) inform the Port Authority of such termination in the Major Casualty Notification; (y) pay to the Port Authority an amount equal to the then present value of the sum of the Basic Ground Rental and the Building Rental at an interest rate equal to the Revenue Bond Index for the week that includes the date that the Port Authority received notice of such termination from the Lessee plus 300 basis points that would have been paid by the Lessee to the Port Authority if this Agreement expired on December 31, 2021; and (z) perform the Demolition Work.

(d) **Limited to Proceeds.** The obligation of the Lessee to repair or replace shall be limited to the amount of the insurance proceeds provided the Lessee has carried insurance to the extent and in accordance with Section 23 hereof. Any excess of the proceeds of insurance over costs of the restoration shall be retained by the Port Authority.

(e) **Section 227 of the RPL.** The parties hereby stipulate that 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.

Section 25. <u>Condemnation</u>

(a) **Terms.**

(i) As used in this Section, the phrase "temporary interest," when used with reference to real property, shall mean an interest in such real property entitling the owner of such interest to the possession of such property (whether or not such interest includes or is co-extensive with an interest of the Lessee therein under this Agreement), for an indefinite term or for a term terminable at will or at sufferance or for a term measured by a war or an emergency or other contingency or for a fixed term expiring prior to the expiration date of this Agreement; and the phrase "permanent interest," when used/ with reference to real property, shall mean an interest in such real property entitling the owner of such interest to possession thereof, other than a temporary interest as above defined, including, among other things, a fee simple and an interest for a term of years expiring on or after the expiration of this Agreement.

(ii) As used in this Section with reference to the Premises, the phrase "a material part" shall mean such a part of the Premises that the Lessee cannot continue to carry on or cause to be carried on the operations described in Section 9 hereof without using such part.

(b) **Permanent Taking**

(i) If, in the event of an acquisition by condemnation or the exercise of the power of eminent domain by any body having a superior power of eminent domain of a permanent interest in all or any part of the Premises pursuant to the terms of this Agreement (any such acquisition under this Section being hereinafter referred to as a "permanent taking"), the permanent taking covers all of the Premises, this Agreement and the letting hereunder shall terminate and expire on the earlier of (1) the date the Lessee is deprived of physical possession thereof or (2) the date of such taking; all rentals, fees and payments due under this Agreement shall be apportioned and paid by the Lessee to the date of such termination.

(ii) In the event a permanent taking covers a material part of the Premises, then the Lessee and the Port Authority shall each have an option exercisable by notice given within ten (10) days after the effective date of such taking to terminate the letting hereunder with respect to the premises not taken, as of the date of such taking, and such termination shall be effective as if the date of such taking were the original date of expiration hereof. If the letting of the entire Premises is not terminated, the settlement or abatement of rentals after the date possession is taken by the body having superior power of eminent domain shall be in accordance with Section 4 hereof.

(iii) In the event a permanent taking covers less than a material part of the Premises, this Agreement and the term of the letting hereunder shall be deemed terminated as to the part so taken as of the earlier of (1) the date the Lessee is deprived of physical possession of such part or (2) the date of such taking; and with respect to the part not taken, the letting shall continue in full force and effect and the Lessee shall continue to pay all rentals and other sums, charges and fees provided to be paid by the Lessee under this Agreement without any reduction or abatement, provided, however, that the basic rental referred to in Section 4 hereof shall be abated as provided in said Section 4.

(c) **Temporary Taking.** If a temporary interest in the Premises or in any part thereof shall be taken in condemnation or other eminent domain proceedings (such taking being hereinafter referred to as "a temporary taking") then this Agreement shall nevertheless continue in full force and effect except to the extent the Lessee may be prevented from so doing pursuant to the terms of the order of the condemning power and the Lessee shall continue to pay all rentals and other sums, charges and fees, if any, provided to be paid by the Lessee under this Agreement without any reduction or abatement therein. If such temporary taking is of a part only and the same shall damage any portion of the Premises, the Lessee at its cost and expense shall diligently repair any such damage and shall put such portion as nearly as possible in the condition thereof immediately prior to such taking.

(d) **Value of Premises**

(i) In the event of a permanent taking of all or any part of the Premises, the Port Authority and the Lessee shall have the right to appear in the condemnation or eminent domain proceedings and to participate in any and all hearings, trials and appeals therein, for the purpose of protecting their interests hereunder. In any such proceeding to determine the value of the Premises so taken, the Port Authority and the Lessee shall together make one claim for their combined interest in the Premises and the building, fixtures, equipment, furnishings and other property constructed, installed or situated therein and thereon (to the extent compensable), and the net award received shall be paid as hereafter provided in this paragraph (d).

(ii) Nothing contained herein shall be deemed to affect in any way any claim the Port Authority may have for the value of any portion of the Airport not included within the Premises hereunder which may be affected by any taking described in this Section or shall serve to give the Lessee any interest in any such claim.

(iii) The rights of the Port Authority and the Lessee in and to the net award or awards upon any permanent taking of all or a material part of the Premises, whereby this Agreement is terminated, shall be determined as follows and in the following order of priority:

(1) The Port Authority shall be entitled to receive and retain an amount equal to the residual value of the Premises, which value shall be based on the projected net operating revenue of the Premises to the Port Authority after the expiration of this Agreement, with such net operating revenues escalating over the remaining useful life of the Premises for so long as the Port Authority maintains a leasehold interest covering the Premises hereunder, with such valuation taking into account the effective date of lease termination due to condemnation.

(2) From the remainder of the award paid to the Port Authority, if any, the Port Authority shall be entitled to retain the same.

(iv) Upon a permanent taking of less than a material part of the Premises or of a material part of the Premises, but this Agreement is not terminated, the award paid to the Port Authority shall be made available to the Lessee for the repair or rebuilding of the buildings constructed thereon, and such portion of the award remaining, after providing for the repair or rebuilding of the buildings constructed thereon shall be distributed in accordance with the provisions of subparagraph (iii) hereof.

(v) Upon a temporary taking of all or any portion of the Premises, and subject to the Lessee's repair obligations as set forth in paragraph (c) hereof, the Lessee shall be entitled to receive from the Port Authority the full amount of the net award except for such portion of the award representing any period of the taking subsequent to the term of the letting hereunder which portion shall be paid to and retained solely by the Port Authority.

(e) **Termination.** In the event of the taking of all or a material part of the Premises, and this Agreement is terminated, this Agreement and all rights granted by this Lease to the Lessee to use or occupy the Premises for its exclusive use or for its use in common with others at the Airport and all rights, privileges, duties and obligations of the parties in connection therewith or arising thereunder shall terminate as of the date of the taking, and in that event, the Lessee (except with respect to its personal property) shall not have any claim or right to claim or be entitled to any portion of the amount which may be awarded as damages or paid as a result of such taking, and all rights to damages, if any, of the Lessee (except for damages to its personal property) by reason thereof are hereby assigned to the Port Authority.

(f) **Condition of Premises Taken.** In the event of a taking hereunder, the Lessee hereby agrees to deliver possession of all or such portion of the Premises so taken upon the effective date of such taking in the same condition as that required for the delivery of the Premises upon the date originally fixed by this Agreement for the expiration of the term of the letting hereunder. No taking by or conveyance to any governmental authority as described herein shall be or be construed to be an eviction of the Lessee or a breach of this Agreement or be made the basis of any claim by the Lessee against the Port Authority for damages, consequential or otherwise.

Section 26. **Assignment and Sublease**

(a) **No Right to Assign.** Except as otherwise permitted by the terms of this Agreement, the Lessee covenants and agrees that it will not sell, convey, transfer, mortgage, pledge or assign this Agreement or any part thereof, or any rights created thereby or the letting thereunder or any part thereof without the prior written consent of the Port Authority and the payment of the Transfer Fee (as hereinafter defined) and Port Authority legal fees therefor (including without limitation fees for the Port Authority's Law Department). Notwithstanding the foregoing, if the Lessee obtains the consent of the New York State Public Service Commission for a sale, acquisition or merger of all of the ownership interests in the Lessee, then the prior written consent of the Port Authority to an assignment of this Agreement due to such sale, acquisition or merger shall not be required, and no Transfer Fee shall be due and owing the Port Authority; provided, that, the Lessee provides the Port Authority with written notice and a copy of the executed assignment prior to the effectiveness of such assignment.

(b) **No Right to Sublet.** The Lessee shall not sublet the Premises or any part thereof without the prior written consent of the Port Authority and, if the subletting is not to an entity that is wholly owned by either Verizon Communications, Inc. or Verizon Wireless, the Lessee shall pay a transfer fee to the Port Authority that is equal to Ex. 2.a. of the gross amount payable to the Lessee under the sublease (the "***Transfer Fee***"). Notwithstanding the foregoing, the prior written consent of the Port Authority shall not be required if the Lessee sublets the Premises to an entity that is wholly owned by either Verizon Communications, Inc. or Verizon Wireless.

(c) **Violation of Prohibition.**

(i) Any sale, assignment, transfer, sublease, 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 thereof, or any license or other interest of the Lessee therein not made in accordance with the provisions of this Agreement shall be null and void ab initio and of no force or effect.

(ii) If, without the prior written consent of the Port Authority, the Lessee assigns, sells, conveys, transfers, mortgages, pledges or sublets in violation hereof 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 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; nor shall the granting of the Port Authority's approval and consent pursuant to paragraph (a) or (b) of this Section be construed to be a waiver or release by the Port Authority from the further performance by the Lessee of the covenants contained herein.

(d) **No Waiver.** Any consent granted by the Port Authority to any assignment or subletting or to any sublessee pursuant to the provisions hereof shall not be construed or deemed to release, relieve or discharge any succeeding assignee, successor or transferee of the Lessee or any other person claiming any right, title or interest in this Agreement from the requirement of obtaining the prior written consent of the Port Authority in the event it wishes to sell, convey, transfer, mortgage, pledge, sublet or assign this Agreement or any part thereof, or any rights created thereby or the letting hereunder or any part thereof; and such assignee, successor or transferee or other person claiming any right, title or interest in this Agreement shall not sell, convey, transfer, mortgage, pledge, sublet or assign this Agreement or any part thereof, or any rights created thereby or the letting there-under or any part thereof without such prior written consent of the Port Authority.

(e) **Use.** The Lessee shall not use or permit any person to use the Premises or any portion thereof except in accordance with the provisions of Section 38 hereof and this Section nor for any purpose other than the purposes stated in Section 9 hereof. Except as provided 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, representatives, contractors, guests, visitors and business invitees.

Section 27. Events of Default

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

(i) 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 of its property; or

(ii) 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 its creditors or 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, provided that if any such judgment or order is stayed or vacated within sixty (60) days after the entry thereof, any notice of cancellation shall be and become null, void and of no effect; or

(iii) 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 thirty (30) days; or

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

(v) Any lien is filed against the Premises because of any act or omission of the Lessee and shall not be discharged of record, or by bonding through an insurance company duly authorized to write such bonds in New York State, within thirty (30) days after the Lessee has received notice thereof; or

(vi) Except as expressly permitted in Section 26 of this Agreement, the letting hereunder or the interest or estate of the Lessee under this Agreement shall be transferred directly by the Lessee or shall pass to or devolve upon, by operation of law or otherwise, any other person, firm or corporation; or

(vii) 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 sixty (60) days after the filing thereof; or

(viii) Except as otherwise provided in Section 26 hereof, the Lessee 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

(ix) The Lessee shall fail duly and punctually to pay the rentals or to make any other payment required hereunder when due to the Port Authority and shall continue in its failure to pay rentals or fees or to make any other payment required hereunder for a period of fifteen (15) days after receipt of notice by it from the Port Authority to make such payment; or

(x) 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 thirty (30) 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 thirty (30) 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 there-after during the continuance thereof, the Port Authority may upon twenty (20) days' notice terminate the rights of the Lessee hereunder and the letting, such termination to be effective upon the date specified in such notice. Such right of termination and the exercise thereof shall be and operate as a conditional limitation.

(b) **No Waiver.**

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

(ii) 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.

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

Section 28. Right of Re-entry

The Port Authority shall, as an additional remedy upon the giving of a notice of termination as provided in Section 27 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 other-wise. 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 29. 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 30. Survival of the Obligations of the Lessee

(a) **Survival of Rent and Damages.** In the event that the letting shall have been terminated in accordance with a notice of termination as provided in Section 27 hereof, or the interest of the Lessee canceled 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 28 hereof, all the rental obligations of the Lessee under this Agreement shall survive such termination or cancellation, or re-entry, regaining or resumption of possession and shall remain in full force and effect for the full term of the letting under this Agreement, and the amount or amounts of damages or deficiency shall become due and payable to the Port Authority to the same extent, at the same time or times and in the same manner as if no termination, cancellation, re-entry, regaining or resumption of possession had taken place. The Port Authority may maintain separate actions each month to recover the damage or deficiency then due or at its option and at any time may sue to recover the full deficiency, less the proper discount, for the entire unexpired term.

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

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

(ii) An amount equal to all expenses reasonably incurred by the Port Authority in connection with regaining possession and restoring and reletting the Premises, for legal expenses, putting the Premises in order, including but not limited to, cleaning, decorating and restoring (on failure of the Lessee to restore), maintenance and brokerage fees.

(iii) The amount of any additional rent due and owing to the Port Authority pursuant to Section 5 hereof.

Section 31. Reletting by the Port Authority

The Port Authority upon termination or cancellation pursuant to Section 27 hereof, or upon any re-entry, regaining or resumption of possession pursuant to Section 28 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 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 22, or upon its re-entry, regaining or resumption of possession pursuant to the said Section 23, have the right to repair or to make structural or other changes in the Premises, including changes which alter the character of the Premises and the suitability thereof for the purpose of the Lessee under this Agreement, without affecting, altering or diminishing the obligations of the Lessee hereunder. In the event either of any reletting or of any actual use and occupancy by the Port Authority (the mere right of the Port Authority to use and occupy not being sufficient however) there shall be credited to the account of the Lessee against its survived obligations hereunder any net amount remaining after deducting from the amount actually received from any lessee, licensee, permittee or other occupier in connection with the use of the said Premises or portion thereof during the balance of the letting as the same is originally stated in this Agreement, or from the market value of the occupancy of such portion of the Premises as the Port Authority may during such period actually use and occupy, all expenses, costs and disbursements incurred or paid by the Port Authority in connection therewith (except to the extent the same have been paid or reimbursed by the Lessee pursuant to subparagraph (b) (2) of Section 30 hereof). No such reletting shall be or be construed to be an acceptance of a surrender.

Section 32. Remedies to be Non-Exclusive

All remedies provided in this Agreement shall be deemed cumulative and additional and not in lieu of or exclusive of each other or of any other remedy available to the Port Authority or to the Lessee at law or in equity, and the exercise of any remedy, or the existence herein of other remedies or indemnities shall not prevent the exercise of any other remedy.

Section 33. Surrender

The Lessee covenants and agrees to yield and deliver peaceably to the Port Authority possession of the Premises on the date of cessation of the letting, whether such cessation be by termination, expiration or otherwise, promptly and in good condition, except for reasonable wear arising from the permitted use of the Premises by the Lessee which does not cause or tend to cause deterioration of the Premises or adversely affect the efficient or proper utilization thereof, and in accordance with the requirements of Section 17 hereof, 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.

Section 34. 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 35. Removal of Property

The Lessee shall have the right at any time during the letting to remove its equipment, inventories, trade fixtures and other fixtures removable without material damage to the Premises, 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 36. Reciprocal Termination Rights

Each party shall have the right to terminate the term of the letting under this Agreement, without cause, upon at least three (3) years' prior written notice to the non-terminating party. 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. Termination under the provisions of this paragraph shall have the same effect as if the effective date of termination stated in the notice were the date of expiration of the term of the letting under this Agreement.

Section 37. Compliance with Governmental Requirements

(a) **Compliance.** The Lessee shall comply with all laws and ordinances and governmental rules, regulations, orders and directions which may pertain or apply to (i) the Premises, (ii) the operations of the Lessee on the Premises hereunder or the Airport, (iii) the occupancy or use of the Premises or (iv) with regard to Environmental Requirements only, property outside the Premises as a result of the Lessee's use and occupancy of the Premises or a migration of Hazardous Substances from the Premises. The Lessee shall make any and all structural and non-structural improvements, alterations or repairs of the Premises and perform all Remediation work and cleanup of Hazardous Substances required in order to fully satisfy the compliance obligations set forth herein.

(b) **Authorizations.** The Lessee shall procure from all Governmental

Authorities having jurisdiction over the operations of the Lessee hereunder and shall maintain in full force and effect throughout the term of this Agreement all licenses, certificates, permits or other authorization, which may be necessary for the conduct of such operations.

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

(d) **Authorized Non-Compliance.**

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

(ii) In the event of compliance with any such enactment, ordinance, resolution or regulation on the part of the Lessee, acting in good faith, commenced after such delivery to the Port Authority but prior to the receipt by the Lessee of a written direction from the Port Authority not to comply (and thereafter discontinued), such compliance shall not constitute a breach of this Agreement, although the Port Authority thereafter directs the Lessee not to comply. Nothing herein contained shall release or discharge the Lessee from compliance with any other provision hereof respecting governmental requirements.

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

allow.

Section 38. Rules and Regulations

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

Section 39. Various Obligations of the Lessee

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

(b) **Operate in a Safe Manner.** 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.

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

(d) **Vehicular Traffic.** The Lessee shall control all vehicular traffic on the roadways or other areas within the Premises and shall take all precautions reasonably necessary to promote the safety of its customers, patrons, business visitors and all other persons. The Lessee shall employ such means as may be necessary to direct the movement of vehicular traffic within the Premises to prevent traffic congestion on the public roadways leading to the Premises.

(e) **Removal of Waste.** The Lessee shall remove from the Airport or otherwise dispose of in a manner approved by the General Manager of the Airport all garbage, debris, and other waste materials (whether solid or liquid) arising out of its occupancy of the Premises or out

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

(f) **Fire Safety.** 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. The Lessee shall at all times maintain on the Premises adequate stocks of fresh, usable chemicals for use in such systems 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) **Safety Standards.** In addition to compliance by the Lessee with all laws, ordinances, governmental rules, regulations and orders now or at any time in effect during the term of the letting hereunder which as a matter of law are applicable to the operation, use or maintenance by the Lessee of the Premises or the operations of the Lessee under this Agreement (the foregoing not to be construed as a submission by the Port Authority to the application to itself of such requirements or any of them), the Lessee agrees that it shall exercise the highest degree of safety and care and shall conduct all its operations under this Agreement and shall operate, use and maintain the Premises in accordance with the highest standards and in such manner that there will be at all times a minimum of air pollution, water pollution or any other type of pollution and a minimum of noise emanating from, arising out of or resulting from the operation, use or maintenance of the Premises by the Lessee and from the operations of the Lessee under this Agreement. The 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 structures, fences, equipment, devices and other facilities as may be necessary or appropriate to accomplish the objectives as set forth in the first sentence of this paragraph. All locations, the manner, type and method of construction and the size of any of the foregoing shall be determined by the 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.

(h) **Records.** Without limiting any other of the Lessee's operations 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, notice, 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.

Section 40. Prohibited Acts

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

(b) **Odors.** The Lessee shall not create nor permit to be caused or created upon the Premises any obnoxious odors or smokes, or noxious gases or vapors.

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

(d) **Safety Violations.** The Lessee shall not itself do nor shall the Lessee give its permission to any other to do any act or thing upon the Premises or at the Airport (1) which will invalidate or conflict with any fire insurance, extended coverage or rental insurance policies covering the Premises or any part thereof, or the Airport or any part thereof, or (2) which, in the opinion of the Port Authority, may constitute an extra-hazardous condition so as to increase the risks normally attendant upon the operations contemplated by Section 9 hereof. 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 Insurance Services Offices of New York and the National Fire Protection Association, 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 6 hereof, make any and all structural and 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 paragraph any fire insurance rate, extended coverage or rental insurance rate on the Premises or any part thereof, or on the Airport or any part thereof, shall at any time be higher than it would be if the Premises were properly used for the purposes permitted by Section 9 hereof, then the Lessee shall pay to the Port

Authority, as an item of additional rent, that part of all insurance premiums paid by the Port Authority which shall have been charged because of such violation or failure by the Lessee.

(e) **Waste.** The Lessee shall not dispose of nor permit any one to dispose of any waste material (whether liquid or solid) by means of the toilets, manholes, sanitary sewers or storm sewers in the Premises or on the Airport except after treatment in installations or equipment included in plans and specifications submitted to and approved by the Port Authority.

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

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

(h) **Vending Machines.**

(i) With the exception of a lunchroom for its employees, the Lessee shall not install, maintain or operate, or permit the installation, maintenance or operation on the Premises of any vending machine or device designed to dispense or sell food, beverages, tobacco, tobacco products or merchandise of any kind whether or not included in the above categories, or of any restaurant, cafeteria, kitchen, stand or other establishment of any type for the preparation, dispensing or sale of food, beverages, tobacco, tobacco products, or merchandise of any kind, whether or not included in the above categories, or of any equipment or device for the furnishing to the public of service of any kind including therein, without limitation thereto, telephone pay-stations, unless the Lessee obtains the prior written consent of the Port Authority.

(ii) The Port Authority, by itself or by contractors, lessees or permittees, shall have the exclusive right to install, maintain and receive the revenues from all coin-operated or other vending machines or devices installed by it and operated on the Premises for the sale of merchandise of all types or for the rendering of services, provided, however, that no such machine or device shall be installed except upon the request of the Lessee. If the Port Authority does not install and maintain any such machine that the Lessee may reasonably request, the Lessee shall have the right to do so, provided, however, (1) that the Lessee shall pay or cause to be paid to the Port Authority each month for each machine upon the same basis for the preceding month as any concessionaire, permittee or licensee of the Port Authority then operating machines at the Airport for the sale of similar merchandise or the rendering of similar services, and (2) that in the event the Lessee exercises such right, the Port Authority at any time thereafter, may substitute for the Lessee's machines other machines selling similar merchandise or services operated by the Port Authority or by its licensee, permittee or concessionaire, and thereupon the

Lessee shall remove its machines.

(i) **Floor Overload.** The Lessee shall not overload any floor and shall repair any floor, including supporting members, and any paved area damaged by overloading. Nothing in this paragraph (j) or elsewhere in this Agreement shall be or be construed to be a representation by the Port Authority of the weight any floor or paved area will bear.

(j) **Fueling.** The Lessee shall not fuel or defuel its automotive vehicles or other equipment in the enclosed portion of the Premises without the prior approval of the General Manager of the Airport.

(k) **Cleaning Materials.** The Lessee shall not use any cleaning materials having a harmful or corrosive effect, on any part of the Premises.

(l) **Use of Structural Supports.** The Lessee shall not use or permit the use of any truss or structural supporting member of the building or roof or any part thereof for the storage of any material or equipment, or to hoist, lift, move or support any material or equipment or other weight or load, by means of said trusses or structural supporting members, without the prior written approval of the Port Authority.

Section 41. OFAC Compliance

(a) **Representations and Warranties.** The Lessee hereby represents and warrants to the Port Authority that the Lessee (x) 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 Assets Control (***"OFAC"***) of the United States Department of the Treasury (including, without limitation, those named on OFAC's Specially Designated and Blocked Persons list) or under any statute, executive order (including, without limitation, Executive Order 13224 of September 23, 2001, Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit, or Support Terrorism), or other governmental action, and (y) is not engaging, and shall not engage, in any dealings or transactions with, and is not and shall not be otherwise associated with (as determined by the Secretary of the Treasury of the United States of America), 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 afore-described basis shall be deemed a termination for cause.

