PRA #17243

A Public Records Access request has been submitted.

Request By: Emma Quail

Signature: Emma Quail

Request date: 08/09/2016

Address: 275 7 Ave, Fl 167, New York, NY, 10001

Email: equail@unitehere.org

Phone number: 347-283-6273

Personal Information Request: NO

Records seeking:

I am requesting copies of the following information pursuant to the New York State Freedom of Information Law, Article 6 of the Public Officers Law, and the Port Authority of New York and New Jersey Policy on Freedom of Information:

- Any and all master leases and use agreements including any supplements, addendums, amendments or extensions between the Port Authority of New York and New Jersey and Lufthansa involving the operation of lounges at Newark Liberty International Airport.
- Any and all master leases and use agreements including any supplements, addendums, amendments or extensions between Lufthansa and any and all companies/entities involving the concessions operation of lounges at Newark Liberty International Airport.

Please provide the information electronically if possible, otherwise by mail. Please notify me if those costs will be greater than $50. Contact me at equail@unitehere.org or call at 347-283-6273 or 212-332-9328 with any questions regarding this request.

PRA #17243

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
PUBLIC RECORD ACCESS FORM

Action by (print / type name): William Shalewitz, Freedom of Information Administrator

Signature: William Sh

Date: 08/22/2016

On behalf of the Secretary of the Port Authority, as Records Access Officer and Custodian of Government Records of the Port Authority.

- [ ] The requested records are being made available.
- [ ] Any responsive records that may exist are currently in storage or archived, and a diligent search is being conducted. The Port Authority will respond by:
- [ ] A diligent search has been conducted, and no records responsive to your request have been located.
- [ ] The requested records that have been located are not being made available, as they are exempt from disclosure for the following specific reasons:
- [x] Some requested records that have been located are being made available. The remainder are exempt from disclosure for the following specific reasons:

Exemptions applied for privacy and security.

- [ ] The request does not reasonably describe or identify specific records; therefore, the Port Authority is unable to search for and locate responsive records. Please consider submitting a new request that describes or identifies the specific records requested with particularity and detail.
- [x] Other:

Material responsive to your request can be found on the Port Authority's website at http://corpinfo.panynj.gov/documents/17243-LPA/. Paper copies of the available records are available upon request.

This form is promulgated by the Port Authority pursuant to the Port Authority Public Records Access Policy and is intended to be construed consistent with the New York Freedom of Information Law and the New Jersey Open Public Records Act. It is intended to facilitate requests for Port Authority public records and does not constitute legal advice.

THE PORT AUTHORITY OF NY & NJ

AVIATION DEPARTMENT

David Z. Plavin
Director of Aviation

Morris Sloane, Director
Aviation Operations

[redacted]

January 19, 1990

Deutsche Lufthansa Aktiengesellschaft
750 Lexington Avenue
New York, New York 10022-1208

Re: Newark International Airport
Agreement No. ANA-446

Attention: Leo F. Henckel von Donnersmarck
Vice President USA East and Corporate Affairs

Gentlemen:

You have requested that in connection with the take-off of each of the aircraft of Deutsche Lufthansa Aktiengesellschaft (Lufthansa Airlines), hereinafter called "the Airline", from Newark International Airport (hereinafter called "the Airport") the Airline commencing March 25, 1990 be permitted to furnish a report of its flight activity on a monthly basis and to pay all flight fees based on such activity and the charges as set forth in the Schedule attached hereto and hereby made a part hereof and marked "Schedule C". You have also requested that commencing March 25, 1990 the Airline be permitted to pay to the Port Authority fuel gallonage fees in accordance with the charges set forth in the Schedule attached hereto, hereby made a part hereof and marked "Schedule D". The Port Authority hereby sets forth for the Airline's acceptance the basis and the terms and conditions upon which the Port Authority is willing to accept monthly reports and payments from the Airline for the take-off of each of the Airline's aircraft at the Airport, based upon the charges set forth in Schedule C, and monthly payments of the fuel gallonage fees determined in accordance with Schedule D.

1. The term of this Agreement shall commence on March 25, 1990 and shall expire on March 31, 1992, subject to the right of either party to terminate this Agreement at any time, without cause, upon thirty (30) days' written notice to the other party and subject to the further right of the Port Authority to terminate this Agreement pursuant to Section 5 hereof.

One World Trade Center, 65 West, New York, NY 10048
(212) 466-7232 • (201) 622-6600 x7232

2. (a) Commencing on March 25, 1990 (hereinafter called "the Schedule C Date") and throughout the term of this Agreement, the Airline shall pay to the Port Authority the flight fees established by the Port Authority from time to time in accordance with the provisions of Schedule C, for each and every take-off of each and every aircraft operated by the Airline. The said flight fee shall be a fee (per thousand pounds of Maximum Weight for Take-off) prorated to the nearest hundred pounds.

(b) "Maximum Weight for Take-Off" when used with reference to aircraft shall mean the maximum gross weight which such aircraft may lawfully have at the time of leaving the ground at any airport in the United States (under the most favorable conditions which may exist at such airport and without regard to special limiting factors arising out of the particular time, place or circumstances of the particular take-off, such as runway length, air temperature, or the like).* If such maximum gross weight is not fixed by or pursuant to law, then said phrase shall mean the actual gross weight at take-off.

(c) "Maximum Weight for Landing" when used with reference to aircraft shall mean the maximum gross weight which such aircraft may lawfully have at the time of landing at any airport in the United States (under the most favorable conditions which may exist at such airport and without regard to special limiting factors arising out of the particular time, place or circumstances of the particular landing, such as runway length, air temperature, or the like).* If such maximum gross weight is not fixed by or pursuant to law, then said phrase shall mean the actual gross weight at landing.

(d) Commencing no later than the 20th day of the month following the month during which the Schedule C Date occurs and no later than the 20th day of each and every month thereafter during the term of the Agreement, the Airline shall furnish to the Port Authority a statement duly certified by an authorized officer of the Airline certifying the number of take-offs by type of aircraft operated by the Airline during the preceding calendar month. The Airline shall pay to the Port Authority at the time it is obligated to furnish to the Port Authority the foregoing statement the flight fees payable by the Airline for its aircraft

*This represents the uniform practice applied to all Aircraft Operators having agreements with the Port Authority with respect to the payment of flight fees under the provisions in any particular agreement.

operations during the preceding calendar month computed on the basis of said operations and the flight fees determined in accordance with Schedule C. The flight fees payable by the Airline hereunder shall be in addition to any and all charges and fees imposed upon and payable by the Airline under the Agreement. The flight fees shall be payable by the Airline whether or not the Airline uses any or all of the Public Aircraft Facilities in addition to the runways.

(e) Without limiting any of the foregoing provisions of this Section or any of the provisions of Schedule C, the Port Authority may from time to time during the 1990 calendar year and during each succeeding calendar year, but no more frequently than quarterly, notify the Airline whether and to what extent the payments due to the Port Authority resulting from the tentative flight fee established pursuant to Schedule C will be likely to exceed or be less than the payments which would result from the estimated finalized fee as described in Paragraph II of Schedule C for such year for the period during such year as designated in the Port Authority's notice. If such notice is given the Airline shall pay a new tentative flight fee established by the Port Authority and set forth in said notice until the same is further adjusted in accordance with this paragraph or Schedule C.

3. (a) Effective as of March 25, 1990 the Airline shall pay to the Port Authority, in monthly installments, for each and every gallon of fuel delivered by the Airport's fuel system operator to aircraft operated by the Airline, either through the Fuel System or by truck distribution or partly by the Fuel System and partly by truck or any combination of both, a fuel gallonage fee determined in accordance with the provisions of Schedule D, attached hereto and hereby made a part hereof. Fuel may be delivered to the Bulk Fuel Storage facilities and to the Fuel System at the Airport only by or on behalf of a fuel storage permittee at the Airport, as defined in said Schedule D.

(b) The Airline shall pay to the Port Authority or its independent contractor, as the case may be, an additional charge for defueling services performed at the Airport for the Airline of Three Cents ($.03) for each and every gallon of fuel removed from such aircraft by the Port Authority or its said independent contractor, as the case may be, at the Airport, provided, however, that the Port Authority or its said independent contractor, as the case may be, shall make no charge if such defueling is necessitated because of the negligence of the Port Authority or its independent contractor.

(c) Without limiting any of the foregoing provisions of this Section or any of the provisions of Schedule D, the Port Authority may from time to time during the 1990 calendar year and during each succeeding calendar year, but no more frequently than quarterly, notify the Airline whether and to what extent the payments due to the Port Authority resulting from the tentative fuel fee established pursuant to Schedule D will be likely to exceed or be less than the payments which would result from the estimated finalized fee as described in Paragraph II of Schedule D for such year for the period during such year as designated in the Port Authority's notice. If such notice is given the Airline shall pay a new tentative fuel fee established by the Port Authority and set forth in said notice until the same is further adjusted in accordance with this paragraph or Schedule D.

4. It is hereby expressly agreed and understood that nothing contained in this Agreement shall limit or be construed as limiting the right of either party to terminate this Agreement pursuant to Section 1 hereof or the right of the Port Authority to terminate this Agreement pursuant to Section 5 hereof.

5. (a) If any of the following events occur, that is to say:

(i) The Airline shall fail duly and punctually to make the reports and payments required hereunder when due to the Port Authority and shall persist in its failure for a period of five (5) days following receipt of written notice of such default from the Port Authority; or

(ii) This Agreement or the rights of the Airline under this Agreement shall be transferred to, pass to or devolve upon, by operation of law or otherwise, any other person, firm or corporation; or

(iii) The Airline shall fail to keep, perform and observe each and every promise, agreement, condition, term and provision contained in this Agreement on its part to be kept, performed or observed, within five (5) days after receipt of notice of default thereunder from the Port Authority;

then upon the occurrence of any such event or at any time thereafter during the continuance thereof, the Port Authority may by five (5) days' written notice to the Airline terminate this Agreement, such termination to be effective upon the date specified in such notice.

(b) No acceptance by the Port Authority of charges or other payments in whole or in part for any period or periods after a default on the part of the Airline in performance of any of the promises, agreements, conditions, terms and provisions hereof to be kept, performed or observed by the Airline shall be or be construed to be a waiver of any right on the part of the Port Authority to terminate this Agreement.

(c) No waiver by the Port Authority of any default on the part of the Airline in performance of any of the promises, agreements, conditions, terms or provisions hereof to be kept, performed or observed by the Airline 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 promises, agreements, conditions, terms and provisions.

(d) The rights of termination described above shall be in addition to the right of termination provided in Section 1 of 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 Airline, and the exercise by the Port Authority of any right of termination shall be without prejudice to any other such rights and remedies.

(e) Termination of this Agreement, whether under the provisions of this Section 5 or pursuant to the provisions of Section 1, shall not relieve the Airline of any liability or obligations hereunder which shall have accrued on or prior to the effective date of termination.

6. (a) In the conduct of its operations at the Airport the Airline shall observe and obey (and compel its officers and employees to observe and obey) the Airport Rules and Regulations of the Port Authority, as the same may be promulgated, amended and supplemented from time to time.

(b) The Airline hereby represents to the Port Authority that it has complied with and will comply with all laws, governmental rules, regulations and orders now or at any time during the term of this Agreement which as a matter of law are applicable to or which affect the operations of the Airline at the Airport. The obligation of the Airline hereunder to comply with governmental requirements is provided herein for the purpose of assuring proper safeguards for the protection of persons and property. Such provision is not to be construed as a submission by the Port Authority to the application to itself of such requirements or any of them.

7. The Port Authority hereby grants to the Airline the right to use at any time during the term of this Agreement, in common with others whom the Port Authority may authorize so to do, the Public Aircraft Facilities (as hereinafter defined) for or in connection with Aircraft operated by the Airline, for the purposes for which such facilities are provided, and all common and public roads, roadways and other means of access as they may from time to time be provided by the Port Authority to or from the Public Aircraft Facilities and all other existing common and public areas, space, facilities and conveniences and such additional common and public areas, space, facilities and conveniences as may from time to time be provided by the Port Authority at the Airport, at the time and times and for the purpose and purposes for which they are provided and subject to the terms and conditions (including the payment of fees or other charges which may now or in the future be imposed, for said use) upon which they are made available therewith.

8. (a) Pursuant to the Federal Airport Act and Regulations thereunder, the Port Authority has filed with the Administrator of the Federal Aviation Agency a revised Master Plan (layout) of the Airport as shown on Port Authority Drawing No. NA72-36.

(b) Nothing contained herein shall be construed as a representation or agreement by the Port Authority that the Master Plan (layout) as revised will not be further changed or modified from time to time or abandoned. Drawing No. NA72-36 expresses the Port Authority's tentative plans only as of the date hereof and it is understood that such plans are subject to change at the discretion of the Port Authority. In addition to the facilities shown on the Master Plan (layout), the Port Authority may from time to time provide other and extended Public Aircraft Facilities, the costs of which additional and/or extended facilities and other costs shall constitute additional costs of providing the Public Aircraft Facilities (a factor in establishing the flight fees as provided in Schedule C) if such additional costs result from any one or more of the following factors:

(1) Technical advances in aircraft design;

(2) Orders or requirements of governmental authorities which are pertinent to the Airline's aircraft operations or are related to the issuance to the Port Authority of federal grants or loans in aid of the Airport;

(3) Orders issued by a court of competent jurisdiction requiring the acquisition by the Port Authority of

additional lands or the making of compensation to owners of adjoining lands for the taking thereof or where a constructive taking has been found;

(4) All costs, expenses, damages and judgments incurred by or imposed upon the Port Authority because of or as constituting noise costs (as the words "noise costs" are defined in paragraph (f) of Section 13 hereof). The Port Authority agrees to give to the Airline prompt notice of any claim made against it or the institution of any suit seeking or demanding noise costs damage. The Airline shall have a right to join in the defense of any such claim or suit.

(5) Casualty damage requiring new capital expenditures to the extent that such damage is not covered in insurance; and

(6) Expenditures made by the Port Authority in addition to those resulting from the foregoing factors where the additional expenditures are such that would have been made by a reasonably prudent Airport Operator. Cost Factors (including all elements of cost incurred or accrued) as set forth in Schedule C, as necessary in providing the Public Aircraft Facilities, are hereby agreed to and accepted as expenses incurred by a reasonably prudent Airport Operator.

(c) For the purposes of this Agreement, the term "Public Aircraft Facilities" shall include such of the following facilities as now exist and shall, from time to time, be constructed, provided and maintained by the Port Authority at the Airport for public and common use for the following purposes regardless of whether or not they are actually used or usable in whole or in part by the Airline:

(1) Public Ramp and Apron Area

(2) Runways

(3) Taxiways

(4) Facilities incidental to the Runways, Public Ramp and Apron Area, Aircraft Parking and Storage space and Taxiways by which is meant facilities and equipment for the monitoring of aircraft noise decibels and facilities for the purpose of controlling or assisting arrivals, departures and operations of aircraft using the Airport, such as control towers, signals, beacons, wind indicators, floodlights, landing lights, boundary lights, construction lights, radio and electronic aids or other aids to operations, navigation or ground control of

aircraft whether or not of a type herein mentioned and even though location at sites located away from the other Public Aircraft Facilities or outside the Airport.

(d) The designation by the Port Authority by Rules or Regulations, promulgated pursuant to Section 6 hereof, of the particular portions of the Public Ramp and Apron Areas for use by the aircraft of particular Aircraft Operators or for use by particular types of aircraft or for use for particular operations shall not affect the status of such Area as Public Aircraft Facilities.

(e) In addition to anything hereinbefore contained, to the extent that the present and future air traffic needs of the New York-New Jersey Port District and economic and technical changes in transportation by aircraft justify and subject to available land and commensurate with the reasonably prudent operation of the Airport, and so far as economically practicable in the light of the flight fees that the Airline and lessees of space at the Airport pay and subject to the ability of the Port Authority to finance such construction and maintenance, the Port Authority during the term of this Agreement shall provide reasonably suitable Public Aircraft Facilities for such traffic needs. The Port Authority shall maintain such Public Aircraft Facilities as and when provided, in a manner consistent with the operation of the Airport by a reasonably prudent Airport Operator.

9. (a) The Public Aircraft Facilities shall be available for use by the Airline, in common with other aircraft operators authorized by the Port Authority to use such facilities, for and in connection with aircraft developing a stress in rigid pavement (if rigid pavement is used) no greater than that caused by the DC 8-50 Series with a maximum gross weight of 325,000 pounds or in connection with Aircraft for which the thickness of flexible pavement (if flexible pavement is used) is no greater than that necessary for the above designated aircraft.

(b) The Public Aircraft Facilities may, in the sole discretion of the Port Authority, also be made available for use by aircraft other than that mentioned above or included in the aforesaid categories provided such aircraft, in the Port Authority's sole judgment, will not cause undue wear and tear to and may safely use the Public Aircraft Facilities.

(c) Notwithstanding any of the foregoing, the use of the Public Aircraft Facilities shall be subject to existing Port Authority Rules and Regulations and such further reasonable

rules and regulations as the Port Authority may from time to time promulgate pursuant to Section 6 hereof including, without limitation thereto, such further rules and regulations as impose other or different restrictions as to the types, weights or characteristics of aircraft which may use the same. The Port Authority by such rules and regulations may forbid or limit the use of the Public Aircraft Facilities by aircraft for reasons other than herein set forth, even though such aircraft meet the requirements of this Section with respect to Maximum Weight for Take-off.

10. The Airline agrees that it will not sell, convey, transfer, mortgage, pledge or assign this Agreement or any part thereof, or any rights created thereby or any part thereof.

11. Except where expressly required or permitted herein to be oral, all notices and requests required to be given to or by either party shall be in writing, and 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 Airline 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 as its officer upon whom notices and requests may be served, and the Port Authority designates its office at One World Trade Center, New York, New York 10048 as its office where notices and requests may be served and the Airline designates its representative named on the first page hereof as its officer upon whom notices and requests may be served and the Airline designates its office at the address listed on the first page hereof as its office where notices and requests may be served. Notices and requests served by certified or registered mail shall be deemed effective and served as of the date of the certified or registered mailing thereof.

12. All payments required by the Airline by this Agreement shall be sent to the following address: The Port Authority of New York and New Jersey, P.O. Box 17309, Newark, New Jersey, 07194, or to such other address as may be substituted therefor.

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

(a) "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 taking off of aircraft.

(b) "Public Ramp and Apron Area" shall mean the area adjacent to the Public Landing Area designated and made available from time to time by the Port Authority for common use for the loading or unloading of passengers or cargo to or from aircraft using the Public Landing Area.

(c) "Runways" (including approaches thereto) shall mean the portion of the Airport used for the purpose of the landing and taking-off of aircraft.

(d) "Taxiways" shall mean the portion of the Airport used for the purpose of the ground movement of aircraft to, from and between the runways, the Public Ramp and Apron Area, the aircraft parking and storage space and other portions of the Airport (not including, however, any taxiways, the exclusive use of which is granted to any person by lease, permit or otherwise).

(e) "Aircraft operator" shall mean (a) a Person owning one or more aircraft which are not leased or chartered to any other person for operation, and (b) a Person to whom one or more aircraft are leased or chartered for operation - whether the aircraft so owned, leased or chartered are military or nonmilitary, 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.

(f) "Noise costs" as used herein, shall be deemed to include but not be limited to any and all costs, liabilities, obligations, damages and expenses arising or alleged to arise out of any claim or demand resulting from or alleged to result from noise from or in connection with the operation or use of the Airport, or from flights or aircraft to or from the Airport, or from aircraft thereon, or from any alleged trespasses, nuisances, takings or any other cause of action and from any liability or responsibility imposed upon the Port Authority in connection with any of the foregoing which may be assessed, levied, incurred, charged or imposed upon the Port Authority including any and all monies paid or expenses incurred or judgments paid or settlements made with any third parties in connection therewith including all costs and expenses of litigation or settlement and reasonable attorney's fees.

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

15. This Agreement shall, in any event, terminate with the termination or expiration of the Basic Lease with the City of Newark which covers the Airport. Nothing herein contained shall prevent the Port Authority from entering into an agreement with The City of Newark pursuant to which the Basic Lease is surrendered, cancelled or terminated.

16. 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 of this Agreement or because of any breach thereof, or because of its or their execution or attempted execution.

17. The Airline 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 Airline 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 Airline assures that it will require that its covered suborganizations provide assurances to the Airline that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

18. The parties hereby agree that upon the expiration or termination of this Agreement pursuant to either Section 1 or 5 hereof, the Port Authority shall not be obligated to make the adjustments of the flight fee and the gallonage fee prior to the time it would normally do so under the provisions of Schedule C and Schedule D hereof. Upon the completion of the foregoing any deficiency due to the Port Authority from the Airline resulting from the adjustment of the flight fee and the gallonage fee shall be promptly paid to the Port Authority and any excess payments made by the Airline determined on the basis of an adjusted flight fee and an adjusted gallonage fee shall be repaid by the Port Authority to the Airline.

19. (a) The Airline in its own name as assured and with the Port Authority included as an additional insured shall maintain and pay the premiums on the following described policies of Comprehensive General Liability insurance, including premises-operations, products, completed operations and covering personal injury, bodily injury, including death, and property damage liability, broadened to include or equivalent separate policies covering aircraft liability and airport operator's liability under an airport liability coverage, and Comprehensive Automobile Liability Insurance covering owned, non-owned and hired vehicles and including automatic coverage for newly acquired vehicles, none of the foregoing to contain care, custody or control exclusions, and providing for coverage in the limits set forth below shall cover the Airline's operations hereunder and shall be effective throughout the term of this Agreement:

(i) Comprehensive General Liability insurance.

Combined single limit for Bodily Injury and Property Damage Liability: $100,000,000 each occurrence

(ii) Comprehensive Automobile Liability insurance.

Bodily-injury liability:

For injury or wrongful death to one person: $25,000,000
For injury or wrongful death to more than one person from any one occurrence: $25,000,000

Property-damage liability:
For all damages arising out of injury to or destruction of property in any one occurrence: $25,000,000

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

of each expiring policy. Each certified copy of the foregoing required policies of insurance or each certificate thereof shall contain an additional endorsement providing that the insurance carrier shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise ~~any defense~~ over the person involving in any way the jurisdiction of the tribunal, the of the immunity of the Port Authority, its Commissioners, officers, Port Authority, agents or employees, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority. The insurance required under this Section shall also provide or contain an endorsement providing that the protections afforded the Airline thereunder with respect to any claim or action by a third person shall pertain and apply with like effect with respect to any claims or actions against the Airline by the Port Authority and that said protections shall also pertain and apply with respect to any claim or action against the Port Authority by the Airline, but such endorsement shall not limit, vary, change or affect the protections afforded the Port Authority thereunder as an additional insured. If at any time any of the policies shall be or become unsatisfactory to the Port Authority as to form or substance, or if any of the carriers issuing such policies shall be or become unsatisfactory to the Port Authority, the Airline shall promptly obtain a new and satisfactory policy in replacement.

20. If the Airline should fail to pay any amount required under this Agreement when due to the Port Authority, including without limitation any payment of any flight fees or fuel gallonage fees or any other charges, or if any such amount is found to be due as the result of an audit, then, in such event, the Port Authority may impose (by statement, bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period (hereinbelow described) during the entirety of which such amount remains unpaid, each such late charge not to exceed an amount equal to eight-tenths of one percent of such unpaid amount for each late charge period. There shall be twenty-four late charge periods on a calendar year basis; each late charge period shall be for a period of at least fifteen (15) calendar days except one late charge period each calendar year may be for a period of less than fifteen (but not less than thirteen) calendar days. Without limiting the generality of the foregoing, late charge periods in the case of amounts found to have been owing to the Port Authority as the result of Port Authority audit findings shall consist of each late charge period following the date the unpaid amount should have been paid under this Agreement. Each late charge shall be payable immediately upon demand made at any time therefor by the Port Authority. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid late charge amount shall be

deemed a waiver of the right of the Port Authority to payment of any late charge or late charges payable under the provisions of this Section with respect to such unpaid amount. Nothing in this Section is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Agreement, including without limitation the Port Authority's rights set forth in Sections 1 and 5 of this Agreement or (ii) any obligations of the Airline under this Agreement. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Agreement shall be payable instead at such legal maximum.

If the terms of this Letter Agreement are satisfactory to you, please indicate your acceptance of the same by signing the two copies where indicated and returning the same to the Port Authority's Business Administration Division at Newark International Airport. This Letter Agreement shall become effective as of March 25, 1990 upon deliverance to you of a copy of this Letter Agreement fully executed on behalf of the Port Authority.

Very truly yours,

Gerald P. FitzGerald

for David Plavin, Director
Aviation Department

Agreed to and accepted:

DEUTSCHE LUFTHANSA AKTIENGESELLSCHAFT

By _____
Leo F. Henckel von Donnersmarck
(Title) Vice President USA East
and Corporate Affairs

APPROVED:

FORM	TERMS
PN	J.B.

SCHEDULE C

I. (a) Commencing on the Schedule C Date as defined in Section 2 of Port Authority Agreement No. ANA-446 (hereinafter called "the Agreement") with Deutsche Lufthansa Aktiengesellschaft (hereinafter called "the Airline") at Newark International Airport (hereinafter called "the Airport"), and continuing thereafter throughout the remainder of the term of the Agreement, the Airline shall pay to the Port Authority a flight fee for each and every take-off made by any aircraft operated by the Airline. For calendar year 1989 a tentative flight fee has been established for each and every take-off at the rate of $1.9309 per thousand pounds of Maximum Weight for Take-off. It is understood that this flight fee is tentative only and represents the sum of the following factors:

(1) A P.A.F. Charge Factor, which pertains to the Port Authority's snow removal operations and provision, operation, maintenance, servicing, repair and replacement of and to the Public Aircraft Facilities and Airport emergency services. (For calendar year 1989, $0.912550 of the tentative flight fee of $1.9309 per thousand pounds represents the tentative P.A.F. Charge Factor); and

(2) An Airport Services Charge Factor which pertains to the Port Authority's snow removal operations and provision, operation, maintenance, repair and replacement with respect to Airport Services. (For calendar year 1989, $1.018342 per thousand pounds represents the tentative Airport Services Charge Factor).

II. It is hereby acknowledged that the Port Authority established a tentative flight fee for calendar year 1973 at the rate of $0.6500 and that said fee has been adjusted each calendar year thereafter as hereinafter set forth, resulting in the tentative flight fee set forth in Section I hereof. After the close of calendar year 1989 and after the close of each calendar year thereafter, the Port Authority will adjust the tentative flight fee for the applicable calendar year, upwards or downwards, to a finalized flight fee for each such calendar year, as follows:

(A) <u>P.A.F. Charge Factor</u>

(1) The Port Authority shall determine the total of the following major elements of costs actually incurred or accrued during the calendar year for which the

adjustment is being made in connection with the Public Aircraft Facilities:

(a) fixed charges on Port Authority investment in Public Aircraft Facilities; and

(b) the Port Authority's cost of direct labor, materials, payments to contractors and suppliers, the Port Authority's cost charged to the Emergency Service Functions at the Airport (whether performed by the Airport Police Section or other section or sections or other Port Authority organization unit or units as may hereafter perform the same or similar functions), other costs for the operation, maintenance, repair and replacement of Public Aircraft Facilities, and the pro rata share of the cost of snow and ice removal.

(2) The Port Authority shall also determine the total Maximum Weight for Take-off of all aircraft using the Airport during the calendar year for which the adjustment is being made except such aircraft as are not required to pay a flight fee, such as government flights, etc.

(3) The Port Authority will multiply the sum of $0.3130 representing the tentative P.A.F. Charge Factor for 1973 by a fraction the numerator of which shall be the total of the actual elements of cost described in subparagraphs (a) and (b) of the preceding paragraph (A)(1) and the denominator of which shall be $4,010,000.00; the resulting product shall then be multiplied by a fraction, the numerator of which shall be 17,734,000,000 pounds and the denominator of which shall be the total Maximum Weight for Take-off determined in the preceding paragraph (A)(2); and the resultant product shall be the final P.A.F. Charge Factor of the finalized flight fee for the calendar year for which the adjustment is being made.

(B) Airport Services Charge Factor

(1) The Port Authority shall determine the total of the following major elements of cost actually incurred or accrued during the calendar year for which adjustment is being made in connection with Airport Services:

(a) Fixed charges on Port Authority Investment in Airport Services.

(b) The Port Authority's cost of direct labor, materials, payments to contractors and suppliers

and other costs for operation, maintenance, repairs and replacements charged directly to Airport Services, and the pro rata share of the cost of snow and ice removal; such costs, however, to exclude those charged to Port Authority non-revenue producing areas.

(c) The Port Authority's cost of direct labor, materials, payments to contractors and suppliers and other costs charged directly to Policing and Traffic functions at the Airport (whether performed by the Airport Police Section or such other sections or other Port Authority organization unit or units as may hereafter perform the same or similar functions).

(d) The Port Authority's cost of labor which was charged directly to the Airport Manager's Office (or such other Port Authority office or organization unit or units as may hereafter from time to time perform the same or similar functions).

(2) The Port Authority shall also determine the percentage of total developed land area at the Airport occupied by the Public Aircraft Facilities during the calendar year for which the adjustment is being made.

(3) The Port Authority will multiply the sum of $0.3370 representing the tentative Airport Services Charge Factor of the tentative flight fee for calendar year 1973 by a fraction the numerator of which shall be the total of the actual major elements of costs determined under the preceding paragraph (B) (1) and the denominator of which shall be $4,625,000.00; the resulting product shall be multiplied by a fraction the numerator of which shall be 17,734,000,000 pounds and the denominator of which shall be the total Maximum Weight for Take-off determined in paragraph (A) (2) above; and that product shall then be multiplied by a fraction the numerator of which shall be the percentage determined in paragraph (B) (2) above and the denominator of which shall be 66.47%.

(4) The resultant product shall be the final Airport Services Charge Factor of the finalized flight fee for the calendar year for which the adjustment is being made.

(C) The final P.A.F. Charge Factor and the final Airport Services Charge Factor as determined above shall be added together and the sum thereof shall constitute the finalized flight fee for the calendar year for which the adjustment is being made. It shall also constitute the

tentative flight fee for the calendar year in which such adjustment is calculated, and such flight fee will be expressed in cents per thousand pounds of Maximum Weight for Take-off. The finalized flight fee shall be multiplied by the total Maximum Weight for Take-off (in thousands of pounds) of all aircraft operated by the Airline which took off from the Airport during the calendar year for which the adjustment is being made and during the calendar months which have elapsed since the close of said calendar year. The resultant product shall constitute the total flight fee charges payable by the Airline to the Port Authority for the Airline's use of the Public Aircraft Facilities during the calendar year for which the adjustment is being made, and for the months which have elapsed since the close of the said calendar year. The Airline shall continue to make payments based on the new tentative flight fee until the same is further adjusted.

Any deficiency due to the Port Authority from the Airline for any calendar year resulting from adjustment of the flight fee shall be paid to the Port Authority by the Airline within thirty (30) days after demand therefor and any excess payments made by the Airline determined on the basis of an adjusted flight fee shall be credited against future flight fee charges, such credit to be made within thirty (30) days following the adjustment of the flight fee. The calculation of the adjustment to the flight fee will be made for each calendar year thereafter by no later than April 30th of the following calendar year.

(D) All percentage shares calculated under this Schedule C shall be expressed in decimals to the nearest ten thousandth.

(E) All flight fees payable under the Agreement shall be expressed in cents per thousand pounds of Maximum Weight for Take-off to the nearest ten-thousandth of a cent.

For the Port Authority

Initialled:

For the Airline

SCHEDULE D

I. (a) Commencing on the Schedule C Date as defined in Section 2 of Port Authority Agreement No. ANA-446 (hereinafter called "the Agreement") with Deutsche Lufthansa Aktiengesellschaft (hereinafter called "the Airline") at Newark International Airport (hereinafter called "the Airport"), and continuing thereafter throughout the term of the Agreement the Airline shall pay to the Port Authority a gallonage fee for each gallon of fuel delivered to aircraft operated by the Airline. The Airline either itself, if it is a fuel storage permittee, as hereinafter defined, or through its supplier of aviation fuel, which supplier shall be a fuel storage permittee, and in the event the Airline and its supplier are both fuel storage permittees, then solely the Airline shall pay to the Port Authority the said gallonage fee for each and every gallon of aviation fuel so delivered. The phrase "fuel storage permittee" shall mean the holder of a privilege permit issued by the Port Authority granting permission to the holder thereof to store aviation fuel in the fuel storage facilities at the Airport for delivery into aircraft, as more fully set forth in the Master Leases. The term "Master Leases" shall mean the several agreements of lease of various dates entered into between the Port Authority and several airlines operating at the Airport which contain provisions in Sections 17, 18, 19, 20 and Schedule D thereof governing the receipt, storage and distribution of aviation fuel at the Airport, as the same have heretofore been and may hereafter be amended. For calendar year 1989 a tentative gallonage fee has been established at the rate of $0.06319 for each gallon of fuel delivered to aircraft operated at the Airport by lessees of the Port Authority. It is understood that this gallonage fee is tentative only and represents the sum of the following components:

(1) A System Charge Component, which pertains to the Port Authority's provision, operation, maintenance, servicing, repair and replacement of and to the Fuel System. For calendar year 1989, $0.06132 per gallon represents the tentative System Charge Component.