(b) **Indemnification.** 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) **Survival.** The provisions of this Section shall survive the expiration or earlier termination of the term.

Section 42. Effect of Basic Lease

(a) **Rights of Lessee.** The Lessee acknowledges that it has received, and is familiar with the contents of, a copy of the Basic Lease. The rights of the Port Authority in the Premises are those granted to it by the Basic Lease, and no greater rights are granted or intended to be granted to the Lessee than the Port Authority has power thereunder to grant.

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

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

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

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

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

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

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

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

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

Section 43. Compliance with Basic Lease

The Lessee hereby acknowledges that the terms and provisions of the Basic Lease requires or may require certain modifications to this Agreement, specifically those relating to condemnation, indemnity and insurance. The Lessee covenants and agrees that upon delivery to it by the Port Authority of an amendment to this Agreement which sets forth said modifications which the Port Authority deems are appropriate or necessary for full compliance with the Basic Lease, the Lessee shall immediately execute said amendment and return same to the Port Authority. A failure by the Lessee to so execute and return said amendment shall constitute a material breach of this Agreement.

Section 44. Federal Airport Aid

(a) **Non-Discrimination.** The Lessee shall:

(i) Furnish good, prompt and efficient service hereunder, adequate to meet all demands therefor;

(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.

(b) **Service.** As used in paragraph (a) above, "service" shall include furnishing parts, materials and supplies (including sale thereof).

(c) **Grants.** 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 and may hereafter be amended and supplemented or superseded by similar federal legislation, 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 Lessee of the covenants, promises and obligations contained in this Section 44 and in Section 45 hereof, is therefore a special consideration and inducement to the execution of this Agreement by the Port Authority, and the Lessee further covenants and agrees that if the Administrator of the Federal Aviation Administration or any other governmental officer or body having jurisdiction over the enforcement of the obligations of the Port Authority in connection with the Federal Airport Aid, shall make any orders, recommendations or suggestions respecting the performance by the Lessee of such covenants, promises and obligations, the Lessee will promptly comply therewith, at the time or times when and to the extent that the Port Authority may direct.

Section 45. Method of Operation

(a) **Operation Standards.** Consistent with the provisions of Section 9 hereof, the Lessee hereby warrants and agrees that it will (i) continue to conduct its operations in a manner that is consistent with its operational standards as of the Commencement Date and (ii) furnish all necessary or proper fixtures, equipment, personnel (including licensed personnel as necessary), supplies, materials and facilities, and that it will furnish the foregoing promptly, efficiently and adequately to meet all demands therefor, on a fair, equal and non-discriminatory basis to all users thereof, and at charges which are fair, reasonable and non-discriminatory, provided that reasonable and non-discriminatory discounts, rebates, or other similar types of price reductions may be made to volume purchasers.

(b) **Services.** As used hereunder, "services" shall include the furnishing of parts, materials and supplies (including the sale thereof).

(c) **Management.** The Lessee shall at all times during the letting hereunder cause to be maintained a full, adequate, experienced and proficient management staff all of whom (as well as other employees of the Lessee) shall be reputable and of good character. No individual shall be knowingly employed or retained by or on behalf of the Lessee if he or she has been convicted of a serious misdemeanor or a felony.

Section 46. Non-Discrimination

(a) **Lease Covenants.** Without limiting the generality of any of the provisions of this Agreement, the Lessee, for itself, its successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (1) no person on the grounds of race, creed, color, national origin, sex, age, disability or marital status shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the Premises by it, (2) that in the construction of any improvements on, over, or under the Premises and furnishing of services thereon by it, no person on the ground of race, creed, color, national origin, sex, age, disability or marital status shall be excluded from

participation in, denied the benefits of, or otherwise be subject to discrimination, (3) that the Lessee shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended, and any other present or future laws, rules, regulations, orders or directions of the United States of America with respect thereto which from time to time may be applicable to the Lessee's operations at the Airport, whether by reason of agreement between the Port Authority and the United States Government or otherwise.

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

(c) **Non-Compliance.** The Lessee's non-compliance with the provisions of this Section shall constitute a material breach of this Agreement. In the event of the breach by the Lessee of any of the above non-discrimination provisions the Port Authority may take appropriate action to enforce compliance; or in the event such non-compliance shall continue for a period of twenty (20) days after receipt of written notice from the Port Authority, the Port Authority shall have the right to terminate 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 the foregoing, the Port Authority may take such action as the United States may direct.

(d) **Indemnification.** 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 non-compliance 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.

(e) **No Additional Rights.** Nothing contained in this Section shall grant or shall be deemed to grant to the Lessee the right to transfer or assign this Agreement, to make any agreement or concession of the type mentioned in paragraph (b) hereof, or any right to perform any construction on the Premises.

Section 47. **Affirmative Action**

(a) **Affirmative Action Program.** 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, sex, age, disability or marital status 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.

(b) **Federal Requirements.** The Lessee specifically acknowledges and agrees that the Federal requirements set forth in Schedules E and F 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 Schedules E and/or F to replace the Schedules E and/or F, as applicable, currently attached to and forming a part of this Agreement. Such replacement Schedules E and F 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.

Section 48. Environmental Compliance

(a) **No Release of Hazardous Substances.** The Lessee shall not dispose of, release or discharge nor permit anyone to dispose of, release or discharge any Hazardous Substance on, or under the Premises or into any ditch, conduit, stream, storm sewer, or sanitary sewer connected thereto or located at the Airport. Any Hazardous Substance disposed of, released or discharged by the Lessee (or permitted by the Lessee to be disposed of, released or discharged) on the Premises or at the Airport, shall upon notice by the Port Authority to the Lessee and subject to the provisions of all Environmental Requirements be completely removed and/or Remediated by the Lessee.

(b) **Compliance with Environmental Requirements.** Without limiting the Lessee's obligations elsewhere under this Agreement to comply with all laws, ordinances, governmental rules, regulations and orders which were or at any time are in effect during the term, the Lessee understands and agrees that, except as provided in paragraph (d) of this Section, it shall be obligated, at its cost and expense, to comply with, and relieve the Port Authority from compliance with, all Environmental Requirements which are applicable to or which affect (w) the Premises, (x) the operations of, or work performed by, the Lessee or others with the consent of the Lessee at the Premises or the Lessee's operations at the Airport, (y) the occupancy and use of the Premises by the Lessee or by others with its consent or (z) any Hazardous Substance which has migrated from the Premises. Nothing in the foregoing shall be construed as a submission by the Port Authority to the application to itself of any Environmental Requirements; provided, however, that no immunity or exemption of the Port Authority from any Environmental Requirements shall excuse compliance or be grounds for noncompliance on the part of the Lessee. Without limiting the generality of the foregoing and as part of the Lessee's fulfillment of the foregoing obligations, the Lessee shall be responsible, at its sole cost and

expense and subject to the direction of the Port Authority, for:

(i) the preparation of and submission to all applicable Governmental Authorities of any notice, negative declaration, remedial action workplan, no further action letter, Remediation agreement or any other documentation or information;

(ii) the obtaining of any surety bond or the giving of any other financial assurances; and

(iii) complying with the provisions of all Environmental Requirements becoming effective on or relating to the termination, expiration or surrender of the letting of the Premises or of any portion thereof under this Agreement, or on the closure or transfer of the Lessee's operations at the Premises.

(c) **Environmental Site Assessment.** Promptly, when required by any applicable federal, state, or local regulatory authority, the Lessee shall perform, at its sole cost and expense, an environmental site assessment reasonably acceptable to the Port Authority to determine the event, if any, of contamination of the Premises and shall, at its sole cost and expense, clean up, remove, and Remediate (i) all Hazardous Substances in, on, or under the Premises, (ii) any petroleum in, on, or under the Premises in excess of allowable levels, and (iii) all contaminants and pollutants in, on, or under the Premises that create or threaten to create a substantial threat to human health or the environment and that are required to be removed, cleaned up, or Remediated by any and all applicable environmental requirements.

(d) **Acts by the Port Authority/Aviation Fuel**

(i) Notwithstanding the foregoing, it is hereby agreed and understood that the Lessee shall not be responsible for the Remediation or removal of Hazardous Substances in the soil or ground water in, on or under the Premises caused by the sole acts or omissions of the Port Authority on or after the Commencement Date.

(ii) Notwithstanding the foregoing, it is hereby agreed and understood that the Lessee shall not be responsible for the Remediation or removal of aviation fuel in the soil or ground water in, on or under the Premises, provided, that the Lessee has not caused, in whole or in part, such aviation fuel to be in the soil or ground water in, on or under the Premises.

(e) **Obligation to Remediate.** In addition to and without limiting the generality of the obligations of the Lessee set forth above and elsewhere in this Agreement, the Lessee shall, at its sole cost and expense, upon notice from the Port Authority, promptly take all actions to:

(i) except as provided in paragraph (d) of this Section, completely remove and Remediate all Hazardous Substances in, on and under the Premises and at the Airport resulting from or in connection with the use and occupancy of the Premises by the Lessee or which have been or permitted to be disposed of, released, discharged or otherwise

placed in, on or under the Airport by the Lessee or which have been disposed of, released, discharged or otherwise placed in, on or under the Premises during the term of the letting of the Premises under this Agreement or during the term of any previous agreement between the Lessee and the Port Authority covering the Lessee's use and/or occupancy of the Premises or any portion thereof;

(ii) except as provided in paragraph (d) of this Section, remove and Remediate all Hazardous Substances in, on or under the Premises or which have migrated from the Premises to any other property which any Governmental Authority or any Environmental Requirement or any violation thereof require to be Remediated or removed; and

(iii) except as provided in paragraph (d) of this Section, remove and Remediate all Hazardous Substances in, on or under the Premises or which have migrated from or from under the Premises necessary to mitigate any Environmental Damages.

(f) **Port Authority Remedies.** Without limiting the Port Authority's other remedies under this Agreement or, generally, at law or equity, the Port Authority shall have the right, during and after the term, to such equitable relief, including restraining injunctions and declaratory judgments, to enforce compliance by the Lessee of its environmental obligations under this Agreement, including without limitation all the Lessee's obligations under this Section. In the event that the Lessee fails to comply with or perform any of such obligations, the Port Authority at any time during or subsequent to the termination, expiration or surrender of the letting of the Premises or any portion thereof may elect (but shall not be required) to perform such obligations, and upon demand the Lessee shall pay to the Port Authority as additional rent its costs thereof, including all overhead costs as determined by the Port Authority.

(g) **Information and Reports.** Without limiting any other of the Lessee's obligations under this Agreement and except as provided in paragraph (d) of this Section, the Lessee, at its sole cost and expense, shall provide the General Manager of the Airport with such information, documentation, records, correspondence, notices, reports, tests, results, and certifications and any other information as the Port Authority may 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 after the same have been made available to or received by the Lessee with respect to any Environmental Requirements or Environmental Damages.

(h) **Indemnification.** Without limiting the generality of any other provision of this Agreement, and except as provided in paragraph (d) of this Section, the Lessee shall

indemnify, hold harmless and reimburse the Port Authority, its Commissioners, officers, employees and representatives from all claims, demands, penalties, fines, liabilities (including strict liability), settlements, attorney and consultant fees, investigation and laboratory fees, removal and Remediation costs, court costs and litigation expenses, damages, judgments, losses, costs and expenses of whatsoever kind or nature and whether known or unknown, contingent or otherwise, just or unjust, groundless, unforeseeable or otherwise, arising or alleged to arise out of or in any way related to any Environmental Damages or any Environmental Requirement that the Lessee is obligated to comply with pursuant to this Agreement, or the risks and responsibilities assumed hereunder by the Lessee for the condition of the Premises or a breach or default of the Lessee's obligations under this Section. If so directed, the Lessee shall at its own expense defend any suit based upon the foregoing, 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.

(i) **Compliance Standard**

(i) Without limiting the generality of any provision of this Agreement, in the event that any Environmental Requirement sets forth more than one compliance standard, the Lessee agrees that the standard or standards to be applied in connection with any obligation it may have under this Agreement with respect to such Environmental Requirement shall be that which requires or permits the lowest level of a Hazardous Substance; provided, however, that in the event such lowest level of a Hazardous Substance (x) requires or allows the imposition of any restriction of any nature whatsoever upon the use or occupancy of the Premises or any other portion of the Airport or upon any operations or activities conducted or to be conducted on the Premises or the Airport or upon the transfer of the Premises or the Airport or (y) is not in compliance with the Basic Lease, then the Lessee shall Remediate to such a level so that there is no such restriction placed upon the use and occupancy of the Premises or the Airport or upon any operations or activities conducted or to be conducted on the Premises or the Airport and at all times in a manner the Port Authority deems in compliance with the terms of the Basic Lease.

(ii) The Lessee further agrees that, notwithstanding the terms and conditions of paragraph (i)(i) above, the Port Authority shall have the right at any time and from time to time, acting in its sole discretion and without any obligation whatsoever to the Lessee or otherwise to do so, to designate any level or levels or standard or standards of Remediation permitted or required under any Environmental Requirement, and such designation shall be binding upon the Lessee with respect to its obligations under this Agreement with respect to Environmental Requirements.

(j) **Burden of Proof.** The Lessee agrees that in any legal action or proceeding in which the Port Authority and the Lessee are opposing parties the Lessee shall have the burden of proof (as hereinafter defined) as to any and all issues of fact with respect to: (1) whether the

presence of any Hazardous Substance on, about or under the Premises occurred prior or subsequent to the commencement of the term of any of the Prior Leases; (2) whether any Hazardous Substance disposed of or released from the Premises or which migrated from the Premises came to be present on, about or under the Premises prior or subsequent to the commencement of the term of any of the Prior Leases; and (3) whether the Lessee exacerbated any pre-existing environmental condition so as to cause a Hazardous Substance to first become regulated during the term of any Prior Lease or during the term. For purposes of this Special Endorsement, "burden of proof" shall mean both the legal burden of going forward with the evidence and the legal burden of establishing the truth of any fact by a preponderance of the evidence.

Without limiting the generality of any other term or provision of this Agreement, all of the obligations of the Lessee under this Section shall survive the expiration or earlier termination of this Agreement.

Section 49. Maintenance and Repair of the Storage Tanks.

(a) **Lessee Obligations.** Without limiting the generality of any of the provisions of this Agreement, the Lessee understands that it shall be solely responsible for maintaining and repairing the Storage Tanks. The Lessee shall obtain approval of the Port Authority as to the time and manner of any maintenance, servicing or repair of the Storage Tanks. The Lessee acknowledges that the Port Authority has made no representations regarding the suitability or fitness of the Storage Tanks. The Lessee further agrees that in connection with any leak, spill or discharge of petroleum or any other Hazardous Substance stored in the Storage Tanks or any physical characteristics of the Storage Tanks or any other part of the Premises the Port Authority has made no representations and has assumed no responsibility for, and shall not be liable to the Lessee or to third parties who may assert claims and demands against the Lessee for any personal injuries (including wrongful death) or property damage arising from or in connection with the aforesaid substances or physical characteristics of the Storage Tanks or any other part of the Premises, and the Lessee hereby releases and discharges the Port Authority, its Commissioners, officers, representatives and employees of and from any and all liability, claims for damages or losses of any kind, whether incurred by the Lessee or asserted against the Lessee by third parties, whether legal or equitable, or from any action or cause of action, whether claimed by the Lessee or by a third party against the Lessee, arising or alleged to arise out of any leak, spill or discharge of petroleum or any other Hazardous Substance from the Storage Tanks or from the failure of the Lessee to observe or perform its obligations under this Section, including without limitation, its obligations to make reports and submissions, provide information, perform cleanups and take other action.

(b) **Maintenance.** Without limiting the generality of any provision contained herein, the Lessee shall be responsible at its sole cost and expense, and subject to the direction of the Port Authority, for:

(i) the registration, certification, monitoring, reporting and testing of the Storage Tanks in accordance with the requirements of the New York State Department of Environmental Conservation and any other agency having jurisdiction;

(ii) the installation, maintenance and operation of corrosion control, containment and monitoring equipment subject to the provisions of Section 16 of this Agreement for the Storage Tanks;

(iii) the maintenance of inventory records for the Storage Tanks regarding the transfer of petroleum or other substances;

(iv) the preparation of and submission of all notices, including without limitation notices of loss of storage capacity and all communications all in accordance with applicable requirements of this Agreement; and

(v) maintain and upon request provide copies of certified as-built design drawings to the Port Authority.

Section 50. Certain Environmental Testing and Clean-up Obligations

(a) **As-Is.** As agreed to and acknowledged in paragraph (d) of Section 2 hereof, the Lessee has been and continues to be in continuous possession of the Premises as of May 17, 1960, and, therefore, agrees to be solely responsible for any and all contaminants, and any and all soil and ground water or other contamination and Remediation thereof, in and on the Premises, including without limitation, all costs and expenses thereof and any and all claims, penalties or other expenses relating thereto. It is expressly understood and agreed that the proper handling, delivery, treatment, storage, transportation, disposal and depositing (all of the foregoing being hereinafter collectively called "***Disposal***"), whether on or off the Airport, of any soil, dirt, sand, water or other matter excavated, disturbed or removed by the Lessee (or by any contractor or contractors of the Lessee) at or from the Premises (or any other area of the Airport) at any time or times including, without limitation, any and all Remediation and Disposal of such matter and any and all other Remediation, Disposal and cleanup (whether soil, upper aquifer or otherwise) necessary, required or appropriate as a result of, caused by, incidental to or triggered by such excavation, disturbance or removal of such matter or arising therefrom, and the taking or doing of any and all other action or actions necessary, required or appropriate in connection therewith, and in accordance with all Environmental Requirements, shall be the sole and complete responsibility of the Lessee including, without limitation, all costs and expenses thereof and any and all claims, penalties or other expenses relating thereto. The foregoing obligations of the Lessee shall obtain and apply with full force and effect irrespective of the nature or source of any contaminant, pollutant, chemical, waste or other substance. The Lessee shall perform all of the foregoing in accordance with and subject to all the terms, provisions, covenants and conditions of this Agreement.

(b) **Right of Re-Entry.** Without limiting the generality of the provisions of Section 28 of this Agreement, the Port Authority and its designees shall have the right but not the obligation to enter upon the Premises upon forty-eight (48) hours' notice (or such shorter notice period as may be required by the New York State Department of Environmental Conservation or any other Governmental Agency or Agencies) to the Lessee to make borings and wells and to conduct testing and related activities therefrom. In the exercise of the foregoing rights the Port Authority shall not unreasonably interfere with the use and occupancy of the Premises by the Lessee.

(c) **Exit Baseline.** Within three (3) months after the termination or expiration of the ROE, the Lessee, at its sole cost and expense, shall sample and test the soil and groundwater in, on and under the Premises in accordance with such standards, methods, protocol and procedures as shall be required by the Port Authority in it sole discretion (such sampling and testing of the soil and groundwater is hereinafter referred to as the "***Exit Baseline***"). All such sampling, testing and the preparation of any associated report shall be performed by a New York State certified independent consultant and laboratory, said sampling and testing shall produce a fair and representative sampling of the Premises and shall be performed in accordance with methodology approved by the Port Authority.

(d) **Allocations of Obligations.** The terms and conditions of this Section 50 are intended to allocate obligations and responsibilities between the Lessee and the Port Authority. Nothing in this Section 50 shall limit, modify or otherwise alter the rights and remedies which the Port Authority or Lessee may have against third parties at law, equity or otherwise.

(e) **Survival.** Without limiting any other term or provision hereof, all the obligations of the Lessee under this Section shall survive the expiration or termination of the letting of the Premises or any portion thereof, provided, however, the Lessee shall not be responsible for any Hazardous Substances in, on, under or about the Premises which the Lessee can prove occurred after the date that the Lessee shall have surrendered the Premises to the Port Authority and were not due to the acts or omissions of the Lessee.

Section 51. Brokerage

The Lessee represents and warrants to the Port Authority that the only broker that has been concerned on its behalf in the negotiation of this Agreement is Colliers International and that Colliers International is entitled to be paid a commission solely by Lessee pursuant to a separate agreement. The Port Authority represents and warrants to the Lessee that no broker has been concerned on its behalf in the negotiation of this Agreement and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Lessee shall indemnify and save the Port Authority harmless of and from any claim for commission or brokerage made by Colliers International and any other person, firm or corporation whatsoever for services rendered to the Lessee in connection with the negotiation and execution of this Agreement. Excluding any claim made by Colliers International, the Port Authority shall

indemnify and save the Lessee harmless of and from any claim for commission or brokerage made by any and all persons, firms or corporations whatsoever for services rendered to the Lessee or to the Port Authority, as the case may be, in connection with the negotiation and execution of this Agreement.

Section 52. Notices

Except where expressly required or permitted herein to be oral, all notices, directions, requests, consents and approvals required to be given to or by either party shall be in writing, and all such notices and requests shall be personally delivered to the duly designated officer or representative of such party or delivered to the office of such officer or representative during regular business hours, or forwarded to him or to the party at such address by certified or registered mail. 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 Port Authority hereby designates its Executive Director and the Lessee designates Lease Administration as their respective officers upon whom notices and requests may be served, and the Port Authority designates its office at 225 Park Avenue South, New York, 10003, and the Lessee designates its office as 4458 Madison Industrial Lane, Mail Code FLGI-300, Tampa, Florida 33619-3526. If mailed, the notices herein required to be served shall be deemed effective and served as of the date three (3) days after the certified or registered mailing thereof.

Section 53. Holding Over

Without in any way limiting any provisions of this Agreement, as herein amended, unless otherwise notified by the Port Authority in writing, and subject to Article 17 hereinabove, in the event the Lessee continues its use and occupancy of the Premises after the expiration, revocation or termination of the effective term granted under this Agreement, as herein amended, as such effective term may be extended from time to time (the "***Lessee Holdover***"), 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 rent 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 Lessee shall surrender and completely vacate the Premises at a rate equal to twice the sum of the Basic Ground Rental amount and the Building Rental amount as provided for in this Agreement. For avoidance of doubt, during the said one year period following the surrender of this Agreement, during which time the Demolition Work must be performed, there shall be no Ground Rental or Building Rental due and owing Port Authority from Lessee. Nothing herein contained shall give, or be deemed to give, the Lessee any right to continue its use and occupancy of the Premises after the expiration, revocation or termination of the effective term granted under this Agreement, as herein amended. 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, revocation 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; provided, that, the Lessee's assumption of the risk of, responsibility and payment for and indemnification of the Port Authority for consequential injury, damage or loss shall not be effective unless and until the Lessee Holdover exceeds one-hundred eighty (180) days.

Section 54. Construction and Application of Terms

(a) **Headings.** 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.

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

Section 55. Force Majeure

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, weather conditions, tides, riots, rebellion, sabotage or any other circumstances for which it (or its contractors or subcontractors) is not responsible and which are not within its (or its contractors' or subcontractors') control; provided, however, that this provision shall not apply to failures by the Lessee to pay the rentals specified in Section 4 hereof and shall not apply to any other charges or money payments by either party; and, provided, further, that this provision shall not prevent either party from exercising any right of termination hereunder, and shall not prevent the Lessee from exercising any right it has hereunder to an abatement of rental.

Section 56. 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.

Section 57. Waiver of Trial by Jury

The Lessee waives its right to trial by jury in any summary proceeding or action that may hereafter be instituted by the Port Authority against the Lessee in respect of the Premises and/or in any action that may be brought by the Port Authority to recover fees, damages, or other sums due and owing under this Agreement. The Lessee specifically agrees that it shall not interpose

any claims as counterclaims in any summary proceeding or action for non-payment of rents, fees or other amounts which may be brought by the Port Authority unless such claims would be deemed waived if not so interposed.

Section 58. Quiet Enjoyment

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

Section 59. Labor Disturbances

(a) **Prior to a Disturbance.**

(i) The Lessee 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 Lessee under this Agreement.

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

(b) **During the Occurrence of a Disturbance.** If any type of strike or other labor activity is directed against the Lessee at the Airport or against any operations pursuant to this Agreement 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 Airport or the operations of other permittees, 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, the Port Authority may at any time during the continuance thereof, by twenty-four (24) hours' notice, revoke this Agreement, effective at the time specified in the notice. 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.

Section 60. Governing Law

This Agreement and any claim, dispute or controversy arising out of, under or related to this Agreement, the relationship of the parties hereunder, and/or the interpretation and enforcement of the rights and obligation of the parties hereunder shall be governed by,

interpreted and construed in accordance with the laws of the State of New York, without regard to conflict of law principles.

Section 61. Entire Agreement

This Agreement consists of the following: Sections 1 through 61, inclusive, Exhibits A and B, and Schedules E and F.

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

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

David Kagan

(Title) Assistant Director
Business, Properties & Airport Development

(Seal)

ATTEST:

Assistant Secretary

VERIZON NEW YORK INC.

By _____

(Title) Executive Director – Real Estate Ops President

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

EXHIBIT A

Premises
(attached hereto)

EXEMPTION (4)

DRAWINGS OF NON-PUBLIC AREAS

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 of Port Authority Agreement No. **AYE-067** (herein called the "Agreement") with **Verizon New York Inc.** (herein and in the Agreement called the "Lessee"). The provisions set forth in this Part I are similar to the conditions for bidding on federal government contract adopted by the Office of Federal Contract Compliance and effective May 8, 1978.

The Lessee as well as each bidder, contractor and subcontractor of the Lessee and each subcontractor of a contractor at any tier of construction (herein collectively referred to as the "Contractor") must fully comply with the following conditions set forth herein as to each construction trade to be used on the construction work or any portion thereof (said conditions being herein called "Bid Conditions"). The Lessee hereby commits itself to the goals for minority and female utilization set forth below and all other requirements, terms and conditions of the Bid Conditions. The Lessee shall likewise require the Contractor to commit itself to the said goals for minority and female utilization set forth below and all other requirements, terms and conditions of the Bid Conditions by submitting a properly signed bid.

II. The Lessee and the Contractor shall each appoint an executive of its company to assume the responsibility for the implementation of the requirements, terms and conditions of the following Bid Conditions:

(a) The goals for minority and female participation expressed in percentage terms for the Contractor's aggregate workforce in each trade on all construction work are as follows:

(1)	Minority participation	
	Minority, except laborers	30%
	Minority, laborers	40%
(2)	Female participation	
	Female, except laborers	6.9%
	Female, laborers	6.9%

These goals are applicable to all the Contractor's construction work performed in and for the Premises.

The Contractor's specific affirmative action obligations required herein of minority and female employment and training must be substantially uniform throughout the length of the contract, and in each trade, and the Contractor shall make good faith efforts to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from contractor to contractor or from project to project for the sole purpose of meeting the Contractor's goals shall be a violation of the contract. Compliance with the goals will be measured against the total work hours performed.

(b) The Contractor shall provide written notification to the Lessee and the Lessee shall provide written notification to the Port Authority's Aviation Department and Office of Business and Job Opportunity within 10 working days of award of any construction subcontract in excess of $10,000 at any tier for construction work. The notification shall list the name, address and telephone number of the subcontractor; employer identification number; estimated starting and completion dates of the subcontract; and the geographical area in which the subcontract is to be performed.

(c) As used in these specifications:

(1) "Employer identification number" means the Federal Social Security number used on the Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941:

(2) "Minority" includes:

(i) Black (all persons having origins in any of the Black African racial groups not of Hispanic origin);

(ii) Hispanic (all persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American culture or origin, regardless of race);

(iii) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands); and

(iv) American Indian or Alaskan Native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).

(d) Whenever the Contractor, or any subcontractor at any tier, subcontracts a portion of the construction work involving any construction trade, it shall physically include in each subcontract in excess of $10,000 those provisions which include the

applicable goals for minority and female participation.

(e) The Contractor shall implement the specific affirmative action standards provided in subparagraphs (1) through (16) of paragraph (h) hereof. The goals set forth above are expressed as percentages of the total hours of employment and training of minority and female utilization the Contractor should reasonably be able to achieve in each construction trade in which it has employees in the Premises. The Contractor is expected to make substantially uniform progress toward its goals in each craft during the term 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 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 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-terminal 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 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 action 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 AND WOMEN-OWNED BUSINESS ENTERPRISES

As a matter of policy the Port Authority requires the Lessee and the Lessee shall itself and shall require that any Contractor utilized by the Lessee to perform contract work ("the work") on the premises including without limitation construction work to use every good faith effort to provide for meaningful participation by Minority Business Enterprises (MBEs) and Women-owned Business Enterprises (WBEs) in the work pursuant to the provisions of this Schedule E. For purposes hereof, "Minority Business Enterprise" "(MBE)" shall mean any business enterprise which is at least fifty-one percentum owned by, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by citizens or permanent resident aliens who are minorities and such ownership is real, substantial and continuing. For the purposes hereof, "Women-owned Business Enterprise" "(WBE)" shall mean any business enterprise which is at least fifty-one percentum owned by, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by women and such ownership is real, substantial and continuing. A minority shall be as defined in paragraph II(c) of Part I of this Schedule E. "Meaningful participation" shall mean that at least seventeen percent (17%) of the total dollar value of the construction contracts (including subcontracts) covering the construction work are for the participation of Minority Business Enterprises and Women-owned Business Enterprises, of which at least twelve percent (12%) are for the participation of Minority Business Enterprises. Good faith efforts to include meaningful participation by MBEs and WBEs shall include at least the following:

(a) Dividing the work to be subcontracted into smaller portions where feasible.

(b) Actively and affirmatively soliciting bids for subcontracts from MBEs and WBEs, including circulation of solicitations to minority and female contractor associations. The Contractor shall maintain records detailing the efforts made to provide for meaningful MBE and WBE participation in the work, including the names and addresses of all MBEs and WBEs contacted and, if any such MBE or WBE is not selected as a joint venturer or subcontractor, the reason for such decision.

(c) Making plans and specifications for prospective construction work available to MBEs and WBEs in sufficient time for review.

(d) Utilizing the list of eligible MBEs and WBEs maintained by the Port Authority or seeking minorities and women from other sources for the purpose of soliciting bids

for subcontractors.

(e) Encouraging the formation of joint ventures, partnerships or other similar arrangements among subcontractors, where appropriate, to insure that the Lessee and Contractor will meet their obligations hereunder.

(f) Insuring that provision is made to provide progress payments to MBEs and WBEs on a timely basis, preferably bi-weekly, and that retainage is paid to MBEs and WBEs when they have completed their work.

(g) Not requiring bonds from and/or providing bonds and insurance for MBEs and WBEs, where appropriate.

(h) Requiring each contractor to submit to the Lessee with each payment request evidence that all MBE and WBE Contractors have been paid in accordance with their contract.

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, 233 Park Avenue South, 4th Floor, New York, New York 10003 or such other address as the Port Authority may specify by notice to the Lessee. Certification shall be effective only if made in writing by 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 of such firms, their technical competence to perform, or any other performance-related qualifications.

Only MBE's and WBE's certified by the Port Authority will count toward the MBE and WBE goals.

Please note that only sixty percent (60%) of expenditures to MBE or WBE suppliers will count towards meeting the MBE and WBE goals. However, expenditures to MBE or WBE manufacturer's (i.e. suppliers that produce goods from raw materials or substantially alter them before resale) are counted dollar for dollar.

For the Port Authority

Initialed:

For the Lessee

SCHEDULE F

LOCAL BUSINESS ENTERPRISES PROGRAM

As a matter of policy the Port Authority hereby requires the Lessee and the Lessee shall require any Contractor employed in the future by the Lessee to perform construction work on the Premises, to comply with the provisions set forth hereinafter in this Schedule F.

(1) The Lessee and each contractor and subcontractor of the Lessee (herein collectively called 'Contractor') shall use every good faith effort to maximize the participation of Local Business Enterprises (LBEs) in the construction work. In order to assure familiarity with the services and materials provided by LBEs, the Contractor shall attend such meetings as may be called by the General Manager of the Airport at which all bidders will be given a directory of LBEs. The Port Authority has not checked the references, capabilities or financial background of the firms listed in the directory, but will be making such directory available to the bidders solely for the purpose of advising the bidders of LBEs who may be interested in providing services and/or materials to the successful bidder.

(2) Good faith efforts to include participation by LBEs in the construction work shall include at least the following:

(i) Dividing the work to be subcontracted and services and materials to be procured into small portions, where feasible.

(ii) Meeting on a regular basis with and giving reasonable advance written notice on a monthly basis of specific subcontracting and purchasing opportunities to the Council for Airport Opportunity (CAO), Queens Air Service Development Office, and such other local business and community organizations as may be appropriate. Such notice shall be sent in sufficient time for such organizations to advise their membership and other LBEs of such opportunities.

(iii) Soliciting bids on portions of the work to be subcontracted and services and materials to be procured from firms listed in the Local Business Enterprises Directory referred to above and such other LBEs as the Lessee deems appropriate.

(3) The Port Authority is committed to making employment opportunities available to local residents and expects that the Contractor will work with the CAO to utilize the labor talent available in the local communities.

(4) It is specifically understood and agreed that the requirements set forth herein for the participation of LBEs shall not alter, limit, diminish or modify any of the obligations under this Lease including, without limitation, the obligation to put into effect the

affirmative action program and the MBE and WBE programs in accordance with the provisions set forth above in Schedule E hereof.

For the Port Authority

Initialed:

For the Lessee

For the Port Authority

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

On the 30th day of December in the year 2011, 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 whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual 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, 20 12

For the Lessee

STATE OF NEW JERSEY)
) ss
COUNTY OF SOMERSET)

On the 1st day of December in the year 2011, before me, the undersigned, a Notary Public in and for said state, personally appeared Christopher J. Kelly, 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 to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

(notarial seal and stamp)

STEVEN D. COHEN
NOTARY PUBLIC OF NEW JERSEY
I.D. #2348946
MY COMMISSION EXPIRES 8/29/2016

Lease No AYE-157

AGREEMENT OF LEASE

Between

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

And

UNITED PARCEL SERVICE, INC.

Dated as of April 1, 2011

UNITED PARCEL SERVICE, INC.

Lease No. AYE-157

TABLE OF CONTENTS

Section 1.	Letting	2
Section 2.	Term	3
Section 3.	Warehouse Space Basic Rental	3
Section 4.	Open Area Basic Rental	4
Section 5.	Amendments to Prior Lease Provisions	6
Section 6.	Brokerage	7
Section 7.	OFAC Compliance	7
Section 8.	Miscellaneous	8

ATTACHMENTS

Exhibit 1	The Prior Lease – Lease No. AYD-808
Exhibit A	The Premises

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

Port Authority Lease No. AYE-157

AGREEMENT OF LEASE

THIS AGREEMENT OF LEASE, made as of April 1, 2011 by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, a body corporate and politic, established by Compact between the States of New Jersey and New York with the consent of the Congress of the United States of America, and having an office at 225 Park Avenue South, New York NY 10003 (the "**Port Authority**"), and UNITED PARCEL SERVICE, INC., a corporation organized and existing under the laws of Ohio and having an office and place of business at 1400 N. Hurstbourne Parkway, Louisville KY 40223-4017 (the "**Lessee**"), whose representative is Thomas Foote,

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee entered into Port Authority Lease No. AYD-808, dated as of November 1, 2009, a copy of which is attached hereto as Exhibit 1 and by this reference made a part hereof, the "**Prior Lease**"); and

WHEREAS, the Prior Lease incorporated the terms of Port Authority Lease No. AYC-394, dated as of February 15, 1994 for certain premises at John F. Kennedy International Airport; which has been amended, supplemented and extended by Supplement No. 1 dated as of December 31, 1995, Supplement No. 2 dated as of December 31, 1997, Supplement No. 3 dated as of December 31, 1999, Supplement No. 4 dated as of December 31, 2000, Supplement No. 5 dated as of December 31, 2001, Supplement No. 6 dated as of March 31, 2003, Supplement No. 7 dated as of March 31, 2005, Supplement No. 8 dated as of November 20, 2005, and Supplement No. 9 dated as of November 19, 2006; and

WHEREAS, the Prior Lease is expiring on the date hereof, and in lieu of extending and amending the Prior Lease, the parties wish to enter into a new lease in replacement of the Prior Lease, providing for the Lessee to continue its occupancy of the Premises under the Prior Lease; and

WHEREAS, in entering into this Agreement, the parties intend that this Agreement and the letting hereunder shall be construed as if the Prior Lease had been extended and amended in accordance with the terms and conditions provided below;

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

Section 1. Letting

(a) ***Premises.***

Subject to and in accordance with the terms and conditions of this Agreement, the Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority at the Airport the premises outlined in heavy broken black line and heavy broken blue line on the drawing attached hereto as Exhibit A (the "**Premises**").

(b) ***Continued Application of Prior Lease.***

This Agreement shall be deemed to incorporate the terms, provisions and conditions of the Prior Lease as if set forth in full herein and, except as otherwise provided herein, the terms, provisions and conditions of the Prior Lease shall apply to the letting of the Premises to the Lessee hereunder.

(c) ***Continuous Possession and Occupancy.***

The parties hereby acknowledge and agree that the commencement of the Term (as defined below) is occurring immediately upon the expiration of the Prior Lease and that no gap in time and no reversion occurred between the expiration of the Prior Lease and the commencement of the Term of this Agreement. Further, it is hereby acknowledged that the Lessee remained in possession of the Premises hereunder continuously from the expiration of the Prior Lease through the Effective Date (as defined below), and at no time did the Lessee surrender the Premises to the Port Authority.

(d) ***Survival of Prior Lease Obligations.***

The Lessee shall not, by virtue of this Agreement, be released or discharged from any liabilities or obligations whatsoever under the Prior Lease or any other Port Authority permits or agreements, including without limitation any permits to make alterations, all of which shall survive. Further, all the terms, provisions and conditions of the Prior Lease and such permits and agreements shall survive and continue in full force and effect, and any breach or default under the Prior Lease or under such permits and agreements, whether prior to or after the Effective Date, shall be deemed breaches and defaults under this Agreement. Without limiting the generality of any of the foregoing, any obligations under the Prior Lease which were to mature upon the expiration or termination thereof, including any obligation to remove alterations and improvements, shall be deemed to have survived and shall mature upon the expiration or termination of this Agreement.

(e) ***Condition of the Premises.***

All references in the Prior Lease, as incorporated herein, to the condition of the Premises at the beginning of the term shall be deemed to mean the condition of the Premises as they existed at the beginning of the term under the AYC-394, dated as of February 15, 1994, or, as the case may be, the condition of the Additional Premises (as defined in the Prior Lease) as they existed on the Effective Date of the Prior Lease.

Section 2. **Term**

(a) ***Term.***

The term of the letting under this Agreement (as it may be terminated pursuant to the provisions of this Agreement, the "**Term**") shall commence on April 1, 2011 (the "**Effective Date**") and shall expire on March 31, 2014 (the "**Expiration Date**"), unless sooner terminated in accordance with the terms and provisions of this Agreement, including without limitation the provisions of paragraph (b) below of this Section.

(b) ***Mutual Right of Termination.***

Notwithstanding any other term or condition hereof, the term of the letting hereunder may be terminated, without cause, by either party hereto upon thirty (30) days' written notice to the other party, provided that (i) the Lessee shall be in possession of the Premises under this Agreement; (ii) this Agreement shall be in full force and effect and the Lessee shall not otherwise be under notice of termination from the Port Authority and (iii) the Lessee shall not be in default in the performance of any of the terms, covenants, conditions or agreements contained herein to be observed, performed or fulfilled by the Lessee.

Section 3. **Warehouse Space Basic Rental**

(a) ***Definitions.***

As used in this Section:

"**Warehouse Space**" shall mean the indoor portion of the Premises, identified on Exhibit A hereto as "Bldg. 84".

(b) ***Warehouse Space Basic Rental.***

The Lessee shall pay a basic rental during the Term for the Warehouse Space (the "**Warehouse Space Basic Rental**") as follows:

(1) during the period from April 1, 2011 through March 31, 2012, at the annual rate of , payable in advance in equal monthly installments of on April 1, 2011 and on the first day of each calendar month thereafter during such period;

(2) commencing on the First Anniversary Date and on each Anniversary Date thereafter throughout the Term, at annual rates escalated in accordance with the provisions of the following paragraph (c) hereto, payable in equal monthly installments on the first day of each calendar month.

(c) ***Annual Increases.***

There shall be no annual increases to the Warehouse Basic Rental.

Section 4. Open Area Basic Rental

(a) ***Definitions.***

As used in this Section:

"**Adjustment Period**" shall mean, as the context requires, the calendar month constituting the Base Period and the same calendar month in each calendar year thereafter during the Term.

"**Anniversary Date**" shall mean, as the context requires, the first anniversary of the Effective Date (the "**First Anniversary Date**") and each anniversary of such date occurring during the Term.

"**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 April 1, 2012 would be a fraction of which the numerator is the Index for February 2012 less the Index for February 2011 and the denominator is the Index for February 2011).

"**Base Period**" shall mean the calendar month immediately preceding the first full calendar month occurring before the Effective Date.

"**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.

"**Open Area**" shall mean the outdoor portions of the Premises, consisting of a Vehicular Parking area, shown in blue herringbone hatch, a Truck Apron area, shown in blue cross hatch, and an AOA Apron area, shown in blue dot hatch, on Page 1 of 2 of Exhibit A.

"**Percentage Increase**" shall mean, with respect to each Anniversary Date, (x) a percentage equal to of the Annual Index Increase for that Anniversary Date, or (y) whichever is greater.

(b) ***Open Area Basic Rental.***

The Lessee shall pay a basic rental during the Term for the Open Area as follows:

(1) during the period from April 1, 2011 through March 31, 2012, at the annual rate of

Ex. 2.a. , payable in advance in equal monthly installments of

on April 1, 2011 and on the first day of each calendar month thereafter during such period;

(2) commencing on the First Anniversary Date and on each Anniversary Date thereafter throughout the Term, at annual rates escalated in accordance with the provisions of the following paragraph (c) hereto, payable in equal monthly installments on the first day of each calendar month.

(c) ***Annual Increases.***

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, as the case may be, the Lessee shall pay an Open Area Basic Rental at a rate per annum equal to the sum of (x) the Open Area Basic Rental theretofore payable and (y) the product obtained by multiplying such theretofore payable Open Area Basic Rental by (of the Percentage Increase for such Anniversary Date. Ex,. 2.a.

(d) ***Adjustments.***

(1) In the event the Index to be used in computing any increase referred to in paragraph (c) of this Section is not available on the effective date of such increase, the Lessee shall continue to pay the Open Area Basic Rental at the annual rate then in effect, subject to retroactive increase 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 increase as the Port Authority may in its discretion determine.

(2) If, after an increase in Open Area Basic Rental shall have been fixed for any period, the Index used for computing such increase is changed or adjusted, then the rental increase 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 Open Area Basic Rental due for such period, as recomputed, over amounts theretofore actually paid on account of the Open Area Basic Rental for such period. If such change or adjustment results in a reduction in the Open Area Basic Rental due for any period prior to notification, the Port Authority will credit the Lessee with the difference between the Open Area Basic Rental as recomputed for that period and amounts of Open Area Basic Rental actually paid.

(3) If any increase in Open Area Basic Rental referred to in paragraph (c) of this Section 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 such rental increase an installment of Open Area Basic Rental equal to of the increment of annual Open Area Basic Rental as increased, multiplied by a fraction of which the numerator shall be the number of days from the effective date of the rental increase to the end of the calendar month in which the rental increase became effective and the denominator shall be the number of days in that calendar month.

(e) ***Effect of Use and Occupancy of Premises after Expiration or Termination.***

Without in any way limiting the provisions set forth in the Sections of the Prior Lease, as incorporated into this Agreement, entitled *"Termination"*, *"Right of Re-entry"* and *"Survival of the Obligations of the Lessee"*, unless otherwise notified by the Port Authority in writing, in the event the Lessee remains in possession of the Premises after the expiration or termination of the term of the letting under this Agreement, as it may be extended from time to time, such continuation of possession shall not be deemed to operate as a renewal or extension of this Agreement but shall only create a month-to-month extension of this Agreement, which extension shall be terminable on thirty (30) days' notice. 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 5. **Amendments to Prior Lease Provisions**

Effective as of the Effective Date, the Prior Lease, as incorporated herein, shall hereby be amended as follows:

(a) Section 5(d) of AYE-808, dated as of November 1, 2009, is henceforth deleted.

(b) Section 3 of Supplement 9 to the Lease AYC-394, dated November 19, 2006, is deemed modified to reflect the fact that the Security Deposit requirement is henceforth increased to $160,000.

Section 6. Brokerage

The Lessee represents and warrants that no real estate broker has been concerned on its behalf in the negotiation of this Agreement and that there is no real estate 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 rendered to the Lessee in connection with the negotiation and execution of this Agreement.

Section 7. OFAC Compliance.

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

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

(c) *Lessee's Indemnification Obligation.* 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.

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

Section 8. Miscellaneous

(a) ***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.

(b) **Entire Agreement.**

This Agreement consists of the following: Sections 1 through 8 and Exhibits 1 and A attached hereto. 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 TO FOLLOW]

IN WITNESS WHEREOF, and intending to be legally bound, the Port Authority and the Lessee have executed these presents as of the date first written above.

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

ATTEST:

Secretary

(name) David Kagan
(title) Assistant Director
Business, Properties & Airport Development

UNITED PARCEL SERVICE, INC.

ATTEST:

(name) Teddy Hettinger
(title) Airport Properties Mgr.

(name)
(title)

(Seal)

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

For the Port Authority

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

On the 3RD day of AUGUST in the year 2012, 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 whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Gail E. Mitchell

(notarial seal and stamp)

GAIL E. MITCHELL
NOTARY PUBLIC-STATE OF NEW YORK
No. 01MI6026210
Qualified in Queens County
My Commission Expires June 14, 2015

For the Lessee

STATE OF Kentucky)
) ss
COUNTY OF Jefferson)

On the 22 day of March in the year 2017, before me, the undersigned, a Notary Public in and for said state, personally appeared Mark McCloud, 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 to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Beverly E. Frederick
(notarial seal and stamp)

EXEMPTION (4)

DRAWINGS OF NON-PUBLIC AREAS

Exhibit 1 - The Prior Lease – Lease No. AYD-808

Lease No AYD-808

AGREEMENT OF LEASE

Between

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

And

UNITED PARCEL SERVICE, INC.