(2) An Airport Services Charge Component, which pertains to the Port Authority's snow removal operations and provision, operation, maintenance, repair and replacement with respect to Airport Services. For calendar year 1989, $0.00187 per gallon represents the tentative Airport Services Charge Component.

II. It is hereby acknowledged that the Port Authority established a tentative gallonage fee for calendar year 1973 at the rate of $0.01350 and that said fee has been adjusted each calendar thereafter as hereinafter set forth, resulting in the tentative gallonage fee set forth in Section I hereof. After the close of the calendar year 1989 and after the close of each calendar year thereafter, the Port Authority will adjust the tentative gallonage fee for the applicable calendar year, upwards or downwards, to a finalized gallonage fee for each such calendar year, as follows:

(A) System Charge Component

(1) The Port Authority will determine the total of the following costs actually incurred or accrued during the calendar year for which the adjustment is being made:

(a) Fixed charges on Port Authority investment in the Fuel System; and

(b) The Port Authority's cost of direct labor, materials, payments to contractors and suppliers (other than the contractors referred to in subdivision (c) below), other costs for operation, maintenance, repairs and replacements charged directly to the Fuel System, and the pro rata share of the cost of snow and ice removal.

(c) 105% of the contract amounts paid or payable to any independent contractor who shall have operated the Fuel System.

(2) The Port Authority will multiply the sum of $0.01304 per gallon representing the tentative System Charge Component for calendar year 1973 by a fraction the numerator of which shall be the sum of the costs determined under paragraph (A)(1) above and the denominator of which shall be $3,300,000.00. It will then multiply the resulting product by a fraction the numerator of which shall be 320,000,000 gallons and the denominator of which shall be the actual number of gallons of fuel delivered through the Fuel System to all aircraft at the Airport during the calendar year for which the adjustment is being made; and the resulting product shall be the final System Charge Component of the finalized gallonage fee for the calendar year for which the adjustment is being made.

(B) Airport Services Charge Factor

(1) The Port Authority shall determine the total of the major elements of cost actually incurred or accrued during the calendar year for which the adjustment is being made, as such major elements are described in Paragraph II(B)(1), subparagraphs (a) through (d) in Schedule C attached to the Agreement.

(2) the Port Authority shall also determine the percentage of total developed land area at the Airport occupied by the Bulk Storage area during the calendar year for which the adjustment is being made.

(3) The Port Authority will multiply the sum of $0.00046 representing the tentative Airport Services Charge Component for calendar year 1973 by a fraction the numerator of which shall be the total of the items described in the preceding paragraph (B)(1) and the denominator of which shall be $4,625,000.00; it will then multiply the resulting product by a fraction the numerator of which shall be 320,000,000 and the denominator of which shall be the actual number of gallons of fuel delivered through the Fuel System to all aircraft at the Airport during the calendar year for which the adjustment is being made; and that product will then be multiplied by a fraction the numerator of which shall be the percentage share determined in paragraph (B)(2) above, and the denominator of which shall be 1.63%.

(4) The resulting product shall be the final Airport Services Charge Component of the finalized gallonage fee for the calendar year for which the adjustment is being made.

(C) The final System Charge Component and the final Airport Services Charge Component as determined above shall be added together and the sum thereof shall constitute the finalized gallonage fee for the calendar year for which the adjustment is being made. It shall also constitute the tentative gallonage fee for the calendar year in which the adjustment is calculated and such gallonage fee shall be expressed in cents per gallon. The finalized gallonage fee shall be multiplied by the total number of gallons of fuel delivered to aircraft operated by the Airline at the Airport during the calendar year for which the adjustment is being made and during the calendar months which have elapsed since the close of said calendar year. The resultant product shall constitute the total fuel gallonage fees due and payable by

the Airline to the Port Authority for the calendar year so adjusted, and for the months which have elapsed since the close of the calendar year. The Airline shall continue to make payments based on the new tentative gallonage fee until the same is further adjusted.

Any deficiency due to the Port Authority from the Airline resulting from adjustment of the gallonage fee shall be paid to the Port Authority by the Airline within thirty (30) days after demand therefor and any excess payments made by the Airline determined on the basis of an adjusted gallonage fee shall be credited against future gallonage fees such credit to be made within thirty (30) days following adjustment of the gallonage fee. The calculations of the adjustment to the gallonage fee will be made for each calendar year by no later than April 30 of the following calendar year.

(D) All percentage shares calculated under this Schedule D shall be expressed in decimals to the nearest ten-thousandth.

(E) All gallonage fee charges calculated under this Schedule D shall be expressed in cents per gallon of aircraft fuel to the nearest ten-thousandth of a cent.

For the Port Authority

Initialled:

For the Airline

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

Deutsche Lufthansa Aktiengesellschaft
Terminal B-3
Newark International Airport
Newark, New Jersey 07144

[redacted]

Attention of: Arthur J. Molins

Gentlemen:

The Port Authority of New York and New Jersey has heretofore issued you the Agreement listed below granting the privileges or the permission described in such Agreement at Newark International Airport.

The Port Authority of New York and New Jersey hereby offers to extend the effective period of the permission granted by such Agreement to and including March 31, 2001 subject to earlier termination or revocation thereof as provided in said Agreement, on the following terms:

(1) The extension shall become effective upon the respective expiration date stated in said Agreement;

(2) All obligations undertaken by you pursuant to said Agreement and the Supplement(s) thereto, if any, and pursuant to the Alteration Permit(s), if any, issued in connection therewith, shall remain in full force and effect;

(3) Except as hereby extended, all the provisions of said Agreement and of such Supplement(s), if any, shall be and remain in full force and effect; and,

(4) Your acceptance of this offer, evidenced by signing and returning the enclosed duplicate of this letter, shall be received in this office within 15 days of the date of this letter.

Listed herewith is the Agreement for which extension is offered:

ANA-446 dated as of January 19, 1990.

Very truly yours,

The Port Authority of
New York and New Jersey

By [signature]
(for) Director of Aviation

ASSISTANT
DIRECTOR

The foregoing offer is accepted
on the terms stated therein

Deutsche Lufthansa Aktiengesellschaft

By [signature]
Uwe Hinrichs
Title Vice President North Ameri

THE PORT AUTHORITY OF NY & NJ

AVIATION DEPARTMENT

David Z. Plavin
Director of Aviation

Morris Sloane, Director
Aviation Operations

January 27, 1992 [redacted]

Deutsche Lufthansa Aktiengesellschaft
750 Lexington Avenue
New York, New York 10022-1208

Attention of: Leo-F. Henckel von Donnersmarck

Gentlemen:

The Port Authority of New York and New Jersey has heretofore issued you the Agreement listed below granting the privileges or the permission described in such Agreement at Newark International Airport.

The Port Authority of New York and New Jersey hereby offers to extend the effective period of the permission granted by such Agreement to and including March 31, 1995 subject to earlier termination or revocation thereof as provided in said Agreement, on the following terms:

(1) The extension shall become effective upon the respective expiration date stated in said Agreement;

(2) All obligations undertaken by you pursuant to said Agreement and the Supplement(s) thereto, if any, and pursuant to the Alteration Permit(s), if any, issued in connection therewith, shall remain in full force and effect;

(3) Except as hereby extended, all the provisions of said Agreement and of such Supplement(s), if any, shall be and remain in full force and effect; and,

(4) Your acceptance of this offer, evidenced by dating, signing and returning the enclosed original and duplicate original of this letter, shall be received in this office within 15 days of the date of this letter.

Listed herewith is the Agreement for which extension is offered:

ANA-446 dated as of January 19, 1990.

Very truly yours,

The Port Authority of
New York and New Jersey

By [signature]
Director of Aviation

The foregoing offer is accepted
on the terms stated therein

Deutsche Lufthansa Aktiengesellschaft

By [signature]
Leo-F. Henckel von Donnersmarck
Title Vice President USA East and Corporate Affairs

APPROVED:
FORM TERMS

One World Trade Center, 65 West, New York, NY 10048
(212) 466-7232 • (201) 622-6600 x7232

THE PORT AUTHORITY OF NY & NJ

AVIATION DEPARTMENT

David Z. Plavin
Director of Aviation

One World Trade Center
New York, N.Y. 10048

(212) 435-7000
(201) 961-6600

February 15, 1995 [redacted]

Deutsche Lufthansa Aktiengesellschaft
750 Lexington Avenue
New York, New York 10022-1208

Attention of: Uwe Hinrichs

Gentlemen:

The Port Authority of New York and New Jersey has heretofore issued you the Agreement listed below granting the privileges described in such Agreement at Newark International Airport.

The Port Authority of New York and New Jersey hereby offers to extend the effective period of the permission granted by such Agreement to and including March 31, 1998 subject to earlier termination or revocation thereof at will as provided in said Agreement, on the following terms:

(1) The extension shall become effective upon the respective expiration date stated in said Agreement;

(2) All obligations undertaken by you pursuant to said Agreement and the Supplement(s) thereto, if any, and pursuant to the Alteration Permit(s), if any, issued in connection therewith, shall remain in full force and effect;

(3) Except as hereby extended, all the provisions of said Agreement and of such Supplement(s), if any, shall be and remain in full force and effect; and,

(4) Your acceptance of this offer, evidenced by dating, signing and returning the enclosed duplicate of this letter, shall be received in this office within 15 days of the date of this letter.

Listed herewith is the Agreement for which extension is offered:

ANA-446 dated as of January 19, 1990.

Very truly yours,

The Port Authority of
New York and New Jersey

By Mario Di
for Director of Aviation

APPROVED:
FORM TERMS

The foregoing offer is accepted on the terms stated therein
5th day of April 1995.

Deutsche Lufthansa
Aktiengesellschaft

By [signature]
Uwe Hinrichs

Title Vice President USA East

Writer's direct dial telephone: _____

THE PORT AUTHORITY OF NY & NJ

ROBERT J. KELLY
DIRECTOR
AVIATION DEPARTMENT

ONE WORLD TRADE CENTER
NEW YORK, NY 10048

(212) 435-7000
(201) 961-6600

[redacted]

January 15, 1997

Deutsche Lufthansa Aktiengesellschaft
Terminal B-3
Newark International Airport
Newark, New Jersey 07144

Re: Newark International Airport
Agreement No. ANA-446
Supplement No. 1

Attention: Mr. Arthur J. Molins

Sir:

In addition to the flight fees and fuel gallonage fees payable under the above-referenced Agreement (the "Agreement") between Deutsche Lufthansa Aktiengesellschaft (the "Airline") and the Port Authority and dated January 19, 1990, you have requested that commencing May 31, 1996 the Airline be permitted to pay to the Port Authority monorail fees in accordance with the charges set forth in the Schedule attached hereto, hereby made a part hereof and marked "Schedule M" and, effective as of March 25, 1990 to add a Phase 1A Charge Factor and a Phase 1A Charge Component to Schedules C and D, respectively, in connection with certain Roadway Work performed at Newark International Airport (the "Airport") as hereinafter set forth. The Port Authority hereby sets forth for the Airline's acceptance the basis and the terms and conditions upon which the Port Authority is willing to accept monthly payments from the Airline of the monorail fees determined in accordance with Schedule M and of flight fees and fuel gallonage fees which include a Phase 1A Charge Factor and a Phase 1A Charge Component, respectively, as the same are determined as hereinafter provided.

1. (a) The parties hereby acknowledge that the Port Authority has performed a certain construction project (hereinafter collectively called the "Monorail Construction Work") at the Airport consisting generally of the construction of a monorail system, including monorail stations, guideways and supports, maintenance control facilities, monorail vehicles, and all other associated construction work, facilities and equipment necessary for the installation or operation of such monorail system for the

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transportation of airline passengers and their baggage, and others; all of the foregoing being hereinafter sometimes collectively called the "Monorail System."

(b) (1) For purposes of this Supplemental Agreement, the term "Monorail Construction Costs" shall mean the total costs in connection with the Monorail Construction Work, as determined under subparagraph (a) (1) of Section II of Schedule M, attached hereto and hereby made a part hereof.

(2) For purposes of the calculations under this Paragraph 1, "PFC Funds" shall mean revenues derived from fees (hereinafter called "Passenger Facility Charges") charged departing air passengers at the Airport, a portion of which revenues shall be applied to the Monorail Construction Costs in accordance with Port Authority applications therefor as approved by the Federal Aviation Administration and the provisions of Section II of Schedule M, the amount of which PFC Funds to be so applied being limited in amount to a total of One Hundred Million Dollars and No Cents ($100,000,000.00).

(3) "Monorail Fee Commencement Date" shall mean the date which the Port Authority shall have certified to be the date as of which the Monorail Construction Work has been substantially completed and the Monorail System is operational, the parties acknowledging that said date is May 31, 1996.

(4) (i) "The Monorail Factor" shall mean the sum of (1) the quotient obtained by dividing (x) the sum of the products derived by multiplying the average of the annual capital investment recovery rates calculated for six-month periods, commencing on January 1, 1991, of the "25-Bond Revenue Index" appearing in each of the issues of "The Bond Buyer" published during the period from January 1, 1991 to June 30, 1991 and each six-month period thereafter up to the last six-month period immediately prior to the Monorail Fee Commencement Date by the respective costs as set forth in items A, B and C of subparagraph (a)(1) of Section II of Schedule M paid or incurred during each of the six-month periods by (y) the total of the costs as set forth in items A, B and C of subparagraph (a)(1) of Section II of Schedule M paid or incurred during the period from January 1, 1991 up to the Monorail Fee Commencement Date, plus (2) one hundred fifty (150) basis points.

(ii) The "Additional Monorail Factor" shall mean the annual average capital investment recovery rates of the "25-Bond Revenue Index" appearing in the last issue of "The

Bond Buyer" published during the calendar year for which the said average will be applied, plus one hundred fifty (150) basis points.

(iii) In the event that "The Bond Buyer" or its "25-Bond Revenue Index" shall be discontinued prior to the date on which the Port Authority determines the Monorail Factor or the Additional Monorail Factor, then the Port Authority shall by notice to the Airline present a comparable substitute for such Index for all subsequent six-month and annual periods, as aforesaid. The determination of the Port Authority as to such substitute shall be final.

(5) The "Initial Monorail Construction Costs Payment Period" shall mean the period commencing on the Monorail Fee Commencement Date and ending on the day immediately preceding the twenty-fifth (25th) anniversary of the Monorail Fee Commencement Date.

(6) The "Additional Monorail Construction Costs Payment Period" shall mean any period commencing on the date on which the Port Authority shall have certified that the construction of any future capital improvement or replacement for the Monorail System has been substantially completed and is operational and ending on the final day of the useful life of such future capital improvement or replacement in accordance with Port Authority accounting practice.

(7) "Maximum Weight for Take-off" when used in this Paragraph 1 with reference to aircraft shall mean the maximum gross weight which such aircraft may lawfully have at the time of leaving the ground at any airport in the United States (under the most favorable conditions which may exist at such airport and without regard to special limiting factors arising out of the particular time, place or circumstances of the particular take-off, such as runway length, air temperature, or the like). The foregoing represents the uniform practice applied to all Aircraft Operators having agreements with the Port Authority with respect to the payment of the Monorail Fee under the provisions in any particular agreement. If such maximum gross weight is not fixed by or pursuant to law, then said phrase shall mean the actual gross weight at take-off.

(8) The term "Passenger Aircraft," as used herein, shall mean all aircraft operated at the Airport except aircraft configured to carry only cargo and air crew, government aircraft, and general aviation aircraft.

(c) Effective as of the Monorail Fee Commencement Date, the Airline shall pay to the Port Authority the Monorail Fee established by the Port Authority from time to time in accordance with the provisions of Schedule M for each and every take-off of each and every Passenger Aircraft, as defined in subparagraph (b) of this Paragraph 1, operated by the Airline. The said Monorail Fee shall be a fee per thousand pounds of total Maximum Weight for Take-Off, as defined in said subparagraph (b), the tentative fee as of May 31, 1996 being One Dollar and Six Cents ($1.06) per thousand pounds of total Maximum Weight for Take-off.

(d) Commencing no later than the 20th day of the month following the month during which the Monorail Fee Commencement Date occurs and no later than the 20th day of each and every month thereafter, including the month following the expiration or earlier termination of this Agreement, when the Airline furnishes to the Port Authority a statement duly certified by an authorized officer of the Airline certifying the number of take-offs by type of aircraft operated by the Airline during the preceding calendar month, it shall also separately state said take-offs by Passenger Aircraft. The Airline shall pay to the Port Authority at the time it is obligated to furnish to the Port Authority the foregoing statement the Monorail Fee determined in accordance with Schedule M and payable by the Airline for its Passenger Aircraft operations during the preceding calendar month computed on the basis of said operations. Upon the execution and delivery to the Port Authority of this Supplemental Agreement by the Airline, the Airline shall submit such a certified statement covering its take-offs from May 31, 1996 to and including the month prior to the month during which the Airline submits such statement and shall pay all the fees due for its said operations. The Monorail Fee payable by the Airline hereunder shall be in addition to any and all other charges and fees imposed upon and payable by the Airline under this Agreement. The Monorail Fee shall be payable by the Airline whether or not the Airline uses the Monorail System or any or all of the Public Aircraft Facilities in addition to the runways.

(e) Without limiting any of the foregoing provisions of this Paragraph or any of the provisions of Schedule M, commencing on the effective date hereof and from time to time thereafter during each calendar year, but no more frequently than quarterly, the Port Authority may notify the Airline whether and to what extent the payments due to the Port Authority resulting from the tentative Monorail Fee established pursuant to Schedule M will be likely to exceed or be less than the payments which would result from the estimated finalized Monorail Fee as described in Paragraph II of Schedule M for such year for the period during such

year as designated by the Port Authority's notice. If such notice is given the Airline shall pay a new tentative Monorail Fee established by the Port Authority and set forth in said notice until the same is further adjusted in accordance with this subparagraph or Schedule M.

2. (a) The parties hereby further acknowledge that the Port Authority is performing a certain landside access construction project at the Airport consisting generally of the following portions: a) the construction of certain roadway improvements at the Airport's principal roadway entrance; b) the construction of an inbound ramp connecting the I-78 Connector to Brewster Road and a corresponding ramp to facilitate outbound movements of traffic; c) the construction of roads to connect Monorail Stations "D2" and "E" to adjacent Airport roads, and drop-off/pick-up facilities at said Stations; d) an expansion of the Central Terminal Area Complex recirculation road; and e) other roadway improvements related thereto; all of the foregoing portions being hereinafter collectively called the "Phase 1A Roadway Work."

(b) (1) For purposes of this Supplemental Agreement, the term "Phase 1A Costs" shall mean the total costs in connection with all portions of the Phase 1A Roadway Work, as determined under subparagraph (a)(1) of Section II of Schedule M attached hereto by Paragraph 1 hereof, as such costs are incurred in the performance of each portion of the Phase 1A Roadway Work.

(2) "Phase 1A Charge Commencement Date" shall mean the date on which the Port Authority shall have certified that the construction of any portion of the Phase 1A Roadways has been substantially completed, provided, however, if any such date shall occur on other than the first day of a calendar month, the Phase 1A Charge Commencement Date shall mean the first (1st) day of the first (1st) full calendar month immediately following the month during which the said date occurs.

(3) (i) "The Phase 1A Factor" shall mean the sum of (1) the respective averages of the annual capital investment recovery rates of the "25-Bond Revenue Index" appearing in the respective last issues of "The Bond Buyer" published during each of the respective calendar years commencing on January 1, 1992 for which each such average will be applied, plus (2) one hundred fifty (150) basis points.

(ii) In the event that "The Bond Buyer" or its "25-Bond Revenue Index" shall be discontinued prior to the date on which the Port Authority determines the Phase 1A Factor,

then the Port Authority shall by notice to the Airline propose a comparable substitute for such Index for all subsequent periods as aforesaid. The determination of the Port Authority as to such substitute shall be final.

(4) The "Phase 1A Charge Period" or "Phase 1A Charge Periods" shall mean the period or periods, as the case may be, commencing on the applicable Phase 1A Charge Commencement Date and ending on the day immediately preceding the twenty-fifth (25th) anniversary of said Phase 1A Charge Commencement Date.

(5) For purposes of the calculations under this Paragraph 2, "PFC Funds" shall mean revenues derived from fees (herein called "Passenger Facility Charges") charged air passengers at the Airport, a portion of which revenues shall be applied to the Phase 1A Costs in accordance with Port Authority applications therefor as approved by the Federal Aviation Administration and the provisions of Section II of Schedule M as added hereto by Paragraph 1 of this Supplemental Agreement, the amount of which PFC Funds to be so applied being limited in amount to a total of Fifty Million Dollars and No Cents ($50,000,000.00).

(c) (1) For any period from the applicable Phase 1A Commencement Date through the 31st day of December of the year in which the said date occurs (all such periods, for purposes of this Paragraph 2, being hereinafter referred to individually as a "Phase 1A Period"), the Port Authority shall establish and there shall be included in the flight fee set forth in Schedule C attached to the Agreement an Initial Phase 1A Charge Factor subject to adjustment as hereinafter provided, as follows:

(i) The Port Authority shall determine the portion of the total Phase 1A Costs paid or incurred by the Port Authority up to and including the day immediately preceding the said Phase 1A Commencement Date, each such portion being hereinafter referred to as the "Phase 1A Investment."

(ii) The Port Authority shall deduct from the first and each subsequent Phase 1A Investment determined in subsubparagraph (i) above the amount of PFC Funds available to be applied to the Phase 1A Costs until the amount of available PFC Funds is exhausted, the remainder and each such portion thereafter being hereinafter referred to as the "Net Phase 1A Investment."

(iii) The Port Authority shall estimate an amount (each such amount being hereinafter referred to as the "Annual Phase 1A Capital Cost") equal to even monthly payments

derived by multiplying the applicable Net Phase 1A Investment by a monthly multiplier derived in accordance herewith from time to time by the application of the following formula:

$$\frac{1}{\dfrac{1}{i} - \dfrac{1}{i\,(1+i)^t}} = \text{Monthly Multiplier}$$

Where i equals the Phase 1A Factor (as estimated by the Port Authority) divided by twelve.

Where t (a power) equals 300.

(iv) The Port Authority shall determine the total developed land square feet on the Airport for the calendar year immediately preceding the applicable Phase 1A Commencement Date and shall divide the applicable Annual Phase 1A Capital Cost by said total, the quotient thereof being hereinafter referred to as the "Phase 1A Charge Per Acre."

(2) There shall be added immediately after subparagraph (B) of Paragraph II of Schedule C of the Agreement, as subparagraphs (BB) and (BBB), the following:

"(BB) <u>Initial Phase 1A Charge Factor</u>:

In connection with the Phase 1A Roadway Work and in addition the P. A. F. Charge Factor and the Airport Services Charge Factor above, the Airline shall pay an Initial Phase 1A Charge Factor determined as follows: after the close of calendar year 1994, the Port Authority shall establish an Initial Phase 1A Charge Factor by multiplying the Phase 1A Charge Per Acre then in effect, as determined in subparagraph (c)(1) of Paragraph 2 of Supplement No. 1 of the Agreement, by the total developed land area at the Airport occupied by the Public Aircraft Facilities during the calendar year for which the adjustment is being made and the resulting product shall be divided by the total Maximum Weight for Take-off of all aircraft, as determined under subparagraph A (2) of Section II hereof, at the Airport during the calendar year for which the adjustment is being made, and the quotient thereof shall be multiplied by one thousand (1000), the resulting product thereof being herein referred to as the 'Initial Phase 1A Charge Factor.'

(BBB) New Phase 1A Charge Factor

After the close of calendar year 1994 and after the close of each calendar year thereafter up to and including the calendar year during which the Phase 1A Roadway Work is substantially completed (it being understood that under no circumstances shall the Airline have any right or shall the Port Authority have any obligation to extend or to offer to extend the term of Agreement beyond the term then in effect), the Port Authority will adjust the Initial Phase 1A Charge Factor specified above and any New Phase 1A Charge Factor, as hereinafter defined, as the case may be, upwards or downwards, as follows: after the close of calendar year 1994 and after the close of each calendar year thereafter up to and including the calendar year during which the Phase 1A Roadway Work is completed, the Port Authority shall establish a New Phase 1A Charge Factor by multiplying the Phase 1A Charge Per Acre then in effect, as determined in subparagraph (c)(1) of Paragraph 2 of Supplement No. 1 of the Agreement, by the total developed land area at the Airport occupied by the Public Aircraft Facilities during the calendar year for which the adjustment is being made and the resulting product shall be divided by the total Maximum Weight for Take-off of all aircraft, as determined under subparagraph A (2) of Section I hereof, operated at the Airport during the calendar year for which the adjustment is being made, and the quotient thereof shall be multiplied by one thousand (1000), the resulting product thereof being, in each case, herein referred to as the 'New Phase 1A Charge Factor.'"

(3) The first (1st) line of subparagraph (C) of Paragraph II of Schedule C of the Agreement shall be amended to read as follows:

> "The final P.A.F. Charge Factor, the final Airport Services Charge Factor and the Initial or New Phase 1A Charge Factor, as the case may be, as determined above shall be...."

3. Schedule D attached to the Agreement shall be deemed amended as follows:

(a) The eighth (8th) line of subparagraph I (a) thereof shall be amended to read as follows:

> "gallon of fuel delivered to aircraft operated by the Airline. The Airline, as an additional component of said gallonage fee and in connection with the Phase 1A Roadway Work, as defined in Supplement No. 1 to the

Agreement, shall pay an Initial Phase 1A Charge Component and a New Phase 1A Charge Component, as the case may be, as hereinafter determined."

(b) There shall be added immediately after subparagraph (B) of Paragraph II thereof, as subparagraphs (BB) and (BBB), the following:

"(BB) Initial Phase 1A Charge Component:

In connection with the Phase 1A Roadway Work and in addition the System Charge Component and the Airport Services Charge Factor above, the Airline shall pay an Initial Phase 1A Charge Component determined as follows: after the close of calendar year 1994, the Port Authority shall establish an Initial Phase 1A Charge Component by multiplying the Phase 1A Charge Per Acre then in effect, as determined in subparagraph (c)(1) of Paragraph 2 of Supplement No. 1 of the Agreement, by the total developed land area at the Airport occupied by the Fuel System during the calendar year for which the adjustment is being made and the resulting product shall be divided by the actual number of gallons of fuel delivered through the Fuel System to all aircraft, as determined under subparagraph A (2) of Section II hereof, operated at the Airport during the calendar year for which the adjustment is being made, the quotient thereof being herein referred to as the 'Initial Phase 1A Charge Component.'

(BBB) New Phase 1A Charge Component:

After the close of calendar year 1994 and after the close of each calendar year thereafter up to and including the calendar year during which the Phase 1A Roadway Work is substantially completed (it being understood that under no circumstances shall the Lessee have any right or shall the Port Authority have any obligation to extend or to offer to extend the term of the Agreement beyond the term then in effect), the Port Authority will adjust the Initial Phase 1A Charge Component specified above and any New Phase 1A Charge Component, as hereinafter defined, as the case may be, upwards or downwards, as follows: after the close of calendar year 1994 and after the close of each calendar year thereafter up to and including the calendar year during which the Phase 1A Roadway Work is completed, the Port Authority shall establish a New Phase 1A Charge Component by multiplying the Phase 1A Charge Per Acre then in effect, as determined in subparagraph (c)(1) of Paragraph 2 of Supplement No. 1 of the Agreement, by the total developed land area at the Airport occupied by the Fuel System during the calendar year for which the adjustment is being

made and the resulting product shall be divided by the actual number of gallons of fuel delivered through the Fuel System to all aircraft, as determined under subparagraph A (2) of Section II hereof, operated at the Airport during the calendar year for which the adjustment is being made, the quotient thereof being herein referred to as the 'New Phase 1A Charge Component.'"

(c) The first and second lines of subparagraph (C) of Paragraph II thereof shall be amended to read as follows:

> "The final System Charge Component, the final Airport Services Charge Component and the Initial or New Phase 1A Charge Component, as the case may be, as determined above shall be...."

4. In the event that the Port Authority shall determine that it expended in the cost of any portion of the Phase 1A Roadway Work amounts as set forth in subsubparagraph (b)(1) of Paragraph 2 hereof which total more or which total less than the applicable Phase 1A Costs in effect on the day immediately preceding the applicable Phase 1A Charge Commencement Date up to the time of such determination or at any time after the determination of any final Phase 1A Charge Factor or Phase 1A Charge Component then, (x) if more was expended, upon demand of the Port Authority, the Airline shall pay to the Port Authority an amount equal to the difference between the amounts expended by the Port Authority as so determined by the Port Authority and, (y) if less was expended, the Port Authority shall credit to the Airline an amount equal to the difference between the amounts expended by the Port Authority as so determined by the Port Authority and, in each case, the aforesaid Phase 1A Costs or such final Phase 1A Charge Factor or Phase 1A Charge Component, as the case may be, in effect on the day immediately preceding the applicable Phase 1A Charge Commencement Date or the day immediately preceding the end of the calendar year for which such final Phase 1A Charge is calculated, and, effective from and after such date of such payment or credit, the applicable Phase 1A Costs for purposes of subparagraph (c) of Paragraph 2 hereof shall be increased or decreased, as the case may be, by the amount of such payment or credit and the applicable Phase 1A Charge Factor or Phase 1A Charge Component payable by the Airline adjusted appropriately hereunder.

5. It is hereby expressly agreed and understood that nothing contained in this Supplemental Agreement shall limit or be construed as limiting the right of either party to terminate the Agreement pursuant to Paragraph 1 thereof or the right of the Port

Authority to terminate the Agreement pursuant to Paragraph 5 thereof.

6. 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 Supplemental Agreement or of any supplement, modification or amendment of this Supplemental Agreement or because of any breach thereof, or because of its or their execution or attempted execution.

7. The parties hereby agree that upon the expiration or termination of the Agreement pursuant to either Paragraph 1 or 5 thereof, the Port Authority shall not be obligated to make the adjustments of the monorail fee or the Phase 1A Charge prior to the time it would normally do so under the provisions of Schedule M or Paragraph 2 hereof, respectively. Upon the completion of the foregoing any deficiency due to the Port Authority from the Airline resulting from the adjustment of the monorail fee or the Phase 1A Charge shall be promptly paid to the Port Authority and any excess payments made by the Airline determined on the basis of an adjusted monorail fee or Phase 1A Charge shall be repaid by the Port Authority to the Airline.

If the terms of this Supplemental Agreement are satisfactory to you, please indicate your acceptance of the same by signing the two copies where indicated and returning the same to the Port Authority's Business Administration Division at Newark International Airport. This Supplemental Agreement shall become effective upon deliverance to you of a copy of this Supplemental Agreement fully executed on behalf of the Port Authority.

Very truly yours,

Director
Aviation Department

FRANCIS A. DIMOLA
ASSISTANT DIRECTOR
AVIATION DEPT.

Agreed to and accepted:

DEUTSCHE LUFTHANSA AKTIENGESELLSCHAFT

By _____
Thomas Winkelmann
(Title) Vice President The Americas

APPROVED:
FORM | TERMS

SCHEDULE M

I. Commencing upon the date (hereinafter called the "Monorail Fee Commencement Date") which the Port Authority shall have certified to be the date as of which the construction of the Monorail System at Newark International Airport (hereinafter called the "Airport") has been substantially completed and is operational and continuing thereafter for the balance of the term of Port Authority Agreement No. ANA-446 (hereinafter called "the Agreement") with Deutsche Lufthansa Akteingesellschaft (hereinafter called "the Airline") at the Airport, the Airline shall pay to the Port Authority a Monorail Fee for each and every take-off of each and every Passenger Aircraft, as defined in the Agreement, operated by the Airline. For the period from the Monorail Fee Commencement Date through the 31st day of December of the year in which the said Monorail Fee Commencement Date occurs (which period is hereinafter referred to as "the Initial Schedule M Period"), the Airline shall pay for each and every such take-off, a tentative Monorail Fee at the rate of $1.06 per thousand pounds of Maximum Weight for Take-Off, as defined in the Agreement. It is understood that the Monorail Fee for the Initial Schedule M Period set forth above is tentative only and is subject to final determination as hereinafter provided.

II. Initial Construction Factor:

(a) (1) On or after the Monorail Fee Commencement Date the Port Authority shall determine the portion of the total construction costs (the "Monorail Construction Costs") paid or incurred by the Port Authority in connection with the Monorail Construction Work, which shall be the total of the following:

A. Construction Costs:

(1) payments to independent contractors, vendors and suppliers;
(2) premiums or charges for Performance Bonds;
(3) insurance premiums or charges;
(4) direct payroll and expenses of Port Authority employees and agents engaged in performance or supervision of the work, charged in accordance with Port Authority accounting practice.

B. Engineering Services:

(1) payments to independent consultants and engineering firms;

(2) direct payroll and expenses of Port Authority staff arising in connection with the work, charged in accordance with Port Authority accounting practice.

C. Other direct costs charged in accordance with Port Authority accounting practice.

D. Liquidated overhead in lieu of the Port Authority's administration and overhead costs in the amount of ten percent (10%) of the sum of all other elements of cost included in the Port Authority's net total cost (including Financial Expenses in 'E' below).