Dated as of November 1, 2009

UNITED PARCEL SERVICE, INC.

Lease No. AYD-808

TABLE OF CONTENTS

Section 1.	Letting	2
Section 2.	Term	4
Section 3.	Warehouse Space Basic Rental	4
Section 4.	Open Area Basic Rental	5
Section 5.	Amendments to Prior Lease Provisions	9
Section 6.	Counterclaims in Summary Proceedings	15
Section 7.	Brokerage	16
Section 8.	Notices	16
Section 9.	Miscellaneous	17

ATTACHMENTS

Exhibit 1	The Prior Lease - Lease No. AYC-394, including Supplements No. 1 through 9
Exhibit A	The Premises

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

Port Authority Lease No. AYD-808

AGREEMENT OF LEASE

THIS AGREEMENT OF LEASE, made as of March 31, 2008 by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, a body corporate and politic, established by Compact between the States of New Jersey and New York with the consent of the Congress of the United States of America, and having an office at 225 Park Avenue South, New York NY 10003 (the "**Port Authority**"), and UNITED PARCEL SERVICE, INC., a corporation organized and existing under the laws of Ohio and having an office and place of business at 1400 N. Hurstbourne Parkway, Louisville KY 40223-4017 (the "**Lessee**"), whose representative is Trey Hettinger,

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee entered into Port Authority Lease No. AYC-394, dated as of February 15, 1994 for certain premises at John F. Kennedy International Airport; which has been amended, supplemented and extended by Supplement No. 1 dated as of December 31, 1995, Supplement No. 2 dated as of December 31, 1997, Supplement No. 3 dated as of December 31, 1999, Supplement No. 4 dated as of December 31, 2000, Supplement No. 5 dated as of December 31, 2001, Supplement No. 6 dated as of March 31, 2003, Supplement No. 7 dated as of March 31, 2005, Supplement No. 8 dated as of November 20, 2005, and Supplement No. 9 dated as of November 19, 2006 (such lease, as so amended, supplemented and extended, a copy of which is attached hereto as Exhibit 1 and by this reference made a part hereof, the "**Prior Lease**");

WHEREAS, the Prior Lease is expiring on the date hereof, and in lieu of extending and amending the Prior Lease, the parties wish to enter into a new lease in replacement of the Prior Lease, providing for the Lessee to continue its occupancy of the premises under the Prior Lease, as well as certain additional premises; and

WHEREAS, in entering into this Agreement, the parties intend that this Agreement and the letting hereunder shall be construed as if the Prior Lease had been extended and amended in accordance with the terms and conditions provided below;

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

Section 1. Letting

(a) *Premises.*

Subject to and in accordance with the terms and conditions of this Agreement, the Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority at the Airport the premises outlined in heavy broken black line and heavy broken blue line on the drawing attached hereto as Page 1 of 2 of Exhibit A (the "**Premises**"). The parties hereby acknowledge and agree that the Premises comprise (x) the areas shaded in light gray on Page 2 of 2 of Exhibit A, which are the premises let to and occupied by the Lessee pursuant to the Prior Lease, as shown on Exhibits B and E of the Prior Lease (the "**Pre-existing Premises**"), and (y) the areas outlined in heavy broken blue line and shaded in blue dot hatch, blue cross hatch and blue herringbone hatch on Page 2 of 2 of Exhibit A, which are the premises additionally let to the Lessee hereunder (the "**Additional Premises**").

(b) *Continued Application of Prior Lease.*

This Agreement shall be deemed to incorporate the terms, provisions and conditions of the Prior Lease as if set forth in full herein and, except as otherwise provided herein, the terms, provisions and conditions of the Prior

Lease shall apply to the letting of the Premises to the Lessee hereunder.

(c) *Continuous Possession and Occupancy.*

The parties hereby acknowledge and agree that the commencement of the Term (as defined below) is occurring immediately upon the expiration of the Prior Lease and that no gap in time and no reversion with respect to the Pre-existing Premises occurred between the expiration of the Prior Lease and the commencement of the Term of this Agreement. Further, it is hereby acknowledged that the Lessee remained in possession of the Pre-existing Premises hereunder continuously from the expiration of the Prior Agreement through the Effective Date (as defined below), and at no time did the Lessee surrender the Pre-existing Premises to the Port Authority.

(d) *Survival of Prior Lease Obligations.*

The Lessee shall not, by virtue of this Agreement, be released or discharged from any liabilities or obligations whatsoever under the Prior Lease or any other Port Authority permits or agreements, including without limitation any permits to make alterations, all of which shall survive. Further, all the terms, provisions and conditions of the Prior Lease and such permits and agreements shall survive and continue in full force and effect, and any breach or default under the Prior Lease or under such permits and agreements, whether prior to or after the Effective Date, shall be deemed breaches and defaults under this Agreement. Without limiting the generality of any of the foregoing, any obligations under the Prior Lease which were to mature upon the expiration or termination thereof, including any obligation to remove alterations and improvements, shall be deemed to have survived and shall mature upon the expiration or termination of this Agreement.

(e) *Condition of the Premises.*

All references in the Prior Lease, as incorporated herein, to the condition of the premises at the beginning of the term shall be deemed to mean the condition of the Pre-existing Premises as they existed at the beginning of

the term under the Prior Lease or, as the case may be, the condition of the Additional Premises as they existed on the Effective Date.

Section 2. Term

(a) *Term.*

The term of the letting under this Agreement (as it may be terminated pursuant to the provisions of this Agreement, the "Term") shall commence on April 1, 2008 (the "Effective Date") and shall expire on March 31, 2011 (the "Expiration Date"), unless sooner terminated in accordance with the terms and provisions of this Agreement, including without limitation the provisions of paragraph (b) below of this Section.

(b) *Mutual Right of Termination.*

Notwithstanding any other term or condition hereof, the term of the letting hereunder may be terminated, without cause, by either party hereto upon thirty (30) days' written notice to the other party, provided that (i) the Lessee shall be in possession of the Premises under this Agreement; (ii) this Agreement shall be in full force and effect and the Lessee shall not otherwise be under notice of termination from the Port Authority and (iii) the Lessee shall not be in default in the performance of any of the terms, covenants, conditions or agreements contained herein to be observed, performed or fulfilled by the Lessee.

Section 3. Warehouse Space Basic Rental

(a) *Definitions.*

As used in this Section:

"Warehouse Space" shall mean the indoor portion of the Premises, identified on Exhibit A hereto as "Bldg. 84".

(b) *Warehouse Space Basic Rental.*

The Lessee shall pay a basic rental during the Term for the Warehouse Space (the "**Warehouse Space Basic Rental**") as follows:

(1) during the period from April 1, 2008 through March 31, 2009, at the annual rate of Ex. 2.a. payable in advance in equal monthly installments of Ex. 2.a. on April 1, 2008 and on the first day of each calendar month thereafter during such period;

(2) commencing on the First Anniversary Date and on each Anniversary Date thereafter throughout the Term, at annual rates escalated in accordance with the provisions of the following paragraph (c) hereto, payable in equal monthly installments on the first day of each calendar month.

(c) **Annual Increases.**

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, as the case may be, the Lessee shall pay a Warehouse Space Basic Rental at a rate per annum equal to the product obtained by multiplying the Warehouse Space Basic Rental theretofore payable by

Section 4. Open Area Basic Rental

(a) *Definitions.*

As used in this Section:

"**Adjustment Period**" shall mean, as the context requires, the calendar month constituting the Base Period and the same calendar month in each calendar year thereafter during the Term.

"**Anniversary Date**" shall mean, as the context requires, the first anniversary of the Effective Date (the "**First**

Anniversary Date") and each anniversary of such date occurring during the Term.

"**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 April 1, 2010 would be a fraction of which the numerator is the Index for February 2010 less the Index for February 2009 and the denominator is the Index for February 2009).

"**Base Period**" shall mean the calendar month immediately preceding the first full calendar month occurring before the Effective Date.

"**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.

"**Open Area**" shall mean the outdoor portions of the Premises, consisting of a Vehicular Parking area, shown in blue herringbone hatch, a Truck Apron area, shown in blue cross hatch, and an AOA Apron area, shown in blue dot hatch, on Page 1 of 2 of Exhibit A.

"**Percentage Increase**" shall mean, with respect to each Anniversary Date, (x) a percentage equal to fifty percent (50%) of the Annual Index Increase for that Anniversary Date, or (y) four percent (4.0%), whichever is greater.

(b) *Open Area Basic Rental*.

The Lessee shall pay a basic rental during the Term for the Open Area as follows:

(1) during the period from April 1, 2008 through March 31, 2009, at the annual rate of Ex. 2.a., payable in advance in equal monthly installments of Ex. 2.a. on April 1, 2008 and on the first day of each calendar month thereafter during such period;

(2) commencing on the First Anniversary Date and on each Anniversary Date thereafter throughout the Term, at annual rates escalated in accordance with the provisions of the following paragraph (c) hereto, payable in equal monthly installments on the first day of each calendar month.

(c) *Annual Increases*.

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, as the case may be, the Lessee shall pay an Open Area Basic Rental at a rate per annum equal to the sum of (x) the Open Area Basic Rental theretofore payable and (y) the product obtained by multiplying such theretofore payable Open Area Basic Rental by of the Percentage Increase for such Anniversary Date.

(d) *Adjustments*.

(1) In the event the Index to be used in computing any increase referred to in paragraph (c) of this Section is not available on the effective date of such increase, the Lessee shall continue to pay the Open Area Basic Rental at the annual rate then in effect, subject to retroactive increase 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 increase as the Port Authority may in its discretion determine.

(2) If, after an increase in Open Area Basic Rental shall have been fixed for any period, the Index used for computing such increase is changed or adjusted, then the rental increase 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 Open Area Basic Rental due for such period, as recomputed, over amounts theretofore actually paid on account of the Open Area Basic Rental for such period. If such change or adjustment results in a reduction in the Open Area Basic Rental due for any period prior to notification, the Port Authority will credit the Lessee with the difference between the Open Area Basic Rental as recomputed for that period and amounts of Open Area Basic Rental actually paid.

(3) If any increase in Open Area Basic Rental referred to in paragraph (c) of this Section 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 such rental increase an installment of Open Area Basic Rental equal to of the increment of annual Open Area Basic Rental as increased, multiplied by a fraction of which the numerator shall be the number of days from the effective date of the rental increase to the end of the calendar month in which the rental increase became

effective and the denominator shall be the number of days in that calendar month.

(e) *Effect of Use and Occupancy of Premises after Expiration or Termination.*

Without in any way limiting the provisions set forth in the Sections of the Prior Lease, as incorporated into this Agreement, entitled *"Termination"*, *"Right of Re-entry"* and *"Survival of the Obligations of the Lessee"*, unless otherwise notified by the Port Authority in writing, in the event the Lessee remains in possession of the premises after the expiration or termination of the term of the letting under this Agreement, as it may be extended from time to time, such continuation of possession shall not be deemed to operate as a renewal or extension of this Agreement but shall only create a month-to-month extension of this Agreement, which extension shall be terminable on thirty (30) days' notice. 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 5. **Amendments to Prior Lease Provisions**

Effective as of the Effective Date, the Prior Lease, as incorporated herein, shall hereby be amended as follows:

(a) *Condemnation.*

Section 22, entitled "Condemnation", is deleted in its entirety, and the following new Section 22 is substituted in its place:

"Section 22. Condemnation

(a) *Definitions.*

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

"Date of Taking" shall mean the date on which title to all or any portion of the Premises, as the case may be, has vested in any lawful power or authority pursuant to a Taking.

"Material Part" with reference to the Premises or with reference to the Public Landing Area shall mean such portion of the Premises or the Public Landing Area as when so taken would leave remaining a balance of the Premises, due either to the area so taken or the location of the part so taken in relation to the part not so taken, that would not under economic conditions and after performance by the Lessee of all covenants, agreements, terms and provisions contained herein or required by law to be observed or performed by the Lessee, permit the restoration of the Premises so as to enable the Lessee to operate, maintain and develop the Premises in accordance with the requirements of this Agreement, including without limitation the Section hereof entitled "*Use of Premises*", and to continue to carry on its normal operations at the Airport without using such part taken.

"Taking" shall mean the acquisition of a real property interest, through condemnation or the exercise of the power of eminent domain, by any body having a superior power of eminent domain.

(b) ***Permanent Taking of All or a Portion of the Premises and the Public Landing Area.***

(1) If a Taking is permanent and covers the entire Premises, then this Agreement shall, as of the Date of Taking, cease and determine in the same manner and with the same effect as if such date were the original date of expiration hereof.

(2) If a Taking is permanent but covers less than all of the Premises, this Agreement and the term hereof shall continue as to the portion of the Premises not so taken, and the letting as to the part of the Premises so taken shall, as of the Date of Taking, cease and determine in the same manner and with the same effect as if the term of the letting had on that date expired, and the rentals shall be abated as provided in the Section hereof entitled "*Rental*".

(3) If a Taking is permanent and covers a Material Part of the Premises or of the Public Landing Area, then the Lessee and the Port Authority shall each have an option exercisable by notice given within ten (10) days after the Date of Taking to terminate the letting hereunder with respect to the Premises not taken, as of the Date of Taking, and such termination shall be effective as if the Date of Taking were the original date of expiration hereof. If the letting of the entire Premises is not terminated, the rentals shall be abated in accordance with the Section hereof entitled "*Rental*" after the date of surrender of possession of the portion of the Premises taken.

(4) If a Taking is permanent but covers less than the entire Premises and the letting of the portion of the Premises not taken is not terminated pursuant to paragraph (b)(3) of this Section, the Lessee shall proceed diligently to restore the remaining part of the Premises not so taken so that the Premises shall be a complete, operable, self-contained architectural unit in good condition and repair and the proceeds of that portion of any award paid in trust to the Port Authority pursuant to Section 23.3 of the Basic Lease attributable to the improvements on the Premises not so taken shall be made available by the Port Authority to be used by the Lessee for that purpose. The Port Authority shall retain any excess of such award over the costs of the restoration.

(c) ***Temporary Taking of All or Any Part of the Premises or the Public Landing Area.***

(1) If the temporary use of the whole or any part of the Premises shall be taken for any public or quasi-public purpose by any lawful power or authority pursuant to a Taking or by agreement between the Port Authority and such lawful power or authority, (w) the

Lessee shall give prompt notice thereof to the Port Authority, (x) the Term shall not be reduced or affected in any way and (y) the Lessee shall continue to pay in full all rentals payable by the Lessee hereunder without reduction or abatement except as set forth in paragraph (c)(2) below.

(2) If a temporary Taking covers all or a Material Part of the Premises or the Public Landing Area, then the Lessee and the Port Authority shall each have an option, exercisable by notice given within ten (10) days after the Date of Taking, to suspend the term of the letting of such of the Premises as are not so taken during the period of the Taking, and, in that event, the rentals for such portion of the Premises not so taken shall abate for the period of the suspension in accordance with the Section hereof entitled "*Rental*".

(d) ***Lessee's Cooperation.***

The Lessee shall execute any and all documents that may be reasonably required in order to facilitate collection by the appropriate party of awards or payments covered by this Section.

(e) ***Condemnation Claims by the Lessee.***

To the extent a condemnation claim by the Lessee shall not diminish any claim, award, compensation or damages of or to the City or of or to the Port Authority on account of any condemnation and such condemnation claim is permitted by Section 23 of the Basic Lease, the Lessee may file a claim in a condemnation proceeding."

(b) ***Effect of Basic Lease.***

Section 33, entitled "Effect of Basic Lease", is deleted in its entirety, and the following new Section 33 is substituted in its place:

"Section 33. Effect of Basic Lease

(a) ***Basic Lease.*** "Basic Lease" shall mean the Amended and Restated Agreement of Lease between The City of New York (the "City"), as landlord, and the Port Authority, as tenant, dated as of November 24, 2004, as the same from time to time may be supplemented or amended and/or restated. Said agreement dated as of November 24, 2004, has been recorded in the Office of the Register of

The City of New York, County of Queens, on December 3, 2004 with a City Register File Number of 2004000748687.

(b) *No Greater Rights.* The letting shall, in any event, terminate with the termination or expiration of the Basic Lease, such termination to be effective on such date and to have the same effect as if the Term had expired on that date. The rights of the Port Authority in the Premises are those granted to it by the Basic Lease, and no greater rights are granted to the Lessee than the Port Authority has power thereunder to grant.

(c) *Specific Basic Lease Requirements.* In accordance with the provisions of the Basic Lease, the Port Authority and the Lessee hereby agree as follows:

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

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

(3) With respect to this Agreement, the Lessee on the termination of the Basic Lease will, at the City's option, attorn to, or enter into a direct lease on identical terms with, the City;

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

(5) The Lessee shall not use the Premises or any other portion of the Airport for any use other than as permitted under the Basic Lease;

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

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

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

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

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

(c) *Place of Payments.*

Section 39, entitled "Place of Payments", is deleted in its entirety, and the following new Section 39 is substituted in its place:

"Section 39. Place of Payments

All payments required of the Lessee by this Agreement shall be sent to the following address:

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY
P.O. BOX 95000-1517
PHILADELPHIA, PENNSYLVANIA 19195-0001

or made via the following wire transfer instructions:

Credit Bank Name:	TD BANK
Credit Bank Address:	6000 Atrium Way Mount Laurel, NJ 08054
Credit Bank ABA #:	031201360
Beneficiary Acct/ID #	Ex. 1/4
Beneficiary Name :	THE PORT AUTHORITY OF NY & NJ

or sent to such other address, or pursuant to such other wire transfer instructions, as may hereafter be substituted therefor by the Port Authority, from time to time, by notice to the Lessee."

(d) *Security Deposit.*

Section 52, entitled "Security Deposit", is deemed modified to reflect that the Lessee has delivered to the Port Authority a $900,000 letter of credit as security for the Lessee's obligations under the Prior Lease and this Agreement.

Section 6. Counterclaims in Summary Proceedings

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

Section 7. Brokerage

The Lessee represents and warrants that no real estate broker has been concerned on its behalf in the negotiation of this Agreement and that there is no real estate 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 rendered to the Lessee in connection with the negotiation and execution of this Agreement.

Section 8. Notices

(a) *Notices to be in Writing.*

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 (each, a "**Notice**") shall be in writing, and each Notice shall be personally delivered to the duly designated officer or representative of such party or delivered to the office of such officer or representative during regular business hours, or forwarded to him or to the party at such address by certified or registered mail, or by nationally known overnight courier service.

(b) ***Designated Representative.***

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 may be served. Until further Notice, the Port Authority hereby designates its Executive Director, at its office at 225 Park Avenue South, New York, New York 10003, and the Lessee designates its local Gateway Manager, at its office at Building 84, John F. Kennedy International Airport, Jamaica, NY 11430, as their respective representatives upon whom, and offices at which, Notices may be served.

(c) *When Notices Deemed Given.*

Each Notice shall be deemed given and effective upon receipt, or, in the event of a refusal by the addressee, on the first tender of such Notice to the addressee at the designated address.

Section 9. 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) *Construction and Application of Terms.*

(1) 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.

(2) Unless otherwise expressly specified, the terms, provisions and obligations contained in any 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.

(3) 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.

(4) 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.

(5) The parties agree that any rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be applicable to the interpretation of this Agreement or any amendments, addenda or supplements hereto or any Exhibits or Schedules hereto.

(d) *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.

(e) **Entire Agreement.**

This Agreement consists of the following: Sections 1 through 8 and Exhibits 1 and A attached hereto. 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 TO FOLLOW]

IN WITNESS WHEREOF, and intending to be legally bound, the Port Authority and the Lessee have executed these presents as of the date first written above.

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

(name) David Kagan
(title) Assistant Director
Business, Properties & Airport Development

WITNESSED ~~ATTEST~~:

(name)
(title) Major Logistics Mgr.

UNITED PARCEL SERVICE, INC.

(name)
(title) V.P.

(Seal)

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

EXHIBIT 1

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

John F. Kennedy International Airport
Lease No. AYC-394

MULTI-OCCUPANCY CARGO SERVICE BUILDING
AGREEMENT OF LEASE

THIS AGREEMENT OF LEASE ("this Agreement") made as of the 15th day of February, 1994, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY ("the Port Authority"), a body corporate and politic, established by Compact between the States of New Jersey and New York with the consent of the Congress of the United States of America, and having an office at One World Trade Center, New York, New York 10048, and UNITED PARCEL SERVICE, INC. ("the Lessee"), a corporation organized and existing under the laws of the State of New York, and having an office and place of business at 9504 Williamsburg Plaza, Louisville, Kentucky 40222, whose representative is Mr. Keith Steinbrecker.

WITNESSETH, That:

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

Section 1. Letting

(a) The Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority at John F. Kennedy International Airport ("the Airport") in the County of Queens, City and State of New York the following described premises:

(i) the space in Cargo Service Building No. 84 as shown in stipple on the sketch attached hereto, hereby made a part hereof and marked "Exhibit A" ("Area A");

(ii) the outside paved parking area near Cargo Service Building No. 84 as shown in diagonal cross-hatching on Exhibit A ("Area B");

(iii) the outside truck area abutting Cargo Service Building No. 84 as shown in broken diagonal hatching on Exhibit A ("Area C"); and

(iv) the outside ramp area abutting Cargo Service Building No. 84 as shown in diagonal hatching on Exhibit A ("Area D");

together with the buildings, structures, fixtures, improvements and other property of the Port Authority located therein, thereon or thereunder, and all structures, improvements, additions, buildings and facilities located, constructed or installed, or which may be located, constructed or installed therein, thereon or thereunder, all of the foregoing being hereinafter collectively called "the premises".

(b) Except to the extent required for the performance of any of the obligations of the Lessee hereunder, nothing contained in this Agreement shall grant to the Lessee any rights whatsoever in the air space above the premises above the heights of the structures thereon at the commencement of the term of the letting.

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

Section 2. Term

The term of the letting shall commence on February 15, 1994 and, unless sooner terminated, the term of the letting shall expire on December 31, 1996.

Section 3. (a) Rental

The Lessee shall pay to the Port Authority, during the period from February 15, 1994 through December 31, 1995, a rental at the rate of Ex. 2.a. per annum and, during the period from January 1, 1996 through December 31, 1996, a rental at the rate of Ex. 2.a. per annum.

(b) Time of Payments

During the period from February 15, 1994 through December 31, 1995, the Lessee shall pay the rental in advance in equal monthly installments of payable in the amount of

Ex. 2.a.

on March 1, 1994 and on the first day of each calendar month thereafter during such period and, during the period from January 1, 1996 through December 31, 1996, the Lessee shall pay the rental in advance in equal monthly installments of

first day or each calendar month thereafter during such period. If any installment of rental payable hereunder shall be for less than a full calendar month, then the rental payment for the portion of the month for which said payment is due shall be the amount of the monthly installment prorated on a daily basis using the actual number of days in said month.

(c) Abatement

In the event that the Lessee shall at any time by the provisions of this Agreement become entitled to an abatement of rental, then said abatement shall be computed at the following daily rates for each square foot of the premises, the use of which is denied to the Lessee:

(i) for each square foot of Area A, during the period from February 15, 1994 through December 31, 1995, at the daily rate of Ex. 2.a. and, during the period from January 1, 1996 through December 31, 1996, at the daily rate of Ex. 2.a. and

(ii) for each square foot of Areas B, C and D, during the period from February 15, 1994 through December 31, 1995, at the daily rate of and, during the period from January 1, 1996 through December 31, 1996, at the daily rate of

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

Section 4. Use of Premises

(a) The Lessee, in connection with its business of transporting air cargo, shall use the premises for the following purposes and for activities reasonably required for such purposes and for no other purpose or activity whatsoever:

(i) As to Area A, (I) for the reception, temporary storage and distribution of air cargo transported or to be transported on aircraft operated by the Lessee, and for business offices and appropriate federal inspection services of federal agencies (if the United States Government makes the same available to the Lessee) in connection therewith. The occasional transportation of said air cargo on the aircraft of other Airport Operators, as defined in paragraph 36 of Schedule A attached hereto, shall not be deemed a violation of the foregoing provision; provided, however, that the Lessee shall not make continuing use of the premises for the reception, storage or distribution of air cargo transported or to be transported on the aircraft of other Aircraft Operators or act as an agent for such Aircraft Operators; (II) for the reception, storage and distribution of repair parts, supplies and other personal property owned by the Lessee and for the performance of minor repairs to personal property of the Lessee; (III) for general offices used in connection with the

operations of the Lessee; and (IV) notwithstanding the provisions of paragraph 4(h) of Schedule A attached hereto, for the operation of the existing cafeteria offering the over-the-counter sale of food, beverages and other merchandise normally sold in such an establishment to officers and employees of the Lessee and their families and to occasional business guests of such officers and employees, at no profit to the Lessee, either directly by the Lessee without a contractor or service organization or by an independent contractor who has received a permit from the Port Authority.

(ii) As to Area B, for the parking of automobiles and trucks operated by officers, employees and business guests of the Lessee in connection with the operations of the Lessee hereunder.

(iii) As to Area C, for the loading and unloading of the Lessee's air cargo in to and out of automobiles and trucks.

(iv) As to Area D, (I) for the loading and unloading of the Lessee's air cargo on to and out of the Lessee's aircraft; (II) for the parking and storage of the Lessee's aircraft and ramp equipment; (III) for the performance of transit or turn-around aircraft maintenance incidental to the Lessee's air cargo operations; provided, however, that aircraft engines shall not be tested; and (IV) for the fueling and servicing of aircraft and ramp equipment operated by the Lessee and used by it in connection with its air cargo operations.

(b) 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 air cargo transportation industry in the United States.

Section 5. Schedule A and Schedule E

The Lessee and the Port Authority hereby agree to all the terms, covenants and conditions set forth in the schedule of further terms, covenants and conditions attached hereto, hereby made a part hereof and marked "Schedule A", and also agree to all the terms, covenants and conditions set forth in the schedule on affirmative action-equal opportunity attached hereto, hereby made a part hereof and marked "Schedule E". All the provisions of Schedule A and Schedule E shall have the same force and effect as if set forth in full herein.

Section 6. Liability Insurance

In addition to the obligations set forth in Schedule A and all other insurance required under this Agreement, the Lessee, during the term of this Agreement in its own name as insured and including the Port Authority as an additional insured, shall maintain and pay the premiums on a policy or policies of Comprehensive General Liability Insurance, including premises-operations, products, completed operations, and covering bodily

injury, including death, and property damage liability, broadened to include or along with equivalent separate policies covering aircraft liability, none of the foregoing to contain care, custody or control exclusions, and providing for coverage in not less than the limit set forth below, and Comprehensive Automobile Liability Insurance covering owned, non-owned and hired vehicles, including automatic coverage for newly acquired vehicles, and covering bodily injury, including death, and property damage liability, and providing for coverage in not less than the limit set forth below. All the aforesaid policy or policies of insurance shall also provide or contain an endorsement providing that the protections afforded the Lessee thereunder with respect to any claim or action against the Lessee by a third person shall pertain and apply with like effect with respect to any claim or action against the Lessee by the Port Authority, and shall also provide or contain an endorsement providing that the protections afforded the Port Authority thereunder and with respect to any claim or action against the Port Authority by the Lessee shall be the same as the protections afforded the Lessee thereunder with respect to any claim or action against the Lessee by a third person as if the Port Authority were the named insured thereunder, but such endorsement shall not limit, vary, change or affect the protections afforded the Port Authority thereunder as an additional insured. Said policy or policies of insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Lessee under paragraph 6 of Schedule A of this Agreement.

	Minimum Limits
Comprehensive General Liability; combined single limit per occurrence for death, bodily injury and property damage liability:	$100,000,000.00
Comprehensive Automobile Liability; combined single limit per occurrence for death, bodily injury and property damage liability:	$25,000,000.00

Section 7. Additional Right of Termination

The Port Authority and the Lessee shall each have the right to terminate the letting hereunder of the premises at any time, without cause, on ninety (90) days prior written notice to the other party; provided, however, that any notice given by the Lessee pursuant to the provisions of this Section shall not be effective if the Lessee is in default under any term or provision of the Lease, or has been served with a notice of termination by the Port Authority, either on the date of the giving of the Lessee's notice or on the intended effective date thereof. Termination of the letting of the premises pursuant to the provisions of this Section shall have the same effect as if the

effective date of termination stated in the notice were the date of expiration of the letting of the premises. 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.

Section 8. Entire Agreement

This Agreement consists of the following: Sections 1 through 8, inclusive, Schedule A, Schedule E and Exhibit A. 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 this Agreement the day and year first written above.

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By: Gerald P. FitzGerald

DEPUTY DIRECTOR OF AVIATION

(Title):

(Seal)

ATTEST:

~~Secretary~~ Vice President

UNITED PARCEL SERVICE, INC.

By: Thomas N Weidenhammer

(Title): Vice President

(Corporate Seal)

APPROVED: FORM | TERMS

SCHEDULE A

FURTHER TERMS, COVENANTS AND CONDITIONS TO
JFK MULTI-OCCUPANCY CARGO SERVICE BUILDING
AGREEMENT OF LEASE

1. Compliance with Governmental Requirements

(a) The Lessee shall comply with all laws, ordinances and governmental rules, regulations and orders which are, now or at any time during the term of this Agreement, as a matter of law, applicable to or which affect the operations of the Lessee at the premises hereunder, and the Lessee shall, in accordance with and subject to the provisions of paragraph 26 hereof, make any and all structural and non-structural improvements, alterations and repairs of the premises that may be required at any time hereafter by any such present or future law, rule, regulation, requirement, order or direction.

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

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

(d) Since the Port Authority has agreed in the Basic Lease, as defined in paragraph 36 hereof, to conform to the enactments, ordinances, resolutions and regulations of the City of New York and its various departments, boards and bureaus in regard to the construction and maintenance of buildings and structures and in regard to health and fire protection which would be applicable if the Port Authority were a private corporation to the extent that the Port Authority finds its practicable so to do, the Lessee shall comply with all such enactments, ordinances, resolutions and regulations which would be applicable to its operations hereunder if the Port Authority were a private corporation, except in cases where the Port Authority either notifies the Lessee that it need not comply with or directs it not to comply with any such enactment, ordinance, resolution or regulation which is applicable only because of the Port Authority's agreement in the Basic Lease. The Lessee shall, for the Port Authority's information, deliver to the Port Authority promptly after receipt of any notice, warning, summons or other legal process for the enforcement of any such

enactment, ordinance, resolution or regulation a true copy of the same. Any direction by the Port Authority to the Lessee not to comply with any such enactment, ordinance, resolution or regulation shall be given only pursuant to a resolution duly adopted by the Board of Commissioners of the Port Authority or by an authorized committee of its Board, and if any such direction is given by the Port Authority to the Lessee, the Port Authority shall, to the extent that it may lawfully do so, indemnify and hold the Lessee harmless from and against all claims, actions, damages, liabilities, fines, penalties, costs and expenses suffered or incurred by the Lessee as a result of non-compliance with such enactment, ordinance, resolution or regulation.

In the event of compliance with any such enactment, ordinance, resolution or regulation on the part of the Lessee, acting in good faith, commenced after such delivery to the Port Authority but prior to the receipt by the Lessee of a written direction from the Port Authority not to comply (and thereafter discontinued), such compliance shall not constitute a breach of this Agreement, although the Port Authority thereafter directs the Lessee not to comply. Nothing herein contained shall release or discharge the Lessee from compliance with any other provision hereof respecting governmental requirements.

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

2. Rules and Regulations

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

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

3. Various Obligations of the Lessee

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

(b) In addition to compliance by the Lessee with all laws, ordinances and governmental rules, regulations and orders in effect now or at any time during the term of the letting hereunder, and which are, as a matter of law, applicable to the operation, use or maintenance by the Lessee of the premises or the operations of the Lessee under this Agreement (the foregoing not to be construed as a submission by the Port Authority to the application to itself of such requirements or any of them), the Lessee agrees that it shall exercise the highest degree of safety and care and shall conduct all its operations under this Agreement and shall operate, use and maintain the premises in accordance with the highest standards and in such manner that there will be at all times a minimum of air pollution, water pollution or any other type of pollution and a minimum of noise emanating from, arising out of or resulting from the operation, use or maintenance of the premises by the Lessee and from the operations of the Lessee under this Agreement. The Port Authority hereby reserves the right to require the Lessee, from time to time and at any time during the term of this Agreement, and the Lessee agrees to design and construct, at its sole cost and expense, such reasonable structures, fences, equipment, devices and other facilities as may be necessary or appropriate to accomplish the objectives as set forth in the first sentence of this subparagraph (b). The location, manner, type and method of construction and the size 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 subparagraph (b) shall continue throughout the term of this Agreement and shall not be limited, affected, impaired or in any manner modified by the fact that the Port Authority may have approved any construction application and supporting plans, specifications and contracts covering the construction work, and notwithstanding that the Lessee may have incorporated therein the Port Authority's recommendations or requirements, and notwithstanding that the Port Authority may have at any time during the term of this Agreement consented to or approved any particular procedure or method of operation which the Lessee may have proposed, or that the Port Authority may have itself prescribed the use of any procedure or method. The agreement of the Lessee to

assume the obligations under this subparagraph (b) is consideration for and a special inducement to the Port Authority entering into this Agreement with the Lessee.

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

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

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

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

4. Prohibited Acts

(a) The Lessee shall not commit unlawful nuisance, waste or injury on the premises or do or permit to be done anything

which may result in the creation, commission or maintenance of such nuisance, waste or injury on the premises.

(b) The Lessee shall not create or permit to be caused or created upon the premises any obnoxious odors or smoke, or noxious gases or vapors. The creation of exhaust fumes by the operation of the Lessee's internal-combustion engines, so long as such engines are maintained and are being operated in a proper manner, shall not be a violation of this subparagraph (b).

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

(d) The Lessee shall not do or permit to be done any act or thing upon the premises (1) which will invalidate or conflict with any fire insurance, extended coverage or rental insurance policies covering the premises or any part thereof, or the Airport or any part thereof; or (2) which, in the opinion of the Port Authority, may constitute an extra-hazardous condition so as to increase the risks normally attendant upon the operations contemplated by Section 4 of this Agreement. The Lessee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of The National Board of Fire Underwriters and the Fire Rating Organization of New York, or of any other board or organization exercising or which may exercise similar functions, which may pertain or apply to the operations of the Lessee on the premises, and the Lessee shall, subject to and in accordance with the provisions of paragraph 26 hereof, make any and all non-structural improvements, alterations or repairs to the premises required at any time hereafter by any such present or future rule, regulation, requirement, order or direction. If by reason of any failure on the part of the Lessee to comply with the provisions of this subparagraph (d), any fire insurance rate, extended coverage or rental insurance rate on the premises or any part thereof, or on the Airport or any part thereof, shall at any time be higher than it would be if the premises were properly used for the purposes permitted by Section 4 of this Agreement, then the Lessee shall pay to the Port Authority, as an item of additional rental, that part of all insurance premiums paid by the Port Authority which shall have been charged because of such violation or failure by the Lessee.

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

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

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

(h) The Lessee shall not install, maintain or operate, or permit the installation, maintenance or operation on the premises of any vending machine or device designed to dispense or sell food, beverages, tobacco, tobacco products or merchandise of any kind whether or not included in the above categories, or of any restaurant, cafeteria, kitchen, stand or other establishment of any type for the preparation or dispensing of food, beverages, tobacco, tobacco products, or merchandise of any kind whether or not included in the above categories, or of any equipment or devices for the furnishing to the public of service of any kind including, but not limited to, telephone pay stations.

(i) The Port Authority, by itself or by contractors, lessees or permittees, shall have the exclusive right to install, maintain and receive the revenues from all coin-operated or other vending machines or devices installed by it and operated on the premises for the sale of merchandise of all types or for the rendering of services; provided, however, that no such machine or device shall be installed except upon the request of the Lessee. If the Port Authority does not install and maintain any such machine that the Lessee may reasonably request, the Lessee shall have the right to do so; provided, however, (1) that the Lessee shall pay or cause to be paid to the Port Authority each month for each machine upon the same basis for the preceding month as any concessionaire, permittee or licensee of the Port Authority then operating machines at the Airport for the sale of similar merchandise or the rendering of similar services, and (2) that in the event the Lessee exercises such right, the Port Authority, at any time thereafter, may substitute for the Lessee's machines other machines selling similar merchandise or services operated by the Port Authority or by its licensee, permittee or concessionaire, and thereupon the Lessee shall remove its machines.

(j) The Lessee shall not overload any floor and shall repair any floor, including supporting members, and any paved area damaged by overloading. Nothing in this subparagraph (j) or

elsewhere in this Agreement shall be or be construed to be a representation by the Port Authority of the weight any floor will bear.

(k) The Lessee shall not use or permit the use of the premises for the sale of tickets for air transportation of persons either upon its own aircraft or the aircraft of others.

(l) The Lessee shall not fuel or defuel its automotive vehicles or other equipment in the enclosed portion of the premises without the prior approval of the General Manager of the Airport.

(m) The Lessee shall not use or permit the use of any truss or structural supporting member of the building or roof or any part thereof for the storage of any material or equipment, or to hoist, lift, move or support any material, equipment or other weight or load by means of said trusses or structural supporting members.

(n) The Lessee shall prevent access by persons or vehicles (unless duly authorized by the Port Authority) to the Public Landing Area from the premises except for aircraft, which aircraft shall be equipped with radio receivers tuned to control tower frequencies and adequately manned. Such aircraft may be towed by a motor vehicle or such other means as may be approved by the Port Authority. The Lessee shall prevent such access by the posting of guards at locations approved by the Port Authority or by such other means as the Port Authority shall approve. Such prevention shall be accomplished on a twenty-four (24) hour, seven (7) day week basis.

5. Maintenance, Repair and Property Insurance

(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 which are located in any part of the premises which is open or visible to the general public.

(b) The Lessee shall repair, replace or rebuild all or any part of the premises which may be damaged or destroyed by the acts or omissions of the Lessee or by those of its employees, customers, guests, invitees or other persons doing business with the Lessee.

(c) Except for damage or destruction occurring under the circumstances set forth in subparagraphs (b) and (h) of this paragraph and except for reasonable wear and tear, the Port Authority shall, as necessary for the preservation of the building, maintain and make all repairs and replacements to the structural supporting frame and roof of the building, and the exterior of the exterior walls (excluding doors, screens and glass).

(d) With respect to all other parts of the premises including, without limitation thereto, the building walls, partitions, floors, ceilings, doors, screens, sash, glass of every kind and the electrical, mechanical, plumbing, heating, steam, communications, gas and other systems, and their pipes, wires, mains, lines, tubes, conduits, equipment and fixtures, the Lessee shall take good care of the premises so that at the expiration or termination of the term and at all times during this Agreement, the same will be in as good condition as at the commencement thereof, except for reasonable wear and tear which does not adversely affect the efficient or proper utilization thereof. To that end and regardless of the cause of the condition requiring the same, the Lessee shall conduct periodic inspections, perform all necessary preventive maintenance including, but not limited to, painting, and make all necessary repairs and replacements and do all necessary rebuilding with respect to the same, all of which shall be in quality equal to the original in materials and workmanship.

(e) The Lessee shall not use any cleaning materials having a harmful or corrosive effect on any part of the premises. The Lessee shall promptly wipe up all oil, gasoline, grease, lubricants and other inflammable liquids and substances and all liquids or substances having a corrosive or detrimental effect on the surface of the premises which may leak or be spilled thereon.

(f) In the event the Lessee fails to commence maintaining, cleaning, repairing, replacing or painting the premises within a period of twenty (20) 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 of the premises required to be repaired, replaced, rebuilt or painted by the Lessee under the terms of this Agreement, the Port Authority may, at its option, and 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 said notice, and the cost thereof shall be payable by the Lessee upon demand.

(g) In the event that damage or destruction caused by the acts or omissions of the Lessee or by those of its employees, customers, guests, invitees or other persons doing business with the Lessee is covered by any contract of insurance under which the Port Authority is the insured, the obligation of the Lessee, as set forth in subparagraph (b) of this paragraph, is hereby released to the extent that the loss is recouped by actual payment to the Port Authority of the proceeds of such insurance; provided, however, that if this release shall invalidate any such policy of insurance or limit or void the Port Authority's rights thereunder, then this release shall be void and of no effect; and provided further that this release shall be void and of no effect if and to the extent that such damage or destruction is covered under the Port Authority's self-insurance plan as hereinafter provided in subparagraph (k) of this paragraph.

(h) (1) In the event that as a result of the sinking or settling of the ground, or as the result of a casualty, the premises are damaged (without fault of the Lessee, its employees, customers, guests, invitees or persons doing business with it) so as to render it untenantable in whole or a substantial part, then

(i) 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 be abated as hereinabove provided 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 said ninety (90) days; or

(ii) 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 building requires rebuilding, then the Port Authority shall have the following options: (1) to proceed with due diligence to repair or rebuild as necessary; or (2) upon prior notice to the Lessee, to terminate the letting as to the damaged portion of the premises, allowing an abatement of rental therefor, and if such option is exercised by the Port Authority and affects a substantial part of the premises, the Lessee shall have the right within thirty (30) days after receipt of such notice, on fifteen (15) days' prior written notice to the Port Authority, to terminate this Agreement as to the balance of the premises; or (3) to cancel this Agreement and terminate the letting as to the entire premises, and the rentals payable under this Agreement shall be abated as hereinabove provided 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 by the Port Authority of the Agreement covering the portion of the premises involved.

(2) "Substantial part" shall mean, for the purpose of this subparagraph (h), at least twenty-five percent (25%) of the total usable enclosed floor space forming a part of the premises.

(i) The Lessee shall be the insurer of the Port Authority against the risk of loss or theft of or damage to any Port Authority fixtures, equipment or personal property which are a part of or are located in or on the premises, and shall promptly replace or repair the same within five (5) days of such loss, theft or damage.

(j) Nothing herein contained shall relieve the Lessee of its obligations under paragraph 26 hereof to obtain the Port Authority's written approval before installing any fixtures in or upon the premises, decorating the premises or making any alterations, additions or improvements to the premises.

(k) Subject to the availability of such insurance, the Port Authority shall in the name of the Port Authority and for its benefit only, throughout the term of this Agreement, keep the entire premises insured to the extent of at least eighty percent (80%) of the insurable value thereof if the same are not protected from the peril of fire by a sprinkler system, and at least ninety percent (90%) of the full insurable value thereof if so protected (such insurable value throughout the term of this Agreement will be determined by the Port Authority at the time or times of insuring), against damage or loss by fire, windstorm, cyclone, tornado, hail, explosion, riot, civil commotion, aircraft, vehicles or smoke under the Standard Form of Fire Insurance Policy of the State of New York and the form of extended coverage endorsement prescribed as of the effective date of said insurance by the rating organization having jurisdiction. The Port Authority hereby reserves the right, exercisable at any time during the term of this Agreement, to self-insure the premises either in whole or in part under its self-insurance plan against any and all of the risks enumerated in this subparagraph (k).

(l) The parties hereby stipulate that 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.

6. Indemnity and Liability Insurance

(a) The Lessee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives, from and against and shall reimburse the Port Authority for the Port Authority's costs and expenses, including legal expenses, incurred in connection with the defense of all claims and demands of third persons including, but not limited to, claims and demands for death or personal injuries or for property damages arising out of any default of the Lessee in the performance or observation 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, employees, guests, invitees or business visitors on the premises, or arising out of the acts or omissions of the Lessee, its officers and employees elsewhere 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 through agreement of the Port Authority with said City.

(b) 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 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.

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

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

(e) As to the insurance required by the provisions of this Agreement, a certified copy of the policies, or a certificate or certificates evidencing the existence thereof or binders shall be delivered by the Lessee to the Port Authority upon execution of this Agreement and delivery thereof by the Lessee to the Port Authority. Each policy, certificate or binder delivered as aforesaid shall bear the endorsement of or be accompanied by evidence of payment of the premium thereon. In the event a binder is delivered, it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such certified copy or certificate shall contain a valid provision or endorsement providing that the policy may not be cancelled, terminated, changed or modified without giving thirty (30) days' prior written notice thereof to the Port Authority. Each such certified copy or certificate shall also 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. Any renewal policy shall be delivered to the Port Authority at least thirty (30) days prior to the expiration of each expiring policy, except for any policy expiring after the date of expiration of the term of this Agreement. The aforesaid insurance shall be written by a company or companies approved by the Port Authority, the Port Authority agreeing not to withhold its approval unreasonably. If at any time any of the insurance policies shall be or become unsatisfactory to the Port Authority as to form or

substance, or if any of the carriers issuing such policies shall be or become unsatisfactory to the Port Authority, the Lessee shall promptly obtain a new and satisfactory policy in replacement, the Port Authority covenanting and agreeing not to act unreasonably hereunder. If the Port Authority at any time so requests, a certified copy of each of the policies shall be delivered to the Port Authority.

7. Notices

Except where expressly required or permitted herein to be oral, all notices, directions, requests, consents and approvals required to be given to or by either party shall be in writing, and all such notices and requests shall be personally delivered to the duly designated officer or representative of such party or delivered to the office of such officer or representative during regular business hours, or forwarded to him or to the party at such address by certified or registered mail. Said designated officer or representative of the Port Authority and the Lessee and their respective officers shall be as set forth in this Agreement. The Lessee shall from time to time designate in writing an office within the Port of New York District and an officer or representative whose regular place of business is at such office upon whom notices and requests may be served. Until further notice, the Lessee designates its District Controller as its representative upon whom notices and requests may be served, and the following address as its office where notices and requests may be served: United Parcel Service, 46-05 Fifty-sixth Road, Maspeth, New York 11378. In addition, a copy of any notice required to be given hereunder to the Lessee shall be sent by certified or registered mail to United Parcel Service, 1400 North Hurstbourne Parkway, Wing 3A / Airport Properties, Louisville, Kentucky 40223; provided, however, that neither the giving nor the receipt of such a notice shall be or be deemed to be a condition to its effectiveness. The Port Authority hereby designates its Executive Director as its representative upon whom notices and requests may be served, and the following address as its office where notices and requests may be served: One World Trade Center, New York, New York 10048. If mailed, the notices herein required to be served shall be deemed effective and served as of the date of the certified or registered mailing thereof.

8. Signs

(a) Except with the prior written approval of the Port Authority, the Lessee shall not erect, maintain or display any signs or any advertising at or on the exterior part of the premises or at or on any other portion of the Airport outside the premises. Interior signs affecting public safety and security shall be in accordance with established Port Authority standards.