E. Financial Expenses on the foregoing computed in accordance with Port Authority accounting practice.

(2) The Port Authority shall deduct from the Monorail Construction Costs determined in subparagraph (1) above the amount of PFC Funds available to be applied to the Monorail System project, the remainder being hereinafter referred to as the "Initial Net Capital Investment."

(b) The Port Authority shall determine an amount (the said amount being hereinafter referred to as the "Initial Construction Factor") equal to even monthly payments derived by multiplying the Initial Net Capital Investment by a monthly multiplier derived in accordance herewith from time to time by the application of the following formula:

$$\frac{1}{\dfrac{1}{i} - \dfrac{1}{i\,(1+i)^{t}}} = \text{Monthly Multiplier}$$

Where i equals the Monorail Factor divided by twelve.

Where t (a power) equals 300.

III. Annual Operating Cost Factor

(a) The Port Authority shall determine the total of the actual cost of direct labor, materials, insurance, payments to contractors and suppliers, utility purchases and other costs for operation, maintenance, repairs and replacements charged on an expensed basis directly to the Monorail System actually incurred or accrued, including any such costs incurred or accrued prior to the Monorail Fee Commencement Date, during the Initial Schedule M

Period (hereinafter collectively called the 'Operating Costs'). Whether an item hereunder is expensed or capitalized will be governed by Port Authority accounting practices.

(b) The Port Authority shall determine the total amount of rental or fees actually received by the Port Authority from rental car permittees specifically for and in connection with the portion of the Monorail Construction Costs and Operating Costs said permittees are obligated under their respective permits to pay the Port Authority (hereinafter called the "Rental Car Credit"). The term "Bus Service Credit" shall mean the amount of Five Hundred Thousand Dollars and No Cents ($500,000.00) and, together with the Rental Car Credit, shall be hereinafter collectively called "the Credits"). The Port Authority shall subtract the Credits from the Operating Costs and multiply the remainder by one hundred and fifteen percent (115%), the product thereof being hereinafter called the "Annual Operating Cost Factor." The sum of the Initial Construction Factor and the Annual Operating Cost Factor constitutes the "Total Capital and Operating Costs" as of the last day of the Initial Schedule M Period.

IV. Additional Construction Factor

(a) The Port Authority may in its discretion purchase an item or perform a project involving capital improvements and replacements other than the Monorail Construction Work in connection with the Monorail System and, in the event it does so, the Port Authority shall determine the portion of the Monorail Construction Costs paid or incurred by the Port Authority in connection therewith from and after the Monorail Fee Commencement Date up to and including December 31st of the calendar year during which the Monorail Fee Commencement Date occurs, or such subsequent calendar year during which such capital item or project is purchased or performed in connection with the Monorail System, which shall be the total of the elements of costs set forth in subparagraph (a)(1) of Section II hereof, said portion being hereinafter called the "Additional Capital Investment."

(b) The Port Authority shall determine an amount (the said amount being hereinafter referred to as the "Additional Construction Component" and, together with all other Additional Construction Components determined during the said calendar year, being hereinafter collectively called the "Additional Construction Factor") equal to even monthly payments, payable over the useful life of the capital item or project for which it was made in accordance with Port Authority accounting practice commencing on the date on which the Port Authority shall have certified that the purchase or construction of such capital item or project has been substantially completed and is operational and ending on the final date of the useful life of such capital item or project, derived by multiplying the Additional Capital Investment made

during such calendar year by a monthly multiplier derived in accordance herewith from time to time by the application of the following formula:

$$\frac{1}{\frac{1}{i} - \frac{1}{i\,(1+i)^{t}}} = \text{Monthly Multiplier}$$

Where i equals the Additional Monorail Factor divided by twelve. Where t (a power) equals the useful life of such capital item or project in accordance with Port Authority accounting practice expressed in number of months.

V. Annual Monorail Cost

The sum of the Initial Construction Factor, the Annual Operating Cost Factor, and the Additional Construction Factor, as the case may be, for the Initial Schedule M Period or for each subsequent calendar year is hereinafter called the "Annual Monorail Cost."

VI. Total Maximum Weight for Take-off

The Port Authority shall determine the Total Maximum Weight for Take-off of all Passenger Aircraft using the Airport during the Initial Schedule M Period and close of each calendar year.

VII. Monorail Fee Determination

After the close of the Initial Schedule M Period and after the close of each calendar year thereafter, the Port Authority shall determine the Monorail Fee for the Initial Schedule M Period, or other calendar year, as the case may be, as follows:

(a) The Port Authority shall determine the final Monorail Fee for the Initial Schedule M Period, or other calendar year for which the determination is being made, by dividing the Annual Monorail Cost by the Total Maximum Weight for Take-off (in thousands of pounds) determined in Section VI above. The result shall constitute the Monorail Fee for the Initial Schedule M Period or other calendar year for which the determination is being made. It shall also constitute the tentative Monorail Fee for the calendar year following the year for which the determination is being made, and such Monorail Fee shall be expressed in cents per thousand pounds of Total Maximum Weight for Take-Off to the nearest

ten thousands of a cent. The Monorail Fee shall be multiplied by the Total Maximum Weight for Take-Off (in thousands of pounds) of all Passenger Aircraft operated by the Airline which took off from the Airport during the Initial Schedule M Period or other calendar year for which the determination is being made and during the calendar months which have elapsed since the close of the Initial Schedule M Period or other calendar year. The resultant product shall constitute the Monorail Fee due and payable by the Airline to the Port Authority for the Initial Schedule M Period, or for the calendar year for which the determination was made, and for the months which have elapsed since the close of the Initial period or such other calendar year. The Airline shall continue to make payments based on the new tentative Monorail Fee until the succeeding Monorail Fee is determined.

(b) Any deficiency due to the Port Authority from the Airline for the Initial Schedule M Period or for any calendar year thereafter resulting from the determination of any Monorail Fee as aforesaid shall be paid to the Port Authority by the Airline within thirty (30) days after demand therefor and any excess payments made by the Airline determined on the basis of a determination of any Monorail Fee shall be credited against future Monorail Fees, such credit to be made within thirty (30) days following the determination of the Monorail Fee. The determination of the Monorail Fee shall be made for the Initial Schedule M Period, and for such calendar year thereafter, by no later than April 30th of the following calendar year.

Initialled:

For the Port Authority

For the Airline

THE PORT AUTHORITY OF NY & NJ

NEWARK INTERNATIONAL AIRPORT
TOWER ROAD, BUILDING #10
NEWARK, NEW JERSEY 07114

(973) 961-6000

Deutsche Lufthansa Aktiengesellschaft
Terminal B-3
Newark International Airport
Newark, New Jersey 07114

[redacted]

Attention of: Arthur J. Molins

Gentlemen:

The Port Authority of New York and New Jersey has heretofore issued you the Agreement listed below granting the privileges or the permission described in such Agreement at Newark International Airport.

The Port Authority of New York and New Jersey hereby offers to extend the effective period of the permission granted by such Agreement to and including March 31, 2004 subject to earlier termination or revocation thereof as provided in said Agreement, on the following terms:

(1) The extension shall become effective upon the respective expiration date stated in said Agreement:

(2) All obligations undertaken by you pursuant to said Agreement and the Supplement (s) thereto, if any, and pursuant to the Alteration Permit(s), if any, issued in connection therewith, shall remain in full force and effect;

(3) Except as hereby extended, all the provisions of said Agreement and of such Supplement(s), if any, shall be and remain in full force and effect; and,

(4) Your acceptance of this offer, evidenced by signing and returning the enclosed duplicate of this letter, shall be received in this office within 15 days of the date of this letter.

Listed herewith is the Agreement for which extension is offered:

ANA-446 dated as of January 19, 1990.

Very truly yours,

The Port Authority of
New York and New Jersey

APPROVED
FORM TERMS
SEL

By _____
Director of Aviation

The foregoing offer is accepted
On the terms stated therein

Deutsche Lufthansa Aktiengesellschaft

By _____
Thomas Winkelmann

Title _____
Vice President The Americas

THE PORT AUTHORITY OF NY & NJ

WILLIAM R. DECOTA
DIRECTOR
AVIATION DEPARTMENT
225 PARK AVENUE SOUTH, 9TH FLOOR
NEW YORK, NY 10003
(212) 435-3703
(212) 435-3833 FAX

January 13, 2004

Deutsche Lufthansa Aktiengesellschaft
Terminal B-3
Newark Liberty International Airport
Newark, New Jersey 07144

[redacted]

Attention of: Arthur J. Molins

Gentlemen:

The Port Authority of New York and New Jersey has heretofore issued you the Agreement listed below granting the privileges or the permission described in such Agreement at Newark Liberty International Airport.

The Port Authority of New York and New Jersey hereby offers to extend the effective period of the permission granted by such Agreement to and including March 31, 2007 subject to earlier termination or revocation thereof as provided in said Agreement, on the following terms:

(1) The extension shall become effective upon the respective expiration date stated in said Agreement;

(2) All obligations undertaken by you pursuant to said Agreement and the Supplement(s) thereto, if any, and pursuant to the Alteration Permit(s), if any, issued in connection therewith, shall remain in full force and effect;

(3) Except as hereby extended, all the provisions of said Agreement and of such Supplement(s), if any, shall be and remain in full force and effect; and,

(4) Your acceptance of this offer, evidenced by signing and returning the enclosed duplicate of this letter, shall be received in this office within 15 days of the date of this letter.

Listed herewith is the Agreement for which extension is offered:

ANA-446 dated as of January 19, 1990.

Very truly yours,

APPROVED: FORM TERMS

The Port Authority of
New York and New Jersey

By _____
Director of Aviation

The foregoing offer is accepted on the terms stated therein

Deutsche Lufthansa Aktiengesellschaft

By _____
Thomas Winkelmann
Title Vice President The Americas

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

Port Authority Agreement No. ANA-446, dated January 19, 1990
Supplement No. 2
Newark Liberty International Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, made as of March 19, 2007 by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter referred to as the "Port Authority") and DEUTSCHE LUFTHANSA AKTIENGESELLSCHAFT. (hereinafter referred to as the "Airline"),

WITNESSETH, that the Port Authority and the Airline hereby agree to amend, effective as of the dates set forth hereinafter, that certain Agreement (identified above by Port Authority Agreement Number and by date and privileges at Newark Liberty International Airport) issued by the Port Authority to the Airline, as the same may have been previously supplemented and amended, as follows:

1. The following amendments shall be deemed made to the Agreement:

(a) In paragraphs (b) and (c) of Section 2 the asterisk and footnote 1 of each paragraph shall be deemed deleted without substitution.

(b) In Section 11 the address "One World Trade Center, New York, New York 10048" shall be deleted and the address "225 Park Avenue South, New York, New York 10003" shall be substituted in lieu thereof.

(c) Effective as of June 1, 2004, Section 12 shall be deleted and the following new Section 12 shall be substituted in lieu thereof:

"12. All payments required of the Airline 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, PA 19195-1517 or via the following wire transfer instructions:

Bank: Commerce Bank
Bank ABA Number: 026013673
Account Number: 5950011675

or such other address as may be substituted therefore by the Port Authority, from time to time,

6. No Commissioner, officer, agent or employee of the Port Authority shall be charged personally by the Airline with any liability, or held liable to the Airline, under any term or provision of this Supplemental Agreement, or because of its execution or attempted execution, or because of any breach thereof.

7. This Supplemental Agreement, together with the Agreement constitutes the entire agreement between the Port Authority and the Airline on the subject matter, and may not be changed, modified, discharged or extended except by instrument in writing duly executed on behalf of the Port Authority and the Airline. The Airline agrees that no representations or warranties shall be binding upon the Port Authority unless in writing in the Agreement or in this Supplemental Agreement.

IN WITNESS WHEREOF, the Port Authority and the Airline have caused this Supplemental Agreement to be executed.

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By_____

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

DEUTSCHE LUFTHANSA AKTIENGESELLSCHAFT
Airline

By_____

Print Name: Jens Bischof

(Title) Vice President the Americas

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

MdlR/mmw

: For Port Authority Use Only :
: ANB-908 :

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

NEWARK LIBERTY INTERNATIONAL AIRPORT
FUEL STORAGE PERMIT

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

1. PERMITTEE: LUFTHANSA GERMAN AIRLINES., a foreign corporation organized and existing under the laws of the Federal Republic of Germany
2. PERMITTEE'S ADDRESS: 1640 Hempstead Turnpike
East Meadow, New York 11554 KO
3. PERMITTEE'S REPRESENTATIVE: ~~William Lurks~~ JAMES T. ZAK
4. PRIVILEGE: As set forth in Special Endorsement No. 2 hereof.
5. FEES: As set forth in Special Endorsement No. 3 hereof.
6. EFFECTIVE DATE: January 1, 2009
7. EXPIRATION DATE: September 30, 2018, unless sooner revoked as provided in this Permit.
8. ENDORSEMENTS: 8.0, 9.1, 9.5, 12.1, 14.1, 16.1, 17.1, 19.3, 22, 28, Specials, Exhibit A: Schedule "D" Airlines, Exhibit B, Exhibit C, and Exhibit 1-A

THE PORT AUTHORITY OF NEWYORK AND NEW JERSEY

Dated: As of December 31, 2008

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

LUFTHANSA GERMAN AIRLINES
Permittee

By: James T. Zak
Print Name: JAMES T. ZAK
Title: Attorney in Fact, ~~President~~
Manager, Fuel Purchase & Supply

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

LLF/NEI

TERMS AND CONDITIONS

1. The permission granted by this Permit shall take effect upon the effective date hereinbefore set forth. Notwithstanding any other term or condition hereof, it may be revoked without cause, upon ten days' written notice, by the Port Authority or terminated without cause, upon thirty days' written notice by the Permittee, provided, however, that it may be revoked on twenty-four hours' notice if the Permittee shall fail to keep, perform and observe each and every promise, agreement, condition, term and provision contained in this Permit, including but not limited to the obligation to pay fees. Further, in the event the Port Authority exercises it right to revoke this Permit for any reason other than "without cause", the Permittee shall be obligated to reimburse the Port Authority for any and all personnel and legal costs and disbursements incurred by it arising out of, relating to, or in connection with the enforcement of this Permit including, without limitation, legal proceedings initiated by the Port Authority to exercise its revocation rights and to collect all amounts due and owing to the Port Authority under this Permit. Unless sooner revoked or terminated, such permission shall expire in any event upon the expiration date hereinbefore set forth. Revocation or termination shall not relieve the Permittee of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of revocation or termination.

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

3. The rights granted hereby shall be exercised

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

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

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

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

and the Permittee shall not, without the written approval of the Port Authority, exercise such rights through the medium of any other person, corporation or legal entity. The

Permittee shall not assign or transfer this Permit or any of the rights granted hereby, or enter into any contract requiring or permitting the doing of anything hereunder by an independent contractor. In the event of the issuance of this Permit to more than one individual or other legal entity (or to any combination thereof), then and in that event each and every obligation or undertaking herein stated to be fulfilled or performed by the Permittee shall be the joint and several obligation of each such individual or other legal entity.

4. This Permit does not constitute the Permittee, as the agent or representative of the Port Authority for any purpose whatsoever.

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

6. In the use of the parkways, roads, streets, bridges, corridors, hallways, stairs and other common areas of the Airport as a means of ingress and egress to, from and about the Airport, and also in the use of portions of the Airport to which the general public is admitted, the Permittee shall conform (and shall require its employees, invitees and others doing business with it to conform) to the Rules and Regulations of the Port Authority which are now in effect or which may hereafter be adopted for the safe and efficient operation of the Airport.

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

7. The Permittee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives, from and against (and shall reimburse the Port Authority for the Port Authority's costs and expenses including legal expenses incurred in connection with the defense of) all claims and demands of third persons, including but not limited to claims and demands for death or personal injuries, or for property damages, arising out of any default of the Permittee in performing or observing any term or provision of this Permit, or out of the operations of the Permittee hereunder, or out of any of the acts or omissions of the Permittee, its officers, employees, customers, agents, representatives, contractors and other persons who are doing business with the Permittee arising out of or in connection with the activities permitted hereunder, or arising out of the acts or omissions of the Permittee, its

officers and employees at the Airport, whether they arise from the acts and omissions of the Permittee, of the Port Authority, of third persons, or from the acts of God, or the public enemy, or otherwise, including claims and demands of the City of Newark, from which the Port Authority derives its rights in the Airport, for indemnification, arising by operation of law or pursuant to the aforesaid Agreement of April 17, 1947 between the City and the Port Authority, whereby the Port Authority has agreed to indemnify the City of Newark against claims. If so directed, the Permittee shall at its own expense defend any suit based upon any such claim or demand, even if such claim or demand is groundless, false or fraudulent, and in handling such it shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority.

8. The Permittee shall promptly repair or replace any property of the Port Authority damaged by the Permittee's operations hereunder. The Permittee shall not install any fixtures or make any alterations or improvements in or additions or repairs to any property of the Port Authority except with its prior written approval.

9. Any property of the Permittee placed on or kept at the Airport by virtue of this Permit shall be removed on or before the expiration of the permission hereby granted or on or before the revocation or termination of the permission hereby granted, whichever shall be earlier.

If the Permittee shall so fail to remove such property upon the expiration, termination or revocation hereof, the Port Authority may at its option, as agent for the Permittee and at the risk and expense of the Permittee, remove such property to a public warehouse, or may retain the same in its own possession, and in either event after the expiration of thirty days may sell the same at public auction; the proceeds of any such sale shall be applied first to the expenses of removal, sale and storage, second to any sums owed by the Permittee to the Port Authority; any balance remaining shall be paid to the Permittee. Any excess of the total cost of removal, storage and sale over the proceeds of sale shall be paid by the Permittee to the Port Authority upon demand.

10. The Permittee represents that it is the owner of or fully authorized to use or sell any and all services, processes, machines, articles, marks, names or slogans used or sold by it in its operations under or in any wise connected with this Permit. Without in any wise limiting its obligations under Section 7 hereof the Permittee agrees to indemnify and hold harmless the Port Authority, its Commissioners, officers, employees, agents and representatives of and from any loss, liability, expense, suit or claim for damages in connection with any actual or alleged infringement of any patent, trademark or copyright, or arising from any alleged or actual unfair competition or other similar claim arising out of the operations of the Permittee under or in any wise connected with this Permit.

TERMS AND CONDITIONS

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

12. No signs, posters or similar devices shall be erected, displayed or maintained by the Permittee in view of the general public without the written approval of the General Manager of the Airport; and any not approved by him may be removed by the Port Authority at the expense of the Permittee.

13. As used herein

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

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

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

15. A bill or statement may be rendered and any notice or communication which the Port Authority may desire to give the Permittee shall be deemed sufficiently rendered or given if the same be in writing and sent by certified registered mail addressed to the Permittee at the address specified on the first page hereof or at the address that the Permittee may have most recently substituted therefor by notice to the Port Authority, or left at such address, or delivered to the 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 certified registered mail addressed to the Executive Director of the Port Authority at 225 Park Avenue South, New York, New York 10003, or at such other address as the Port Authority shall hereafter designate by notice to the Permittee.

16. The Permittee agrees to be bound by and comply with the provisions of all endorsements annexed to the Permit at the time of issuance.

17. No Commissioner, officer, agent or employee of the Port Authority shall be charged personally by the Permittee with any liability, or held liable to it, under any term or provision of this Permit, or because of its execution or attempted execution, or because of any breach thereof.

18. This Permit, including the attached endorsements and exhibits, 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 instrument duly executed on behalf of the parties. The Permittee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing herein.

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

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

The Permittee shall

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

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

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

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

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

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

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

(c) The Permittee's noncompliance with the provisions of this Endorsement shall constitute a material breach of this Permit. In the event of the breach by the Permittee of any of the above non-discrimination provisions, the Port Authority may take any appropriate action to enforce compliance or by giving twenty-four (24) hours' notice, may revoke this Permit and the permission hereunder; or may pursue such other remedies as may be provided by law; and as to any or all of the foregoing, the Port Authority may take such action as the United States may direct.

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

(e) Nothing contained in this Endorsement shall grant or shall be deemed to grant to the Permittee the right to transfer or assign this Permit, to make any agreement or concession of the type mentioned in paragraph (b) hereof, or any right to perform any construction on any Space under the Permit

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STANDARD ENDORSEMENT NO. 9.5
NON-DISCRIMINATION
Airports
5/19/80

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

STANDARD ENDORSEMENT NO. 9.5
NON-DISCRIMINATION
Airports
5/19/80

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 (a) fixing rates and charges to be paid by users of the services; (b) lessening or preventing competition between the Permittee and such other furnishers of services; or (c) tending to create a monopoly on the Airport in connection with the furnishing of such services.

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

In the event that any space or location covered by this Permit is the same as is or has been covered by another Port Authority permit or other agreement with the Permittee, then any liabilities or obligations which 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(e) may interfere with the effectiveness or accessibility of the drainage and sewerage system, fire-protection system, sprinkler system, alarm system, fire hydrants and hoses, if any, installed or located or to be installed or located in or on the Airport, or

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

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

STANDARD ENDORSEMENT NO. 22
PROHIBITED ACTS
Airports
07/13/49

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

SPECIAL ENDORSEMENTS

1. General Agreement

The Port Authority has heretofore entered into agreements of lease with various Aircraft Operators (as are indicated as Master Lessees on "Exhibit A", attached hereto and hereby made a part hereof) at Newark Liberty International Airport (hereinafter called the "Airport"), which agreements made as of various dates, as the same may have heretofore and may hereafter be supplemented and amended, are hereinafter collectively referred to as the "Master Lease". Sections 17, 18, 19 and 20 and Schedule D of the Master Lease contain provisions which govern the "Fuel Storage Facilities" (as hereinafter defined), the receipt, storing and distribution of aviation fuel and the Underground Fuel Distribution System at the Airport.

Pursuant to the Master Lease, the Port Authority provides fuel storage tanks and incidental physical facilities at the Airport for the receipt, storage and distribution of aviation fuel in bulk at the Airport. The Bulk Storage Area (as defined hereinafter and as shown on "Exhibit B" attached hereto and made a part hereof), and any temporary or substitute tanks and facilities, and any supplementary tanks and facilities, are hereinafter called the "Fuel Storage Facilities". The handling of aviation fuel in and from the Fuel Storage Facilities at the Airport is, and shall be, performed, until further notice from the Port Authority, only by Allied Aviation Service Company of New Jersey, Inc. (formerly named "Ogden Aviation Service Company of New Jersey, Inc.", and formerly named "Ogden Allied Aviation Service Company of New Jersey, Inc." and formerly named "Allied Aviation Service Company of New Jersey, Inc."), an independent contractor hereinafter called the "Contractor" (or in certain events by the Port Authority). The Port Authority shall have the right to change the Contractor at any time and from time to time upon written notice to the Permittee. The Permittee shall enter into a contract with the Contractor for the receipt, handling and distribution of aviation fuel at the Airport which contract shall be in the form and substance of the exhibit attached hereto, hereby made a part hereof and marked "Exhibit C". Any references to "Allied Aviation Service Company of New Jersey, Inc." or "Allied" in said Exhibit C shall be deemed to mean "Allied Aviation Service Company of New Jersey, Inc.")

Nothing herein contained shall be construed to grant to the Permittee the right to store aviation fuel for customers other than those described in Special Endorsement No. 2 hereof without the prior written approval of the Port Authority.

2. Storage Privilege

(a) The Permittee shall have the privilege to store for reasonable periods of time in such fuel storage tank or tanks which are or may be located in the Fuel Storage Facilities as may be designated from time to time by the Contractor or the Port Authority, aviation fuel in an amount equal to am five-day supply of each grade of such fuel which the Permittee is currently furnishing to its Airline Customers at the airport who are Master Lessees (which herein shall be deemed to mean those Airlines which are parties to the Master Lease) and an amount equal to an adequate quantity for consumption by the Permittee's airline Customers who are not Master Lessees (but in all cases less the quantity of such grade then being stored by its Airline Customers at the Airport under their fuel storage permits). The aviation fuel so

 Page 2 of the Special Endorsements

stored is to be delivered to the Permittee's airline customers by the contractor primarily by means of the Port Authority's Underground Fuel System, including truck deliveries, when required, from such truck fuel stations as may be installed therein.

For purposes of this Permit, the word "grade" shall be deemed to refer to octane rating, lead content and any other variable element which affects the character or quality of the fuel. Aviation fuel shall not be deemed to be of a different grade if the specifications of such fuel come within the maximum and minimum current standards allowed in the specifications provided in the Permittee's contracts for the purchase of aviation fuel or within the current standards accepted within the continental United States under similar circumstances.

The term "Airline Customers" as used in the Permit shall mean and include schedule D Airlines, non-schedule D Airlines (which shall be deemed to mean Airlines other than schedule D Airlines), including Scheduled and non-Scheduled Airlines, and fixed Base Operators using the Facilities at the Airport.

The term "Schedule D Airlines" as used in this Permit shall mean and include any one or more of the airlines listed in Exhibit A. The Port Authority shall have the right from time to time and at any time on fifteen (15) days prior written notice to the Permittee to add to or delete from Exhibit A, such additions or deletions to be effective upon the date stated in said notice.

The term "Fixed Base Operator" as used in the Permit shall mean the persons or organizations designated as such from time to time by the Port Authority to perform fueling services for private, corporate or itinerant aircraft or helicopters or for air taxis. References in the Permit to delivery of aviation fuel into the aircraft fuel tanks of the Permittee's Airline Customers shall, with respect to a fixed Base Operator, be deemed to mean delivery of aviation fuel into the fuel trucks of the Fixed Base Operator. Until further notice Signature Flight Support-New Jersey, Inc. (formerly named "Butler Aviation-Newark, Inc.") is hereby designated as a Fixed Base Operator.

(b) The Permittee recognizes that notwithstanding the acceptance of aviation fuel by the Contractor on behalf of the Permittee and the storage of such fuel in the Fuel Storage Facilities, nevertheless, the Permittee shall have and be deemed to have title to all such aviation fuel stored by the Permittee in the Fuel Storage Facilities. Title to all such aviation fuel shall remain in the Permittee until the intoplane delivery into the aircraft fuel tanks of the Permittee's Airline Customers (or in the case of a Fixed Base Operator, until the delivery into the fuel trucks of the Fixed Based Operator) has actually been made at which time title to the aviation fuel actually so delivered shall pass to the respective Airline Customer. The Permittee shall look solely to its respective Airline Customers for payment for all aviation fuel delivered to the Contractor on behalf of such respective Airline Customers.

(c) The Permittee shall deliver or have its supplier deliver the bulk of its fuel supplies for the Airport by delivery of the fuel supplies to the common carrier pipeline at

Buckeye Pipe Line Company's Pumping Station in Linden, New Jersey, which fuel supplies shall then be delivered through the pipeline to the Fuel Storage Facilities in the Bulk Storage Area at the Airport. The Permittee shall also, as emergency situations may require, make aviation fuel deliveries to the Fuel Storage Facilities at the Airport by means of over-the-road trucks.

(d) For purposes of the Permit, the phrase "Fuel Storage Permittee" shall mean an Aircraft Operator, a supplier of an Aircraft Operator, or a Fixed Base Operator each of which holds a permit issued by the Port Authority to store aviation fuel in the Fuel Storage Facilities. With respect to a Fixed Based Operator, the fuel storage permit shall be a permit to store aviation fuel in the Fuel Storage Facilities of such grade currently furnished to general aviation aircraft at the Airport. As used in this Permit the term "supplier" shall mean a person, corporation or other legal entity primarily engaged at the Airport in the business of supplying aviation fuel to an Aircraft Operator.

(e) Subject to the provisions of Special Endorsement No. 4, the aviation fuel delivered by or on behalf of the Permittee shall be stored by the Permittee in such tank or tanks of the Fuel Storage Facilities as the Port Authority or the Contractor may direct and such fuel may be transferred into such other tanks of the Fuel Storage Facilities as the Port Authority or the Contractor may at any time deem desirable, provided that there shall be no commingling as between different grades, or as between bonded aviation fuel (as hereinafter defined) and non-bonded aviation fuel.

(f) It is recognized that Exhibit C in part sets forth quality standards and procedures for testing and delivery of aviation fuel as well as specifications with respect thereto. The Permittee shall comply with the said items set forth in Exhibit C and shall require each of its Airline Customers to likewise comply with said items.

It is specifically understood and agreed that the contents of Exhibit C form an agreement between the Contractor and the Permittee, and, further, that neither Exhibit C nor anything contained therein shall limit, modify or alter in any way the rights and remedies of the Port Authority under the Permit or constitute the Port Authority as a party to the said agreement between the Contractor and the Permittee. It is further specifically understood and agreed that neither Exhibit C nor anything contained therein shall or shall be deemed to impose any liability or responsibility of any type whatsoever on the part of the Port Authority for any failure of the Contractor to perform or for any improper performance by the Contractor of any of its obligations under the said agreement between the Contractor and the Permittee.

In the event of any inconsistency between the provisions of Exhibit C and this Permit, the provisions of this Permit shall control.

(g) If at any time any Airline Customer of the Permittee ceases to use aviation fuel of any grade supplied by the Permittee or if the requirement of any airline Customer of the Permittee diminishes with respect to aviation fuel of any grade supplied by the Permittee, or

if any present or future Airline Customer of the Permittee ceases during the term of this Permit to be a customer of the Permittee at the Airport, then and in any such event the amount of aviation fuel of such grade or grades which may be stored by the Permittee in the Fuel Storage Facilities may be reduced pro tanto.

3. Fees

(a) (1) As of the effective date of this Permit, the Permittee shall pay to the Port Authority, in monthly installments, Fuel Gallonage Fees for each and every gallon of aviation fuel delivered into aircraft operated by the Permittee at the Airport whether the delivery of such aviation fuel to said aircraft is made by use of the Underground Fuel System or by truck distribution or partly by the Underground Fuel System and partly by truck or by any combination of both. Such Fuel Gallonage Fees shall be payable on or before the twentieth day of the month (including the month following the expiration, revocation or termination of the permission granted hereunder) for all aviation fuel delivered into aircraft operated by the Permittee, as aforesaid, during the preceding calendar month. The Fuel Gallonage Fees to be paid to the Port Authority hereunder shall be the amount to be set forth in a written notice from the Port Authority to the Permittee, which notice may be given at any time and from time to time. The effective date of such notice shall be the date set forth therein which shall be given no later than on 15 days' prior notice. Until further notice, said Fuel Gallonage Fees shall be $0.063 for each and every gallon of aviation fuel delivered into aircraft of the Permittee as above provided. It is expressly understood that the said amount of $0.063 per gallon is subject to annual adjustment in accordance with the provisions of the Master Lease and Schedule D thereof, and nothing herein shall be or shall be deemed to be a waiver of any provision of the Master Lease and Schedule D thereof covering the adjustment of Fuel Gallonage Fees.

(2) The Permittee shall pay to the Port Authority or its independent contractor, as the case may be, an additional fee for defueling services performed at the Airport for the Permittee of Three Cents ($0.03) for each and every gallon of aviation fuel removed from the Permittee's aircraft by the Port Authority or its independent contractor, as the case may be, at the Airport, provided, however, that the Port Authority or its said independent contractor, as the case may be, shall make no charge if such defueling is necessitated because of the negligence of the Port Authority or its independent operator.

(3) It is expressly understood that the Fuel Gallonage Fees payable hereunder by the Permittee shall be paid by the Permittee whether the aviation fuel delivered into the Permittee's aircraft was stored in the Fuel Storage Facilities by the Permittee pursuant to this Permit or by a supplier of the Permittee, who is a Fuel Storage Permittee, pursuant to such supplier's fuel storage permit.

(b) All payments made and to be made by the Permittee shall be accompanied by a statement signed by a responsible corporate officer of the Permittee setting forth the total gallons of the Permittee's aviation fuel delivered by or on behalf of the Permittee under this Permit and under the fuel storage permit of any and all suppliers of the Permittee into the Fuel Storage Facilities (or directly to the Area D of an Airline Lessee, as defined in the Master Lease,

or directly to the site of such Airline Lessee's aircraft pursuant to Section 17(b) of the Master Lease) during the preceding month, and also separately setting forth the total gallons of aviation fuel delivered into the Fuel Storage Facilities (or directly to the Area D of an Airline Lessee, as defined in the Master Lease, or directly to the site of such Airline Lessee's aircraft pursuant to Section 17(b) of the Master Lease) during the preceding month:

(i) by the Permittee or on its behalf by a supplier who is not a Fuel Storage Permittee at the Airport,

(ii) by each supplier of the Permittee who is a Fuel Storage Permittee at the Airport.

The said statement shall also set forth the total gallons of aviation fuel delivered into the Permittee's aircraft during the preceding month.

All such payments, accompanied by the signed statements, as aforesaid, shall be sent to 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: Commerce Bank; Bank ABA Number: 031201360; Account Number: [redacted], or to such other address as may hereafter be substituted therefor by the Port Authority, from time to time, by notice to the Permittee. Concurrently with the making of each of the said payments, the Permittee shall send three (3) true copies of its signed statement, as above required, addressed to The Port Authority of New York and New Jersey, Revenue Accounting, One PATH Plaza, Jersey City, New Jersey 07306, Attn: Comptrollers Department 6th floor.