(b) Upon the expiration or termination of the letting hereunder, 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 on the Airport and, in connection therewith, shall restore the portion of the premises and the Airport affected by such signs or advertising to the same condition as existed prior to the installation of such signs and advertising. In the event of a failure on the part of the Lessee so to remove, obliterate or paint out each and every such sign or advertising and so to restore the premises and the Airport, the Port Authority may perform the necessary work and the Lessee shall pay the cost thereof to the Port Authority on demand.

9. Obstruction Lights

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

10. Additional Rent and Charges

(a) If the Port Authority is required or elects to pay any sum or sums or incurs any obligation 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 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 rent as set forth in Section 3 of this Agreement.

(b) For all purposes under this paragraph 10 and in any suit, action or proceeding of any kind between the parties hereto, any receipt showing any payment of a 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 operating and maintenance staff in performing any work and to charge the Lessee with the cost of the same, any time report of any employee of the Port Authority showing hours of labor or work allocated to such work, or any stock requisition of the Port Authority showing the issuance of materials actually used in the performance thereof shall likewise be prima facie evidence against the Lessee that the amount of such charge was necessary and reasonable.

11. 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 the premises for the purpose of inspecting the same, for observing the performance by the Lessee of its obligations under this Agreement and for doing any act or thing which the Port Authority may be obligated or have the right to do under this Agreement, or otherwise.

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

(c) In the event that any property of the Lessee shall obstruct the access of the Port Authority, its employees, agents or contractors, to any of the existing or future utility, mechanical, electrical or other systems and thus shall interfere with the inspection, maintenance or repair of any such system, the Lessee shall move such property, as directed by the Port Authority, in order that access may be had to the system or part thereof for its inspection, maintenance or repair, and, if the Lessee shall fail to so move such property after direction from the Port Authority to do so, the Port Authority may move it and the Lessee hereby agrees to pay the cost of such moving upon demand.

(d) Nothing in this paragraph 11 shall or shall be construed to impose upon the Port Authority any obligation so to construct or maintain or to make repairs, replacements, alterations or additions, nor shall anything in this paragraph 11 create any liability for any failure so to do. The Lessee is and shall be in exclusive control and possession of the premises and the Port Authority shall not be liable, in any event, for any injury or damage to the premises nor to any property of the Lessee or of any other person located therein or thereon (other than those injuries and damages occasioned by the affirmative acts of the Port Authority, its employees, agents and representatives).

(e) At any time and from time to time during ordinary business hours within the six (6) months next preceding the expiration of the letting hereunder, the Port Authority, for and by its agents and employees, whether or not accompanied by prospective lessees, occupiers or users of the premises, shall have the right to enter the premises for the purpose of exhibiting and viewing all parts of the same, and during said six (6) months, the Port Authority may place and maintain on the premises "To Let" signs, which signs the Lessee shall permit to remain without molestation.

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

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

12. Condemnation

(a) In any action or other proceeding by any governmental agency or agencies for the taking for a public use of any interest in all or part of the premises, or in the case of any deed, lease or other conveyance in lieu thereof (all of which are referred to in this paragraph 12 as "taking"), the Lessee shall not be entitled to assert any claim to any compensation or award or part thereof made or to be made therein or therefor, or any claim to any consideration or rental or any part thereof paid therefor, or to institute any action or proceeding or to assert any claim against such agency or agencies or against the Port Authority for any such taking, it being understood and agreed between the parties hereto that the Port Authority shall be entitled to all compensation or awards made or to be made or paid, and all such consideration or rental, free of any claim or right of the Lessee.

(b) 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 may, by notice given to the Lessee, terminate the letting with respect to all or such portion of the premises so required. Such termination shall be effective on the date specified in the notice. The Lessee hereby agrees to deliver possession of all or such portion of the premises so required upon the effective date of such termination in the same condition as that required for the delivery of the premises upon the date originally fixed by this Agreement for the expiration of the term of the letting. No taking by or conveyance to any governmental authority as described in subparagraph (a) of this paragraph, nor any delivery by the Lessee nor taking by the Port

Authority pursuant to this paragraph 12, shall be or be construed to be an eviction of the Lessee, or a breach of this Agreement, or be made the basis of any claim by the Lessee against the Port Authority for damages, consequential or otherwise.

(c) In the event that the taking covers the entire premises, or in the event that the letting is terminated with respect to the entire premises pursuant to subparagraph (b) of this paragraph, then this Agreement shall, as of the date possession is taken by such agency or agencies from the Port Authority, or as of the effective date of such termination, cease and determine in the same manner and with the same effect as if said date were the original date of expiration hereof.

(d) In the event that the taking covers a part only of the premises, or in the event that the letting is terminated pursuant to subparagraph (b) of this paragraph with respect to a part only of the premises, then the letting as to such part shall, as of the date possession thereof is taken by such agency or agencies, or as of the effective date of such termination, cease and determine in the same manner and with the same effect as if the term of the letting had on that date expired, and the rentals shall be abated as hereinbefore provided.

(e) In the event that the taking covers only a material part of the premises, then the Lessee and the Port Authority shall each have an option exercisable by notice given within ten (10) days after the effective date of such taking to terminate the letting hereunder with respect to the premises not taken, as of the date of such taking, and such termination shall be effective as if the date of such taking were the original date of expiration hereof. If the letting of the entire premises is not terminated, the settlement or abatement of rentals after the date possession is taken by the body having a superior power of eminent domain shall be in accordance with Section 3 of this Agreement.

(f) As used in this paragraph 12 with reference to the premises, the phrase "a material part" shall mean such a part of the premises that the Lessee cannot continue to carry on its normal operations at the Airport without using such part.

13. Assignment and Sublease

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

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

(c) If without the prior written consent of the Port Authority, the Lessee assigns, sells, conveys, transfers, mortgages, pledges or sublets in violation of subparagraphs (a) and (b) of this paragraph or if the premises are occupied by anybody other than the Lessee, the Port Authority may collect rent from any assignee, sublessee or anyone who claims a right under this Agreement or letting or who occupies the premises, and the Port Authority shall apply the net amount collected to the rental herein reserved; but no such collection shall be deemed a waiver by the Port Authority of the covenants contained in subparagraphs (a) and (b) of this paragraph, 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.

(d) Any consent granted by the Port Authority to any assignment or subletting or to any sublease pursuant to the provisions hereof shall not be construed or deemed to release, relieve or discharge any succeeding assignee, successor or transferee of the Lessee or any other person claiming any right, title or interest in this Agreement from the requirement of obtaining the prior written consent of the Port Authority in the event it wishes to sell, convey, transfer, mortgage, pledge, sublet or assign this Agreement or any part thereof, or any rights created thereby, or the letting hereunder or any part thereof; and such assignee, successor, transferee or other person claiming any right, title or interest in this Agreement shall not sell, convey, transfer, mortgage, pledge, sublet or assign this Agreement or any part thereof, or any rights created thereby, or the letting thereunder or any part thereof without such prior written consent of the Port Authority.

(e) The Lessee shall not use or permit any person to use the premises or any portion thereof for any purpose other than the purposes stated in Section 4 of this Agreement. 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 then its own officers, employees, contractors, representatives, guests, visitors and business invitees.

14. Termination by the Port Authority

(a) If any one or more of the following events shall occur:

(1) The Lessee shall become insolvent, or take the benefit of any present or future insolvency statute, or make a general assignment for the benefit of its 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 of 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 its creditors, or 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; provided that, if any such judgment or order is stayed or vacated within sixty (60) days after the entry thereof, any notice of cancellation shall be and become null, void and of no effect; or

(3) 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 thirty (30) days; or

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

(5) Any lien is filed against the premises because of any act or omission of the Lessee and said lien shall not be discharged within thirty (30) days after the Lessee has received notice thereof; or

(6) The letting hereunder or the interest or estate of the Lessee under this Agreement shall be transferred directly by the Lessee or shall pass to or devolve upon, by operation of law or otherwise, any other person, firm or corporation; or

(7) 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

(8) The Lessee 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

(9) 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

(10) 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 twenty (20) days after receipt of a 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 twenty (20) days after receipt of notice and continues such performance without interruption except for causes beyond its control);

then upon the occurrence of any such event or at any time thereafter during the continuance thereof, the Port Authority may, upon five (5) days' prior notice, terminate the rights of the Lessee hereunder and the letting, such termination to be effective upon the date specified in such notice. Such right of termination and the exercise thereof shall be and operate as a conditional limitation.

(b) If any of the events enumerated in subparagraph (a) of this paragraph shall occur prior to the letting, the Lessee shall not be entitled to enter into possession of the premises and the Port Authority may, upon the occurrence of any such event or at any time thereafter during the continuance thereof, by twenty-four (24) hours' prior notice, cancel the interest of the Lessee hereunder, 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 or conditions hereof to be performed, kept or observed by the Lessee shall be deemed a waiver of any right on the part of the Port Authority to terminate the letting hereunder.

(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 said terms, covenants and conditions.

(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 all other rights and remedies.

15. Right of Re-entry

The Port Authority shall have as an additional remedy, upon the giving of a notice of termination as provided in paragraph 14 hereof, 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.

16. 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.

17. 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 paragraph 14 hereof, or the interest of the Lessee shall have been cancelled pursuant thereto, or in the event that the Port Authority has reentered, regained or resumed possession of the premises in accordance with the provisions of paragraph 15 hereof, all the obligations of the Lessee under this Agreement shall survive such termination, cancellation, re-entry or regaining or resumption of possession and shall remain in full force and effect for the full term of the letting under this Agreement, and the amount of damages or deficiency shall become due and payable to the Port Authority to the same extent, at the same time and in the same manner as if no termination, cancellation, reentry or regaining or resumption of possession had taken place. The Port Authority may maintain separate actions each month to recover the damages or deficiency then due or, at its option and at any time, the Port Authority 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 or regaining or resumption of possession) on account of the Lessee's rental obligations, shall be the sum of the following:

(1) The amount of the total of all annual rentals less the installments thereof payable prior to the effective date of termination, except that the credit to be allowed for the installments payable on the first day of the month in which

the termination is effective shall be prorated for the part of the month the letting remains in effect on the basis of the actual number of days in said month, and

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

18. Reletting by the Port Authority

The Port Authority upon termination or cancellation pursuant to paragraph 14 hereof, or upon any re-entry or regaining or resumption of possession pursuant to paragraph 15 hereof, may occupy the premises or relet the premises, and shall have the right to permit any person, firm or corporation to enter upon the premises and use the same. Such reletting may be of part only of the premises or a part thereof together with other space, and for a period of time the same as or different from the balance of the term hereunder remaining, and on terms and conditions the same as or different from those set forth in this Agreement. The Port Authority shall also have, upon termination or cancellation pursuant to paragraph 14 hereof, or upon its re-entry or regaining or resumption of possession pursuant to paragraph 15 hereof, the right to repair or make structural or other changes in the premises, including changes which alter the character of the premises and the suitability thereof for the purpose of the Lessee under this Agreement, without affecting, altering or diminishing the obligations of the Lessee hereunder. In the event either of any reletting or of any actual use and occupancy by the Port Authority (the mere right of the Port Authority to use and occupy not being sufficient) there shall be credited to the account of the Lessee against its survived obligations hereunder any net amount remaining after deducting all expenses, costs and disbursements incurred or paid by the Port Authority in connection with the occupancy or reletting of the premises from the amount actually received from any lessee, licensee, permittee or other occupier in connection with the use of 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. No such reletting shall be or be construed to be an acceptance of a surrender.

19. Remedies to be Non-Exclusive

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

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

20. Surrender

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

21. Acceptance of Surrender of Lease

No agreement of surrender or agreement 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 the Lessee. Except as expressly provided in this paragraph 21, neither the doing of nor any omission to do any act or thing by any officer, agent or employee of the Port Authority shall be deemed to be an agreement of surrender of this Agreement or an acceptance of a surrender of this Agreement.

22. Effect of Basic Lease

This Agreement and the letting hereunder shall, in any event, terminate with the termination or expiration of the Basic Lease between the Port Authority and the City of New York, defined in paragraph 36 hereof, which covers the premises, such termination to be effective on such date and to have the same effect as if the term of the letting had on that date expired. The rights of the Port Authority in the premises are those granted to it by the Basic Lease, and no greater rights are granted or intended to be granted to the Lessee than the Port Authority has power thereunder to grant.

23. Removal of Property

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

24. Brokerage

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

25. Limitation of Rights and Privileges Granted

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

(b) The premises are let to the Lessee and the Lessee takes the same subject to all the following: (1) easements, restrictions, reservations, covenants and agreements, if any, to which the premises may be subject, and rights of the public in and to any public street; (2) rights, if any, of any enterprise, public or private, which is engaged in furnishing heating, light, power, telegraph, telephone, steam or transportation services and any rights of the City of New York and the State of New York; and (3) permits, licenses, regulations and restrictions, if any, of the United States, the City of New York, the State of New York or any other governmental authority.

26. Construction by the Lessee

Except as expressly provided herein, 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 or improvements or repairs to or replacements of any structure now existing or built at any time during the letting, or install any fixture (other than trade fixtures, removable without material damage to the freehold, any such damage to be immediately repaired by the Lessee) without the prior written approval of the Port Authority, and in the event any construction, improvement, alteration, modification, repair, replacement or addition is made without such approval, then upon reasonable notice so to do, the Lessee will remove the same, or at the option of the Port Authority, cause the same to be changed to the satisfaction of the Port Authority. In the 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.

27. Place of Payments

All payments required of the Lessee by this Agreement shall be made to The Port Authority of New York and New Jersey, P. O. Box 17309, Newark, New Jersey 07194, or to such other address as may be substituted therefor by notice to the Lessee from time to time.

28. Construction and Application of Terms

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

(b) The terms, provisions and obligations, if any, contained in Exhibit A 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.

29. 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.

30. Quiet Enjoyment

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

31. Ingress and Egress

(a) The Lessee, its contractors, suppliers of material and furnishers of service, shall have the right of ingress and egress between the premises and a city street or public way outside the Airport by means of existing roadways used in common with others having rights of passage within the Airport; provided, however, that the Port Authority may from time to time substitute other reasonably equivalent means of ingress and egress.

(b) The Lessee shall have the right of ingress and egress between the premises and the Public Landing Area (as defined in paragraph 36 hereof) at the Airport, by means of existing

taxiways to be used in common with others having rights of passage thereon; provided, however, that the Port Authority may from time to time substitute other reasonably equivalent means of ingress and egress.

(c) The use of all roadways and taxiways shall be subject to the Rules and Regulations of the Port Authority which are now in effect or which may hereafter be promulgated for the safe and efficient operation of the Airport. In addition to the rights of closure granted above, the Port Authority may, at any time, temporarily or permanently close, or consent to or request the closing of, any such roadway, taxiway and any other area at the Airport presently or hereafter used as such, so long as means of ingress and egress reasonably equivalent to those provided in subparagraphs (a) and (b) of this paragraph are concurrently made available to the Lessee. The Lessee hereby releases and discharges the Port Authority, its successors and assigns, of and from any and all claims, demands or causes of action which the Lessee may have now or at any time hereafter against any of the foregoing, arising or alleged to arise out of the closing of any street, roadway, taxiway or other area used as such whether within or outside the Airport, provided, that the Port Authority makes available to the Lessee means of ingress and egress reasonably equivalent to those provided in subparagraphs (a) and (b) of this paragraph. The Lessee shall not do or permit anything to be done which will interfere with the free access and passage of others to space adjacent to the premises or in any streets, ways and walks near the premises.

32. Non-Discrimination

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

reason of agreement between the Port Authority and the United States Government or otherwise.

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

(c) The Lessee's non-compliance with the provisions of this paragraph 32 shall constitute a material breach of this Agreement. In the event of the breach by the Lessee of any of the above non-discrimination provisions, the Port Authority may take appropriate action to enforce compliance; or in the event such noncompliance shall continue for a period of twenty (20) days after receipt of written notice from the Port Authority, the Port Authority shall have the right to terminate the Agreement and the letting hereunder with the same force and effect as a termination under paragraph 14 hereof, or may pursue such other remedies as may be provided by law; and as to any or all the foregoing, the Port Authority may take such action as the United States may direct.

(d) The Lessee shall indemnify and hold harmless the Port Authority from and against any claims and demands of third persons, including the United States of America, resulting from the Lessee's noncompliance with any of the provisions of this paragraph 32, and the Lessee shall reimburse the Port Authority for any loss or expense incurred by reason of such noncompliance.

(e) Nothing contained in this paragraph 32 shall grant or shall be deemed to grant to the Lessee the right to transfer or assign this Agreement, the right to perform any construction on the premises, or the right to make any agreement or concession of the type mentioned in subparagraph (b) of this paragraph.

33. 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 be excluded on the grounds of race, creed, color, national origin or sex 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 14 CFR Part 152, Subpart E. The Lessee assures that it will require its covered suborganizations to provide assurances to the Lessee that they will similarly undertake affirmative action programs and that they will require assurances to the same effect from their suborganizations, as required by 14 CFR Part 152, Subpart E.

34. Condition of Premises

The Lessee hereby 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. The Lessee, prior to the execution of this Agreement, has thoroughly examined the premises and determined them to be suitable for the Lessee's operations hereunder, and the Lessee hereby agrees to take the premises in the condition they are in as of the commencement of the term of the letting hereunder. 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. It is hereby understood and agreed that whenever reference is made in this Agreement to the condition of the premises as of the commencement of the term hereof, the same shall be deemed to mean the condition of the premises as of the date of this Agreement, and as to the improvements made and the alteration work performed during the term of the Agreement, the same shall be deemed to mean the condition existing after the completion of the same.

35. 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 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, hereafter 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 (1) late charge period each calendar year may be for a period of less than fifteen (15), but not less than thirteen (13), calendar days. Without limiting the generality of the foregoing, late charge periods in the case of amounts found to have been owing to the Port Authority as the result of Port Authority audit findings shall consist of each late charge period following the date the unpaid amount should have been paid under this Agreement. Each late charge shall be payable immediately upon demand made at any time therefor by the Port Authority. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid late charge amount shall be deemed a waiver of the right of the Port Authority to payment of any late charge or late charges payable under the provisions of this paragraph 35 with respect to such

unpaid amount. Each late charge shall be and become additional rent, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the rental as set forth in Section 3 of this Agreement. Nothing in this paragraph 35 is intended to or shall be deemed to affect, alter, modify or diminish in any way (a) any rights of the Port Authority under this Agreement including, without limitation, the Port Authority's termination rights set forth in paragraph 14 hereof, or (b) any obligations of the Lessee under this Agreement. In the event that any late charge imposed pursuant to this paragraph 35 shall exceed a legal maximum applicable to such late charges, then each such late charge payable under this Agreement shall be payable instead at such legal maximum.

36. Definitions

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

(a) The term "Airport" shall mean the land and the 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, defined in subparagraph (c) of this paragraph, 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) The term "Airport Operator" shall mean (1) a person, as hereafter defined, owning one or more aircraft which are not leased or chartered to any other person for operation, or (2) 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 phrase 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) The term "Basic Lease" shall mean the agreement between the City of New York 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.

(d) The term "General Manager of the Airport" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in said General Manager by this Agreement; but until further notice from

the Port Authority to the Lessee, it shall mean the General Manager (or the temporary or acting General Manager) of the Airport for the time being, or his duly designated representative or representatives.

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

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

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

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

(i) The term "Public Landing Area" shall mean the area of land at the Airport, including runways, taxiways and the areas between and adjacent to runways and taxiways, designated and made available from time to time by the Port Authority for the landing and take-off of aircraft.

37. Services to the Lessee

(a) Except as provided in this paragraph 37, the Port Authority shall not be obligated to perform or furnish any services or utilities whatsoever in connection with this Agreement or the use and occupancy of the premises hereunder.

(b) The Port Authority shall sell, furnish and supply to the Lessee for use on the premises electricity of the same voltage, phase and cycle as supplied to the premises by the public utility in the vicinity, through existing wires, conduits and outlets, if any, in reasonable quantities and to the extent of the capability of existing facilities and the Lessee agrees to take

such electricity from the Port Authority and to pay the Port Authority therefor an amount equal to that which would be charged by such public utility for the same quantity used under the same conditions and in the same service classification, but in no event less than an amount that would reimburse the Port Authority for its cost of obtaining and supplying electricity to the Lessee hereunder. Charges shall be payable by the Lessee when billed and the quantity of electricity consumed shall be measured by the meter or meters installed for such purpose; provided, however, that if for any reason any meter or meters fail to record the consumption of electricity, the consumption during the period such meter or meters are out of service will be considered to be the same as the consumption for a like period either immediately before or after the interruption, as elected by the Port Authority. The Port Authority shall not discontinue the supply of electricity except upon fifteen (15) days' prior notice to the Lessee and unless a supply of electricity of the same voltage, phase and cycle shall be available from another supplier, and upon any such discontinuance, the Lessee shall be at liberty to contract or otherwise arrange for the supply of such current after the expiration of said fifteen (15) days from any other person, firm or corporation.

(c) The Port Authority agrees to sell, furnish and supply to the Lessee for use on the premises cold water (of the character furnished by the City of New York) in reasonable quantities through pipes, mains and fittings, and the Lessee agrees to take such water from the Port Authority and to pay the Port Authority therefor an amount equal to that which would be charged by the municipality or other supplier of the same (whether or not representing a charge for water or other services measured by water consumption) for the same quantity, used under the same conditions and in the same service classification plus the cost to the Port Authority of supplying such water which shall not be less than ten percent (10%) nor in excess of fifty percent (50%) of the amount charged, but in no event less than an amount which would reimburse the Port Authority for its costs of obtaining and supplying cold water to the Lessee hereunder. The charge therefor shall be payable by the Lessee when billed and the quantity of water consumed shall be measured by the meter or meters installed for such purpose; provided, however, that if for any reason any meters or meters fail to record the consumption of water, the consumption during the period such meter or meters are out of service will be considered to be the same as the consumption for a like period immediately before or after the interruption, as elected by the Port Authority.

(d) The Lessee shall pay to the Port Authority such of the existing and future charges for sewerage services furnished by the City of New York as are presently or may hereafter be imposed or assessed against the Port Authority in respect of the Lessee's premises or its use and occupancy thereof. In the event that the City or the State of New York is now furnishing services,

with or without charge therefor, which are beneficial to the Lessee in its use of the premises and shall hereafter impose charges or increase existing charges for such services, the Lessee agrees to pay to the Port Authority such of the charges or the increase in charges as may be imposed or assessed against the Port Authority in respect of the Lessee's premises or its use and occupancy thereof.

(e) In the event the Port Authority shall provide extermination service for the premises, the Lessee agrees to utilize the same and to pay its share of the reasonable cost thereof upon demand. This subparagraph (e) does not impose any obligation on the Port Authority to furnish such service.

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

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

38. Lessee's Additional Ongoing Affirmative Action-Equal Opportunity Commitment

(a) In addition to and without limiting any other term or provision of this Agreement, 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 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, and without limiting the provisions of paragraphs 32 and 33 hereof and the provisions of Schedule E hereof, it is hereby agreed that the Lessee in connection with its continuing operation, maintenance and repair of the premises, or any portion thereof, as provided in this Agreement, and in connection with every award or agreement for concessions or consumer services at the Airport, shall use good faith efforts 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, and by Minority Business Enterprises and Women-owned Business Enterprises. In meeting said commitment, the Lessee agrees to submit to the Port Authority for its review and approval the Lessee's 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 execution of this Agreement. The Lessee shall incorporate in said program such revisions and changes which the Port Authority initially or from time to time may reasonably require. The Lessee throughout the term of the letting hereunder shall document its efforts in implementing said program, shall keep the Port Authority fully advised of the Lessee's progress in implementing said program and shall 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.