(c) Without in any way limiting the provisions hereof, unless otherwise notified by the Port Authority in writing, in the event the Permittee shall continue to perform the privilege granted herein after the expiration, revocation or termination of the effective period of the permission granted under this Permit, as such effective period of permission may be extended from time to time, in addition to any damages to which the Port Authority may be entitled under this Permit or other remedies the Port Authority may have by law or otherwise, the Permittee shall pay to the Port Authority a fee for the period commencing on the day immediately following the date of such expiration or the effective date of such revocation or termination and ending on the date that the Permittee shall cease to perform the privilege granted at the Airport equal to twice the sum of the Fuel Gallonage Fees as herein defined. Nothing herein contained shall give, or be deemed to give, the Permittee any right to continue to perform the privilege granted hereunder at the Airport after the expiration, revocation or termination of the effective period of the permission granted under this Permit. The Permittee acknowledges that the failure of the Permittee to cease to perform the privilege granted hereunder at the Airport from and after the effective date of such expiration, revocation or termination will or may cause the Port Authority injury, damage or loss. The Permittee hereby assumes the risk of such injury, damage or loss and hereby agrees that it shall be responsible for the same and shall pay the Port Authority for the same whether such are foreseen or unforeseen, special, direct, consequential or otherwise and the Permittee hereby expressly agrees to indemnify and hold the Port Authority harmless against any such injury, damage or loss.

4. Commingling

The Permittee shall not be required to commingle its aviation fuel stored in the Fuel Storage Facilities with aviation fuel of any different grade, but the Permittee shall and hereby agrees to commingle its said aviation fuel with aviation fuel owned by others, provided that such aviation fuel is of the same grade. Notwithstanding the foregoing, the Permittee shall not be required to commingle bonded aviation fuel with non-bonded aviation fuel, but the Permittee shall and hereby agrees to commingle its bonded aviation fuel in storage tanks reserved exclusively for bonded aviation fuel and designated as bonded storage tanks, with bonded aviation fuel of the same grade owned by different Fuel Storage Permittees. As used in this Permit "bonded aviation fuel" shall mean aviation fuel imported by the Permittee under U.S. Customs Warehouse Bond and as to which the Permittee has delivered to the Port Authority or the Contractor all necessary and appropriate certifications with respect to the grade and specifications of such bonded aviation fuel.

It is specifically understood and agreed, with respect to aviation fuel commingled as herein provided, that the Permittee shall be and shall be deemed to be an owner in common of its share of commingled fuel with all other Fuel Storage Permittees with whom the Permittee's aviation fuel has been so commingled.

5. Obligations of the Permittee

(a) The Permittee shall not assign or transfer this Permit or any of the rights or privileges granted hereby and any such assignment or transfer shall be void as to the Port Authority.

(b) The Permittee, its employees, contractors, invitees and persons doing business with it, shall conduct their operations in an orderly and proper manner and so as not to annoy, disturb or be offensive to others at the Airport.

(c) In its use of the Fuel Storage Facilities, the roadways, streets, and other portions of the Airport used by the Permittee in connection with its deliveries of aviation fuel for storage, the Permittee shall conform (and shall require its employees, contractors, invitees and persons doing business with it to conform) with the Port Authority's rules and regulations and the standards and codes required by the Contractor, now in effect or hereinafter adopted.

(d) Any trucks or other highway vehicles used by the Permittee shall be parked only in such areas as may be designated by the General Manager of the Airport.

(e) The Permittee shall use the Fuel Storage Facilities for no purposes other than those specified in Special Endorsement No. 2 hereof.

SPECIAL ENDORSEMENTS

(f) The Permittee shall erect no signs, posters or similar devices without the prior written approval of the General Manager of the Airport; and any not approved by him may be removed by or on behalf of the Port Authority at the expense of the Permittee.

(g) The Permittee shall promptly reimburse the Port Authority for the cost of repairing any damage to Port Authority property caused by the operations of the Permittee, its employees, agents or contractors performing services on its behalf (but not including any independent contractor designated by the Port Authority to perform the services of handling aviation fuel in and from the storage facilities).

(h) (1) The Permittee shall maintain, in accordance with accepted accounting practice, during the effective period of this Permit, for one (1) year after the expiration or earlier revocation or termination thereof, and for a further period extending until the Permittee shall receive written permission from the Port Authority to do otherwise, but not exceeding an additional four years, records and books of account recording all transactions of the Permittee under the Permit at, through or in anywise connected with the Airport, which records and books of account shall be kept at all times within the Port of New York District;

(2) The Permittee shall permit in ordinary business hours during the effective period of the Permit and for one year thereafter, the examination and audit by the officers, employees, and representatives of the Port Authority of such records and books of account and also any records and books of account of any company which is owned or controlled by the Permittee, or which owns or controls the Permittee, if said company performs services, similar to those performed by the Permittee, anywhere in the Port of New York District.

(3) In the event that upon conducting an examination and audit as described in this Special Endorsement the Port Authority determines that unpaid amounts are due to the Port Authority by the Permittee, the Permittee shall be obligated, and hereby agrees, to pay to the Port Authority a service charge in the amount of five percent (5%) of each amount determined by the Port Authority audit findings to be unpaid. Each such service charge shall be payable immediately upon demand (by notice, bill or otherwise) made at any time therefor by the Port Authority. Such service charge(s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority by the Permittee under this Permit or otherwise. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid service charge shall be deemed a waiver of the right of the Port Authority of payment of any late charge(s) or other service charge(s) payable under the provisions of this Permit with respect to such unpaid amount. Each such service charge shall be and become fees, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the fees to be paid. Nothing in this Special Endorsement is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Permit, including, without limitation, the Port Authority's rights to revoke this Permit or (ii) any obligations of the Permittee under this Permit.

SPECIAL ENDORSEMENTS

(i) The Permittee shall not commit any nuisance or permit its employees, agents or contractors performing services on its behalf to commit or create or tend to create any nuisance on any area or areas on the Airport in which the Permittee may conduct its operations hereunder, the foregoing not to apply to the contract between the Permittee and the Contractor entered into pursuant to Special Endorsement No. 1 of this Permit.

(j) The Port Authority has agreed by a provision in its agreement of lease with the City of Newark covering the Airport to conform to the enactments, ordinances, resolutions and regulations of the City and of its various departments, boards and bureaus in regard to health and fire protection, to the extent that the Port Authority finds it practicable so to do. The Permittee shall, within forty-eight 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, but only if such notice, summons or other legal process pertains to the operation of the vehicles of the Permittee or to the delivery of fuel in or on the Airport, deliver the same to the Port Authority for examination and determination of the applicability of the agreement of lease provision thereto. Unless otherwise directed in writing by the Port Authority, the Permittee shall conform to such enactments, ordinances, resolutions and regulations insofar as they relate to the operations of the Permittee at the Airport. In the event of compliance with any such enactment, ordinance, resolution or regulation on the part of the Permittee, acting in good faith, commenced after such delivery to the Port Authority but prior to the receipt by the Permittee of a written direction from the Port Authority, such compliance shall not constitute a breach of this Permit, although the Port Authority thereafter notifies the Permittee to refrain from such compliance.

(k) Without in any way limiting the Permittee's contract with the Contractor, the Permittee shall promptly remove from the Airport by means of facilities provided by it all contaminated fuel or other waste material arising out of or in connection with its operations hereunder. The Permittee shall exercise extreme care in removing such contaminated fuel or waste material from the Airport. The manner of such removal shall be subject in all respects to the continuing approval of the Port Authority or the Contractor in accordance with Exhibit C.

(l) The Permittee shall not do or permit to be done any act which will invalidate or be in conflict with any fire insurance policies, or will increase the rate of any fire insurance, extended coverage or rental insurance, covering the Airport or any part thereof or upon the contents of any building thereon.

6. Obligations of the Port Authority

(a) The Port Authority shall provide and maintain a vehicular road or roads providing access to the Fuel Storage Facilities.

(b) Except as provided in Special Endorsements No. 5 and No. 7, the Port Authority shall maintain or cause to be maintained the Fuel Storage Facilities in useable condition. The Port Authority shall have the right at any time and as often as it considers necessary to inspect the Fuel

Storage Facilities and 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.

7. Damage to Storage Tanks

In the event any of the Fuel Storage Facilities, or any part thereof, are damaged by fire or as a result of sinking, settling or shifting of the supporting ground or other casualty, then:

(1) if in the opinion of the Port Authority the necessary repairs or replacements can be made within ninety days after the occurrence of the damage, the Port Authority shall make the repairs or replacements with due diligence; or

(2) if in the opinion of the Port Authority such repairs or replacements cannot be completed within ninety days after the occurrence of the damage, then the Port Authority shall have the option either to proceed with due diligence to make the necessary repairs or replacements or, notwithstanding any other provision of this Permit, to terminate this Permit effective as of the date of the occurrence of such damage insofar as it pertains to the obligation of the Port Authority to provide and maintain storage tanks and incidental physical facilities for receiving and storing aviation fuel at the Airport.

8. Indemnification

Section 7 of the Terms and Conditions of the Permit shall be deemed deleted and the following paragraph shall be deemed to have been substituted therefor:

"7. The Permittee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees, and representatives for all injuries (including death) and all loss or damage to it or them or to its or their property and for all claims and demands of third persons (including death) for injuries (including death) and all loss or damage to them or to their property arising out of or in connection with the operations of the Permittee hereunder, including claims by the City of Newark (except for claims and demands resulting solely from affirmative wilful acts of the Port Authority, its officers, employees and representatives) against the Port Authority pursuant to the provisions of the Agreement between the City and the Port Authority dated October 22, 1947, as the same has been subsequently supplemented and amended, whereby the Port Authority has agreed to indemnify the City against claims."

9. Property of Permittee

SPECIAL ENDORSEMENTS

(a) Except as otherwise provided in this Permit, any aviation fuel or other property of the Permittee placed in or on the Fuel Storage Facilities shall remain the property of the Permittee and shall be removed on or before the expiration, revocation or termination of the permission hereby granted. In the event of revocation or termination the Permittee shall have ten (10) days, exclusive of Saturdays, Sundays and legal holidays after the effective date of revocation or termination in which to remove such property.

If the Permittee shall so fail to remove such property upon the expiration, termination or revocation hereof, the Port Authority may, at its option, as agent for the Permittee and at the risk and expense of the Permittee, remove such property.

(b) Notwithstanding the provisions of paragraph (a) of this Special Endorsement, in the event the Permittee's aviation fuel has been commingled with aviation fuel owned by others, as provided in Special Endorsement No. 4 hereof, the Permittee, upon the expiration, revocation or termination of the Permit, shall either (i) promptly remove its share of such commingled aviation fuel, in accordance with the directions of the Contractor; or (ii) promptly sell or transfer its share of the commingled fuel to one or more of the fuel storage permittees at the Airport.

10. Representatives

The Permittee's representative hereinbefore specified (or such substitute as the Permittee may hereafter designate in writing) shall have full authority to act for the Permittee in connection with this Permit, and to do any acts or thing to be done hereunder, and to give and receive notices hereunder.

11. Notices

Any bills or statements including any notices or communications which the Port Authority may desire to give the Permittee shall be deemed sufficiently rendered or given, if the same are in writing and sent by certified or registered mail addressed to the Permittee at the address specified on the first page hereof or at the address that the Permittee may have most recently substituted therefor by notice to the Port Authority, or left at such address, or delivered to the representative of the Permittee, and the time of rendition of such bill or statement and of the giving of such notice or communication shall be deemed to be the time when the same is mailed, left or delivered as herein provided. Any notice from the Permittee to the Port Authority shall be validly given if sent by certified or registered mail addressed to the Executive Director of the Port Authority at 225 Park Avenue South, New York, New York 10003 or at such other address as the Port Authority shall hereafter designate by notice to the Permittee.

12. Permit Constitutes Entire Agreement

SPECIAL ENDORSEMENTS

This Permit, including the attached exhibits, constitutes the entire agreement of the Port Authority and the Permittee on the subject matter hereof. It may not be changed, modified, discharged, or extended, except by written instrument duly executed on behalf of the Port Authority and the Permittee. The parties agree that no representations or warranties shall be binding upon either party unless expressed in writing herein.

13. Survival of Obligations

The suspension, revocation or other termination of the permission granted herein shall not relieve either party of any liabilities or obligations hereunder which shall have accrued prior to the effective date of such suspension, revocation or termination.

14. Force Majeure

(a) Neither the Port Authority nor the Permittee shall be deemed to be in violation of this Permit 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 other circumstances for which it is not responsible and which are not within its control; provided, that this provision shall not apply to failures by the Permittee to pay fees in accordance with Special Endorsement No. 3 hereof.

(b) The Port Authority shall be under no obligation to furnish any services if and to the extent and during any period that the furnishing of any 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 or if the Port Authority deems it in the public interest to comply therewith.

(c) If any type of strike or other labor activity is directed against the Permittee at the Airport or against any operation 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, and whether caused by the employees of the Permittee or any others, the Port Authority may at any time during the continuance thereof, by twenty-four (24) hours' notice, suspend or revoke this Permit effective at the time specified in the notice. During the period of any such suspension the Permittee shall not perform any operations hereunder. The period of suspension shall end not more than twenty-four (24) hours after the cause thereof has ceased or been cured. The Permittee shall notify the Port Authority of such cessation or cure. Suspension shall not relieve the Permittee of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of suspension.

No exercise by the Port Authority of the right of suspension pursuant to this Special Endorsement shall be or shall be deemed to be a waiver of the Port Authority's right of revocation pursuant to this Special Endorsement.

Prior to the exercise of any rights by the Port Authority hereunder, it shall give the Permittee notice thereof, which notice may be oral. No exercise by the Port Authority of the rights granted to it in this Special Endorsement shall be or shall be deemed to be a waiver of any other rights of termination or revocation contained in this Permit or a waiver of any rights or remedies which may be available to the Port Authority under this Permit or otherwise. 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.

15. No Personal Liability

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

16. Surrender.

The Permittee promises and agrees to yield and surrender its right to use the Fuel Storage Facilities at the expiration, revocation or other termination of this Permit, and at such time to surrender, yield and deliver peaceably such space in such Fuel Storage Facilities as it may then be using for fuel storage purposes, with all of the Permittee's obligations with respect to the care, maintenance and repair thereof fully performed, ordinary wear and tear and acts of God excepted.

Except as otherwise provided with respect to commingled aviation fuel, the Permittee agrees to promptly remove from the Fuel Storage Facilities upon such expiration, revocation or other termination of this Permit, all aviation fuel which it may have stored therein. With respect to any aviation fuel of the Permittee which has been commingled with aviation fuel owned by others, as provided in this Permit, the Permittee agrees, upon such expiration, revocation or other termination of this Permit, to either (a) promptly remove its share of the commingled fuel, in accordance with the directions of the Contractor, or (b) promptly sell or transfer its share of the commingled fuel to one or more Fuel Storage Permittees at the Airport.

17. Definitions

As used herein:

(a) "Aircraft" shall mean airplanes, helicopters and every other contrivance now or hereafter used for the navigation of or flight in air or space.

(b) "Aircraft Operator" shall mean (a) a Person owning one or more Aircraft which are not leased or chartered to any other person for operation, and (b) a Person to whom one or more Aircraft are leased or chartered for operation -- whether the Aircraft so owned, leased or chartered are military or non-military or are used for private business, pleasure or

governmental business or for carrier or non-carrier operations or for scheduled or non-scheduled operations or otherwise. Said 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 "Fuel System" shall mean and include the Bulk Fuel Storage Area (the location of which is shown on Exhibit B), the Distribution Facilities and the Terminal Distribution Units.

(d) The Bulk Fuel Storage Area shall include storage tanks and incidental physical facilities for the receiving, storing and dispensing of aviation fuel by pipeline including pumps and piping for unloading over-the-road fuel trucks, floating roof tanks and appurtenances within dike walls, pump suction piping and manifolds, pumps, filter separators, controls and appurtenances for the transfer of fuel from the bulk storage tanks through the pipe distribution lines. This Area shall also include such truck fuel stations as may be installed therein by the Port Authority.

(e) Distribution Facilities shall mean and include fuel trucks, and/or all piping, manifolds and appurtenances from the Bulk Fuel Storage Area to the Terminal Distribution Units including pipelines, hydrant boxes, hydrant valves, surge suppressors, emergency shut-off system and related appurtenances.

(f) The Terminal Distribution Units shall mean and include that portion of the Underground pipelines, the hydrant boxes, hydrant outlets and/or hydrant hose carts and related facilities (including fuel distribution) of and appurtenant to such parts of the Fuel System (including without limitation thereto hydrant valves) as are required to be located within the Airline Lessee's Area D as defined by the Master lease.

(g) "Aviation fuel" shall mean aviation turbine fuel and any other fuel now or hereafter used in the propulsion of Aircraft.

(h) The term "pipeline" shall mean the pipeline and all related facilities constructed, installed, operated and maintained for the underground transportation, carriage and delivery of aviation fuel by Buckeye Pipe Line Company pursuant to agreements with the Port Authority which agreements were made as of September 1, 1974 and bear Port Authority Nos. AN-632 and AN-648. Notwithstanding the foregoing, it is specifically understood and agreed that nothing herein shall or shall be deemed to constitute an agreement by the Port Authority to continue in effect the aforesaid agreements or any other agreements with Buckeye Pipe Line Company or any other entity with respect to the pipeline.

18. The privileges granted to the Permittee hereunder are non-exclusive.

19. Prior to the execution of this Permit by either party, the following changes were made in the foregoing amendments and the following substitutions shall be deemed to have been made:

SPECIAL ENDORSEMENTS

(a) Section 15 of the Terms and Conditions shall be deemed deleted, and replaced by Special Endorsement No. 11 above set forth.

(f) The second sentence of the first paragraph appearing in Standard Endorsement No. 22 is deemed amended to read as follows:

> "If by reason of the Permittee's failure to comply with the provisions of this Endorsement, any fire insurance, extended coverage or rental insurance rate on the Airport or any part thereof or upon the contents of any building thereon shall at any time be higher than it otherwise would be, then, the Permittee, upon proof thereof, shall on demand pay to the Port Authority which shall have been charged because of such violation by the Permittee."

It shall be unnecessary to physically indicate the foregoing deletions on the foregoing Terms and Conditions.

20. Effective with the execution of this Permit by the Permittee and by the Port Authority and delivery thereof to the Permittee, "Exhibit 1A" of Exhibit C annexed to the Permit shall be deemed to be and constitute the exhibit referenced to as "Exhibit 1" in paragraph 203 of Article 2 of Exhibit C.

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

KO
For The Port Authority

Initialed:

For the Permittee

Newark Liberty International Airport
Schedule "D" Airlines

ABX Air, Inc
Air Canada
Air France
Air India
Air Jamaica
AirTran Airways, Inc
Air Transport International
Air Wisconsin Airlines
Alaska Airlines Inc
Alitalia
American Airlines, Inc*
American Eagle Airlines
America West
American Trans Air
Brendan d/b/a USA 3000
British Airways, PLC
Ceske
Chautauqua Airlines
Comair, Inc
Continental Airlines*
Delta Airlines, Inc*
El Al Airlines Ltd
ExpressJet Airlines
EVA International
Federal Express Corp*
JetBlue Airways
Jazz Air Limited Parnership
Kalitta Air, LLC
Kitty Hawk Air Cargo, Inc
KLM Royal Dutch Airlines
LOT Polish
Lufthansa
Malaysian Airlines
MESA Airlines, Inc
Midwest Express Airlines
Northwest Airlines, Inc*
Scandinavian Airlines System
Singapore Airlines
Swiss
TAP Air Portugal
Trans States Airlines
United Air Lines, Inc*
United Parcel Service Co*
US Airways*
Virgin Atlantic Airways Ltd

Initialed KO For The Port Authority

For the Permittee

(Master Airline Lessees in * bold print)

(KO-Revised 7/13/06)

EXHIBIT A

EXHIBIT C

AIRLINE FORM

AGREEMENT

AGREEMENT made as of January 1, 1984, between ALLIED AVIATION SERVICE COMPANY OF NEW JERSEY, INC., a New Jersey corporation, with an office at Newark International Airport, Newark New Jersey 07201 ("Allied"), and

, a corporation, with an office at ("Airline").

W I T N E S S E T H

WHEREAS, the Master Lease (as defined in paragraph 101) sets forth the basic arrangement between The Port Authority of New York and New Jersey ("Port Authority") and the Master Lessees signatory thereto with respect to providing, operating and maintaining the Aviation Fuel Storage and Distribution System ("System") for the receiving, storage and distribution of aviation fuel at Newark International Airport ("Airport"), including provisions for the designation by the Port Authority of an independent contractor to operate the System; and

WHEREAS, the Port Authority has designated Allied as the independent contractor to operate the system; and

WHEREAS, the Master Lease provides for the issuance of fuel storage permits (as therein defined) to fuel storage permittees (as therein defined) to effectuate the provisions of the Master Lease with respect thereto; and

WHEREAS, the Airline is a fuel storage permittee of the Port Authority; and

WHEREAS, the Master Lease contemplates and the fuel storage permit provides that each fuel storage permittee enter into an agreement with the operator of the System covering the various procedures, terms and provisions to effectuate the basic arrangements under the Master Lease; and

WHEREAS, Allied, pursuant to its designation as operator of the System by the Port Authority, has agreed to furnish services to the Airline on the terms and provisions hereof;

IT IS AGREED:

ARTICLE 1

Definitions

The following terms shall have the respective meanings given below when used in this Agreement, unless the context clearly indicates a different meaning:

101. The term "Master Lease" shall mean the several indentures of lease of various dates between the Port Authority and several of the airlines engaged in air transportation service at the Airport, all of which are uniform as to provisions of Sections 17, 18, 19, 20 and Schedule D thereof for the receipt, storage and distribution of avia-

tion fuel, as the same have been or may be amended or supplemented; and the term "Master Lessees" shall mean those Airlines which are parties to the Master Lease.

102. The term "aviation fuel" shall mean aviation turbine fuel and any other fuel now or hereafter used in the propulsion of aircraft.

103. The term "bonded aviation fuel" shall mean aviation fuel imported by the Airline or its Supplier (as defined in paragraph 104) under U.S. Customs Warehouse Bond, and as to which the Airline or its Supplier has delivered to Allied a document setting forth the information specified in paragraph 205.

104. The term "Supplier" shall mean any person, firm or corporation which, on the date in question, has an agreement in effect for the supply of aviation fuel to the Airline at the Airport.

105. The term "Pipeline" shall mean the pipeline operated by Buckeye Pipe Line Company which is used to deliver aviation fuel to the Airport.

106. The term "Permittee" shall mean any person, firm or corporation for whom there is in effect a fuel storage permit at the Airport issued by the Port Authority.

ARTICLE 2

Services

201. The following services with respect to the commercial aircraft of the Airline shall be furnished by Allied to the Airline subject to and in the manner provided in this Article:

(a) accept delivery of aviation fuel delivered by or on behalf of the Airline for use by it at the Airport;

(b) monitor the delivery of such aviation fuel into, and while in, the storage tanks of the System for the account of the Airline;

(c) transfer aviation fuel (including aviation fuel taken into storage by another Permittee for the account of the Airline) from the storage tanks of the System through the transfer pipes of the System to the fixed underground hydrants and from such hydrants through hydrant carts into the aircraft of the Airline or deliver such aviation fuel by refueling tenders into aircraft of the Airline, pursuant to requisitions given to Allied by duly authorized employees or agents of the Airline; and

(d) defuel aircraft of the Airline, pursuant to requisitions given to Allied by duly authorized employees or agents of the Airline.

202. The Airline hereby appoints Allied as its agent to accept delivery on its behalf of aviation fuel delivered to the Airport by the Airline or by its Supplier. Allied's authority and responsibility in such respect shall be limited to (a) accepting only such deliveries of aviation fuel of which Allied has been notified in advance in writing

by the Airline or the Supplier, through its duly authorized officers, employees or agents, and (b) checking each delivery of aviation fuel for quantity and, as set forth in paragraph 203, examining each delivery of aviation fuel. The Airline shall accept Allied's determination of the quantity of any delivery, except in the case of fraud, gross negligence or willful misconduct by Allied. Allied shall acknowledge receipt of the aviation fuel so delivered and, after each such delivery, shall forward no later than the next following working day to the Airline, and to its Supplier upon request of the Airline, a copy of the receipt for the aviation fuel so delivered. By reason of accepting delivery of aviation fuel and acting as agent of the Airline as set forth above, Allied shall not be responsible in any way or incur any liability whatsoever to the Airline or any Supplier or transporter for any charges or for payment for such aviation fuel and the Airline shall indemnify Allied and the Port Authority and hold each of them harmless from and against any and all claims, liabilities, damages, losses, and judgments, including costs and expenses incidental thereto, which may be suffered by, accrue against, be charged to, or recoverable from them, by reason of any claim for payment by the Supplier or transporter for aviation fuel delivered for the account of the Airline. Notwithstanding any provision of this Agreement to the contrary, the Airline shall not be required to indemnify Allied or to hold Allied harmless for any claim of non-payment by a supplier or

transporter if Allied has received aviation fuel but has failed to credit such aviation fuel to the account of the Airline.

203. At the time of each delivery of aviation fuel, Allied shall perform (and make a record thereof) simple visual tests and a millipore test to ascertain the correct grades of aviation fuel delivered to it regardless of any delivery ticket or loading certificate (or similar document), including the bright and clear test, the color test, and the specific gravity test and such other tests as may be required under then current standard industry practice. Allied shall reject any aviation fuel which fails to meet such tests. All aviation fuel meeting such tests shall be taken into storage, at which time Allied shall send a sample to an independent testing laboratory which shall perform the "8-point test" (as defined in Exhibit 1 hereto). Allied shall not deliver into aircraft or commingle with other aviation fuel any aviation fuel delivered by or on behalf of the Airline until Allied has received advice from the independent testing laboratory that the aviation fuel has met the "8-point test." Except to the extent of making the aforesaid tests, Allied shall have no responsibility whatsoever for the quality of the aviation fuel delivered by or on behalf of the Airline. The Airline shall indemnify Allied and the Port Authority and hold each of them harmless from and against any and all claims, liabilities, damages, losses, and judgments, including costs and expenses inci-

dental thereto, which may be suffered by, accrue against, be charged to, or recoverable from either of them, by reason of Allied's rejection of any aviation fuel delivered by or on behalf of the Airline, provided, but only as to Allied, that in so rejecting such fuel Allied shall have acted with reasonable care and in accordance with its obligations hereunder.

204. Delivery of aviation fuel shall normally be made through the Pipeline and otherwise in the manner permitted by the Master Lease and Allied shall promptly accept and report the delivery of the same. Deliveries of aviation fuel through the Pipeline shall be measured by a receipt meter at the Pipeline Receiving Station. Receipts of aviation fuel by other than Pipeline shall be measured in accordance with standard industry practices.

205. At the time of, or prior to, each delivery, the Airline or its Supplier shall deliver to Allied at the Airport its delivery ticket or loading certificate (or similar document) which shall specify (i) the kind and grade of such aviation fuel, (ii) the quantity thereof contained in the shipment being delivered to Allied, and (iii) which shall state that if such aviation fuel is bonded aviation fuel that it is bonded aviation fuel.

206. If any of the aviation fuel delivered by or on behalf of the Airline, including bonded aviation fuel, is contaminated, fails to meet the "8-point test" or otherwise

is unfit for aviation use (hereinafter referred to as "condemned aviation fuel"), Allied shall cause the same to be separately stored. If the condemned aviation fuel becomes such because of the negligence or willful misconduct of Allied, its agents or employees, it shall be removed by Allied at its expense from time to time so that it shall not interfere with the storage of any uncondemned aviation fuel. If the responsibility for the condemned aviation fuel is not so chargeable to Allied, then it shall be removed or made usable by the Airline or its Supplier within 72 hours of notice of verification of its condemnation. If not so removed or made usable, then Allied may remove the same, the expense of such removal to be paid by the Airline. If any of the aviation fuel delivered by or on behalf of the Airline is condemned aviation fuel when delivered, and by reason thereof any other aviation fuel with which it has been commingled has become condemned aviation fuel, the Airline, (a) within 72 hours of notice of verification thereof, shall remove, or cause its Supplier to remove, all such aviation fuel which has become condemned aviation fuel, and upon its failure to do so within such time, Allied may remove the same, the expense of such removal to be paid by the Airline, and (b) shall replace all aviation fuel which has become condemned aviation fuel, provided, however, that if the responsibility for the condemned aviation fuel shall be chargeable to Allied as hereinabove set forth, it shall be removed by Allied at its expense and Allied shall replace all such condemned aviation fuel at its expense. A party

charged with responsibility for condemned aviation fuel shall also be responsible for the expense of cleaning the storage tanks and replacing filter elements that have been contaminated by the condemned aviation fuel, if such cleaning or replacement are necessary; provided, however, that the expense of replacing any filter element shall be apportioned based upon the amount of time or usage preceding the event of contamination and the filter element's total useful life. When any condemned aviation fuel has been made usable by the Airline or its Supplier, the Airline shall furnish, or cause its Supplier to furnish, to Allied a document similar to that provided for in paragraph 205. The statements referred to in paragraph 306 shall reflect any adjustment made necessary by any withdrawal and subsequent redelivery of condemned aviation fuel made usable by the Airline or its Supplier.

207. Allied shall retain records relating to the visual tests referred to in paragraph 203 and the "8-point test" for at least 6 months after the performance of such tests.

208. The Airline shall notify Allied, in writing, as of the date hereof, and from time to time, of the name or names of its Suppliers, and of the kinds and grades of aviation fuel to be delivered by it or on its behalf, and Allied shall be entitled to rely thereon until notified, in writing, to the contrary.

ARTICLE 3

Reports by Allied

301. Promptly after each delivery to it of aviation fuel, Allied shall complete or cause to be completed a receipt showing the date and time of such delivery, the quantity of such delivery, and the grade and source of the aviation fuel delivered. Such receipt shall be in such form as shall be prepared by Allied and shall be provided by Allied.

302. Allied shall accurately meter the amount of all aviation fuel delivered into aircraft of the Airline. Promptly after each such delivery by Allied, Allied shall complete, and have signed by an authorized employee of the Airline, a dispensing ticket showing the grade and quantity of aviation fuel delivered, the date so delivered, the number of the aircraft and the flight number. The dispensing ticket shall be in such form as shall be prepared by Allied and shall be provided by Allied. Allied shall forward to the Airline copies of the dispensing ticket, normally on the next succeeding day but never later than five days after delivery is made. All meters will have imprint capability and imprint tickets will be used to record all transactions.

303. Promptly after each defueling, Allied shall complete and obtain a defueling ticket signed by an authorized employee of the Airline, showing the quantity, as

determined by Allied, and the grade, as asserted by the Airline, of the aviation fuel so defueled. The defueling ticket shall be in the same form as the dispensing ticket, except that when used as a defueling ticket the same shall be indicated by prominent marking. Allied shall forward to the Airline copies of each defueling ticket, normally on the next succeeding day but never later than five days after each defueling.

304. Allied shall transfer defueled aviation fuel into a truck or trucks which at the time such defueling commences shall either be empty or shall contain only aviation fuel which Allied has not been notified to segregate. Allied shall deliver such defueled fuel into an aircraft of the Airline as soon thereafter as is possible contingent on the Airline's operating requirements, provided in each case that (i) delivery is made within 24 hours after such defueling, and (ii) the grade of such defueled aviation fuel, as asserted, at the time of defueling, by the Airline, is the same grade as that specified in the requisitions given to Allied for the into-plane delivery of aviation fuel into such aircraft. If such delivery is not so made within such 24 hours, Allied shall at the expense and upon instructions of the Airline dispose of such defueled avistion fuel, and shall obtain and deliver to the Airline a receipt therefor. Such disposal may, under appropriate conditions, include delivery of such fuel into storage.

305. If Allied delivers into aircraft of the Airline aviation fuel in excess of the amount specified in the requisition given to Allied pursuant to paragraph 201(c), Allied shall defuel the amount of such excess from such aircraft without charge to the Airline.

306. As of the last day of each month, Allied shall furnish to the Airline a statement, on such forms as shall be prepared by Allied, prepared as of the last day of each month, showing with respect to each grade of aviation fuel, separately stated for bonded and non-bonded aviation fuel, (i) the monthly opening inventory held for the account of the Airline, which shall be the same as the monthly actual closing inventory (as hereinafter defined) for the preceding month, (ii) the aggregate quantity shown on the delivery tickets with respect to all deliveries received from the Airline or its Suppliers by Allied during such month for storage under the Airline's fuel storage permit, (iii) the aggregate quantity of aviation fuel transferred to the Airline at the Airport by other Permittees during such month, (iv) the aggregate quantity of aviation fuel defueled from aircraft of the Airline, (v) the aggregate quantity shown on the dispensing tickets with respect to all into-plane deliveries made by Allied during such month into aircraft of the Airline, (vi) the aggregate quantity of defueled aviation fuel disposed of, (vii) the aggregate quantity of sumping and other authorized withdrawals from inventory, and (viii) the book balance, i.e., the difference between the

sum of items (i), (ii), (iii) and (iv), less the sum of items (v), (vi) and (vii) (herein referred to as the "monthly closing book inventory"). The statement shall also show (ix) the "monthly actual closing inventory," which shall mean the actual quantity of aviation fuel of the Airline held for the account of the Airline in the System and tenders or refueling vehicles on the last day of the month, plus or minus, as the case may be, the Airline's share of the actual gains or losses of the respective grade of aviation fuel, which shall be determined as follows: the actual gain or loss shall be the difference between (A) the aggregate of the monthly closing book inventory of such grade of all Permittees and (B) the actual quantity of such grade in the System, tenders and refueling vehicles on the last day of the month, determined by actual measurement, and the Airline's share of such actual gain or loss shall be the amount which bears the same proportion to the actual gain or loss as the number of gallons of such grade of aviation fuel delivered by Allied into aircraft of the Airline during the month bears to the aggregate number of gallons of such grade delivered by Allied into aircraft of all Permittees and their customers during such month. If the Airline's share of any actual loss as shown on such statement for any month is equal to or exceeds 1/4 of 1% of the volume of aviation fuel delivered by Allied into aircraft of the Airline during such month, Allied shall furnish a written explanation of the reasons therefor.

307. Allied shall be required to have available for delivery to the Airline the quantity of each grade of aviation fuel delivered to Allied by or on behalf of the Airline and taken into storage under the Airline's fuel storage permit, less or plus actual net losses incurred or gains experienced, respectively, as determined in the manner provided in paragraph 306. Neither Allied nor the Port Authority shall be responsible for shortages or losses of aviation fuel except, as to Allied, as to losses covered by the insurance carried by Allied pursuant to paragraph 1103 hereof.

ARTICLE 4

Method of Operation

401. All Allied's obligations hereunder shall be subject to (a) the capacity and physical limitations of the System, and (b) the impairment or interruption of service caused by or due to fire, earthquake, flood, lightning, windstorm, power shortages, labor disputes, war (whether declared or undeclared), riot, embargoes, delays, losses or damages in transportation, regulations, rulings or requests of any governmental agency now existing or hereafter in effect (not involving a breach of Allied's obligations under this Agreement), acts of God, or any other cause beyond the control of Allied, whether or not of the nature or character hereinbefore specifically enumerated. Subject to the foregoing, Allied shall (a) furnish good, prompt and efficient

service, (b) furnish service on a fair, equal and nondiscriminatory basis to all Permittees, (c) keep open for business 24 hours a day, 7 days a week, and (d) conduct its operations at the Airport consistent with Sections 17, 18, 19, 20 and Schedule D of the Master Lease and in accordance with generally accepted practices of the industry.

402. Allied shall maintain such accounting records and such measuring and/or metering devices and procedures as will accurately show receipts of products, deliveries, and quantities on hand for each grade of bonded and non-bonded aviation fuel for the Airline and shall make the same available for inspection by the Airline at any time during regular business hours. Allied shall cooperate with the Airline, its Suppliers, other Permittees, and with United States Customs officers in the taking of a physical inventory of bonded aviation fuel in the manner described in paragraph 306, if permissible under United States Customs regulations, or if not so permissible, at midnight on December 31 in each year, and shall make its records readily available to the Airline and its Suppliers, and to United States Customs officers during such stock audits for ready determination of all transactions respecting bonded aviation fuel delivered by or on behalf of the Airline. As of the last day of each month or as of midnight on December 31 in each year, as the case may be, Allied shall prepare and submit to the Airline and its Supplier a statement of losses or gains of each grade of bonded aviation fuel for the

preceding month or 12 months, as the case may be, to provide the information required to be furnished to United States Customs. Losses or gains of each grade of bonded aviation fuel shall be allocated in such statement among the Permittees in the proportion thereof which, for the month or the year in question, the number of gallons of such grade of bonded aviation fuel delivered into aircraft of each Permittee and its customers during such month or year bears to the total number of gallons of such grade of bonded aviation fuel delivered into aircraft of all Permittees and their customers during such month or year.

403. In performing its obligations herein, Allied shall comply with (a) all applicable orders, rules, regulations and requirements of the Port Authority, and (b) all applicable laws, orders, rules, regulations and requirements of federal, state and local governments and departments, agencies and bureaus thereof ("governmental requirements"); but if Allied contests the amount or validity, in whole or in part, of any such governmental requirement by appropriate proceedings, the Airline shall not be entitled to assert any breach of this provision unless Allied shall have failed to comply with such governmental requirement after a determination with respect thereto shall have become final and the time to appeal therefrom has expired. Allied shall maintain in full force and effect throughout the period of this Agreement all licenses, permits, permissions, certificates

and any other evidence of authority necessary to permit it lawfully to perform its obligations hereunder.

404. Once each day, at approximately the same time, Allied shall measure the quantity, by grade, of the Airline's aviation fuel in the storage tanks and tenders and refueling vehicles, but excluding line displacements, and shall keep accurate records of the same. Upon the Airline's request, Allied shall inform it of the amount of such fuel so measured. Allied shall notify the Airline, at least 48 hours in advance of the time when, in its opinion, additional deliveries of aviation fuel are required, and shall assist the Airline in scheduling deliveries.

405. A committee (the "Airline Fuel Committee"), consisting of one representative of each of the Master Lessees and one representative from the airlines listed on Schedule D to the Master Lease who are not Master Lessees, shall be established to consult regularly with Allied concerning the performance of services pursuant to this Agreement and the general operating procedures under which services will be performed.

ARTICLE 5

Commingling of Aviation Fuel

501. Until such time as delivery is made into aircraft, the aviation fuel, the delivery of which is accepted by Allied at the Airport, shall at all times be and remain the property of the Permittee for whose account such aviation fuel is taken into storage under its fuel storage permit, unless such aviation fuel is transferred to another Permittee pursuant to Article 7 hereof. Allied shall not be required to accept for storage at any one time quantities in excess of the amount the Airline is entitled to store under its Master Lease or fuel storage permit, as the case may be, for the Airline's particular grade of aviation fuel.

502. In the storage tanks of the System, aviation fuel of the same specifications may be delivered for the account of two or more Permittees, and such aviation fuel accepted for storage may be commingled, except that bonded aviation fuel shall not be commingled with aviation fuel which is not bonded aviation fuel. No Permittee shall have the right to require separation of products by brand, but shall have the right to require separation by specification and Allied shall be obliged to provide separation by specifications subject to the terms of the Master Lease. No consequences attributable to the foregoing provisions with respect to commingling or non-commingling shall constitute a breach by Allied of this Agreement, and Allied shall not

be liable to any Permittee for, or with respect to, any such consequence, except where attributable to Allied's negligence.

503. No airline, including the Airline, shall be entitled to have delivered into its aircraft aviation fuel in an amount greater than that stored in the System under its fuel storage permit or for its account under the fuel storage permit or permits of its Supplier or Suppliers, unless another Permittee agrees to supply the required aviation fuel.

ARTICLE 6

Quality of Aviation Fuel

601. The Airline represents and warrants to Allied, or shall cause its Supplier to represent and warrant directly to Allied, that all aviation fuel delivered by it or its Supplier to Allied shall be of the kind and grade represented upon any delivery ticket or loading certificate (or similar document) delivered to Allied at, or before, the time of delivery, and shall meet ASTM specification D1655, latest revision, for Jet A or Jet A1 Fuel, and that all such fuel at the time of delivery will be uncontaminated as to purity as fuel and will be uncommingled with any other kind or grade of fuel. Such representations and warranties shall not relieve Allied of its obligations under paragraph 203 with regard to the testing of fuel upon delivery, nor of its

obligations under paragraph 206 with regard to the handling of contaminated fuel.

ARTICLE 7

Transfers of Aviation Fuel

701. The Airline shall promptly notify Allied of all aviation fuel received in the fuel storage tanks of the System by another Permittee which, after such receipt, is transferred to the Airline for storage by it in an exchange between them.

ARTICLE 8

Airline's Right of Removal of Aviation Fuel

801. At the Airline's expense and without liability to Allied, at any time during the term of this Agreement the Airline may remove all or any part, and within a period of 10 days after its termination the Airline shall remove all, of such quantity of aviation fuel of its particular grade as is in storage under its fuel storage permit subject to the provisions of this Agreement, provided, however, that in the event the Airline's aviation fuel has been commingled with aviation fuel owned by others, the Airline, upon the termination of this Agreement, shall either (i) promptly remove its share of such commingled aviation fuel in accordance with Allied's directions, or (ii) promptly sell or transfer

its share of commingled fuel to one or more of the Permittees.

ARTICLE 9

Independent Contractor

901. In performing all of its obligations hereunder, Allied shall act as an independent contractor.

ARTICLE 10

Cooperation

1001. The Airline shall cooperate with Allied in every way possible and shall give Allied reasonable advance notice of its requirements, changes in its schedules, types of aircraft to be flown, extra sections and delays in plane arrivals and departures to the extent that these items affect fuel demands and are pertinent to Allied's services under this Agreement.

ARTICLE 11

Insurance and Indemnity

1101. Allied shall maintain in effect at all times during the term of this Agreement (and shall name the Airline as an additional insured on the insurance described in items II and III below) the following described insurance

covering it and its operations and activities under this Agreement in not less than the respective amounts set forth below and shall furnish the Airline with certificates of insurance certifying that such insurance is in full force and effect and that the insurer will notify the Airline 30 days prior to any cancellation or change.

Description	Limit of Liability
I. Workers' Compensation Employer's Liability	Statutory as required $500,000
II. Legal Liability Insurance	
A. Airport Premises - Operations	
Comprehensive General Liability, including automotive vehicles, contractual and products hazards and sudden, unintended and unexpected seepage, pollution or contamination	$500,000,000 each occurrence, combined single limit for bodily injury and property damage, subject to a $500,000,000 annual policy aggregate for products hazards coverage for Allied and all of its affiliates
B. Automotive Vehicles (while away from Airport premises)	
Comprehensive Automotive Vehicles Liability	$75,000,000 each occurrence, combined single limit for bodily injury and property damage
III. Environmental Impairment Liability, except sudden unintended and unexpected seepage, pollution or contamination	$4,000,000 per claim subject to a deductible of $5,000 per claim and $8,000,000 annual policy aggregate for Allied and all of its affiliates

1102. Allied further agrees, subject to the provisos hereinafter set forth in this paragraph 1102, to indemnify, defend and hold harmless the Airline from and against any and all claims, liabilities, damages, losses, and judgments, including costs and expenses incident thereto, which may be suffered by, accrue against, be charged to, or recoverable from the Airline by reason of loss of or damage to property, or by reason of injury to or death of any persons, arising out of or in any way connected with the furnishing of any of the services herein provided for by Allied under this Agreement and caused by the negligence of Allied, its agents, officers, employees, or subcontractors, provided that, notwithstanding anything to the contrary contained herein, Allied shall not be liable in any event for mail fines or for loss, damage or expense caused by or arising in connection with delay to scheduled or non-scheduled arrivals or departures of aircraft, cargo, or passengers, or for loss of full or partial use and occupancy of any aircraft or facilities. Allied will insure its liability under this paragraph 1102 as part of the insurance provided for in paragraph 1101.

1103. During the term of this Agreement, Allied shall maintain

(a) to the extent of the replacement value thereof, on all aviation fuel stored hereunder on behalf of the Airline, from the

time such fuel is accepted on delivery until it is transferred into the Airline's aircraft hereunder, physical loss or damage insuranceon an all-risk basis except for the perils of (i) delay, deterioration, inherent vice and/or loss of market, (ii) mysterious disappearance or unexplained shortages disclosed by the taking of inventory, (iii) hostile or warlike action in time of peace or war, (iv) infidelity or dishonesty of any employee of Allied, (v) nuclear explosion and radiation contamination, (vi) loss or damage caused by or resulting from the explosion or rupture or bursting of pressure vessels or pipes (however, explosion, rupture or bursting of oil transfer lines and associated piping and equipment to and from storage tanks and facilities are covered), or steam boilers, or steam pipes, or steam turbines, or steam engines, or flywheels, owned or operated by Allied, or mechanical or machinery breakdown, and (vii) other perils customarily excluded from such insurance; and

(b) fidelity insurance, to the extent of $100,000 per employee, plus $900,000 per occurrence;

such insurance under subparagraph (a) above to be written in the names of, and payable to, Allied and the Airline, as their respective interests may appear. At the Airline's request, Allied shall furnish the Airline with certificates of insurance certifying that such insurance is in full force and effect and that the insurer will notify the Airline 30 days prior to any cancellation or change.

ARTICLE 12

Charges for Services

1201. The charges for Allied's services shall be paid by the Port Authority pursuant to separate agreement between the Port Authority and Allied.

ARTICLE 13

Term

1301. This Agreement shall take effect as of 12:01 A.M. on January 1, 1984 and shall continue so long as Allied continues as the operator of the System, subject to the further provisions of this Article 13.

1302. If either Allied's designation as the operator of the System or the Airline's fuel storage permit is terminated, this Agreement shall terminate automatically and simultaneously therewith.

ARTICLE 14

Uniform Form of Agreement

1401. It is intended that the form of agreement between Allied and all Permittees shall be uniform in all material respects. Neither Allied nor the Airline shall execute a material amendment to this Agreement unless the same amendment is offered for execution by Allied and all other Permittees.

ARTICLE 15

Miscellaneous

1501. The right of either party to require strict performance hereunder by the other shall not be affected by any previous waiver, forbearance or course of dealing.

1502. This Agreement contains the entire contract between the parties with reference to the subject matter thereof and may not be changed, modified, discharged or extended except by written instrument signed by the parties.

1503. The article headings are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of any provisions of this Agreement.

1504. This Agreement shall be governed by, and construed in accordance with, the law of the State of New Jersey.

ARTICLE 16

Successors and Assigns

1601. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Allied and the Airline.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

ALLIED AVIATION SERVICE COMPANY OF NEW JERSEY, INC.	_____ Name of Airline
By_____	By_____
Title_____	Title_____

Initialed: KO For the Port Authority

For the Permittee

Exhibit 1-A

8- Point Test

The "8-point test" shall consist of the following:

		Specification
1.	Color, Saybolt, min.	Plus 16
2.	API Gravity at 60° F	37° - 51°
3.	Flash Point, TCC, min.	100° - 150°
4.	Copper Strip Corrosion, max.	No. 1
5.	Freeze Point, ASTM D 2386 max.	Jet A – 40° C Jet A-1 - 47° C
6.	Water Tolerance: Interface rating, max. M1 Change, max.	 1 (b) 1.0
7.	Distillation: 10% Evaporated, max. Temp.	 400°
	50% Evaporated, max. Temp.	450°
	95% Evaporated, max Temp.	465°
	Final Boiling Point, max, Temp.	550°
	Residue, max. %	1.5%
	Loss, max. %	1.5%
8.	Water Separometer Index, Modified min.	85

Initialed:

For the Port Authority

For the Permittee

[redacted]

For Port Authority Use Only

:Permit Number: ___ANC-084_____:

NEWARK LIBERTY INTERNATIONAL AIRPORT
PRIVILEGE PERMIT

The Port Authority of New York and New Jersey (the "Port Authority") hereby grants to the Permittee named below the described non-exclusive privilege at Newark Liberty International Airport, in the City of Newark, County of Essex and State of New Jersey, 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:** Deutsche Lufthansa Aktiengesellschaft, a(n) corporation formed under the laws of the Republic of Germany.

2. **PERMITTEE'S ADDRESS:** 1640 Hempstead Turnpike
East Meadow, NY 11554

3. **PERMITTEE'S REPRESENTATIVE:** Dieter Grosse, EWR Station Manager

4. **PRIVILEGE:** To provide Routine and Non-routine Aircraft Maintenance services on Permitted Areas of the Airport to Approved Aircraft Operators or other Persons at the Airport, as such Approved Aircraft Operators and/or Persons may be approved in writing in advance by the Port Authority (the "Authorized Service"), and for no other purpose or purposes whatsoever.

5. **FEES:** As set forth in Section 4 of the Terms and Conditions hereof.

6. **EFFECTIVE DATE:** March 1, 2010

7. **EXPIRATION DATE:** February 28, 2020, unless sooner revoked or terminated as herein provided.

8. **REQUIRED SECURITY DEPOSIT:** $0.00

9. **INSURANCE REQUIREMENTS:** $100,000,000.00 minimum limit Commercial General Liability
$25,000,000.00 minimum limit Automobile Liability

10. **ENDORSEMENTS:** Special Endorsements.

Dated: As of September 15, 2009

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By_____

Name David Kagan
(Please Print Clearly)

(Title) Assistant Director
Business, Properties & Airport Development

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

KO

DEUTSCHE LUFTHANSA AKTIENGESELLSCHAFT, Permittee

By_____

Name JENS BISCHOF
(Please Print Clearly)

(Title) President

TERMS AND CONDITIONS

1. Definitions:

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

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

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

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

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

(e) "*Basic Lease*" shall mean the agreement between the City and the Port Authority dated October 22, 1947, as the same from time to time may have been or may be supplemented or amended. Said agreement dated October 22, 1947 has been recorded in the Office of the Register of Deeds for the County of Essex, on October 30, 1947, in Book E-110 of Deeds, at pages 242, et seq.

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

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

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

(i) representation and accommodation;

(ii) load control and communications;

(iii) unit load device control, handling and administration in connection with Cargo Aircraft;

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

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

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

(vii) distribution of Air Cargo;

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

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

(x) supervision and administration;

(xi) courier services;

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

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

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

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

(xvi) towing of Cargo Aircraft;

(xvii) ramp control tower services for Cargo Aircraft;

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

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

(xx) ramp area cleaning;

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

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

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

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

(xxv) triturator operations and maintenance;

(xxvi) snow removal; and

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

(i) "*City*" shall mean the City of Newark.

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

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

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

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

(iv) ramp area cleaning services;

(v) exterior surface cleaning services; and

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

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

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

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

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

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

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

Routine and Non-routine Aircraft Maintenance, is hereby prohibited unless expressly provided for hereunder.

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

(p) "*Gross Receipts*" shall mean all amounts, monies, revenues, receipts and income of every type paid or payable to the Permittee for sales made and for services rendered at or from the Airport, regardless of when or where the order therefor is received, and outside the Airport, if the order therefor is received at the Airport, and any other amounts, monies, revenues, receipts and income of any type arising out of or in connection with the Authorized Service, provided, however, there shall be excluded from Gross Receipts any taxes imposed by law which are separately stated to and paid by the customer and directly payable to the taxing authority by the Permittee. The Permittee's Recovery Fee, as hereinafter defined, if any, shall be included within Gross Receipts and shall be subject to the fees set forth under Section 4 of this Permit.

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

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

(i) furnishing interpreters for the assistance of non-English-speaking passengers;

(ii) inbound and outbound passenger baggage handling services, including but not limited to checking, weighing, handling and storage of aircraft baggage;

(iii) selling of tickets for air transportation;

(iv) checking in and boarding aircraft passengers;

(v) porter service for passenger baggage;

(vi) passenger assistance, passenger information service, flight information and public address paging and announcements;

(vii) supervisory and administrative functions on behalf of Approved Aircraft Operators in conjunction with the Permittee's performance of the other activities constituting a part of the In-Terminal Handling Service;

(viii) the arrangement of ground transportation of crew, passengers and baggage;

(ix) handicapped services;

(x) security and pre-board screening;

(xi) building janitorial and maintenance; and

(xii) lounge hosting services.

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

(t) "*Passenger Ramp Service*" shall mean all or any of the following services for or in connection with Passenger Aircraft:

(i) representation and accommodation;

(ii) load control and communications on ramp;

(iii) unit load device control, handling and administration;

(iv) baggage handling and sorting, including delivering baggage to and from Passenger Aircraft and to and from baggage facilities, provided, however, no permission is hereby given for the Permittee to deliver baggage from one terminal to another unless they are part of the same premises; sorting baggage in baggage makeup facilities; and delivering baggage to and from interline system permittees;

(v) guiding Passenger Aircraft in and out of gates or loading and unloading positions and parking Passenger Aircraft;

(vi) furnishing and placing in position and thereafter removing the necessary and appropriate steps, stands and power equipment for the safe and efficient loading and unloading of crew, passengers, baggage, ballast, potable water, mail, air express, Air Cargo and supplies from and onto Passenger Aircraft and trucks, and perform such loading and unloading and reporting irregularities;

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

(viii) providing, positioning/removing, and operating appropriate units for engine starting;

(ix) providing a fire guard equipped with the necessary and appropriate fire fighting equipment;

(x) towing of Passenger Aircraft;

(xi) ramp control tower services for Passenger Aircraft;

(xii) Passenger Aircraft servicing, including exterior and interior cleaning, the removal and disposal of aircraft waste material and providing water service, cooling and heating, toilet service, and rearranging cabin equipment;

(xiii) ramp area cleaning;

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

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

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

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

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

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

(xx) catering liaison and administration;

(xxi) triturator operations and maintenance;

(xxii) snow removal; and

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

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

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

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

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

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

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

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

2. Effective Date, Termination and Revocation:

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

(b) Notwithstanding any other term or condition hereof, the permission hereby granted may be revoked without cause upon thirty (30) days' written notice by the Port

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

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

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

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

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

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

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

(ii) In the event the Port Authority exercises its right to revoke this Permit, as aforesaid, it shall do so by twenty-four (24) hours' written notice to the Permittee, effective as of

the time specified in the notice. The exercise by the Port Authority of its right of suspension shall not waive or affect or be deemed to waive or affect the right of revocation.

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

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

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

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

3. Exercise of Rights:

(a) The rights granted hereby shall be exercised

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

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

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

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

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

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

in that event each and every obligation or undertaking herein stated to be fulfilled or performed by the Permittee shall be the joint and several obligation of each such individual or other legal entity.

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

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

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

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

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

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

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

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

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

4. Fees:

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

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

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

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

or made via the following wire transfer instructions:

Bank: TD Bank
Bank ABA number: 031201360

Account number: [redacted]

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

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

(i) handicapped services;

(ii) security services;

(iii) lost and found baggage services;

(iv) snow removal services;

(v) ground transportation of employees; and

(vi) building janitorial and maintenance services,

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

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

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

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

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

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

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

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

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

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

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

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

(k) The Basic Percentage Fee and any other fees payable under this Permit shall be subject to increase from time to time upon thirty (30) days' notice from the Port Authority to the Permittee, given by the General Manager of the Airport or such other representative as the Port Authority may substitute from time to time by notice to the Permittee, and upon the effective date of the increase set forth in such notice the fees payable by the Permittee under this Permit shall be as set forth in said notice. In the event within ten (10) days after the Permittee receives such notice from the Port Authority, the Permittee notifies the Port Authority that the Permittee does not wish to pay the increased fees, this Permit and the permission granted hereunder shall be, and shall be deemed to be, cancelled effective at the close of business on the day preceding the effective date of the increase, as set forth in the Port Authority's notice to the Permittee. If the Permittee does not so notify the Port Authority, the increased fees shall become effective on the date set forth in the Port Authority's notice as aforesaid. No cancellation of this Permit and the permission granted thereunder pursuant to this paragraph (k) shall be construed to relieve the Permittee of any obligations or liabilities hereunder which shall have accrued on or before the effective date of such cancellation.

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

5. Security Deposit:

(a) (i) Provided that an amount is set forth in Item 8 on the first page of this Permit (the "*Required Security Deposit*"), and, provided, further, the amount of said Required Security Deposit is less than $20,000.00, upon the execution of this Permit by the Permittee and delivery thereof to the Port Authority, the Permittee shall deposit with the Port Authority (and shall keep deposited throughout the effective period of the permission under this Permit) the Required Security Deposit, either in cash, or bonds of the United States of America, or of the State of New Jersey, or of the State of New York, or of the Port Authority of New York and New Jersey, having a market value of that amount, as security for the full, faithful and prompt performance of and compliance with, on the part of the Permittee, all of the terms, provisions, covenants and conditions of this Permit on its part to be fulfilled, kept, performed or observed. Bonds qualifying for deposit hereunder shall be in bearer form but if bonds of that issue were offered only in registered form, then the Permittee may deposit such bonds or bonds in registered form, provided, however, that the Port Authority shall be under no obligation to accept such deposit of a bond in registered form unless such bond has been re-registered in the name of the Port Authority (the expense of such re-registration to be borne by the Permittee) in a manner satisfactory to the Port Authority. The Permittee may request the Port Authority to accept a registered bond in the Permittee's name and if acceptable to the Port Authority the Permittee shall deposit such bond together with an irrevocable bond power (and such other instruments or other documents as the Port Authority may require) in form and substance satisfactory to the Port Authority. In the event the Required Security Deposit is returned to the Permittee, any expenses incurred by the Port Authority in re-registering a bond to the name of the Permittee shall be borne by the Permittee. In addition to any and all other remedies available to it, the Port

Authority shall have the right, at its option, at any time and from time to time, with or without notice, to use the Required Security Deposit, or any part thereof, in whole or partial satisfaction of any of its claims or demands against the Permittee. There shall be no obligation on the Port Authority to exercise such right and neither the existence of such right nor the holding of the Required Security Deposit itself shall cure any default or breach of this Permit on the part of the Permittee. With respect to any bonds deposited by the Permittee, the Port Authority shall have the right, in order to satisfy any of its claims or demands against the Permittee, to sell the same in whole or in part, at any time, and from time to time, with or without prior notice at public or private sale, all as determined by the Port Authority, together with the right to purchase the same at such sale free of all claims, equities or rights of redemption of the Permittee. The Permittee hereby waives all right to participate therein and all right to prior notice or demand of the amount or amounts of the claims or demands of the Port Authority against the Permittee. The proceeds of every such sale shall be applied by the Port Authority first to the costs and expenses of the sale (including but not limited to advertising or commission expenses) and then to the amounts due the Port Authority from the Permittee. Any balance remaining shall be retained in cash toward bringing the Required Security Deposit to the sum specified in Item 8 on the first page of this Permit. In the event that the Port Authority shall at any time or times so use the Required Security Deposit, or any part thereof, or if bonds shall have been deposited and the market value thereof shall have declined below the amount set forth in Item 8 on the first page of this Permit, the Permittee shall, on demand of the Port Authority and within two (2) days thereafter, deposit with the Port Authority additional cash or bonds so as to maintain the Required Security Deposit at all times to the full amount above stated in Item 8 on the first page of this Permit, and such additional deposits shall be subject to all the conditions of this Section. After the expiration or earlier revocation or termination of the effective period of the permission under this Permit, and upon condition that the Permittee shall then be in no wise in default under any part of this Permit, and upon written request therefor by the Permittee, the Port Authority will return the Required Security Deposit to the Permittee less the amount of any and all unpaid claims and demands (including estimated damages) of the Port Authority by reason of any default or breach by the Permittee of this Permit or any part thereof. The Permittee agrees that it will not assign or encumber the Required Security Deposit. The Permittee may collect or receive any interest or income earned on bonds and interest paid on cash deposited in interest-bearing bank accounts, less any part thereof or amount which the Port Authority is or may hereafter be entitled or authorized by law to retain or to charge in connection therewith, whether as or in lieu of an administrative expense, or custodial charge, or otherwise; provided, however, that the Port Authority shall not be obligated by this provision to place or to keep cash deposited hereunder in interest-bearing bank accounts.

(ii) In lieu of the Required Security Deposit made in the form described above in paragraph (a)(i), the Permittee may at any time during the effective period of the permission granted under this Permit offer to deliver to the Port Authority, as security for all obligations of the Permittee under this Permit, a clean irrevocable letter of credit issued by a banking institution satisfactory to the Port Authority and having its main office within the Port of New York District, in favor of the Port Authority in the amount of the Required Security Deposit. The form and terms of such letter of credit, as well as the institution issuing it, shall be subject to the prior and continuing approval of the Port Authority. Such letter of credit shall provide that it shall continue throughout the effective period of the permission granted under this Permit and for a period of not less than six (6) months thereafter; such continuance may be by provision for automatic renewal or by substitution of a subsequent satisfactory letter. Upon notice of cancellation of a letter of credit, the Permittee agrees that unless, by a date twenty (20) days prior to the effective date of cancellation, the letter of credit is replaced by security in accordance with

paragraph (a)(i) of this Section or another letter of credit satisfactory to the Port Authority, the Port Authority may draw down the full amount thereof and thereafter the Port Authority will hold the same as security under paragraph (a)(i) of this Section. Failure to provide such a letter of credit at any time during the effective period of the permission granted under this Permit, valid and available to the Port Authority, including any failure of any banking institution issuing any such letter of credit previously accepted by the Port Authority to make one or more payments as may be provided in such letter of credit, shall be deemed to be a breach of this Permit on the part of the Permittee. Upon acceptance of such letter of credit by the Port Authority, and upon request by the Permittee made thereafter, the Port Authority will return the Required Security Deposit, if any, theretofore made under and in accordance with the provisions of paragraph (a)(i) of this Section. The Permittee shall have the same rights to receive such Required Security Deposit during the existence of a valid letter of credit as it would have to receive such sum upon expiration of the effective period of the permission granted under this Permit and fulfillment of the obligations of the Permittee hereunder. If the Port Authority shall make any drawing under a letter of credit held by the Port Authority hereunder, the Permittee on demand of the Port Authority and within two (2) days thereafter, shall bring the letter of credit back up to its full amount.

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

waiver of any default by the Permittee under the terms of this Permit, and all remedies under this Permit and of the Port Authority consequent upon such default shall not be affected by the existence of a recourse to any such letter of credit.

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

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

6. Permittee's Operations:

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

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

(c) The Permittee shall at all times that areas of the Airport are being used for the privileges permitted hereunder, maintain said areas in a clean and orderly condition and

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

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

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

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

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

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

7. Indemnity:

(a) The Permittee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives, from and against (and shall reimburse the Port Authority for the Port Authority's costs and expenses including legal costs and expenses incurred in connection with the defense of) all claims and demands of third Persons including but not limited to claims and demands for death or personal injuries, or for property damages, arising

out of any default of the Permittee in performing or observing any term or provision of this Permit, or out of the operations of the Permittee hereunder, or out of any of the acts or omissions of the Permittee, its officers, employees or Persons who are doing business with the Permittee arising out of or in connection with the activities permitted hereunder, or arising out of the acts or omissions of the Permittee, its officers or employees at the Airport, including claims and demands of the City against the Port Authority for indemnification arising by operation of law or through agreement of the Port Authority with the said City.

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

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

(d) If so directed, the Permittee shall at its own expense defend any suit based upon any such claim or demand set forth in paragraphs (a), (b) and (c) above (even if such claim or demand is groundless, false or fraudulent), and in handling such it shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority.

8. Liability Insurance:

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

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

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

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

(e) A certified copy of each policy or a certificate or certificates of insurance evidencing the existence thereof, or binders, shall be delivered to the Port Authority upon execution and delivery of this Permit by the Permittee to the Port Authority. In the event any binder is delivered it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate of insurance. Any renewal policy shall be evidenced by a renewal certificate of insurance delivered to the Port Authority at least seven (7) days prior to the expiration of each expiring policy, except for any policy expiring after the date of expiration of this Permit. The aforesaid insurance shall be written by a company or companies approved by the Port Authority. If at any time any insurance policy shall be or become unsatisfactory to the Port Authority as to form or substance or if any of the carriers issuing such policy shall be or become unsatisfactory to the Port Authority, the Permittee shall promptly obtain a new and satisfactory policy in replacement. If the Port Authority at any time so requests, a certified copy of each policy shall be delivered to or made available for inspection by the Port Authority.

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

9. Special Endorsements:

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

10. No Waiver:

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

11. Removal of Property:

The personal property placed or installed by the Permittee at the Airport shall remain the property of the Permittee and must be removed on or before the expiration, revocation, cancellation or termination of the permission hereby granted, whichever shall be earlier. Without limiting the terms and provisions of paragraph (g) of Section 18 hereof, any such property remaining at the Airport after the effective date of such expiration, revocation, cancellation or termination shall be deemed abandoned by the Permittee and may be removed and disposed of by the Port Authority in any manner it so determines in its sole discretion and all the proceeds of any removal or disposition shall be retained by the Port Authority for its account and all costs and expenses of such removal and disposition shall be paid to the Port Authority by the Permittee when billed.

12. Permittee's Representative:

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

13. Notices:

Except where expressly required or permitted herein to be oral, all notices, directions, requests, consents and approvals required to be given to or by either party shall be in writing, and

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

14. Late Charges:

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

15. Non-discrimination:

(a) Without limiting the generality of any of the provisions of this Permit, the Permittee, for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby agree that (1) no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of any space at the Airport and the exercise of any privileges under this Permit, (2) that in the construction of any improvements on, over, or under any space at the Airport and the furnishing of any service thereon by the Permittee, no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, (3) that the Permittee shall use any space at the Airport and exercise any privileges under this Permit in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of

Transportation, Subtitle A, Office of the Secretary, the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended, and any other present or future laws, rules, regulations, orders or directions of the United States of America with respect thereto which from time to time may be applicable to the Permittee's operations thereat, whether by reason of agreement between the Port Authority and the United States Government or otherwise.

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

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

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

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

16. Affirmative Action:

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

17. Rules and Regulations:

(a) The Permittee shall observe and obey (and compel its officers, employees, guests, invitees, and those doing business with it, to observe and obey) the rules and regulations and procedures of the Port Authority now in effect, and such further reasonable rules and regulations

and procedures which may from time to time during the effective period of this Permit, be promulgated by the Port Authority for reasons of safety, health, preservation of property or maintenance of a good and orderly appearance of the Airport or for the safe and efficient operation of the Airport. The Port Authority agrees that, except in cases of emergency, it shall give notice to the Permittee of every rule and regulation hereafter adopted by it at least five (5) days before the Permittee shall be required to comply therewith.