(c) (1) "Minority" as used herein shall have the meaning as defined in Paragraph II(c) of Part I of Schedule E hereof.

(2) "Minority Business Enterprise" (MBE) as used herein shall have the meaning as defined in the first paragraph of Part II of Schedule E hereof.

(3) "Women-owned Business Enterprise" (WBE) as used herein shall have the meaning as defined in the first paragraph of Part II of Schedule E hereof.

(4) Good faith efforts to include meaningful participation by MBEs and WBEs shall include at least the following:

(i) Dividing the work to be subcontracted into smaller portions where feasible.

(ii) Actively and affirmatively soliciting bids for subcontracts from MBEs and WBEs, including circulation of solicitations to minority and female contractor associations. The Lessee shall maintain records detailing the efforts made to provide for meaningful MBE and WBE participation as called for in

subsection (b) above, 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.

(iii) Making plans and specifications for prospective work available to MBEs and WEBs in sufficient time for review.

(iv) 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.

(v) Encouraging the formation of joint ventures, partnerships or other similar arrangements among subcontractors, where appropriate, to insure that the Lessee will meet its obligations hereunder.

(vi) Insuring that provision is made to provide progress payments to MBEs and WBEs on a timely basis.

(vii) Submitting quarterly reports to the Port Authority (Office of Business and Job Opportunity) detailing its compliance with the provisions hereof.

(d) The Lessee's non-compliance with the provisions of this paragraph shall constitute a material breach of this Agreement. In the event of the breach by the Lessee of any of the above provisions, the Port Authority may take any appropriate action to enforce compliance; or in the event such non-compliance shall continue for a period of twenty (20) days after receipt of written notice from the Port Authority, the Port Authority shall have the right to terminate this Agreement and the letting hereunder with the same force and effect as a termination under paragraph 14 hereof, which provides for termination for default by the Lessee in the performance or observance of any other term or provision of this Agreement, or the Port Authority may pursue such other remedies as may be provided by Law.

(e) In the implementation of this paragraph, the Port Authority may consider compliance by the Lessee with the provisions of any federal, state or local law concerning affirmative action-equal employment opportunity which are at least equal to the requirements of this paragraph, as effectuating the provisions of this paragraph. 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 paragraph to the extent that such duplication or conflict exists.

(f) 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.

(g) Nothing in this paragraph 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 Airport.

For the Port Authority

Initialled:

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, the Port Authority hereby requires the Lessee and the Lessee shall require the Contractor, as hereinafter defined, to comply with the provisions set forth in this Schedule E and paragraph 38 of Schedule A of this Agreement. 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 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 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 work force 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 any construction subcontract in excess of Ten Thousand Dollars and No Cents ($10,000.00) at any tier for construction work. The notification shall list the name, address and telephone number of the subcontractor; the employer identification number; the 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 Ten Thousand Dollars and No Cents ($10,000.00) 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 (II)(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 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 (2) 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, 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(s) with which the Contractor has a collective bargaining agreement have 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) 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 (1) 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 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 Contractor's 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 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 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 action steps, at least as extensive as those standards prescribed in paragraph (II)(h) of Part I 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 was 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 and local agencies established for the purpose of implementing affirmative action compliance programs and shall comply with all procedures and guidelines established or which may be established by the Port Authority.

PART II. MINORITY BUSINESS ENTERPRISES/WOMEN-OWNED BUSINESS ENTERPRISES

As a matter of policy, the Port Authority requires the Lessee and the Lessee shall itself and shall require the general contractor or other construction supervisor and each of the Lessee's contractors to use every good faith effort to provide for meaningful participation by Minority Business Enterprises ("MBEs") and Women-owned Business Enterprises ("WBEs") in the construction work pursuant to the provisions of this Schedule E. For purposes hereof, Minority Business Enterprise ("MBE") shall mean any business enterprise at least fifty-one percent (51%) of which is owned by, or in the case of a publicly owned business, at least

fifty-one percent (51%) 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 at least fifty-one percent (51%) of which is owned by, or in the case of a publicly owned business, at least fifty-one percent (51%) 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.

For the Port Authority

Initialled:

For the Lessee

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

On the 3 day of June, 1994, before me came David P. Fitzgerald, to me known, who, being by me duly sworn, did depose and say that he resides at Flushing, N.Y. that he is the Deputy Director of Aviation 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 the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Commissioners of the said corporation; and that he signed his name thereto by like order.

Jacqueline White
(notarial seal and stamp)

JACQUELINE WHITE
Notary Public, State of New York
No. [illegible]
Qualified in Suffolk County
Commission Expires May 31, 1995

STATE OF Kentucky)
) ss.
COUNTY OF Jefferson)

On the 24th day of February, 1994, before me personally came Henry Kraus and Thomas H. Weidemeyer to me known, who being by me duly sworn, did depose and say, that he resides at Jefferson County, Kentucky, that they are ~~that he is the~~ Vice President of United Parcel Service, Inc., 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.

Cheryl Renee Edwards
(notarial seal and stamp)

My commission expires 10/2/97

STATE OF)
) ss.
COUNTY OF)

On the day of , 1994, before me personally came to me known, who being by me duly sworn, did depose and say, that he resides at that he is the President of 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.

(notarial seal and stamp)

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

John F. Kennedy International Airport
Supplement No. 9
Port Authority Lease No. AYC-394

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, made as of the 19th day of November, 2006, by and between **THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY** (hereinafter called the "Port Authority") and **UNITED PARCEL SERVICE, INC.** (hereinafter referred to as the "Lessee"),

WITNESSETH, that:

WHEREAS, by a lease agreement made as of February 15, 1994 (which lease agreement, as the same has been heretofore supplemented or amended, is hereinafter called the "Lease"), the Port Authority let to the Lessee and the Lessee hired and took from the Port Authority certain premises at John F. Kennedy International Airport (hereinafter referred to as the "Airport"), all 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 Lease in certain other respects as hereinafter provided;

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

1. (a) For the period commencing as of November 20, 2006 and continuing through the balance of the term of the letting under the Lease, in addition to the premises heretofore let to the Lessee under the Lease, the Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority at the Airport the outside paved area adjacent to Cargo Service Building 84 (hereinafter sometimes referred to as the "Building") at the Airport as shown in diagonal hatching on the drawing attached hereto, hereby made a part hereof and marked "Exhibit E", such outside paved area hereinafter called "Area G", together with all the structures, fixtures, improvements and other property of the Port Authority located or to be located or to be constructed therein, thereon or thereunder, to be and become a part of the premises under the Lease to be used for the purposes set forth paragraph 4(a)(iv)(II) of Section 4 of the Lease and for no other purpose whatsoever. The parties hereto hereby acknowledge that Area G constitutes non-residential real property.

(b) For the period commencing as of November 20, 2006 and continuing through December 23, 2006, both dates inclusive, in addition to the premises heretofore let to the Lessee under the Lease, the Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority at the Airport the outside paved area adjacent to the Building as shown in shading on said Exhibit E, such outside paved area

hereinafter called "Area H", together with all the structures, fixtures, improvements and other property of the Port Authority located or to be located or to be constructed therein, thereon or thereunder, to be and become a part of the premises under the Lease to be used for the purposes set forth paragraph 4(a)(iv)(II) of Section 4 of the Lease and for no other purpose whatsoever. The parties hereto hereby acknowledge that Area H constitutes non-residential real property.

2. In addition to the rental and all other fees payable under the Lease, as herein amended, the Lessee shall pay to the Port Authority basic rental for Area G and Area H as follows:

(a) (i) During the period commencing on November 20, 2006 and continuing through December 31, 2006, both dates inclusive, the Lessee shall pay rental for Area G at the annual rate of
payable in the amount of Ex. 2.a.
on November 20, 2006 and in the amount of
on December 1, 2006;
and

(ii) From and after January 1, 2007, both dates inclusive, the Lessee shall pay rental for Area G at the annual rate of
payable in equal installments in the amount of
Ex. 2.a. per month on
January 1, 2007 and on the first day of each calendar month thereafter occurring during the term of the letting of Area G under the Lease, as herein amended;

(b) The Lessee shall pay rental for Area H at the annual rate of
payable in the amount of Ex. 2.a.
November 20, 2006 and in the amount of
on December 1, 2006.

3. (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 the Lease, as herein amended, 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
($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 term of the letting under the Lease, 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 term of the letting under the Lease, 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 Lease on the part of the Lessee. If the Port Authority shall make any drawing under a letter of credit held by the Port Authority hereunder, the Lessee, 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 Lessee under the terms of the Lease, and all remedies under the Lease 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 Lessee hereby certifies that its federal tax identification number is

(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 Lessee, 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 Lessee 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.

4. Without in any way limiting the provisions set forth in the Sections of the Lease entitled "Termination", "Right of Re-entry" and "Survival of the Obligations of the Lessee", unless otherwise notified by the Port Authority in writing, in the event the Lessee remains in possession of the premises after the expiration or termination of the term of the letting under the Lease, 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 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 basic rental in effect on the date of such expiration or termination; plus (ii) all items of additional rent and other periodic charges payable with respect to the premises by the Lessee at the annual rate in effect during the three hundred sixty-five (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 the Lease. 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.

5. The Lessee waives its right to trial by jury in any summary proceeding or action that may hereafter be instituted by the Port Authority against the Lessee in respect of the premises and/or in any action that may be brought by the Port Authority to recover fees, damages, or other sums due and owing under the Lease, as herein amended. The Lessee specifically agrees

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

6. The Lessee represents and warrants that no broker has been concerned in the negotiation of this Agreement or the letting of Area G or Area H, 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 all claims for commissions 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 G or Area H.

7. No Commissioner, officer, agent or employee of the Port Authority shall be charged personally by the Lessee with any liability or held liable to it under any term or condition of this Agreement, or because of its execution or attempted execution or because of any breach or attempted or alleged breach thereof.

8. As hereby amended, all of the terms, covenants, provisions, conditions and agreements of the Lease shall be and remain in full force and effect.

9. This Agreement and the Lease which it amends 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.

A

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

By _____ By _____
Secretary

Name _____
(Please Print Clearly)

(Title) David Kagan
Assistant Director
Business, Properties & Development

(Seal)

ATTEST:

UNITED PARCEL SERVICE, INC.

By _____ By _____
Secretary

Name _____
(Please Print Clearly)

(Title) President

(Corporate Seal)

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

LCL/ALQ

EXEMPTION (4)

DRAWINGS OF NON-PUBLIC AREAS

For the Port Authority

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

On the 25th day of March in the year 2008, 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.

Marie M. Edwards
(notary seal and stamp)

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

For the Lessee

STATE OF Kentucky)
)ss.:
COUNTY OF Jefferson)

Richmond

On the 13 day of December in the year 2007, before me, the undersigned, a Notary Public in and for said state, personally appeared Mark McCloud

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.

Sheila B Cecil
(notary seal and stamp)

EXEMPTION (4)

DRAWINGS OF NON-PUBLIC AREAS

For the Port Authority

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

On the 22nd day of February in the year ~~2010~~ 2011, 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 whose name is subscribed to the within instrument and acknowledged to me that he/~~she~~ executed the same in his/~~her~~ capacity, and that by his/~~her~~ signature on the instrument, the individual, or the person upon behalf of which the individual 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

JFK – UNITED PARCEL SERVICE, INC.
AYD-808

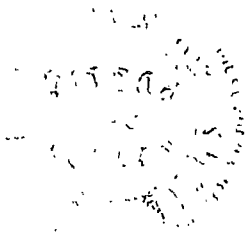
For the Lessee

STATE OF Kentucky)
) ss
COUNTY OF Jefferson

On the 2 day of December in the year 2010, before me, the undersigned, a Notary Public in and for said state, personally appeared Mark McCloud, 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 to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Angela Bleich

(notarial seal and stamp)
State at Large KY
Commission expires 01/31/2012.



JFK – UNITED PARCEL SERVICE, INC.
AYD-808

Exhibit A – The Premises

EXEMPTION (4)

DRAWINGS OF NON-PUBLIC AREAS

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

John F. Kennedy International Airport
Supplement No. 8
Port Authority Lease No. AYC-394

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, made as of the 20th day of November, 2005, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority") and UNITED PARCEL SERVICE, INC. (hereinafter referred to as the "Lessee"),

WITNESSETH, that:

WHEREAS, by a lease agreement made as of February 15, 1994 (which lease agreement, as the same has been heretofore supplemented or amended, is hereinafter called the "Lease"), the Port Authority let to the Lessee and the Lessee hired and took from the Port Authority certain premises at John F. Kennedy International Airport (hereinafter referred to as the "Airport"), all 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 Lease in certain other respects as hereinafter provided;

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

1. Effective as of October 13, 2005, the following subparagraph (3) shall be deemed added to paragraph (b) of Section 17 of the Lease:

> "(3) 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)."

2. (a) For the period commencing as of November 21, 2005 and continuing through December 23, 2005, both dates inclusive, in addition to the premises heretofore let to the Lessee under the Lease, the Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority at the Airport the outside paved area

adjacent to Cargo Service Building 84 (hereinafter sometimes referred to as the "Building") at the Airport as shown in diagonal hatching on the drawing attached hereto, hereby made a part hereof and marked "Exhibit C", such outside paved area hereinafter called "Area E", together with all the structures, fixtures, improvements and other property of the Port Authority located or to be located or to be constructed therein, thereon or thereunder, to be and become a part of the premises under the Lease to be used for the purposes set forth paragraph 4(a)(iv)(II) of Section 4 of the Lease and for no other purpose whatsoever. The parties hereto hereby acknowledge that Area E constitutes non-residential real property.

(b) For the period commencing as of December 19, 2005 and continuing through December 23, 2005, both dates inclusive, in addition to the premises heretofore let to the Lessee under the Lease, the Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority at the Airport the outside paved area adjacent to the Building as shown in diagonal hatching on the drawing attached hereto, hereby made a part hereof and marked "Exhibit D", such outside paved area hereinafter called "Area F", together with all the structures, fixtures, improvements and other property of the Port Authority located or to be located or to be constructed therein, thereon or thereunder, to be and become a part of the premises under the Lease to be used for the purposes set forth paragraph 4(a)(iv)(II) of Section 4 of the Lease and for no other purpose whatsoever. The parties hereto hereby acknowledge that Area F constitutes non-residential real property.

3. In addition to the rental and all other fees payable under the Lease, as herein amended, the Lessee shall pay to the Port Authority basic rental for Area E and Area F as follows:

(a) The Lessee shall pay rental for Area E at the annual rate of payable in the amount of on November 21, 2005 and in the amount of December 1, 2005; and

Ex. 2.a.

(b) The Lessee shall pay rental for Area F at the annual rate of payable in the amount of One on December 19, 2005.

Ex. 2.a.

4. The Lessee represents and warrants that no broker has been concerned in the negotiation of this Agreement or the letting of Area E or Area F, 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 all claims for commissions 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 E or Area F.

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 condition of this Agreement, or because of its execution or attempted execution or because of any breach or attempted or alleged breach thereof.

6. As hereby amended, all of 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 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_____

Name:_____
(Please print clearly)

(Title)_____
(Seal)

ATTEST:

UNITED PARCEL SERVICE, INC.

_____
Secretary

By_____

Name:_____
(Please print clearly)

(Title)_____President_____
(Corporate Seal)

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

For the Port Authority

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

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.

_____
(notary seal and stamp)

For the Lessee

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.

_____
(notary seal and stamp)

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

John F. Kennedy International Airport
Port Authority Lease No. AYC-394
Supplemental Agreement No. 7

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, made as of the 31st day of March, 2005, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority") and UNITED PARCEL SERVICE, INC. (hereinafter called the "Lessee");

(NY) MJ

WITNESSETH, That:

WHEREAS, by a lease agreement made as of February 15, 1994 (which lease agreement, as the same has been supplemented and amended, is hereinafter called the "Lease"), the Port Authority let to the Lessee and the Lessee hired and took from the Port Authority certain premises at John F. Kennedy International Airport, all 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 Lease in certain other respects;

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

1. Effective as of March 31, 2005, the term of the letting under the Lease is hereby extended to March 31, 2008, unless sooner terminated as provided in the Lease.

2. Effective as of April 1, 2005, the Lessee shall pay to the Port Authority a rental for the premises let under the Lease as follows:

(a) During the period from April 1, 2005 to March 31, 2006, both dates inclusive, at the annual rate of

payable in advance in equal monthly installments of

each on April 1, 2005 and on the first day of each calendar month thereafter occurring during such period;

(b) During the period from April 1, 2006 to March 31, 2007, both dates inclusive, at the annual rate of Ex. 2.a. payable in advance in equal monthly installments of each on April 1, 2006 and on the first day of each calendar month thereafter occurring during such period; and

(c) From and after April 1, 2007 and continuing throughout the balance of the extended term of the letting at the annual rate of Ex. 2.a. payable in advance in equal monthly installments of each on April 1, 2007 and on the first day of each calendar month thereafter occurring during the extended term of the letting under the Lease, as herein amended.

3. Effective as of April 1, 2005, the abatement rates provided under paragraph (c) (i) and (ii) of Section 3 of the Lease, as amended in Supplement No. 6 to the Lease, shall be deemed further amended to read as follows:

"(i) (a) for each square foot of Area A, the use of which is denied to the Lessee during the period from April 1, 2005 through March 31, 2006, both dates inclusive, at the daily rate of Ex. 2.a.

(b) for each square foot of Area A, the use of which is denied to the Lessee during the period from April 1, 2006 through March 31, 2007, both dates inclusive, at the daily rate of Ex. 2.a.

(c) for each square foot of Area A, the use of which is denied to the Lessee from and after April 1, 2007 at the daily rate of Ex. 2.a.

"(ii) (a) for each square foot of Areas B, C and D, the use of which is denied to the Lessee during the period from April 1, 2005 through March 31, 2006, both dates inclusive, at the daily rate of Ex. 2.a. and

(b) for each square foot of Areas B, C and D, the use of which is denied to the Lessee during the period from April 1, 2006 through March 31, 2007, both dates inclusive, at the daily rate of Ex. 2.a. and

(c) for each square foot of Areas B, C and D, the use of which is denied to the Lessee from and after April 1, 2007 at the daily rate of

4. Effect of Basic Lease

(a) The Lessee acknowledges that it has received, and is familiar with the contents of, a copy of the Basic Lease. The rights of the Port Authority in the Premises are those granted to it by the Basic Lease, and no greater rights are granted or intended to be granted to the Lessee than the Port Authority has power thereunder to grant.

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

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

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

(3) With respect to this Lease, the Lessee 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 Lessee shall indemnify the City with respect to all matters described in Section 31 of the Basic Lease;

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

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

(7) The failure of the Lessee to comply with the foregoing provisions shall be an event of default under this Lease, which, after the giving of reasonable notice, shall provide the Port Authority with the right to terminate this Lease and exercise any other rights that the Port Authority may have as the landlord 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 Lessee pursuant to this Lease.

5. The Lessee hereby acknowledges that the terms and provisions of the Basic Lease requires or may require certain modifications to this Lease, specifically those relating to condemnation, indemnity and insurance and, further, that the Lessee has either received a copy of the Basic Lease, or has had the opportunity to obtain such a copy, prior to the execution of this Supplemental Agreement. The Lessee covenants and agrees that upon delivery to it by the Port Authority of an amendment to this Lease which sets forth said modifications which the Port Authority deems are appropriate or necessary for full compliance with the Basic Lease, the Lessee shall immediately execute said amendment and return same to the Port Authority. A failure by the Lessee to so execute and return said amendment shall constitute a material breach of the Lease, as hereby extended and amended.

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

7. 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 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.

8. No Commissioner, officer, agent or employee of the Port Authority, shall be charged personally by the Lessee with any liability or held liable to it under any term or condition of this Supplemental Agreement, or because of its execution or attempted execution or because of any breach or attempted or alleged breach thereof. The Lessee agrees that no representations or warranties with respect to this Supplemental Agreement shall be binding upon the Port Authority unless expressed in writing herein.

[THE REMAINDER OF THIS PAGE WAS INTENTIONALLY LEFT BLANK]

9. This Supplemental Agreement, together with the Lease which it amends, 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 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

David Kagan
(Title) Assistant Director
~~Business, Properties & Airport Development~~
(Seal)

~~ATTEST:~~ witness

attorney in fact ~~Secretary~~

UNITED PARCEL SERVICE, INC. (NY)

By

(Title) Mark McCloud
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 12TH day of September in the year 2005, before me, the undersigned, a Notary Public in and for said state, personally appeared DAVID KAGAN, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Gail E. Mitchell
(notarial seal and stamp)
GAIL E. MITCHELL
NOTARY PUBLIC STATE OF NEW YORK
NO. 01MI6026210
QUALIFIED IN QUEENS COUNTY
COMMISSION EXPIRES JUNE 14, 2007

For United Parcel Service, Inc. (NY) AA

STATE OF Kentucky)
) ss.
COUNTY OF Jefferson)

On the 20 day of December in the year 2005, before me, the undersigned, a Notary Public in and for said state, personally appeared Mark McCloud, 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.

Beverly E. Medwick
(notarial seal and stamp)
Commission expires
July 28, 2007

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

John F. Kennedy International Airport
Port Authority Lease No. AYC-394
Supplemental Agreement No. 6

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, made as of the 31st day of March, 2003, by and between **THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY** (hereinafter called the "Port Authority") and **UNITED PARCEL SERVICE, INC.** (hereinafter called the "Lessee");

(NY) AH

WITNESSETH, That:

WHEREAS, by a lease agreement made as of February 15, 1994 (which lease agreement, as the same has been supplemented and amended, is hereinafter called the "Lease"), the Port Authority let to the Lessee and the Lessee hired and took from the Port Authority certain premises at John F. Kennedy International Airport, all 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 Lease in certain other respects;

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

1. Effective as of March 31, 2003, the term of the letting under the Lease is hereby extended to March 31, 2005, unless sooner terminated as provided in the Lease.

2. Effective as of April 1, 2003, the Lessee shall pay to the Port Authority a rental for the premises let under the Lease as follows:

(a) During the period from April 1, 2003 to March 31, 2004, both dates inclusive, at the annual rate of

Ex. 2.a.

payable in advance in equal monthly installments of each on April 1, 2003 and on the first day of each calendar month thereafter occurring during such period; and

(b) From and after April 1, 2004 and continuing throughout the balance of the extended term of the letting at the annual rate of payable in advance in equal monthly installments of Ex. 2.a. each on April 1, 2004 and on the first day of each calendar month thereafter occurring during the extended term of the letting under the Lease, as herein amended.

3. Effective as of April 1, 2003, the abatement rates provided under paragraph (c) (i) and (ii) of Section 3 of the Lease shall be deemed amended to read as follows:

"(i) (a) for each square foot of Area A, the use of which is denied to the Lessee during the period from April 1, 2003 through March 31, 2004, both dates inclusive, at the daily rate of Ex. 2.a. and

"(b) for each square foot of Area A, the use of which is denied to the Lessee from and after April 1, 2004 at the daily rate of Ex. 2.a.