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

18. Prohibited Acts

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

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

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

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

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

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

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

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

(b) The Permittee shall not dispose of, release or discharge nor permit anyone to dispose of, release or discharge any Hazardous Substance on the Airport except that the Permittee may release or discharge de-icing fluids utilized in the Permittee's ordinary course of business in the performance of any of the privileges granted hereunder so long as such release or discharge is not a violation of the terms and conditions of Sections 17 or 19 hereof. In addition to and without limiting Section 19 hereof, any Hazardous Substance disposed of, released or

discharged by the Permittee (or permitted by the Permittee to be disposed of, released or discharged) on the Airport shall upon notice by the Port Authority to the Permittee and subject to the provisions of Sections 17 and 19 hereof and to all Environmental Requirements, be completely removed and/or remediated by the Permittee at its sole cost and expense, provided, however, the forgoing shall not apply to releases and discharges which are in compliance with the terms and conditions of Sections 17 and 19 hereof of de-icing fluids utilized in the Permittee's ordinary course of business in the performance of any of the privileges granted hereunder and the obligation of the Permittee to remove and remediate such de-icing fluids shall be as required by the terms and conditions of Sections 17 and 19 hereof. The obligations of the Permittee pursuant to this paragraph shall survive the expiration, revocation, cancellation or termination of this Permit.

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

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

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

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

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

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

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

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

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

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

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

19. Law Compliance:

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

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

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

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

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

20. Trademarks and Patent Infringement:

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

21. Inspection:

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

22. Federal Aid:

(a) The Permittee shall

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

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

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

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

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

23. Capacity and Competition:

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

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

24. Business Development and Records:

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

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

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

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

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

shall separately state and identify each activity (including without limitation the Authorized Service) performed at the Airport;

(v) permit and/or cause to be permitted in ordinary business hours during the effective period of this Permit, for one (1) year thereafter, and during such further period as is mentioned in the preceding paragraphs (a)(iii) and (a)(iv), the examination and audit by the officers, employees and representatives of the Port Authority of all the records and books of account of the Permittee (including without limitation all corporate records and books of account which the Port Authority in its sole discretion believes may be relevant for the identification, determination or calculation of Gross Receipts all agreements, and all source documents) and all the records and books of account of all Affiliates (including without limitation all corporate records and books of account which the Port Authority in its sole discretion believes may be relevant for the identification, determination or calculation of Gross Receipts, all agreements, and all source documents) (all of the foregoing records and books described in this paragraph (a)(v) being hereinafter collectively referred to as the "*Books and Records*") within ten (10) days following any request by the Port Authority from time to time and at any time to examine and audit any Books and Records;

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

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

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

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

(ii) if any Books and Records are maintained outside of the Port of New York District, then the Port Authority in its sole discretion may (x) require on ten (10) days' notice to the Permittee that any such Books and Records be made available to the Port Authority within the Port of New York District for examination and audit pursuant to paragraph (a)(v) hereof

and/or (y) examine and audit any such Books and Records pursuant to paragraph (a)(v) at the location(s) they are maintained and if such Books and Records are maintained within the contiguous United States the Permittee shall pay to the Port Authority when billed all travel costs and related expenses, as determined by the Port Authority, for Port Authority auditors and other representatives, employees and officers in connection with such examination and audit and if such Books and Records are maintained outside the contiguous United States the Permittee shall pay to the Port Authority when billed all costs and expenses of the Port Authority, as determined by the Port Authority, of such examination and audit, including but not limited to, salaries, benefits, travel costs and related expenses, overhead costs, and fees and charges of third party auditors retained by the Port Authority for the purpose of conducting such audit and examination.

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

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

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

25. Rates and Charges:

The Permittee shall establish rates and discounts therefrom which are in compliance with Section 22 hereof (each such rate and discount is hereinafter called an "*Established Rate*"). Upon request by the Port Authority, the Permittee shall provide the Port Authority its rates and

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

26. Other Agreements:

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

27. Counterclaims:

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

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

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

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

29. Miscellaneous:

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

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

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

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

KO

For the Port Authority

Initialled:

BY

For the Permittee

SPECIAL ENDORSEMENTS

1. (a) The Port Authority hereby consents to the Permittee providing the Authorized Service to Scandinavian Airlines System, TAP Air Portugal, Swiss, and Privat Air at the Airport.

(b) (i) In the event the Permittee shall desire to provide the Authorized Service to another Approved Aircraft Operator or Person at the Airport, the Permittee shall submit such request in writing to the Port Authority. The Permittee may perform the Authorized Service for other Approved Aircraft Operators or Persons at the Airport only after receiving the written consent of the Port Authority.

(ii) The Permittee hereby agrees that it will not carry on any business 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, and will specify whether the provisions regarding fees contained herein or any other provisions regarding fees shall apply thereto.

2. The Permittee hereby attests that its federal taxpayer identification number is [redacted]

KO

For the Port Authority

Initialed:

For the Permittee

Lease No. ANC-310

AGREEMENT OF LEASE

Between

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

And

DEUTSCHE LUFTHANSA AKTIENGESELLSCHAFT

Dated: As of November 1, 2012

THIS AGREEMENT OF LEASE, made as of the 1st day of November 2012 by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, a body corporate and politic created by Compact between the States of New York and New Jersey with the consent of the Congress of the United States of America and having an office and place of business at 225 Park Avenue South, New York, New York 10003 (the "**Port Authority**") and DEUTSCHE LUFTHANSA AKTIENGESELLSCHAFT, a company organized and existing under the laws of Germany, with an office and place of business at 1640 Hempstead Turnpike, East Meadow, NY 11554 (the "**Lessee**"), whose representative is Arthur J. Mollins.

WITNESSETH, That:

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

ARTICLE I. The Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority, at Newark Liberty International Airport (the "**Airport**" or the "**Facility**") in the City of Newark, County of Essex, State of New Jersey, the following described premises:

> the space on Concourse B3 of Terminal B3 connector of the Facility, as shown in diagonal hatching on the drawing attached hereto as "Exhibit A" and hereby made a part hereof.

together with the buildings, structures, fixtures, improvements and other property; if any, of the Port Authority located or to be located therein or thereon, the said areas, buildings, structures, fixtures, improvements and other property of the Port Authority being hereinafter called the "**Premises**". The Port Authority and the Lessee hereby acknowledge that the Premises constitute non-residential property.

ARTICLE II. The term of the letting hereunder (the "**Term**") shall commence at 12:01 o'clock a.m. on November 1, 2012, as such date may be postponed from time to time pursuant to the provisions of the Section of the Terms and Conditions entitled "*Postponement*" (the "**Commencement Date**") and, unless sooner terminated, shall expire at 11:59 o'clock p.m. on April 30, 2023 (the "**Expiration Date**").

ARTICLE III. The Lessee shall pay a basic rental as provided in Special Endorsement No. 2 hereto.

ARTICLE IV. The Lessee shall use and occupy the Premises for the following purposes only, and for no other purpose whatsoever:

> As a first class passenger lounge for the furnishing of special services to the Lessee's passengers, invitees and guests in connection with the Lessee's business of transportation of persons by aircraft, as well as to the passengers, invitees and

guests of other international airlines operating at the Airport who desire such service in connection with such airlines' business of transportation of persons by aircraft, such special services to include selling at retail or dispensing, for consumption on premises, food, alcoholic and non-alcoholic beverages through the services of a Port Authority operator who has been authorized through agreement with the Port Authority to operate such establishments at the Airport.

ARTICLE V. The Port Authority and the Lessee agree that the letting shall be subject to and in accordance with, and the Lessee and the Port Authority each for itself agrees that it will perform all the obligations imposed upon it by, the Terms and Conditions (Sections 1 through 34) hereof and the following endorsements and attachments, all annexed hereto and made a part hereof, with the same effect as if the same were set forth herein in full:

TITLE	NUMBER	DATE
Newark Liberty International Airport	Standard Endorsement No. 19.3	08/02
Special Endorsements		
Exhibit A		
Schedule E		
Schedule F		
Schedule G		

ARTICLE VI. The within, together with the said Terms and Conditions, endorsements and attachments, constitutes the entire agreement of the Port Authority and the Lessee 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.

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MLPF 10672

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By

David Kagan
Assistant Director
Title Business, Properties & Airport Development

~~ATTEST:~~
WITNESS:

DIRECTOR Finance, Business Services & Human Resources - The Americas

DEUTSCHE LUFTHANSA AKTIENGESELLSCHAFT, Lessee

By

Title VICE PRESIDENT - THE AMERICAS

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

SED

mmw/LL

TERMS AND CONDITIONS

SECTION 1. ***Ingress and Egress***

The Lessee shall have the right of ingress and egress between the Premises and the city streets outside the Facility. Such right shall be exercised by means of such pedestrian or vehicular ways to be used in common with others having rights of passage within the Facility, as may from time to time be designated by the Port Authority for the use of the public. The use of any such way shall be subject to the rules and regulations of the Port Authority which are now in effect or which may hereafter be promulgated for the safe and efficient operation of the Facility. The Port Authority may, at any time, temporarily or permanently close, or consent to or request the closing of, any such way or any other area at, in or near the Facility presently or hereafter used as such, so long as a means of ingress and egress as provided above remains available to the Lessee. The Lessee hereby releases and discharges the Port Authority, and all municipalities and other governmental authorities, and their respective successors and assigns, of and from any and all claims, demands, or causes of action which the Lessee may now or at any time hereafter have against any of the foregoing, arising or alleged to arise out of the closing of any way or other area, whether within or outside the Facility. The Lessee shall not do or permit anything to be done which will interfere with the free access and passage of others to space adjacent to the Premises or in any streets, ways and walks near the Premises.

SECTION 2. ***Governmental and Other Requirements***

(a) The Lessee shall procure from all governmental authorities having jurisdiction of the operations of the Lessee hereunder, all licenses, certificates, permits or other authorization which may be necessary for the conduct of such operations.

(b) The Lessee shall promptly observe, comply with and execute the provisions of any and all present and future governmental laws, rules, regulations, requirements, orders and directions which may pertain or apply to its operations or the use and occupancy of the Premises hereunder, and in addition shall make all improvements, repairs and alterations which may be so required.

(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 in or near the Facility and proper operation by the Lessee. Such provision herein is not to be construed as a submission by the Port Authority to the application to itself of any such requirements.

SECTION 3. ***Rules and Regulations***

(a) The Lessee covenants and agrees to observe and obey (and to compel its officers, employees and others on the Premises with its consent to observe and obey) the Rules and Regulations of the Port Authority as now supplemented and now in effect, and such further reasonable rules and regulations (including amendments and supplements thereto) for the government of the conduct and operations of the Lessee as may from time to time during the letting be promulgated by the Port Authority for reasons of safety, health, or preservation of property, or for the maintenance of the good and orderly appearance of the Premises, or for the safe or efficient operation of the Facility. The Port Authority agrees that, except in cases of emergency, it will give notice to the Lessee of every such further rule or regulation 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 by either delivery of a copy, or by publication in a newspaper published in the Port of New York District or by making a copy available at the office of the Secretary of the Port Authority.

(c) No statement or provision in the said Rules and Regulations shall be deemed a representation or promise by the Port Authority that the services or privileges described shall be or remain available, or that the

charges, prices, rates or fees stated therein shall be or remain in effect throughout the letting, all of the same being subject to change by the Port Authority from time to time whenever it deems a change advisable.

SECTION 4. ***Method of Operation***

(a) In the performance of its obligations hereunder and in the use of the Premises the Lessee shall conduct its operations in an orderly and proper manner, so as not to annoy, disturb or be offensive to others near the Premises or at the Facility and within twenty four hours remove the cause of any objection made by the Port Authority relative to the demeanor, conduct or appearance of any of the employees of the Lessee or others on the Premises with the consent of the Lessee.

(b) The Lessee shall not allow any garbage, debris or other waste materials (whether solid or liquid) to collect or accumulate on the Premises and the Lessee shall remove from the Premises and from the Facility all garbage, debris and other waste materials (whether solid or liquid) arising out of its operations hereunder. Any such material which may be temporarily stored shall be kept in suitable waste receptacles, the same to be made of metal and equipped with tight-fitting covers, and in any case to be designed and constructed to contain safely the waste material placed by the Lessee therein. The receptacles shall be provided and maintained by the Lessee and shall be kept covered except when being filled or emptied. The Lessee shall use extreme care when effecting removal of all such material, shall effect such removal at such times and by such means as first approved by the Port Authority, and shall in no event make use of any facilities or equipment of the Port Authority except with the prior consent thereof.

(c) The Lessee shall not do or permit to be done anything which may interfere with the effectiveness or accessibility of the utility, mechanical, electrical and other systems installed or located anywhere at the Facility.

(d) The Lessee shall not commit any nuisance or permit its employees or others on the Premises with its consent to commit or create or continue or tend to create any nuisance on the Premises or in or near the Facility.

(e) The Lessee shall take all reasonable measures to keep the sound level of its operations as low as possible and to eliminate vibrations tending to damage the Premises or the Facility or any part thereof.

(f) The Lessee shall not cause or permit to be caused or produced upon the Premises, to permeate the same or to emanate therefrom, any unusual, noxious or objectionable smokes, gases vapors or odors.

(g) The Lessee shall not do or permit to be done any act or thing at the Facility which shall or might subject the Port Authority to any liability or responsibility for injury to any person or persons or damage to any property.

(h) The Lessee shall not overload any floor, roof, land surface, bulkhead, pavement, landing, pier or wharf at the Facility, and shall repair, replace or rebuild any such, including but not limited to supporting members, damaged by overloading. For the purpose of this paragraph (h), any placing on the Premises of a load per square foot in excess of the number of pounds avoirdupois, if any, stated in any Special Endorsement hereto shall constitute overloading, but an overload may be created by a lesser weight. Nothing in this paragraph or elsewhere in this Agreement shall be or be construed to be a representation by the Port Authority of the weight capacity of any part of the Facility.

(i) The Lessee shall not do or permit to be done any act or thing upon the Premises or at the Facility which (1) will invalidate or conflict with any fire insurance policies covering the Premises or any part thereof, or the Facility, 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 permitted by this Agreement, or (3) which will increase the rate of any fire insurance, extended coverage or rental insurance on the Facility or any part thereof or on the contents of any building thereon. 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 Fire Protection Association and, if the Premises are located in New York, of the Insurance Services Office of New York, or, if the Premises are located in New Jersey, of the Insurance Services Office of New Jersey, or of any other

board or organization exercising or which may exercise similar functions, which may pertain or apply to the operations of the Lessee on the Premises, and the Lessee shall, subject to and in accordance with the provisions of this Agreement relating to construction by the Lessee, 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 any reason of any failure on the part of the Lessee to comply with the provisions of this paragraph any fire insurance, extended coverage or rental insurance rate on the Premises or any part thereof, or on the Facility or any part thereof, shall at any time be higher than it otherwise would be, then the Lessee shall pay to the Port Authority that part of all premiums paid by the Port Authority which shall have been charged because of such violation or failure by the Lessee.

(j) From time to time and as often as required by the Port Authority, the Lessee shall conduct pressure, water-flow, and other appropriate tests of the fire extinguishing system and fire-fighting equipment on the Premises whether furnished by the Port Authority or by the Lessee. The Lessee shall keep all fire-fighting and fire extinguishing equipment well supplied with a fresh stock of chemicals and with sand, water or other materials as the case may be for the use of which such equipment is designed, and shall train its employees in the use of all such equipment, including in such training periodic drills.

SECTION 5. ***Signs***

(a) Except with the prior consent of the Port Authority, the Lessee shall not erect, maintain or display any advertising, signs, posters or similar devices at or on the Premises or elsewhere at the Facility.

(b) Upon demand by the Port Authority, the Lessee shall remove, obliterate, or paint out any and all advertising, signs, posters and similar devices placed by the Lessee on the Premises or elsewhere on the Facility and in connection therewith at the expiration or earlier termination of the letting, shall restore the Premises and the Facility to the same condition as at the commencement of the letting. In the event of a failure on the part of the Lessee so to remove, obliterate or paint out each and every sign or piece of advertising and so to restore the Premises and the Facility, the Port Authority may perform the necessary work and the Lessee shall pay the costs thereof to the Port Authority on demand.

SECTION 6. ***Indemnity***

(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, whether those of the Port Authority's Law Department or otherwise, 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 the use or occupancy of the Premises by the Lessee or by others with its consent, or out of any other acts or omissions of the Lessee, its officers, employees, guests, representatives, customers, contractors, 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 Facility, claims and demands of the party from which the Port Authority derives its rights in the Facility for indemnification arising by operation of law or through agreement of the Port Authority with such party.

(b) If so directed, the Lessee shall at its own expense defend any suit based on any claim or demand referred to in the foregoing paragraph (a) (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.

SECTION 7. ***Maintenance and Repair***

(a) The Lessee shall at all times keep the Premises clean, and in an orderly condition and appearance, together with all the fixtures, equipment and personal property of the Lessee located in or on the Premises.

(b) The Lessee shall repair, replace, rebuild and paint 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 officers, employees or of other persons on or at the Premises with the consent of the Lessee.

(c) With respect to all parts of the Premises, including without limitation such of the following as are or may be during the Term located in or on the Premises; fences, the exterior and interior of the building walls the exterior and interior and operating mechanisms of and attachments to windows and skylights, screens, roofs, foundations, steel work, columns, the exterior and interior and operating mechanisms of and attachments to doors, partitions, floors, ceilings, inside and outside paved and unpaved areas, glass of every kind, and the utility, mechanical, electrical and other systems, the Lessee shall take the same good care of the Premises that would be taken by a reasonably prudent owner who desired to keep and maintain the same so that at the expiration or termination of the letting and at all times during the letting, the same (or a reconstruction of all or any part thereof) will be in as good condition as at the commencement thereof (or, in the case of improvements made during the letting hereunder, in as good condition as at the time of the installation or construction thereof), except for reasonable wear which does not adversely affect the watertight condition or structural integrity of the building or other structures on the Premises or adversely affect the efficient or the proper utilization of any part of the Premises. To that end, the Lessee shall make frequent periodic inspections and, from time to time as the necessity therefor arises and regardless of the cause of the condition requiring the same, the Lessee shall perform all necessary preventive maintenance including but not limited to painting (the exterior of the building, areas of joint or common use and areas visible to the general public to be painted in colors which have been approved by the Port Authority), and, except under circumstances as set forth in paragraph (a) of Section 8 of these Terms and Conditions, the Lessee shall make all necessary repairs and replacements and do all necessary rebuilding with respect to all parts of the Premises, all of which shall be in quality equal to the original in materials and workmanship and regardless of whether such repairs and replacements are structural or non-structural, ordinary or extraordinary, foreseen or unforeseen. The Lessee shall commence to perform each of its obligations hereunder within twenty days after notice from the Port Authority and shall thereafter continue the same to completion with reasonable diligence.

(d) The obligation of the Lessee as set forth in paragraphs (b) and (c), of this Section, in the event of damage or destruction covered by any contract of insurance under which the Port Authority is the insured, 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 reduce, limit or void the rights of the Port Authority thereunder, then the release shall be void and of no effect.

SECTION 8. ***Casualty***

(a) In the event that, as a result of a casualty insured against in favor of the Port Authority under the standard form of fire insurance policy and extended coverage endorsement carried by it on any structure, building or portion of a building which is or is a part of the Premises, the same is damaged (without the fault of the Lessee, its officers, employees, or others on or at the Premises with its consent) so as to render it untenantable in whole or substantial part, then

(1) if, in the opinion of the Port Authority, the necessary repairs or rebuilding can be completed within ninety (90) days after the occurrence of the damage, the Port Authority shall repair or rebuild with due diligence, and the rental hereunder shall be abated as provided in this Agreement, for the period from the occurrence of the damage to the completion of the repairs or rebuilding, whether or not the work of repair or rebuilding is actually completed within the said ninety (90) days; or

(2) if, in the opinion of the Port Authority, such repairs or rebuilding cannot be completed within ninety (90) days after the occurrence of the damage or if one or more of the structures or buildings

which are a part of the Premises or the entire Premises require rebuilding, then the Port Authority shall have options: (i) to proceed with due diligence to repair or to rebuild as necessary or (ii) to terminate the letting as to the damaged structure or structures, building or buildings or portion thereof only; or (iii) to cancel this Agreement and terminate the letting as to the entire Premises; and the rental payable under this Agreement shall be abated, as provided in this Agreement, 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, for the area or areas involved.

(b) "Substantial part" shall mean for the purpose of this Section at least twenty-five percent (25%) of the usable floor space in the structure or building or part thereof comprising the Premises, or, if there is more than one structure or building on the Premises, at least twenty-five percent (25%) of the aggregate usable floor space comprising the Premises in all of the structures and buildings covered by insurance.

(c) The parties hereby stipulate that if the Premises are in New Jersey neither the provisions of Titles 46:8-6 and 46:8-7 of the Revised Statutes of New Jersey nor those of any other similar statute shall extend or apply to this Agreement and if the Premises are in New York, neither the provisions of Section 227 of the Real Property Law of New York nor those of any other similar statute shall extend or apply to this Agreement.

(d) In the event of damage to or a partial or total destruction of the Premises, the Lessee shall within five (5) days of the occurrence commence to remove all of its damaged property and all debris thereof from the Premises or from the portion thereof destroyed and thereafter shall diligently continue such removal and if the Lessee does not perform its obligation hereunder, the Port Authority may remove such debris and dispose of the same and may remove such property to a public warehouse for deposit or may 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 9. ***Assignment and Sublease***

(a) The Lessee covenants and agrees that it will not sell, convey, transfer, assign, mortgage or pledge this Agreement or any part thereof, or any rights created thereby or the letting thereunder or any part thereof.

(b) The Lessee shall not sublet the Premises or any part thereof.

(c) If the Lessee assigns, sells, conveys, transfers, mortgages, pledges or sublets in violation of subdivisions (a) or (b) of this Section or if the Premises are occupied by anybody other than the Lessee, the Port Authority may collect rent from any assignee, sublessee or anyone who claims a right to this Agreement or letting or who occupies the Premises and shall apply the net amount collected to the rental herein reserved; and no such collection shall be deemed a waiver by the Port Authority of the covenants contained in subdivisions (a) and (b) of this Section nor an acceptance by the Port Authority of any such assignee, sublessee, claimant or occupant as tenant, nor a release of the Lessee by the Port Authority from the further performance by the Lessee of the covenants contained herein.

(d) The Lessee further covenants and agrees that it will not use or permit any person whatsoever to use the Premises or any portion thereof for any purpose other than as provided in Article IV of this Agreement.

SECTION 10. ***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 case of any deed, lease or other conveyance in lieu thereof (all of which are in this Section referred to as "taking or conveyance"), the Lessee shall not be entitled to assert any claim to any compensation, 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 or conveyance, 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. No taking by or conveyance to any governmental authority as described in paragraph (a) of this Section, nor any delivery by the Lessee nor taking by the Port Authority pursuant to this paragraph, 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 or conveyance covers the entire Premises, or in the event that the letting is terminated with respect to the entire Premises pursuant to paragraph (b) of this Section, 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 the said date were the original date of expiration hereof.

(d) In the event that the taking or conveyance covers a part only of the Premises, or in the event that the letting is terminated pursuant to paragraph (b) of this Section 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 had on that date expired, and the basic rental shall be abated as provided hereinafter.

(e) In the event that the taking or conveyance or the delivery by the Lessee or taking by the Port Authority pursuant to paragraph (b) of this Section covers fifty percent (50%) or more of the total usable area of the Premises including both open and enclosed space, then the Lessee and the Port Authority shall each have an option exercisable by notice given within ten (10) days after such taking or conveyance to terminate the letting hereunder, 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.

SECTION 11. ***Construction by the Lessee***

Except with the prior consent of the Port Authority, 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, and in the event any construction, improvement, alteration, modification, addition, repair or replacement is made with or without such 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, or any extension or renewal thereof, or within sixty (60) days after expiration or earlier termination of the Term, 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.

SECTION 12. ***Additional Rent and Charges***

(a) If the Port Authority has paid any sum or sums or has incurred any obligations or expense which the Lessee has agreed to pay or reimburse the Port Authority for, or if the Port Authority is required or elects to pay any sum or sums or incurs any obligations or expense by reason of the failure, neglect or refusal of the Lessee to perform or fulfill any one or more of the conditions, covenants or agreements contained in this Agreement or as a result of an act or omission of the Lessee contrary to the said conditions, covenants and agreements, the Lessee shall pay to the Port Authority the sum or sums so paid or the expense so incurred, including all interest, costs, damages and penalties and the same may be added to any installment of rent thereafter due hereunder, and each and every part of the same shall be and become additional rent, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the basic rental as set forth in Article III hereof.

(b) For all purposes under this Section and in any suit, action or proceeding of any kind between the parties hereto, any receipt showing any payment of sum or sums by the Port Authority for any work done or material furnished shall be *prima facie* evidence against the Lessee that the amount of such payment was necessary and reasonable. Should the Port Authority elect to use its operating and maintenance staff in performing any work and to charge the Lessee with the cost of same, any time report of any employee of the Port Authority showing hours of labor or work allocated to such work, or any stock requisition of the Port Authority showing the issuance of materials for use in the performance thereof shall likewise be *prima facie* evidence against the Lessee that the amount of such charge was necessary and reasonable.

(c) The term "cost" in this Agreement shall mean and include: (1) Payroll costs, including contributions to the Retirement System, or the cost of participation in other pension plans or systems, insurance costs, sick leave pay, holiday, vacation and authorized absence pay; (2) Cost of materials and supplies used; (3) Payments to contractors; (4) Any other direct costs; and (5) thirty percent (30%) of the sum of the foregoing.

SECTION 13. ***Rights of Entry Reserved***

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

(b) Without limiting the generality of the foregoing, the Port Authority, by its officers, employees, agents, representatives, and contractors, and furnishers of utilities and other services, shall have the right, for its own benefit, for the benefit of the Lessee, or for the benefit of others than the Lessee at the Facility, to maintain existing and future utility, mechanical, electrical and other systems and to enter upon the Premises at all reasonable times to make such repairs, replacements or alterations as may, in the opinion of the Port Authority, be deemed necessary or advisable and, from time to time, to construct or install over, in or under the Premises new systems or parts thereof, and to use the Premises for access to other parts of the Facility 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 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 the access may be had to the system or part thereof for its inspection, maintenance or repair, and, if the Lessee shall fail to so move such property after direction from the Port Authority to do so, the Port Authority may move it and the Lessee hereby agrees to pay the cost of such moving upon demand.

(d) Nothing in this Section shall or shall be construed to impose upon the Port Authority any obligations so to construct or maintain or to make repairs, replacements, alterations or additions, or shall create any liability for any failure so to do. The Lessee is and shall be in exclusive control and possession of the Premises and

the Port Authority shall not in any event be liable for any injury or damage to any property or to any person happening on or about the Premises nor for any injury or damage to the Premises nor to any property of the Lessee or of any other person located in or thereon (other than those occasioned by the acts of the Port Authority).

(e) At any time and from time to time during ordinary business hours within the three (3) months next preceding the expiration of the letting, the Port Authority, by its agents and employees, whether or not accompanied by prospective lessees, occupiers or users of the Premises, shall have the right to enter thereon for the purpose of exhibiting and viewing all parts of the same and during such three- month period the Port Authority may place and maintain on the Premises, the usual "To Let" signs, which signs the Lessee shall permit to remain without molestation.

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

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

SECTION 14. ***Limitation of Rights and Privileges Granted***

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

(b) No greater rights or privileges with respect to the use of the Premises or of the Facility 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.

(c) Nothing in this Agreement contained shall grant to the Lessee any rights whatsoever in the air space above the roof of the building or buildings or portion of a building or buildings, if any are included in the Premises, (except to the extent required in either case for the performance of any of the obligations of the Lessee hereunder), or more than twenty feet (20') above the present ground level of any open area included in the Premises.

SECTION 15. ***Prohibited Acts***

(a) Except as provided in Article IV and Special Endorsement No. 9 with respect to the Lessee's passengers, invitees and guests, 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 without limitation telephone pay-stations.

(b) The Port Authority, by itself or by contractors, lessees or permittees, shall have the exclusive right to install, maintain and receive and retain the revenues from all coin-operated or other machines or devices for the sale of merchandise of all types, or for the rendering of services, which may be operated on the Premises; provided, however, that no such machine or devise shall be installed except upon the request of the Lessee. This provision

shall not be construed to confer upon the Lessee any right to have such machine installed except at the sole discretion of the Port Authority.

SECTION 16. ***Termination***

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

(1) The Lessee shall become insolvent, or shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy or a petition or answer seeking an arrangement or its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any other law or statute of the United States or of any State thereof, or consent to the appointment of a receiver, trustee or liquidator of all or substantially all 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, if the Lessee is a corporation, by any of its stockholders, seeking its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any law or statute of the United States or of any State thereof; or

(3) A petition under any part of the federal bankruptcy laws or an action under any present or future insolvency law or statute shall be filed against the Lessee and shall not be dismissed within thirty (30) days after the filing thereof; or

(4) The letting or the interest of the Lessee under this Agreement shall be transferred to, pass to or devolve upon, by operation of law or otherwise, any other person, firm or corporation; or

(5) The Lessee, if a corporation, shall, without the prior approval of the Port Authority, become a possessor or merged corporation in a merger, a constituent corporation in a consolidation, or a corporation in dissolution; or

(6) If the Lessee is a partnership, and the said partnership shall be dissolved as the result of any act or omission of its partners or any of them, or by operation of law or the order or decree of any court having jurisdiction, or for any other reason whatsoever; or

(7) By or pursuant to, or under authority of any legislative act, resolution or rule, or any order or decree of any court or governmental board, agency or officer, a receiver, trustee, or liquidator shall take possession or control of all or substantially all of the property of the Lessee, and such possession or control shall continue in effect for a period of fifteen (15) days; or

(8) The Lessee shall voluntarily abandon, desert or vacate the Premises or discontinue its operations at the Premises or at the Facility 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 from conducting its operations on the Premises, regardless of the fault of the Lessee; or

(9) Any lien shall be filed against the Premises because of any act or omission of the Lessee and shall not be discharged within twenty (20) days; or

(10) The Lessee shall fail duly and punctually to pay the rental or to make any other payment required hereunder when due to the Port Authority; or

(11) The Lessee shall fail to keep, perform and observe each and every other promise, covenant and agreement set forth in this agreement, on its part to be kept, performed or observed, within ten (10) days after its receipt of notice of default thereunder from the Port Authority (except where fulfillment of its obligation requires activity over a period of time, and the Lessee shall have commenced to perform whatever may be required for fulfillment within ten (10) days after receipt of notice and continues such performance without interruption except for causes beyond its control);

then upon the occurrence of any such event or at any time thereafter during the continuance thereof, the Port Authority may by five (5) days' notice terminate the letting and the Lessee's rights hereunder, such termination to be effective upon the date specified in such notice. Such right of termination and the exercise thereof shall be and operate as a conditional limitation.

(b) If any of the events enumerated in paragraph (a) of this Section shall occur prior to the commencement of the letting, the Lessee shall not be entitled to enter into possession of the Premises, and the Port Authority, upon the occurrence of any such event, or at any time thereafter, during the continuance thereof, by twenty-four (24) hours' notice, may cancel the interest of the Lessee under this agreement, such cancellation to be effective upon the date specified in such notice.

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

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

SECTION 17. ***Right of Re-entry***

The Port Authority shall, as an additional remedy upon the giving of a notice of termination as provided in Section 16 of these Terms and Conditions, have the right to re-enter the Premises and every part thereof upon the effective date of termination without further notice of any kind, and may regain and resume possession either with or without the institution of summary or any other legal proceedings or otherwise. Such re-entry, or regaining or resumption of possession, however, shall not in any manner affect, alter or diminish any of the obligations of the Lessee under this Agreement, and shall in no event constitute an acceptance of surrender.

SECTION 18. ***Waiver of Redemption***

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

SECTION 19. ***Survival of the Obligations of the Lessee***

(a) In the event that the letting shall have been terminated in accordance with a notice of termination as provided in Section 16 of these Terms and Conditions, or the interest of the Lessee shall have been cancelled pursuant thereto, or in the event that the Port Authority has re-entered, regained or resumed possession of the Premises in accordance with the provisions of Section 17 of these Terms and Conditions, all of the obligations of the Lessee under this Agreement shall survive such termination or cancellation, re-entry, regaining or resumption of possession and shall remain in full force and effect for the full term of the letting, through the Expiration Date, as originally fixed in Article II hereof, and the amount or mounts of damages or deficiency shall become due and payable to the Port Authority to the same extent, at the same time or times and in the same manner as if no termination, cancellation, re-entry, regaining or resumption of possession had taken place. The Port Authority may

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

(b) The amount of damages for the period of time subsequent to termination or cancellation (or re-entry, regaining or resumption of possession) an 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 prior to the effective date of termination except that the credit to be allowed for the installment paid on the first day of the month in which the termination is effective shall be prorated for the part of the month the letting remains in effect on the basis of a 30-day month; and

(2) An amount equal to all expenses incurred by the Port Authority in connection with regaining possession and restoring and reletting the Premises, for legal expenses, boiler insurance premiums, if any, putting the Premises in order, including without limitation cleaning, decorating and restoring (on failure of the Lessee to restore), maintenance and brokerage fees.

SECTION 20. ***Reletting by the Port Authority***

The Port Authority, upon termination or cancellation pursuant to Section 16 of these Terms and Conditions, or upon any re-entry, regaining or resumption of possession pursuant to Section 17 of these Terms and Conditions, may occupy the Premises or may relet the Premises and shall have the right to permit any person, firm or corporation to enter upon the Premises and use the same. Such reletting may be of part only of the Premises or of the Premises or a part thereof together with other space, and for a period of time the same as or different from the balance of the Term hereunder remaining, and on terms and conditions the same as or different from those set forth in this Agreement. The Port Authority shall also, upon termination or cancellation pursuant to Section 16 of these Terms and Conditions, or upon re-entry, regaining or resumption of possession pursuant to Section 17 of these Terms and Conditions have the right to repair and to make structural or other changes in the Premises, including changes which alter the character of the Premises and the suitability thereof for the purposes of the Lessee under this Agreement, without affecting, altering or diminishing the obligations of the Lessee hereunder. In the event either of any reletting or of any actual use and occupancy by the Port Authority (the mere right to use and occupy not being sufficient however) there shall be credited to the account of the Lessee against its survived obligations hereunder any net amount remaining after deducting from the amount actually received from any lessee, licensee, permittee or other occupier in connection with the use of the Premises or portion thereof during the balance of the term of the letting, through the Expiration Date, 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 itself during such period actually use and occupy, all expenses, costs and disbursements incurred or paid by the Port Authority in connection therewith. No such reletting or such use and occupancy shall be or be construed to be an acceptance of a surrender.

SECTION 21. ***Remedies to Be Nonexclusive***

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

SECTION 22. ***Surrender***

(a) The Lessee covenants and agrees to yield and deliver peaceably to the Port Authority possession of the Premises on the date of the cessation of the letting, whether such cessation be by termination, expiration or

otherwise, promptly and in the same condition as at the commencement of the letting, reasonable wear arising from use of the Premises to the extent permitted elsewhere in this Agreement, excepted.

(b) Unless the same are required for the performance by the Lessee of its obligations hereunder, the Lessee shall have the right at any time during the letting to remove from the Premises, and, on or before the expiration or earlier termination of the letting, shall so remove its equipment, removable fixtures and other personal property, and all property of third persons for which it is responsible, repairing all damage caused by such removal. If the Lessee shall fail to remove such 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 may retain the same in its own possession and in either event may sell the same at public auction, the proceeds of which shall be applied: first, to the expenses of removal, including repair required thereby, and of 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, repair, storage and sale shall exceed the proceeds of sale, the Lessee shall pay such excess to the Port Authority upon demand. The Lessee shall indemnify the Port Authority against all claims based on Port Authority action hereunder.

SECTION 23. *Acceptance of Surrender of Lease*

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

SECTION 24. *Notices*

(a) All notices, permissions, requests, consents and approvals given or required to be given to or by either party shall be in writing, and all such notices and requests shall be (i) personally delivered to the party or to the duly designated officer or representative of such party, or (ii) delivered to an office or residence of such party, officer or representative during regular business hours, or (iii) delivered to an office or the residence of such party, officer or representative, or (iv) delivered to the Premises, or (v) forwarded to such party or representative at the office or residence address by registered mail or by a nationally recognized overnight courier service. The Lessee shall designate an office within the Port of New York District and an officer or representative whose regular place of business is at such office. Until further notice, the Port Authority hereby designates its Executive Director, and the Lessee designates the person whose name appears on the first page of this Agreement as their respective officers or representatives upon whom notices and requests may be served, and the Port Authority designates its office at 225 Park Avenue South, New York, New York 10003, and the Lessee designates its office, the address of which is set forth on the first page of this Agreement, as their respective offices where notices and requests may be served.

(b) If any notice is mailed or delivered, the giving of such notice shall be complete upon receipt or, in the event of a refusal by the addressee, upon the first tender of the notice to the addressee or at the address thereof.

SECTION 25. *General*

(a) Wherever in this Agreement the Lessee agrees or is required to do or has the right to do, any act or thing, the following shall apply:

(1) If the Lessee is a corporation, its obligation shall be performed by it and its rights shall be exercised only by its officers and employees or

(2) If the Lessee is an unincorporated association, or a "Massachusetts" or business trust, its obligations shall be performed by and its rights shall be exercised only by it acting only through the medium of its members, trustees, officers and employees or

(3) If the Lessee is a partnership, its obligations shall be performed and its rights shall be exercised by its partners and employees only or

(4) If the Lessee is an individual, his obligations shall be performed and his rights shall be exercised by himself and his employees only or

(5) If the Lessee is a limited liability company, its obligations shall be performed by and its rights shall be exercised by it acting only through the medium of its managers, members and employees;

(6) None of the provisions of this paragraph (a) shall be taken to alter, amend or diminish any obligation of the Lessee 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.

(b) If more than one individual or other legal entity is the Lessee under this Agreement, each and every obligation hereof shall be the joint and several obligation of each such individual or other legal entity.

(c) Unless otherwise stated in Article IV on page 2 of this Agreement, the rights of user thereby granted to the Lessee with respect to the Premises shall be exercised by the Lessee only for its own account and, without limiting the generality of the foregoing, shall not be exercised as agent, representative, factor, broker, forwarder, bailee, or consignee without legal title to the subject matter of the consignment.

(d) The Lessee's representative, hereinbefore specified in this Agreement, (or such substitute as the Lessee may hereafter designate in writing) shall have full authority to act for the Lessee in connection with this Agreement and any things done or to be done hereunder, and to execute on the Lessee's behalf any amendments or supplements to this Agreement or any extension thereof.

(e) The Section headings in these Terms and Conditions and in the endorsements, if any, attached hereto are inserted only as a matter of convenience and for reference, and they in no way define or limit or describe the scope or intent of any provision hereof.

(f) 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 made via the following wire transfer instructions: Bank: Commerce Bank; Bank ABA Number: 031201360; Account Number: [redacted] or sent to such other address, or via such other wire transfer instructions, as may hereafter be substituted therefor. If the commencement date of the letting under this Agreement is other than the first day of a calendar month, the basic rental for the portion of the month during which the letting is effective shall be the amount of the monthly installment prorated on a daily basis using the actual number of days in the month, and if the expiration or termination date of the letting is other than the last day of a calendar month, the basic rental for the portion of the month during which the letting is effective shall be the amount of the monthly installment similarly prorated.

(g) This Agreement does not constitute the Lessee the agent or representative of the Port Authority for any purpose whatsoever. Neither a partnership nor any joint adventure is hereby created, notwithstanding the fact that all or a portion of the rental to be paid hereunder may be determined by gross receipts from the operations of the Lessee hereunder.

(h) The phrase "utility, mechanical, electrical and other systems" shall mean and include (without limitation thereto) the following: machinery, engines, dynamos, boilers, elevators, escalators, incinerators and incinerator flues, systems for the supply of fuel, electricity, water, gas and steam, plumbing, heating, sewerage, drainage, ventilating, air conditioning, communications, fire-alarm, fire-protection, sprinkler, telephone, telegraph and other systems, fire hydrants, fire hoses, and their respective wires, mains, conduits, lines, tubes, pipes, equipment, motors, cables, fixtures and other equipment.

(i) All designations of time herein contained shall refer to the time-system then officially in effect in the municipality wherein the Premises are located.

SECTION 26. ***Premises***

(a) The Lessee acknowledges that it has not relied upon any representation or statement of the Port Authority or its Commissioners, officers, employees or agents as to the condition of the Premises or the suitability thereof for the operations permitted on the Premises by this Agreement. The Lessee, prior to the execution of this Agreement, has thoroughly examined the Premises and has found them to be in good order and repair and determined them to be suitable for the Lessee's operations hereunder. Without limiting any obligation of the Lessee to commence operations hereunder at the time and in the manner stated elsewhere in this Agreement, the Lessee agrees that no portion of the Premises will be used initially or at any time during the letting which is in a condition unsafe or improper for the conduct of the Lessee's operations hereunder so that there is possibility of injury or damage to life or property and the Lessee further agrees that before any use it will immediately correct any such unsafe or improper condition.

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

(c) If permission is given to the Lessee to enter into the possession of the Premises or to occupy space other than the Premises prior to the date specified in Article II as the commencement of the Term, the Lessee agrees that such possession or occupancy shall be deemed to be under all the terms, covenants, conditions and provisions of this Agreement except as to the covenant to pay rent and except as may be expressly provided otherwise by the written instrument, if any, giving such possession or occupancy; in either case, rent shall commence on the date specified in this Agreement, and in the event of possession of the Premises, the date of such possession shall be the date of commencement of the Term hereunder.

SECTION 27. ***Postponement***

If the Port Authority shall not give possession of the Premises on the date fixed in Article II as the Commencement Date, by reason of the fact that the Premises or any part thereof are in the course of construction, repair, alteration or improvement or by reason of the fact that the occupant thereof failed or refused to deliver possession to the Port Authority, or by reason of any cause or condition beyond the control of the Port Authority, the Port Authority shall not be subject to any liability for the failure to give possession on said date. No such failure to give possession on the Commencement Date shall in any wise affect the validity of this Agreement or the obligations of the Lessee hereunder, nor shall the same be construed in any wise to extend the Term beyond the date stated in Article II as the Expiration Date. However, the rent shall not commence until possession of the Premises is tendered by the Port Authority to the Lessee; the tender shall be made by notice given at least five (5) days prior to the effective date of the tender, and in the event that such notice of tender is not given for possession to commence on or before one hundred eighty-five (185) days after the date stated in Article II as the Commencement Date, then this Agreement shall be deemed cancelled, except that each party shall and does hereby release the other party of and from any and all claims or demands based on this Agreement, or a breach or alleged breach thereof.

SECTION 28. ***Force Majeure***

(a) The Port Authority shall not be liable for any failure, delay or interruption in performing its obligations hereunder due to causes or conditions beyond its control, including without limitation strikes, boycotts, picketing, slow-downs, work stoppages or labor troubles of any other type (whether affecting the Port Authority, its contractors, or subcontractors). Further, the Port Authority shall not be liable unless the failure, delay or

interruption shall result from failure on the part of the Port Authority to use reasonable care to prevent or reasonable efforts to cure such failure, delay or interruption.

(b) The Port Authority shall be under no obligation to supply any service or services if and to the extent and during any period that the supplying of any such service or 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.

(c) No abatement, diminution or reduction of the rent or other charges payable by the Lessee, shall be claimed by or allowed to the Lessee for any inconvenience, interruption, cessation or loss of business or other loss caused, directly or indirectly, by any present or future laws, rules, requirements, orders, directions, ordinances or regulations of the United States of America, or of the state, county or city governments, or of any other municipal, governmental or lawful authority whatsoever, or by priorities, rationing or curtailment of labor or materials, or by war or any matter or thing resulting therefrom, or by any other cause or causes beyond the control of the Port Authority, nor shall this Agreement be affected by any such causes.

SECTION 29. ***Brokerage***

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

SECTION 30. ***Non-liability of Individuals***

No Commissioner, officer, agent or employee s of the Port Authority shall be charged personally by the Lessee with any liability, or held liable to the Lessee under any term or provision of this Agreement, or because of its execution or attempted execution, or because of any breach, or attempted or alleged breach, thereof.

SECTION 31. ***Right to Audit Books and Records***

(a) (i) The Lessee shall permit and/or cause to be permitted in ordinary business hours during the Term and for one 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 Lessee (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 Lessee's use and occupancy of the Premises 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.

(ii) In the event that upon conducting an examination and audit as described in this Section the Port Authority determines that unpaid amounts are due to the Port Authority by the Permittee (hereinafter referred to as the "Audit Findings"), the Lessee shall be obligated, and hereby agrees, to pay to the Port Authority a service charge in the amount equal to five percent (5%) of the Audit Findings. Each such service charge shall be payable immediately upon demand (by notice, bill or otherwise) made at any time therefor by the Port Authority. Such service charge(s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority by the Lessee under this Agreement or otherwise. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid service charge shall be deemed a waiver of the right of the Port Authority of payment of any late charge(s) or other service charge(s) payable under the provisions of this Agreement with respect to such unpaid amount. Each such service charge shall be and become fees, recoverable by the Port

Authority in the same manner and with like remedies as if it were originally a part of the fees to be paid hereunder. Nothing in this Section is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Agreement, including without limitation the Port Authority's rights to terminate this Agreement or (ii) any obligations of the Lessee under this Agreement.

SECTION 32. ***Late Charges***

If the Lessee should fail to pay any amount required under this Agreement when due to the Port Authority or if any such amount is found to be due as the result of an audit, then, in such event, the Port Authority may impose (by statement, bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period (hereinbelow described) during the entirety of which such amount remains unpaid, each such late charge not to exceed an amount equal to eight-tenths of one percent (.8%) 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 Agreement. Each late charge shall be payable immediately upon demand made at any time therefor by the Port Authority. 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 payable under this Agreement. 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 Agreement, including without limitation the Port Authority's rights to terminate 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 charge, then, in such event, each such late charge payable under this Agreement shall be payable instead at such legal maximum.

SECTION 33. ***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 34. ***Effect of Use and Occupancy of Premises after Expiration or Termination***

Without in any way limiting the provisions set forth in the Sections of this Agreement entitled *"Termination"*, *"Right of Re-entry"* and *"Survival of the Obligations of the Lessee"*, unless otherwise notified by the Port Authority in writing, in the event the Lessee remains in possession of the Premises after the expiration or termination of the Term, as it may be extended from time to time, in addition to any damages to which the Port Authority may be entitled under this Agreement or other remedies the Port Authority may have by law or otherwise, the Lessee shall pay to the Port Authority a rental for the period commencing on the day immediately following the Expiration Date or the effective date of such termination, as the case may be, and ending on the date that the Lessee shall surrender and completely vacate the Premises, at an annual rate equal to twice the sum of (i) the annual rate of rental in effect on the date of such expiration or termination, plus (ii) all items of additional rent and other periodic charges, if any, 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 this Agreement. The Lessee acknowledges that the failure of the Lessee to surrender, vacate and yield up the Premises to the Port Authority on the effective date of such expiration or termination will or may cause the Port Authority injury, damage or loss. The Lessee hereby assumes the risk of such injury, damage or loss and hereby agrees that it shall be responsible for the same and shall pay the Port Authority for the same whether such are foreseen or unforeseen, special, direct, consequential or otherwise and the Lessee hereby expressly agrees to indemnify and hold the Port Authority harmless against any such injury, damage or loss.

* * * * * * *

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

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

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

SPECIAL ENDORSEMENTS

1. Premises *"As Is"*.

The Port Authority shall deliver the Premises to the Lessee in their "as is" condition. The Lessee agrees to and shall take the Premises in such "as is" condition and the Port Authority shall have no obligation hereunder for refurbishing work or preparation of any portion of the Premises for the Lessee's use.

2. Basic Rental.

(a) *Basic Rental*. Commencing on the Rent Commencement Date (as defined below), and throughout the remainder of the Term, the Lessee agrees to pay an annual basic rental to the Port Authority for the Premises as follows:

(i) For the portion of the Term from the Rent Commencement Date through the day preceding the first (1st) anniversary of the Rent Commencement Date, at the annual rate of Three Hundred Ninety-nine Thousand Nine Hundred Ninety-six Dollars and No Cents ($399,996.00), payable in advance in equal monthly installments in the amount of Thirty-three Thousand Three Hundred Thirty-three Dollars and No Cents ($33,333.00)on the Rent Commencement Date and on the first day of each month during the aforesaid period;

(ii) For the portion of the term from the first (1st) anniversary of the Rent Commencement Date through the day preceding the second (2nd) anniversary of the Rent Commencement Date, at the annual rate of Four Hundred Nine Thousand Nine Hundred Ninety-two Dollars and No Cents ($409,992.00), payable in advance in equal monthly installments in the amount of Thirty-four Thousand One Hundred Sixty-six Dollars and No Cents ($34,166.00) on the first (1st) anniversary of the Rent Commencement Date and on the first day of each month during the aforesaid period;

(iii) For the portion of the Term from the second (2nd) anniversary of the Rent Commencement Date through the day preceding the third (3rd) anniversary of the Rent Commencement Date, at the annual rate of Four Hundred Twenty Thousand Two Hundred Forty Dollars and No Cents ($420,240.00), payable in advance in equal monthly installments in the amount of Thirty-

five Thousand Twenty Dollars and No Cents($35,020.00) on the second (2nd) anniversary of the Rent Commencement Date and on the first day of each month during the aforesaid period;

(iv) For the portion of the Term from the third (3rd) anniversary of the Rent Commencement Date through the day preceding the fourth (4th) anniversary of the Rent Commencement Date, at the annual rate of Four Hundred Thirty Thousand Seven Hundred Fifty-two Dollars and No Cents ($430,752.00), payable in advance in equal monthly installments in the amount of Thirty-five Thousand Eight Hundred Ninety-six Dollars and No Cents ($35,896.00) on the third (3rd) anniversary of the Rent Commencement Date and on the first day of each month during the aforesaid period;

(v) For the portion of the Term from the fourth (4th) anniversary of the Rent Commencement Date through the day preceding the fifth (5th) anniversary of the Rent Commencement Date, at the annual rate of Four Hundred Forty-one Thousand Five Hundred Sixteen Dollars and No Cents ($441,516.00), payable in advance in equal monthly installments in the amount of Thirty-six Thousand Seven Hundred Ninety-three Dollars and No Cents ($36,793.00) on the fourth (4th) anniversary of the Rent Commencement Date and on the first day of each month during the aforesaid period;

(vi) For the portion of the Term from the fifth (5th) anniversary of the Rent Commencement Date through the day preceding the sixth (6th) anniversary of the Rent Commencement Date, at the annual rate of Four Hundred Fifty-two Thousand Five Hundred Fifty-six Dollars and No Cents ($452,556.00), payable in advance in equal monthly installments in the amount of Thirty-seven Thousand Seven Hundred Thirteen Dollars and No Cents ($37,713.00) on the fifth (5th) anniversary of the Rent Commencement Date and on the first day of each month during the aforesaid period;

(vii) For the portion of the Term from the sixth (6th) anniversary of the Rent Commencement Date through the day preceding the seventh (7th) anniversary of the Rent Commencement Date, at the annual rate of Four Hundred Sixty-three Thousand Eight Hundred Seventy-two Dollars and No Cents ($463,872.00), payable in advance in equal monthly installments in the amount of Thirty-eight Thousand Six Hundred Fifty-

six Dollars and No Cents ($38,656.00) on the sixth (6th) anniversary of the Rent Commencement Date and on the first day of each month during the aforesaid period;

(viii) For the portion of the Term from the seventh (7th) anniversary of the Rent Commencement Date through the day preceding the eighth (8th) anniversary of the Rent Commencement Date, at the annual rate of Four Hundred Seventy-five Thousand four Hundred Sixty-four Dollars and No Cents ($475,464.00), payable in advance in equal monthly installments in the amount of Thirty-nine Thousand Six Hundred Twenty-two Dollars and No Cents ($39,622.00) on the seventh (7th) anniversary of the Rent Commencement Date and on the first day of each month during the aforesaid period;

(ix) For the portion of the Term from the eighth (8th) anniversary of the Rent Commencement Date through the day preceding the ninth (9th) anniversary of the Rent Commencement Date, at the annual rate of Four Hundred Eighty-seven Thousand Three Hundred Fifty-six Dollars and No Cents ($487,356.00), payable in advance in equal monthly installments in the amount of Forty Thousand Six Hundred Thirteen Dollars and No Cents ($40,613.00) on the fourth (8th) anniversary of the Rent Commencement Date and on the first day of each month during the aforesaid period; and

(x) For the portion of the Term from the ninth (9th) anniversary of the Rent Commencement Date through the Expiration Date, at the annual rate of Four Hundred Ninety-nine Thousand Five Hundred Thrity-Six Dollars and No Cents ($499,536.00), payable in advance in equal monthly installments in the amount of Forty-one Thousand Six Hundred Twenty-eight Dollars and No Cents ($41,628.00) on the ninth (9th) anniversary of the Rent Commencement Date and on the first day of each month during the aforesaid period; provided, however, that if the Expiration Date is later than the day preceding the tenth (10th) anniversary of the Rent Commencement Date, the basic rental for the period from the tenth (10th) anniversary of the Rent Commencement Date through the Expiration Date shall be pro-rated as provided in the following paragraph (b).

(b) Payment in Monthly Installments. If any installment of the annual basic rental payable hereunder

shall be for less than a full calendar month, then the rental payment for the portion of the month said payment is due shall be the monthly installment prorated on a daily basis using the actual number of days in such month, on the basis of a 365-day year.

(c) *Definition.*

"Rent Commencement Date" shall mean (x) the 181st day following the Commencement Date or (y) the date of the issuance of a Permit to Occupy with respect to the Premises (as provided in Special Endorsement 3(f) below), whichever is earlier.

(d) *Payments.* All payments required of the Lessee by this Agreement shall be in accordance with Section 25(f) of the Terms and Conditions of this Agreement.

3. The Improvement Work.

(a) *The Improvement Work.* The Lessee 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 Premises as are necessary in order to construct and operate a first-class passenger lounge at the Premises (collectively, the **"Improvement Work"**). By no later than the ninetieth (90) day following the Commencement Date, the Lessee shall submit to the Port Authority for its approval a construction application in the form supplied by the Port Authority and containing such terms and conditions as the Port Authority may include (the **"Construction Application"**), setting forth in detail and by appropriate plans and specifications the work proposed by the Lessee, and the manner of and time periods for performing the same. The Lessee shall perform the Improvement Work in accordance with the Construction Application, as approved by the Port Authority, and subject to the terms and provisions of this Agreement. In the event of any inconsistency between the provisions of this Agreement and those in the Construction Application, the provisions of this Agreement shall control.

(b) *Consultants and Contractors.* The Lessee 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 Improvement Work. All plans and specifications submitted by the Lessee to the Port Authority

shall bear the seal of a qualified architect or professional engineer and shall be in sufficient detail for a contractor to perform the work. The Lessee shall not engage any contractor or permit the use of any subcontractor unless and until each such contractor or subcontractor has been approved by the Port Authority, and the Lessee upon request shall furnish the Port Authority with a copy of its proposed contract with its contractor. The Lessee shall include in each such contract or subcontract such provisions as the Port Authority may require. The Lessee or its contractors and subcontractors shall obtain and maintain in force insurance in such coverages and performance bonds in such amounts as the Port Authority may specify. All of the Improvement Work shall be done in accordance with the Construction Application, including the final plans and specifications, approved by the Port Authority, and shall be subject to inspection by the Port Authority during the progress of the Improvement Work and after the completion thereof, and the Lessee shall redo or replace at its own expense any work not done in accordance therewith. Upon completion of the Improvement Work, the Lessee 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 Lessee to the Port Authority of the contracts to be entered into by the Lessee 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 Lessee or to others in connection with any proposed or actual contracts entered into by the Lessee for the Improvement Work or for any other matter in connection therewith; and the Lessee 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 Improvement Work pursuant to the contracts between the Lessee and its contractors.

(c) *Commencement of Improvement Work.* No Improvement Work may be commenced by the Lessee until the Construction Application, including the final plans and specifications, have been finally approved by the Port Authority for the entire Improvement Work, and the Lessee is specifically permitted in writing by the Port Authority to commence the Improvement Work. Upon receipt by the Lessee of said

written permission from the Port Authority, the Lessee shall commence construction of the Improvement Work as soon as possible and shall expeditiously continue such construction until completion.

(d) *Lessee Solely Responsible for Plans and Specifications*. The Lessee shall be solely responsible for the plans and specifications used by it, and for the adequacy or sufficiency of such plans, specifications and all the improvements, 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 Improvement Work, whether performed by the Lessee or on its behalf, or the contracts for the performance thereof entered into by the Lessee. Any warranties extended or available to the Lessee in connection with the Improvement Work shall be for the benefit of the Port Authority as well as the Lessee.

(e) *Title to Improvement Work*. Title to the Improvement Work shall pass to the City of Newark as the same or any part is erected, constructed or installed, and shall be and remain at all times in the City of Newark, and the Improvement Work shall be deemed to be a part of the Premises when constructed, erected or installed on the Premises.

(f) *Completion of Construction*. The Lessee shall be obligated to complete the construction of the Improvement Work by the Rent Commencement Date. When the Improvement Work has been completed, the Lessee shall deliver to the Port Authority a certificate to such effect signed by an authorized officer of the Lessee and also signed by the Lessee'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 Agreement 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 Lessee and the Lessee's licensed architect or engineer, as aforesaid, a certificate to such effect (a **"Permit to Occupy"**) shall be delivered to the Lessee 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 Lessee.

(g) *Risks, Claims*. All of the Improvement Work shall be performed by the Lessee strictly in accordance with the following:

(1) The Lessee hereby assumes, and shall 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 Lessee, any contractors of the Lessee, the Port Authority, employees, agents and representatives of the Port Authority, third persons, or from acts of God or the public enemy, or otherwise. Notwithstanding the foregoing, in no event shall the Lessee indemnify the Port Authority for any claims or damages arising solely out of the negligence or willfully misconduct of the Port Authority.

(i) 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 to 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 Lessee 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.

(ii) 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 expenses incurred by the Port Authority in the defense, settlement or satisfaction thereof, including without limitation claims and demands for death, for personal injury or for property damage, direct or consequential.

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.

(2) The Lessee 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 Lessee 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 Lessee to contest any claim of a contractor, subcontractor, materialman, workman and/or other person, and no such claim shall be considered to be an obligation of the Lessee within the meaning of this Special Endorsement unless and until the same has been finally adjudicated. The Lessee shall use its best efforts to resolve any such claims and shall keep the Port Authority fully informed with respect thereto. The Lessee 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 or to create any rights in said third persons against the Port Authority.

(h) *Schedule E.* Without limitation as to any of the terms and conditions of this Agreement, the Lessee understands and agrees that it will put into effect prior to the commencement of any of the Improvement Work an affirmative action program and a Minority Business Enterprise Program (MBE) and a Women-owned Business Enterprise program (WBE) in accordance with the provisions of Schedule E attached hereto and hereby made a part hereof. The provisions of said Schedule E shall be applicable to the Lessee and the Lessee's contractors, and the Lessee shall include the provisions of said Schedule E within all of its Improvement Work contracts so as to make said provisions and undertakings the direct obligation of the Improvement Work contractor or contractors and subcontractors. The Lessee shall, and shall require its contractors and subcontractors to, furnish to the Port Authority such data, including but not limited to compliance reports, as the Port Authority may request at any time and from time to time regarding the

affirmative action MBE and WBE programs of the Lessee and its contractors and subcontractors and the Lessee shall also require that its contractors and subcontractors make and put into effect such modifications and additions thereto as may be directed by the Port Authority to effectuate the goals of affirmative action and the MBE and WBE programs.

(i) *Schedule F.* The Lessee, in connection with any construction work on the Premises, or any portion thereof, shall throughout the Term commit itself to and use good faith efforts to implement an extensive program to utilize Local Business Enterprises in accordance with and as set forth in Schedule F.

(j) *Asbestos.* The Lessee understands that if the Premises contain asbestos, the Lessee, 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 Special Endorsement, the Lessee shall obtain the Port Authority's prior approval as to the method and manner in which the Lessee performs any asbestos work, and shall obtain any additional insurance coverage as the Port Authority may specify covering the performance of such work. The Lessee shall also conform to any Port Authority requirements imposed in connection with the removal and disposal of asbestos from the Facility.

4. Port Authority Funding of Improvement Work.

Intentionally Omitted

5. Additional Rental. - Intentionally Omitted

6. Termination Without Cause.

(a) Each of the Port Authority and the Lessee shall have the right to terminate this Agreement and the letting hereunder, without cause, at any time on thirty (30) days' notice to the other. In the event of termination pursuant to this Special Endorsement, this Agreement and the letting hereunder shall cease and expire as if the effective date of termination stated in the notice were the date originally stated for the expiration of this Agreement, as such date

may hereafter be extended. In no event shall any such termination release or relieve the Lessee from any obligations or liabilities accruing on or prior to the effective date of termination or maturing on that date.

(b) *Termination by Port Authority - Reimbursement of Unamortized Improvement Capital Investment.*

(1) In the event that:

(x) the Port Authority terminates the letting pursuant to the preceding paragraph (a) of this Special Endorsement entitled "*Termination Without Cause*", and the Premises are vacated by the Lessee in strict accordance with and pursuant to such termination, prior to the tenth anniversary of the Commencement Date, and

(y) the Lessee has completed the Improvement Work without using any of the Port Authority Funding,

then, in such event, the Port Authority shall reimburse the Lessee for the Lessee's Unamortized Improvement Capital Investment (as defined in paragraph (d) below) in the Premises as of the effective date of the termination. The Port Authority may elect to credit any amount due the Lessee pursuant to this Special Endorsement against any amounts owing from the Lessee to the Port Authority under this Agreement.

(2) For purposes of this Agreement, the Lessee's Improvement Capital Investment shall be the lesser of Three Million Seven Hundred Dollars and No Cents ($3,700,000.00) or an amount equal to the sum of the amounts described in subparagraphs (i) and (ii) of the definition of Improvement Capital Investment, below; in each case, as the above-mentioned amounts, payments and expenses are evidenced, from time to time, by certificates of a responsible fiscal officer of the Lessee, sworn to before a notary public and delivered to the Port Authority, which certificates shall be all as described in and required pursuant to the definition of Improvement Capital Investment below.

(c) *Certain Definitions.*

"**Improvement Capital Investment**" shall mean:

(i) the amounts paid by the Lessee 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; and

(ii) the payments made and expenses incurred by the Lessee 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 understood that payments under this item (ii) shall not exceed fifteen percent (15%) of the sum of the amounts described in the foregoing item(i);

and further, in each case, as the aforementioned amounts and payments described in the foregoing items (i) and (ii) above are evidenced, from time to time, by certificates of a responsible fiscal officer of the Lessee, sworn to before a notary public and delivered to the Port Authority, which certificates shall (x) 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 Lessee, which have not previously been reported in certificates delivered to the Port Authority, (y) 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 (z) certify that the amounts and payments therein set forth constitute the Lessee's Improvement Capital Investment arising out of the performance of the Improvement Work. The Lessee shall keep a separate accounting of the Lessee's Improvement Capital Investment, 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 Lessee to the Port Authority or the end of the Term, whichever is later, and shall be subject to the audit and inspection of the Port Authority, its representatives and employees.

"Unamortized Improvement Capital Investment" shall mean, for purposes of this Agreement, the amount of the Lessee's Improvement Capital Investment in the Premises arising out of the performance by the Lessee of the Improvement Work, after deduction therefrom of an amount equivalent to an allowance for depreciation and amortization; such allowance to be computed on a straight-line basis from the Rent Commencement Date to the end of the average useful life thereof (as determined under generally accepted accounting principles) or the Expiration Date, whichever is the shorter. In no event shall the Lessee's Unamortized Improvement Capital Investment include any

amounts paid for in connection with any equipment, trade fixtures or other personal property of the Lessee. The foregoing computation to be made shall not take into consideration the effect of accelerated amortization, if any, granted to or taken by the Lessee on its books and otherwise under the provisions of Section 168(a) of Title 26 USCA or similar legislation hereafter enacted.

(d) Without in any way limiting the provisions of paragraph (a) of this Section, in the event the Port Authority exercises its right to terminate this agreement and the letting hereunder, the Port Authority shall make a good faith effort to offer comparable space to the Lessee for the purposes set forth herein. It is understood and agreed, however, that the Port Authority shall have no duty or obligation of any kind whatsoever to relocate the Lessee. The Port Authority makes no assurance that it can accommodate the Lessee in comparable space and, further, the Port Authority shall bear no responsibility for any costs, expenses or obligations borne by the Lessee as a result of its failure to relocate the Lessee.

7. Insurance.

(a) *Obligation to Maintain.* In addition to any other insurance required under this Agreement, the Lessee in its own name as insured and with the Port Authority as an additional insured shall maintain and pay the premium or premiums during the term of this Agreement on a policy or policies of commercial general liability insurance covering bodily injury liability, including death and property damage liability, none of the foregoing to contain care, custody or control exclusions, and providing for coverage in the minimum amounts set forth below:

	Minimum Limit
Commercial General Liability	$2,000,000.00
Combined single limit per occurrence for death, bodily injury and property damage liability	

(b) *Certain Requirements.* Each policy of insurance required by this Agreement shall be written by a company or companies acceptable to and approved by the Port Authority. Each policy of insurance shall include blanket protective coverage and shall contain a contractual liability endorsement covering the indemnification obligations assumed by the Lessee pursuant to this Agreement. Each policy of insurance, except for the Workers' Compensation and Employers Liability Insurance policies, shall also contain an ISO standard "separation of insureds" clause or a cross liability endorsement providing that the protections afforded the Lessee thereunder with respect to any claim or action against the Lessee by a third person shall pertain and apply with like effect with respect to any claim or action against the Lessee by the Port Authority, and against the Port Authority by the Lessee, but such endorsement shall not limit, vary, change or affect the protections afforded the Port Authority as an additional insured, or under the contractual endorsement referred to in this paragraph.