"(ii) (a) for each square foot of Areas B, C and D, the use of which is denied to the Lessee during the period from April 1, 2003 through March 31, 2004, both dates inclusive, at the daily rate of Ex. 2.a. and

"(b) for each square foot of Areas B, C and D, the use of which is denied to the Lessee from and after April 1, 2004 at the daily rate of

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

5. 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 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.

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

7. This Supplemental Agreement, together with the Lease which it amends, 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 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

David Kagan
Assistant Director
Business, Properties & Airport Development

(Title)

(Seal)

~~ATTEST~~: witness

attorney in fact ~~Secretary~~

UNITED PARCEL SERVICE, INC. (NY)

By

Mark McCloud

(Title) President

(Corporate Seal)

APPROVED:

FORM	TERMS

(Port Authority Acknowledgment)

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

On the 10 day of October in the year ~~2003~~ 2006, 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 whose name is subscribed to the within instrument and acknowledged that he executed the same in his capacity as Asst Director, Business, Properties & Airport Development 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.

Peggy M. Spinelli
(Signature of Notary Public)

PEGGY M. SPINELLI
Notary Public, State of New York
No. 01SP6057870
Qualified in New York County
Commission Expires April 30, 2007

(Corporate Acknowledgment)

STATE OF Kentucky)
)ss.:
COUNTY OF Jefferson)

On the 20 day of December in the year 2005, before me, the undersigned, a Notary Public in and for said state, personally appeared Mark W. McGinnis

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 President of United Parcel Service, Inc., and that by his signature on the instrument, the individual, or the corporation upon behalf of which the individual acted, executed the instrument.

Beverly E. Freeman
(Signature of Notary Public)
Commission expires
July 28, 2007

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

John F. Kennedy International Airport
Port Authority Lease No. AYC-394
Supplemental Agreement No. 5

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, made as of the 31st day of December, 2001, by and between **THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY** (hereinafter called the "Port Authority") and **UNITED PARCEL SERVICE, INC.** (hereinafter called the "Lessee");

(NY) NN

WITNESSETH, That:

WHEREAS, by a lease agreement made as of February 15, 1994 (which lease agreement, as the same has been supplemented and amended, is hereinafter called the "Lease"), the Port Authority let to the Lessee and the Lessee hired and took from the Port Authority certain premises at John F. Kennedy International Airport, all 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 Lease in certain other respects;

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

1. Effective as of December 31, 2001, the term of the letting under the Lease is hereby extended to March 31, 2003, unless sooner terminated as provided in the Lease.

2. Effective as of January 1, 2002, the Lessee shall pay to the Port Authority a rental for the premises let under the Lease as follows:

(a) During the period from January 1, 2002 to March 31, 2002, both dates inclusive, at the annual rate of
payable in advance in equal monthly installments of Ex. 2.a.
each on January 1, 2002 and on the first day of each calendar month thereafter occurring during such period; and

NN

(b) From and after April 1, 2002, at the annual rate of payable in advance in equal monthly installments of Ex. 2.a. each on April 1, 2002 and on the first day of each calendar month thereafter occurring during the extended term of the letting under the Lease, as herein amended.

3. Effective as of January 1, 2002, the abatement rates provided under paragraph (c) (i) and (ii) of Section 3 of the Lease shall be deemed amended to read as follows:

"(i) (a) for each square foot of Area A, the use of which is denied to the Lessee during the period from January 1, 2002 through March 31, 2002, both dates inclusive, at the daily rate of Ex. 2.a. and

"(b) for each square foot of Area A, the use of which is denied to the Lessee from and after April 1, 2002 at the daily rate of Ex. 2.a.

"(ii) (a) for each square foot of Areas B, C and D, the use of which is denied to the Lessee during the period from January 1, 2002 through March 31, 2002, both dates inclusive, at the daily rate of Ex. 2.a. and

"(b) for each square foot of Area A, the use of which is denied to the Lessee from and after April 1, 2002 at the daily rate of

4. Effective as of January 1, 2002, the words "One World Trade Center, New York, New York 10048" appearing in the first paragraph of the Lease as well as in Section 7 of Exhibit A annexed to said Lease shall be and shall be deemed deleted and the words "225 Park Avenue South, New York, New York 10003" shall be deemed inserted in lieu thereof in both instances.

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

6. 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 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.

7. 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 condition of this Supplemental Agreement, or because of its execution or attempted execution or because of any breach or attempted or alleged breach thereof. The Lessee agrees that no representations or warranties with respect to this

Supplemental Agreement shall be binding upon the Port Authority unless expressed in writing herein.

8. This Supplemental Agreement, together with the Lease which it amends, 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 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) David Kagan
Assistant Director
~~Business, Properties & Airport Development~~

(Seal)

~~ATTEST:~~ witness

Kirtai Unwalla
attorney in fact ~~Secretary~~

UNITED PARCEL SERVICE, INC. (NY)

By _____

(Title) Mark McCloud
President

(Corporate Seal)

APPROVED:
FORM
TERMS

(Port Authority Acknowledgment)

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

On the 18 day of October in the year ~~2002~~ 2006 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 whose name is subscribed to the within instrument and acknowledged that he executed the same in his capacity as Asst. Dir, Business Properties + Asset 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.

Peggy M. Spinelli
(Signature of Notary Public)

PEGGY M. SPINELLI
Notary Public, State of New York
No. 01SP6057870
Qualified in New York County
Commission Expires April 30, 2007

(Corporate Acknowledgment)

STATE OF Kentucky)
)ss.:
COUNTY OF Jefferson)

On the 20 day of December in the year 2005, before me, the undersigned, a Notary Public in and for said state, personally appeared

Mark Mc Cloud

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 President of United Parcel Service, Inc., and that by his signature on the instrument, the individual, or the corporation upon behalf of which the individual acted, executed the instrument.

Beverly E Judevine
(Signature of Notary Public)
Commission expires
July 28, 2005

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

John F. Kennedy International Airport
Port Authority Lease No. AYC-394
Supplement No. 4

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of December 31, 2000, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority") and UNITED PARCEL SERVICE, INC. (hereinafter called the "Lessee");

WITNESSETH, That:

WHEREAS, by a lease agreement made as of February 15, 1994, (which lease agreement as the same has been supplemented and amended is hereinafter called the "Lease") the Port Authority let to the Lessee, and the Lessee hired and took from the Port Authority certain premises at John F. Kennedy International Airport, all 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 further amend the Lease in certain other respects;

NOW, THEREFORE, for and in consideration of the covenants and agreements herein contained, the Port Authority and the Lessee hereby agree, effective as of the dates set forth below, as follows:

1. Effective as of December 31, 2000, the term of the letting under the Lease is hereby extended to December 31, 2001, unless sooner terminated as provided in the Lease.

2. Effective for the period from January 1, 2001 to December 31, 2001, both dates inclusive, the Lessee agrees to pay to the Port Authority a rental for the premises let under the Lease at the rate of

per annum, payable in advance in equal monthly installments of Ex. 2.a.

on January 1, 2001 and on the first day of each calendar month thereafter during said period.

3. Effective as of January 1, 2001, the abatement rates provided under paragraph (c)

(i) and (ii) of Section 3 of the Lease shall be deemed amended to read as follows:

"(i) for each square foot of Area A, the use of which is denied to the Lessee during the period from January 1, 2001 to December 31, 2001, at the daily rate of Ex. 2.a.and

(ii) for each square foot of Areas B, C and D, the use of which is denied to the Lessee during the period from January 1, 2001 to December 31, 2001, at the daily rate of Ex. 2.a.

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

5. 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 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 or the extension hereunder.

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

7. This Supplemental Agreement, together with the Lease which it amends 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 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

Assistant Secretary
The Port Authority of New York
and New Jersey

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By:

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

(Seal)

ATTEST:

Assistant Secretary

UNITED PARCEL SERVICE, INC.
a New York corporation

By

(Title) Vice President ~~President~~

(Corporate Seal)

APPROVED FOR TRANSMITTAL

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 19 day of April in the year 2001, before me, the undersigned, a Notary Public in and for said state, personally appeared FRANCIS A. DiNola, 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. 01HE6049028
Qualified in New York County
Commission Expires October 02, 2002

For United Parcel Service, Inc.

STATE OF Kentucky)
) ss.
COUNTY OF Jefferson)

On the 26th day of Feb in the year 2001, before me, the undersigned, a Notary Public in and for said state, personally appeared John McDevitt, 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.

Denise Williams
(notarial seal and stamp)

Notary Public, State at Large, KY
My Commission Expires Dec. 1, 2002

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

PD & M - JFK

John F. Kennedy International Airport
Port Authority Lease No. AYC-394
Supplement No. 3

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of December 31, 1999, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority") and UNITED PARCEL SERVICE, INC. (hereinafter called the "Lessee");

WITNESSETH, That:

WHEREAS, by a lease agreement made as of February 15, 1994, (which lease agreement as the same has been supplemented and amended is hereinafter called the "Lease") the Port Authority let to the Lessee, and the Lessee hired and took from the Port Authority certain premises at John F. Kennedy International Airport, all 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 further amend the Lease in certain other respects;

NOW, THEREFORE, for and in consideration of the covenants and agreements herein contained, the Port Authority and the Lessee hereby agree, effective as of the dates set forth below, as follows:

1. Effective as of December 31, 1999, the term of the letting under the Lease is hereby extended to December 31, 2000, unless sooner terminated as provided in the Lease.

2. The Lessee agrees to pay to the Port Authority a rental for the premises let under the Lease as follows:

(a) Effective for the period from January 1, 2000 to September 30, 2000, both dates inclusive, a rental at the rate of per annum, payable in advance in equal monthly installments of Ex. 2.a. on January 1, 2000 and on the first day of each calendar month thereafter during said period.

(b) Effective for the period from October 1, 2000 to December 31, 2000, both dates inclusive, a rental at the rate of per annum, payable in advance in equal monthly installments of Ex. 2.a. on October 1, 2000, and on the first day of each calendar month thereafter during the balance of the term of the letting hereunder.

3. (a) Effective as of January 1, 2000, the abatement rates provided under paragraph (c) (i) and (ii) of Section 3 of the Lease shall be deemed amended to read as follows:

"(i) for each square foot of Area A, the use of which is denied to the Lessee during the period from January 1, 2000 to September 30, 2000, at the daily rate of Ex. 2.a. and

(ii) for each square foot of Areas B, C and D, the use of which is denied to the Lessee during the period from January 1, 2000 to September 30, 2000, at the daily rate of

(b) Effective as of October 1, 2000, the abatement rates provided under paragraph (c) (i) and (ii) of Section 3 of the Lease shall be deemed amended to read as follows:

"(i) for each square foot of Area A, the use of which is denied to the Lessee during the period from October 1, 2000 to December 31, 2000, at the daily rate of Ex. 2.a. and

(ii) for each square foot of Areas B, C and D, the use of which is denied to the Lessee during the period from October 1, 2000 to December 31, 2000, at the daily rate of Ex. 2.a.

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

5. 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 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 or the extension hereunder.

6. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof, shall be charged personally by the Lessee with any liability or held liable to it under any term or condition of this Supplemental Agreement, or because of its execution or attempted execution or because of any breach or attempted or alleged breach thereof. The Lessee agrees that no representations or warranties with respect to this

execution or attempted execution or because of any breach or attempted or alleged breach thereof. The Lessee agrees that no representations or warranties with respect to this Supplemental Agreement shall be binding upon the Port Authority unless expressed in writing herein.

7. This Supplemental Agreement, together with the Lease which it amends 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 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: _____

FRANCIS A. DIMOLA
ASSISTANT DIRECTOR
AVIATION DEPT.

(Title)

(Seal)

ATTEST:

Assistant Secretary

UNITED PARCEL SERVICE, INC.

By _____ John McDevitt

(Title) Vice President

(Corporate Seal)

APPROVED:
FORM TERMS

For the Port Authority of NY & NJ

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

On the 3rd day of January in the year 2001, before me, the undersigned, a Notary Public in and for said state, personally appeared Francis A. D. Mola, 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.

Linda C. Handel
(notarial seal and stamp)

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

For United Parcel Service, Inc.

STATE OF Kentucky)
) ss.
COUNTY OF Jefferson)

On the 30 day of Oct in the year 2000, before me, the undersigned, a Notary Public in and for said state, personally appeared John McDevitt, 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.

Denise Williams
(notarial seal and stamp)

Notary Public, State at Large, KY
My Commission Expires Dec. 1, 2002

6

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

John F. Kennedy International Airport
Port Authority Lease No. AYC-394
Supplement No. 1

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of December 31, 1995, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority") and UNITED PARCEL SERVICE, INC. (hereinafter called the "Lessee");

WITNESSETH, That:

WHEREAS, by a lease agreement made as of February 15th, 1994, (hereinafter called the "Lease") the Port Authority let to the Lessee, and the Lessee hired and took from the Port Authority certain premises at John F. Kennedy International Airport, all as more particularly described in the Lease;

WHEREAS the Port Authority desires to recapture and the Lessee agrees to terminate its occupancy of and surrender certain portion of the premises under the Lease; and the Port Authority is willing to accept such surrender on the terms and conditions hereinafter set forth;

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

1. (a) Effective as of 11:59 o'clock P.M. on December 31 , 1995 (which hour and date are hereinafter collectively called "the Surrender Date"), the Lessee has granted, bargained, sold, surrendered and yielded up and does by these presents grant, bargain, sell, surrender and yield up unto the Port Authority, its successors and assigns, forever, the portion of the premises let to the Lessee shown in black on the sketch attached hereto, hereby made a part hereof and marked "Exhibit B" (which portion of the premises is hereinafter called "the Surrendered Area") and the terms of years with respect thereto under the Lease yet to come and has given, granted and surrendered and by these presents does give, grant and surrender to the Port Authority, its successors and assigns, all the rights, rights of renewal, licenses, privileges and options of the Lessee granted by the Lease with respect to the Surrendered Area, all of the intent and purpose that the said term under the Lease and the said rights of renewal, licenses, privileges and options may be wholly merged, extinguished and determined on the Surrender Date, with the same force and effect as if the said term were in and by the provisions of the Lease originally fixed to expire on the Surrender Date; to have and to hold the same unto the Port Authority, its successors and assigns forever.

(b) The Lessee hereby covenants on behalf of itself, its successors and assigns that (i) it has not done or suffered and will not do or

suffer anything whereby the Surrendered Area, or the Lessee's leasehold therein, has been or shall be encumbered as of the Surrender Date in any way whatsoever; (ii) the Lessee is and will remain until the Surrender Date the sole and absolute owner of the leasehold estate in the Surrendered Area and of the rights, rights of renewal, licenses, privileges and options granted by the Lease with respect thereto and that the same are and will remain until the Surrender Date free and clear of all liens and encumbrances of whatsoever nature; and (iii) the Lessee has full right and power to make this Agreement.

(c) All promises, covenants, agreements and obligations of the Lessee with respect to the Surrendered Area, under the Lease or otherwise, which under the provisions thereof would have matured upon the date originally fixed in the Lease for the expiration of the term thereof, or upon the termination of the Lease prior to the said date, or within a stated period after expiration or termination, shall notwithstanding such provisions, mature upon the Surrender Date and shall survive the partial surrender provided for in this paragraph.

(d) The Lessee has released and discharged and does by these presents release and discharge the Port Authority from any and all obligations of every kind, past, present or future on the part of the Port Authority to be performed under the Lease with respect to the Surrendered Area. The Port Authority does by these presents release and discharge the Lessee from any and all obligations on the part of the Lessee to be performed under the Lease with respect to the Surrendered Area for that portion of the term subsequent to the Surrender Date; it being understood that nothing herein contained shall release, relieve or discharge the Lessee from any liability for rentals or for other charges that may be due or become due to the Port Authority for any period or periods prior to the Surrender Date, or for breach of any other obligation on the Lessee's part to be performed under the Lease for or during such period or periods or maturing pursuant to paragraph (c) above.

(e) The parties acknowledge and agree that the annual basic rental payable for the Surrendered Area immediately preceding the Surrender Date is

(f) In consideration of the making of this Agreement by the Port Authority, the Lessee hereby agrees to terminate its occupancy of the Surrendered Area and to deliver actual, physical possession of the Surrendered Area to the Port Authority, on or before the Surrender Date in the condition required by the Lease upon surrender.

2. The Port Authority and the Lessee agree that the Lessee will receive a reduction in rental payable under the Lease in the amount of per year (or on account of the surrender of the Surrendered Area commencing on January 1, 1996 and ending on December 31, 1996.

Ex. 2.a.

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

4. 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 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 hereunder.

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 condition of this Agreement, or because of its execution or attempted execution or because of any breach or attempted or alleged breach thereof.

6. This Supplemental Agreement and the Lease which it amends 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 with respect to this Agreement shall be binding upon the Port Authority unless expressed in writing herein.

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

(Title) DEPUTY DIRECTOR AVIATION DEPARTMENT

(Seal)

ATTEST:

V. P. ~~Secretary~~

UNITED PARCEL SERVICE, INC.

By Joe Zito - Joe Zito

(Title) Vice President

(Corporate Seal)

APPROVED:
FORM | TERMS

EXEMPTION (4)

DRAWINGS OF NON-PUBLIC AREAS

Ack. N.Y.; Corp.

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

On the 31st day of Dec, 1998, before me, personally came William DeCota to me known, who, being by me duly sworn, did depose and say that he resides at Old Bridge, NJ; that he is the Dep. 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 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 Commissioners of the said corporation; and that he signed his name thereto by like order.

Mary Ann Grasso
(notarial seal and stamp)

MARY ANN GRASSO
Notary Public, State of New York
No. 41-4890605
Qualified in Queens County
Commission Expires April 27, 19 99

STATE OF Kentucky)
) ss.
COUNTY OF Jefferson)

On the 19th day of Nov., 1998, before me, personally came Joe Zito to me known, who, being by me duly sworn, did depose and say that he resides at Louisville, KY; that he is the Vice President of **United Parcel Service, Inc.**, 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.

Denise Williams
(notarial seal and stamp)

Notary Public, State at Large, KY
My commission expires Dec. 1, 1998

10

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

John F. Kennedy International Airport
Port Authority Lease No. AYC-394
Supplement No. 2

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of December 31, 1997, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority") and UNITED PARCEL SERVICE, INC. (hereinafter called the "Lessee");

WITNESSETH, That:

WHEREAS, by a lease agreement made as of February 15th, 1994, (which lease agreement as the same has been supplemented and amended is hereinafter called the "Lease") the Port Authority let to the Lessee, and the Lessee hired and took from the Port Authority certain premises at John F. Kennedy International Airport, all as more particularly described in the Lease;

WHEREAS, effective as of December 31, 1996, the Port Authority and the Lessee desire to extend the term of the letting under the Lease and to further amend the Lease in certain other respects;

NOW, THEREFORE, for and in consideration of the covenants and agreements herein contained, the Port Authority and the Lessee as of the date set forth above hereby agree as follows:

1. The term of the letting under the Lease is hereby extended (a) for the period ending on December 31, 1997, unless sooner terminated, and (b) thereafter on a month-to-month basis but in no event beyond December 31, 1999.

2. (a) For the period from January 1, 1997 to December 31, 1997 the Lessee shall pay to the Port Authority a rental payable under the Lease at the annual rate of to be paid in advance in equal monthly installments of on January 1, 1997 and on the first day of each and every calendar month during such period.

Ex. 2.a.

(b) For the period from January 1, 1998 to January 31, 1998 and each month thereafter to and including December, 1999 the Lessee shall pay to the Port Authority a rental payable under the Lease at the monthly rate of to be paid in advance on January 1, 1998 and on the first day of each and every calendar month thereafter during the balance of the term of the letting hereunder.

suffer anything whereby the Surrendered Area, or the Lessee's leasehold therein, has been or shall be encumbered as of the Surrender Date in any way whatsoever; (ii) the Lessee is and will remain until the Surrender Date the sole and absolute owner of the leasehold estate in the Surrendered Area and of the rights, rights of renewal, licenses, privileges and options granted by the Lease with respect thereto and that the same are and will remain until the Surrender Date free and clear of all liens and encumbrances of whatsoever nature; and (iii) the Lessee has full right and power to make this Agreement.

(c) All promises, covenants, agreements and obligations of the Lessee with respect to the Surrendered Area, under the Lease or otherwise, which under the provisions thereof would have matured upon the date originally fixed in the Lease for the expiration of the term thereof, or upon the termination of the Lease prior to the said date, or within a stated period after expiration or termination, shall notwithstanding such provisions, mature upon the Surrender Date and shall survive the partial surrender provided for in this paragraph.

(d) The Lessee has released and discharged and does by these presents release and discharge the Port Authority from any and all obligations of every kind, past, present or future on the part of the Port Authority to be performed under the Lease with respect to the Surrendered Area. The Port Authority does by these presents release and discharge the Lessee from any and all obligations on the part of the Lessee to be performed under the Lease with respect to the Surrendered Area for that portion of the term subsequent to the Surrender Date; it being understood that nothing herein contained shall release, relieve or discharge the Lessee from any liability for rentals or for other charges that may be due or become due to the Port Authority for any period or periods prior to the Surrender Date, or for breach of any other obligation on the Lessee's part to be performed under the Lease for or during such period or periods or maturing pursuant to paragraph (c) above.

(e) The parties acknowledge and agree that the annual basic rental payable for the Surrendered Area immediately preceding the Surrender Date is

(f) In consideration of the making of this Agreement by the Port Authority, the Lessee hereby agrees to terminate its occupancy of the Surrendered Area and to deliver actual, physical possession of the Surrendered Area to the Port Authority, on or before the Surrender Date in the condition required by the Lease upon surrender.

2. The Port Authority and the Lessee agree that the Lessee will receive a reduction in rental payable under the Lease in the amount of per year (or Ex. 2.a. per month) on account of the surrender of the Surrendered Area commencing on January 1, 1996 and ending on December 31, 1996.

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

4. 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 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 hereunder.

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 condition of this Agreement, or because of its execution or attempted execution or because of any breach or attempted or alleged breach thereof.

6. This Supplemental Agreement and the Lease which it amends 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 with respect to this Agreement shall be binding upon the Port Authority unless expressed in writing herein.

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

(Title) DEPUTY DIRECTOR AVIATION DEPARTMENT

(Seal)

ATTEST:

V. P. Secretary

UNITED PARCEL SERVICE, INC.

By _____ Joe Zito

(Title) Vice President

(Corporate Seal)

APPROVED:
FORM | TERMS

EXEMPTION (4)

DRAWINGS OF NON-PUBLIC AREAS

Ack. N.Y.; Corp.

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

On the 31st day of Dec, 1998, before me, personally came William DeCota to me known, who, being by me duly sworn, did depose and say that he resides at Old Bridge, NJ; that he is the Dep. 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 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 Commissioners of the said corporation; and that he signed his name thereto by like order.

Mary Ann Grasso
(notarial seal and stamp)

MARY ANN GRASSO
Notary Public, State of New York
No. 41-4890605
Qualified in Queens County
Commission Expires April 27, 19 99

STATE OF Kentucky)
) ss.
COUNTY OF Jefferson)

On the 19th day of Nov., 1998, before me, personally came Joe Zito to me known, who, being by me duly sworn, did depose and say that he resides at Louisville, KY; that he is the Vice President of **United Parcel Service, Inc.**, 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.

Denise Williams
(notarial seal and stamp)

Notary Public, State at Large, KY
My commission expires Dec. 1, 1998