(c) *Port Authority Review.* Notwithstanding any minimum insurance coverage limits provided in this Agreement, it is specifically understood and agreed that the Port Authority shall have the right to review all insurance coverages and policies required by the Port Authority for adequacy of terms, conditions and limits, and upon notice to the Lessee, given from time to time and at any time, to require the Lessee to amend or modify the insurance coverage, or to require such other or additional insurance, in such reasonable amounts, against such other insurance hazards, as the Port Authority may deem required, and the Lessee shall promptly comply therewith and shall promptly submit a certificate or certificates evidencing the same to 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 Lessee shall promptly obtain a new and satisfactory policy in replacement.

(d) *Evidence of Insurance.* A certified copy of each policy or a certificate evidencing the existence thereof, or a binder, shall be delivered to the Port Authority upon execution and delivery of this Agreement by the Lessee 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 cancelled, terminated, changed or modified without giving thirty (30) days' written advance notice thereof to the Port Authority. Each such copy or certificate shall contain 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 Agreement. If the Port Authority at any time so requests, the Lessee shall make available to the Port Authority at a location in the Port of New York District, during normal business hours, the original or a certified copy of the entirety of each of the said policies and shall, upon request, deliver to the Port Authority a certified copy of such portions of said policies pertaining to the coverage hereunder as the Port Authority shall request.

8. Amendments to Terms and Conditions. The Terms and Conditions of this Agreement are hereby modified as follows:

Paragraphs (a) and (b) of Section 9 are each amended by adding at the end thereof the words "without the Port Authority's prior written consent".

9. Authorized Operator.

Without limiting the generality of Article IV of this Agreement, the Lessee agrees that all food, alcoholic or non-alcoholic beverages and similar items sold to the Lessee's passengers, invitees and guests as provided hereunder shall be obtained by the Lessee from an operator which has been authorized by the Port Authority to operate establishments for the sale of food, alcoholic and non-alcoholic beverages and similar items for consumption in passenger terminal facilities at the Airport. All monies paid or payable to such operator for such sales shall be included in the gross receipts of said operator.

10. Use of Name.

(a) *Port Authority Approval.* Any name, designation or any service mark proposed to be used or displayed at the Premises or at Terminal B for the Lessee's operations therein shall be approved in advance in writing by the Port Authority, and the Lessee shall have the right to use and display the name, designation or mark only so long as this Agreement is in force and effect.

(b) *Port Authority Names.* The Lessee shall not use or make any reference, by advertising or otherwise, to the names "The Port Authority of New York and New Jersey", "Port Authority" or any simulation or abbreviation of any such names, or any emblem, picture or reproduction of the Facility, for any purpose whatsoever. Furthermore, the Lessee shall not make use of or originate any material intended for publication or visual or oral presentation using the names "Newark Liberty International Airport" or "Newark International Airport" without the consent of the Port Authority.

11. Use of Premises by Others.

(a) *Use by Other Airlines.* The Lessee agrees and covenants to the Port Authority that its use and operation of the Premises shall not be strictly and solely for its own passengers, invitees and guests in connection with its business of transportation of persons by aircraft, but that it shall also make the Premises available on such days and during such hours when the Premises are not being actively used by the Lessee, and, to the extent there is sufficient capacity in the lounge to accommodate such other airlines, to other airlines operating at the Airport (the "**Other Airlines**") in connection with their business of transportation of persons by aircraft. In connection with the use of the premises by others, the Lessee shall implement such reasonable terms and conditions in connection with the use of the Premises by such Other Airlines.

(b) *No Discrimination. Without in any way limiting the provisions of paragraph (a) hereof,* the Lessee shall make the Premises available to the Other Airlines on a fair, equal and non-discriminatory basis. The Lessee may charge only reasonable fees to the Other Airlines in connection with their use of the Premises. For purposes of this Agreement, "reasonable fees" as used in the foregoing

sentence shall mean an amount not to exceed Fifteen (15) percent of the total cost and overhead expenses, incurred by the Lessee in connection with operating the Premises during the period of use by Other Airlines."

(c) *Lounge Agreements*. The Lessee hereby represents to the Port Authority that, aside from agreements with Other Airlines for use of the Premises, if any, the Lessee has not, as of the date hereof, entered into any agreement with another airline with respect to the use of, or sharing of costs at, the Premises or the financing of the Improvement Work (any such agreement, a **"Lounge Agreement"**). The Lessee covenants that any Lounge Agreement which it may enter into shall be subject and subordinate to the terms and provisions of this Agreement and shall be of no force or effect whatsoever until consented to in writing in advance by the Port Authority, and the Lessee shall cause any Lounge Agreement to provide the same; provided, however, that a Lounge Agreement which provides for one-time usage by such other airline, or usage on other than a continuous or ongoing basis by such other airline, shall not require the prior written consent of the Port Authority. Each Lounge Agreement shall be made available for review by Port Authority employees, agents or representatives upon request. Notwithstanding the foregoing, the Lessee shall have the right to permit passengers from its group carriers, Swiss International Air Lines, Ltd., Austrian Airlines AG and Brussels Airways to use the Premises.

(d) *No Port Authority Obligation*. Nothing in this Special Endorsement shall impose, or be construed to impose, upon the Port Authority any obligation to enforce, specify the terms of, or consent to any agreement entered into between the Lessee and the Other International Airlines in connection with their use of the Premises, or to consent to any Lounge Agreement, or shall create any liability for any failure by the Port Authority to do so.

(e) *No Third Party Beneficiary*. Nothing in this Agreement shall, or is intended to, make any third person an express or implied beneficiary of this Agreement, it being intended that this Agreement shall bind and inure to the benefit only of the Port Authority and the Lessee as parties hereof.

12. Security Deposit.

Upon the execution of this Lease 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 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 Twenty-five Thousand Dollars and No Cents ($125,000.00). 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 granted under the Lease, as extended hereby, and for a period of not less than six (6) months thereafter; such continuance may be by provision for automatic renewal or by substitution of a subsequent clean and irrevocable satisfactory letter of credit. If requested by the Port Authority, said letter of credit shall be accompanied by a letter explaining the opinion of counsel for the banking institution that the issuance of said clean, irrevocable letter of credit is an appropriate and valid exercise by the banking institution of the corporate power conferred upon it by law. Upon notice of cancellation of a letter of credit, the Lessee agrees that unless the letter of credit is replaced by another letter of credit satisfactory to the Port Authority by a date not later than twenty (20) days prior to the effective date of cancellation, the Port Authority may draw down the full amount thereof and thereafter the Port Authority will hold the same as security. Failure to provide such a letter of credit at any time during the effective period of the permission granted under the Permit, as extended hereby, valid and available to the Port Authority, including any failure of any banking institution issuing any such letter of credit previously accepted by the Port Authority to make one or more payments as may be provided in such letter of credit, shall be deemed to be a breach of the 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 [redacted]

(c) The Lessee acknowledges and agrees that the Port Authority reserves the right, in its sole discretion which shall be exercised by the Port Authority in a reasonable and non-arbitrary manner, 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.

13. Services and Utilities.

(a) *Services and Utilities*. The Lessee understands that services and utilities including heat, ventilation, air-cooling, electricity, gas, hot and cold water, high temperature hot water and chilled water of various characteristics and amounts will be furnished in Passenger Terminal B at the Airport by the airlines utilizing such terminal building (such airlines, collectively, the "**Airlines**") pursuant to their agreements with the Port Authority. The Lessee shall establish its own account with a public utility for the sale, furnishing, and supply of gas to the Premises and the Lessee shall ensure that it is billed directly for such service and utility. The Lessee shall not be charged for the following utilities or services furnished to the Premises: heat, ventilation and air-cooling, hot and cold water and electricity for the operation in the Premises solely of flight information display screens, lighting fixtures (bulbs to be supplied by the Lessee), food refrigeration equipment, portable ice-making equipment, dishwashing equipment, clocks, water coolers and small tabletop office machinery including patron-operated facsimile machines, to the extent any of the foregoing items shall be located in and can be accommodated under the conditions at the Premises. The supply of such utilities or services will be subject and limited to the capacity of the existing plant, equipment, mains, pipes,

wires, conduits, outlets and vents, and be of such a character and provided during such periods and times as the same are furnished at Terminal B generally. Notwithstanding anything herein to the contrary, the Port Authority shall supply hot water for heating to the base building HVAC unit from October 15th to April 15th of each year during the Term and cold water to the base building HVAC unit from April 15th to October 15th of each year during the Term. No failure, delay or interruption in any of the above services shall be construed to be an eviction of the Lessee, shall be grounds for any diminution or abatement of the rentals payable hereunder or shall constitute grounds for any claim by the Lessee for damages, consequential or otherwise, against the Port Authority or its officers or employees.

(b) *Temporary Discontinuation*. The Lessee understands that the Port Authority by its officers, employees, agents, representatives or contractors or by the Airlines or their contractors or by the furnishers of utilities or other services to the Premises or to others at the Facility shall have the right to temporarily discontinue the supply of any of the above utilities or services in order to allow repairs, alterations, changes or improvements in the Premises or elsewhere at the Facility, including all systems for the supply of services for the benefit of the Lessee or for the benefit of others than the Lessee at the Facility. Nothing contained herein shall be construed to impose upon the Port Authority any obligation to supply any utility or services or to repair, alter, or make changes or improvements or shall create any liability upon the Port Authority for any failure to do so.

(c) *Conservation*. The Lessee shall not waste or dissipate such utilities or services by any act or omission, including but not limited to the permitting of outside doors or windows to remain open and, to the maximum extent feasible, shall conserve such as are supplied.

(d) *Limitation of Liability*. The provisions of paragraph (b) of Section 28 of the Terms and Conditions shall be in addition to the aforesaid limitations and qualifications and shall apply to the supply of any utilities or services. Any failure, delay or interruption, including, without limitation, any failure, delay or interruption due to any circumstance expressed or referenced in this Special Endorsement, in supplying said utilities or services shall not relieve the Lessee of any obligation hereunder and (unless resulting from the negligence of the Port Authority and continuing for a period of five (5) days

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

(e) *Extermination*. The Lessee shall pay the Port Authority upon demand the actual cost of extermination service, if any, provided in the Premises by or at the request of the Port Authority, but the foregoing shall not impose any obligation on the Port Authority to furnish such service.

14. Labor Disturbances.

(a) If any type of strike, boycott, picketing, work stoppage, slowdown or other labor activity is directed against the Lessee at the Facility or against any of the Lessee's operations pursuant to this Agreement which in the opinion of the Port Authority adversely affects or is likely to adversely affect the operation of the Facility or the operations of other lessees or permittees thereat, whether or not the same is due to the fault of the Lessee or is caused by the employees of the Lessee or of others, the Port Authority shall have the right at any time during the continuance thereof by notice to the Lessee to suspend the Lessee's operations hereunder effective at the time specified in the notice and during such suspension the Lessee shall cease its activities and operations in the Premises and shall take such steps to secure and protect the Premises as shall be necessary or desirable. The period of suspension shall end (subject to subparagraph (b) below) not later than 24 hours after the cause thereof has ceased or been cured. The exercise by the Port Authority of the right of suspension hereunder shall not affect or in any way limit the Port Authority's rights of termination as set forth elsewhere in this Agreement.

(b) In the event any such labor activity shall continue for a period of five (5) consecutive days or more, and regardless of whether or not the Port Authority has exercised its right to suspend hereunder, the Port Authority shall have the right at any time subsequent to such five (5) day period to terminate this Agreement and the letting on five (5) days' written notice to the Lessee. In the event of termination by the Port Authority hereunder this Agreement and the letting hereunder shall cease and expire on the effective date of termination stated in the notice with the same force and effect as if such date were the original expiration date of the letting hereunder.

15. Schedule G.

In its operations hereunder, the Lessee shall comply with the provisions of Schedule G attached hereto and hereby made a part hereof.

16. Affirmative Action.

(a) 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 this Subpart. 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.

(b) In addition to and 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 or sex shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the Premises, (2) that in the construction of any improvements on, over or under the Premises and the furnishing of services thereon, 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 subjected to discrimination, (3) that the Lessee shall use the Premises in compliance with 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.

(c) The Lessee shall include the provisions of paragraph (a) of this Special Endorsement in every agreement or concession it may make pursuant to which any person or persons, other than the Lessee, operate 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.

(d) The Lessee's non-compliance with the provisions of this Special Endorsement 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 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 for default by the Lessee in the performance or observance of any other term or provision of this Agreement, or may pursue such other remedies as may be provided by law; and as to any or all of the foregoing, the Port Authority may take such action as the United States may direct.

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

(f) Nothing contained in this Special Endorsement 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 (c) hereof, or any right to perform any construction on the Premises.

17. Federal Airport Aid.

(a) The Lessee shall:

(1) Furnish good, prompt and efficient service hereunder;

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

(3) Charge fair, reasonable and non-discriminatory prices for each unit of sale or service.

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

(c) 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 Special Endorsement and in the Special Endorsement hereof entitled *"Business Development and Method of Operation"*, 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.

18. Business Development and Method of Operation.

(a) The Lessee shall use its reasonable best efforts in every proper manner to develop and increase the business conducted by it hereunder and shall not divert or cause or allow to be diverted, any business from the Port of New York District.

(b) The principal purpose of the Port Authority in the making of this Agreement is to make available on the

Airport a passenger lounge, and in fulfillment of the Port Authority's obligation to operate the Airport for the use and benefit of the public. Consistent with the provisions of Article IV hereof relating to the use of the Premises, the Lessee hereby warrants and agrees that it will conduct a first class operation and will furnish all necessary or proper fixtures, equipment, personnel (including licensed personnel as necessary), supplies, materials and facilities, for the operation of a first class passenger lounge 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.

(c) The Lessee covenants and agrees that it will not enter into any agreement or understanding, express or implied, binding or non-binding, with any Person, firm, association, corporation or other entity, which will have the effect of fixing rates, of lessening or preventing competition, or of creating or tending to create a monopoly, at the Airport, relating to the services, products, or articles furnished or sold by the Lessee.

(d) 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. All individuals employed by the Lessee at the Airport shall meet the requirements for Airport workers (including without limitation the relevant Transportation Security Administration requirements) and shall be required to qualify for and obtain the appropriate identification media issued by the Port Authority for workers at the Airport.

19. Effective as of the effective date of this Permit the following changes were made to the attached Terms and Conditions:

(i) The first sentence appearing in Section 7(c) entitled Maintenance and Repair shall be deleted and the following shall be inserted in lieu thereof:

"With respect to all parts of the Premises, including without limitation such of the following as are or may be during the Term located in or on the Premises; the exterior and interior of the Premises walls the exterior and

interior and operating mechanisms of and attachments to windows, screens, foundations, steel work, columns, the exterior and interior and operating mechanisms of and attachments to doors, partitions, floors, ceilings, paved and unpaved areas, glass of every kind, and the utility, mechanical, electrical and other systems, the Lessee shall take the same good care of the Premises that would be taken by a reasonably prudent owner who desired to keep and maintain the same so that at the expiration or termination of the letting and at all times during the letting, the same (or a reconstruction of all or any part thereof) will be in as good condition as at the commencement thereof (or, in the case of improvements made during the letting hereunder, in as good condition as at the time of the installation or construction thereof), except for reasonable wear which does not adversely affect the watertight condition or structural integrity of the building or other structures on the Premises or adversely affect the efficient or the proper utilization of any part of the Premises."

(ii) Section 15 (b) of the Terms and Conditions shall be deleted in its entirety.

(iii) Section 16(a)(9) of the Terms and Conditions shall be deleted and the following shall be inserted in lieu thereof:

"(9) Any lien shall be filed against the Premises because of any act or omission of the Lessee and shall not be discharged within thirty (30) days: or"

(iv) Notwithstanding the provisions of Section 6(a) entitled "Indemnity" and Section 26(b) entitled "Premises" of the Terms and Conditions, in no event shall the Lessee indemnify the Port Authority for any claims or damages arising at the Facility solely out of the negligence or willful misconduct of the Port Authority.

(v) Section 28(a) entitled "Force Majeure" of the Terms and Conditions shall be deleted and the following shall be inserted in lieu thereof:

"(a) Neither the Port Authority nor the Lessee shall be liable for the failure, delay or interruption in performing its obligations hereunder due to causes or conditions beyond its control, including without limitation strikes, boycotts, picketing, slow-downs, work stoppages or labor troubles or any other type (whether affecting the Port Authority, its contractors, or subcontractors). Further, the Port Authority or the Lessee shall not be

liable unless the failure, delay or interruption shall result from failure on the part of the Port Authority or the Lessee to use reasonable care to prevent or reasonable efforts to cure such failure, delay or interruption."

(vi) Section 30 of the Terms and Conditions shall be deleted and the following shall be inserted in lieu thereof:

"30. No Commissioner, officer, agent or employee's of the Port Authority or the Lessee shall be charged personally by the other with any liability, or held liable to the other under any term or provision of this Agreement, or because of its execution or attempted execution, or because of any breach, or attempted or alleged breach, thereof."

(vii) The following sentence shall be added after the last sentence of Section 31 of the Terms and Conditions:

"The Port Authority will not act in an arbitrary or capricious manner in the exercise of its discretion."

For the Port Authority

For the Lessee

INITIALED:	
For the Port Authority	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 hereinafter in this Schedule E and in the Section of the Lease entitled "Non Discrimination of Port Authority Agreement No. ANC-310 (herein called the "Lease") with Deutsche Lufthansa Aktiengescellschaft (herein and in the Lease 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 Manager of the Office of Business and Job Opportunity of the Port Authority within 10 working days of award of any construction subcontract in excess of $10,000 at any tier for construction work. The notification shall list the name, address and telephone number of the subcontractor; employer identification number; estimated starting and completion dates of the subcontract; and the geographical area in which the subcontract is to be performed.

(c) As used in these specifications:

(1) "Employer identification number" means the Federal Social Security number used on the Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941:

(2) "Minority" includes:

(i) Black (all persons having origins in any of the Black African racial groups not of Hispanic origin);

(ii) Hispanic (all persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American culture or origin, regardless of race);

(iii) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands); and

(iv) American Indian or Alaskan Native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).

(d) Whenever the Contractor, or any subcontractor at any tier, subcontracts a portion of the construction work involving any construction trade, it shall physically include in each subcontract in excess of $10,000 those provisions which include the applicable goals for minority and female participation.

(e) The Contractor shall implement the specific affirmative action standards provided in subparagraphs (1) through (16) of Paragraph (h) hereof. The goals set forth above are expressed as percentages of the total hours of employment and training of minority and female utilization the Contractor should reasonably be able to achieve in each construction trade in which it has employees in the premises. The Contractor is expected to make substantially uniform progress toward its goals in each craft during the period specified.

(f) Neither the provisions of any collective bargaining agreement, nor the failure by a union with whom the Contractor has a collective bargaining agreement, to refer either minorities or women shall excuse the Contractor's obligations hereunder.

(g) In order for the 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 number of each minority and female off-the-street applicant and minority or female referral from a union, a recruitment source or community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the Contractor by union or, if referred, not employed by the Contractor, this shall be documented in the file with the reason therefor, along with whatever additional actions the Contractor may have taken.

(4) Provide immediate written notification to the Lessee when the union or unions with which the Contractor has a collective bargaining agreement has not referred to the Contractor a minority person or woman sent by the Contractor, or when the Contractor has other information that the union referral process has impeded the Contractor's efforts to meet its obligations.

(5) Develop on-the-job training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and training programs relevant to the Contractor's employment needs, especially those programs funded or approved by the Department of Labor. The Contractor shall provide notice of these programs to the sources compiled under subparagraph (2) above.

(6) Disseminate the Contractor's EEO Policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the Contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the Contractor's newspaper, annual report, etc.; by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and by posting the Contractor's EEO policy on bulletin boards accessible to all employees at each location where construction work is performed.

(7) Review, at least every six months the Contractor's EEO policy and affirmative action obligations hereunder with all employees having any responsibility for hiring, assignment, layoff, termination or other employment decision including specific review of these items with on-premises supervisory personnel such as Superintendents, General Foremen, etc., prior to the initiation of construction work at the premises. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.

(8) Disseminate the Contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the Contractor's EEO policy with other Contractors and Subcontractors with whom the Contractor does or anticipates doing business.

(9) Direct its recruitment efforts, both oral and written, to minority, female and community organizations, to schools with minority and female students and to minority and female recruitment and training organizations and to State-certified minority referral agencies serving the Contractor's recruitment area and employment needs. Not later than one month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the Contractor shall send written notification to organizations such as the above, describing the openings, screening procedures, and tests to be used in the selection process.

(10) Encourage present minority and female employees to recruit other minority persons and women and, where reasonable, provide after school, summer and vacation employment to minority and female youth both on the premises and in areas of a Contractor's workforce.

(11) Tests and other selecting requirements shall comply with 41 CFR Part 60-3.

(12) Conduct, at least every six months, an inventory and evaluation at least of all minority and female personnel for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.

(13) Ensure that seniority practices, job classifications, work assignments and other personnel practices, do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the Contractor's obligations hereunder are being carried out.

(14) Ensure that all facilities and company activities are nonsegregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.

(15) Document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitations to minority and female contractor associations and other business associations.

(16) Conduct a review, at least every six months, of all supervisors' adherence to and performance under the Contractors' EEO policies and affirmative action obligations.

(i) Contractors are encouraged to participate in voluntary associations which assist in fulfilling one or more of their affirmative action obligations (subparagraphs (1)-(16) of Paragraph (h) above). The efforts of a contractor association, joint contractor-union, contractor-community, or other similar group of which the Contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under Paragraph (h) hereof provided that: the Contractor actively participates in the group, makes good faith efforts to assure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the Contractor's minority and female workforce participation, makes good faith efforts to meet its individual goals and timetables, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the Contractor. The obligation to comply, however, is the Contractor's and failure of such a group to fulfill an obligation shall not be a defense for the Contractor's non-compliance.

(j) A single goal for minorities and a separate single goal for women have been established. The Contractor, however, is required to provide equal opportunity and to take affirmative action for all minority groups, both male and female, and all women, both minority and non-minority. Consequently, the Contractor may be in violation hereof if a particular group is employed in a substantially disparate manner (for example, even though the Contractor has achieved its goals for women generally, the Contractor may be in violation hereof if a specific minority group of women is underutilized).

(k) The Contractor shall not use the goals and timetables or affirmative action standards to discriminate against any person because of race, color, religion, sex or national origin.

(l) The Contractor shall not enter into any subcontract with any person or firm debarred from Government contracts pursuant to Executive Order 11246.

(m) The Contractor shall carry out such sanctions and penalties for violation of this clause including suspension, termination and cancellation of existing subcontracts as may be imposed or ordered by the Lessee. Any Contractor who fails to carry out such sanctions and penalties shall be in violation hereof.

(n) The Contractor, in fulfilling its obligations hereunder shall implement specific affirmative actions steps, at lease 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 Lease, the Contractor shall cooperate with all federal, state or local agencies established for the purpose of implementing affirmative action compliance programs and shall comply with all procedures and guidelines established or which may be established by the Port Authority.

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 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.

(g) Not requiring bonds from and/or providing bonds and insurance for MBEs and WBEs, where appropriate.

Certification of MBEs and WBEs hereunder shall be made by the Office of Business and Job Opportunity of the Port Authority. If the Contractor wishes to utilize a firm not already certified by the Port Authority, it shall submit to the Port Authority a written request for a determination that the proposed firm is eligible for certification. This shall be done by completing and forwarding such form as may be then required by the Port Authority. All such requests shall be in writing addressed to the Office of Business and Job Opportunity, the Port Authority of New York and New Jersey, One World Trade Center, 63 East, New York, New York 10048 or such other address as the Port Authority may specify by notice to the Lessee. Certification shall be effective only if made in writing the Director in charge of the Office of

Business and Job Opportunity of the Port Authority. The determination of the Port Authority shall be final and binding.

The Port Authority has compiled a list of the firms that the Port Authority has determined satisfy the criteria for MBE and WBE certification. This list may be supplemented and revised from time to time by the Port Authority. Such list shall be made available to the Contractor upon request. The Port Authority makes no representation as the financial responsibility or such, firms, their technical competence to perform, or any other performance-related qualifications.

Only MBE's and WBE's certified by the Port Authority will count toward the MBE and WBE goals.

Please note that only sixty percent (60%) of expenditures to MBE or WBE suppliers will count towards meeting the MBE and WBE goals. However, expenditures to MBE or WBE manufacturer's (i.e. suppliers that produce goods from raw materials or substantially alter them before resale) are counted dollar for dollar.

INITIALED:	
For the Port Authority	For the Lessee

SCHEDULE F

LOCAL BUSINESS ENTERPRISES COMMITMENT

As a matter of policy the Port Authority hereby requires the Lessee and the Lessee shall require any Contractor utilized 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 shall use every good faith effort to maximize the participation of Local Business Enterprises (LBEs) in all construction work on the Premises, including without limitation 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 on LBEs and shall contact the Queens Air Services Development Office (ASDO), located at John F. Kennedy International Airport, Bldg. 80, First Floor, South Service Court, Jamaica, NY 11430 to obtain LBE Vendor Profiles and access ASDO's on-line vendor retrieval system (BASIS). The Port Authority has not checked the references, capabilities or financial background of the LBEs registered with the ASDO, but is referring the Contractor to the ASDO and BASIS solely for the purpose of advising Contractors of LBDs who may be interested in providing services and/or materials to the Contractor.

(2) Good faith efforts to include participation by LBEs in 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) Soliciting bids on portions of the work to be subcontracted and services and materials to be procured from LBE's registered with ASDO and such other LBEs as the Contractor deems appropriate.

(3) The Port Authority is committed to making employment opportunities available to local residents and expects that the Contractor will utilized LBEs.

(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

SCHEDULE G

AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE (ACDBE) PARTICIPATION

In accordance with regulations of the US Department of Transportation 49 CFR Part 23, the Port Authority has implemented an Airport Concession Disadvantaged Business Enterprise (ACDBE) program under which qualified firms may have the opportunity to operate an airport business. The Port Authority has established an ACDBE participation goal, as measured by the total estimated annual gross receipts for the overall concession program. The goal is modified from time to time and posted on the Port Authority's website: www.panynj.gov.

The overall ACDBE goal is a key element of the Port Authority's concession program and Concessionaire shall take all necessary and reasonable steps to comply with the requirements of the Port Authority's ACDBE program. The Concessionaire commits to making good faith efforts to achieve the ACDBE goal. Pursuant to 49 CFR 23.25 (f), ACDBE participation must be, to the greatest extent practicable, in the form of direct ownership, management and operation of the concession or the ownership, management and operation of specific concession locations through subleases. The Port Authority will also consider participation through joint ventures in which ACDBEs control a distinct portion of the joint venture business and/or purchase of goods and services from ACDBEs. In connection with the aforesaid good faith efforts, as to those matters contracted out by the Concessionaire in its performance of this agreement, the Concessionaire shall use, to the maximum extent feasible and consistent with the Concessionaire's exercise of good business judgment including without limit the consideration of cost competitiveness, a good faith effort to meet the Port Authority's goals. Information regarding specific good faith steps can be found in the Port Authority's ACDBE Program located on its above-referenced website. In addition, the Concessionaire shall keep such records as shall enable the Port Authority to comply with its obligations under 49 CFR Part 23 regarding efforts to offer opportunities to ACDBEs.

Qualification as an ACDBE

To qualify as an ACDBE, the firm must meet the definition set forth below and be certified by the New York State or New Jersey Uniform Certification Program (UCP). The New York State UCP directory is available on-line at www.nysucp.net and the New Jersey UCP at www.njucp.net.

An ACDBE must be a small business concern whose average annual receipts for the preceding three (3) fiscal years does not exceed $47.78 million and it must be (a) at least fifty-one percent (51%) owned and controlled by one or more socially and economically disadvantaged individuals, or in the case of any publicly owned business, at least fifty-one percent (51%) of the stock is owned by one or more socially and economically disadvantaged individuals; and (b) whose management and daily business operations are controlled by one or more of the socially or economically disadvantaged individuals who own it. The personal net worth standard used in determining eligibility for purposes of

part 23 is $750,000.

The ACDBE may, if other qualifications are met, be a franchisee of a franchisor. An airport concession is a for-profit business enterprise, located on an airport, which is subject to the Code of Federal Regulations 49 Part 23, subpart F, that is engaged in the sale of consumer goods or services to the public under an agreement with the sponsor, another concessionaire, or the owner or operator of a terminal, if other than the sponsor. The Port Authority makes a rebuttable presumption that individuals in the following groups who are citizens of the United States or lawful permanent residents are "socially and economically disadvantaged":

a. Women;

b. Black Americans which includes persons having origins in any of the Black racial groups of Africa;

c. Hispanic Americans which includes persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;

d. Native Americans which includes persons who are American Indians, Eskimos, Aleuts or Native Hawaiians;

e. Asian-Pacific Americans which includes persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea), Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands (Republic of Palau), the Commonwealth Northern Marianas Islands, Macao, Fiji, Tonga, Kiribati, Juvalu, Nauru, Federated States of Micronesia or Hong Kong;

f. Asian-Indian Americans which includes persons whose origins are from India, Pakistan, Bangladesh, Bhutan, Maldives Islands, Nepal and Sri Lanka; and

g. Members of other groups, or other individuals, found to be economically and socially disadvantaged by the Small Business Administration under Section 8(a) of the Small Business Act, as amended (15 U.S.C. Section 637(a)).

Other individuals may be found to be socially and economically disadvantaged on a case-by-case basis. For example, a disabled Vietnam veteran, an Appalachian white male, or another person may claim to be disadvantaged. If such individual requests that his or her firm be certified as ACDBE, the Port Authority, as a certifying partner in the New York State and New Jersey UCPs will determine whether the individual is socially or economically disadvantaged under the criteria established by the Federal Government. These owners must demonstrate that their disadvantaged status arose from individual circumstances, rather than by virtue of membership in a group.

1. Certification of ACDBEs hereunder shall be made by the New York State or New Jersey UCP. If Concessionaire

wishes to utilize a firm not listed in the UCP directories but which the Concessionaire believes should be certified as an ACDBE, that firm shall submit to the Port Authority a written request for a determination that the firm is eligible for certification. This shall be done by completing and forwarding such forms as may be required under 49 CFR Part 23. All such requests shall be in writing, addressed to Lash Green, Director, Office of Business and Job Opportunity, The Port Authority of New York and New Jersey, 233 Park Avenue South, 4th Floor, New York, New York 10003 or such other address as the Port Authority may designate from time to time. Contact OBJOcert@panynj.gov for inquiries or assistance.

General

In the event the signatory to this agreement is a Port Authority permittee, the term Concessionaire shall mean the Permittee herein. In the event the signatory to this agreement is a Port Authority lessee, the term Concessionaire shall mean the Lessee herein. In the event the signatory to this agreement is a Sublessee of a Port Authority Lessee, the term Concessionaire shall mean the Sublessee herein.

Initialed:

For the Port Authority

For the Lessee

(Port Authority Acknowledgment)

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

On the 14TH day of NOVEMBER 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(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Gail E. Mitchell

(notarial seal and stamp)

GAIL E. MITCHELL
NOTARY PUBLIC-STATE OF NEW YORK
No. 01MI6026210
Qualified in Queens County
My Commission Expires June 14, 2015

(Corporate Acknowledgment – Deutsche Lufthansa Aktiengesellschaft)

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

On the 4th day of October in the year 2012, before me, the undersigned, a Notary Public in and for said state, personally appeared

Juergen Siebenrock

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.

ARTHUR J. MOLINS
Notary Public, State of New York
No. 4731752
Qualified in Queens County
Commission Expires July 31, 2013

(notarial seal and stamp)

: For Port Authority Use Only :
Permit Number: ANC-444 :

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

NEWARK LIBERTY 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 (herein referred to as the "Space") at Newark Liberty International Airport, in the City of Newark, County of Essex and State of New Jersey (herein called the "Airport"), in accordance with the Terms and Conditions hereof and the endorsements annexed hereto; and said Permittee agrees to pay the fee or fees hereinafter specified and to perform all other obligations imposed upon it in the said Terms and Conditions and the endorsements.

1. **PERMITTEE:** DEUTSCHE LUFTHANSA AKTEINGESELLSCHAFT d/b/a LUFTHANSA GERMAN AIRLINES, a foreign corporation organized and existing under the laws of the Federal Republic of Germany (herein called the "Permittee").

2. **PERMITTEE'S ADDRESS:** 1640 Hempstead Turnpike
East Meadow, NY 11554

3. **PERMITTEE'S REPRESENTATIVE:** Umit Menemenci, Station Manager

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:** April 1, 2014

8. **EXPIRATION DATE:** March 31, 2019, unless sooner revoked or terminated as herein provided.

9. **ENDORSEMENTS:** 5.1, 11.1, 14.1, Special Endorsements, Exhibits A, B, C, D and E and Insurance Schedule

APPROVED FOR TRANSMITTAL	
FORM	TERMS

Dated: As of April 1, 2014

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

Name David Kagan
Assistant Director
Business. Properties & Airport Development

(Title) _____

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

MCW/DG

LUFTHANSA GERMAN AIRLINES, Permittee

By _____

Name Juergen Siebenrock
(Please Print Clearly)

(Title) VP-The Americas

By: _____

Name: Uwe Hauser

Title: Director Finance, Business Svc & HR - The Americas

TERMS AND CONDITIONS

1. Certain Definitions:

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

(b) "**City Lease**" shall mean the agreement between the City and the Port Authority dated October 22, 1947, as the same from time to time may have been or may be supplemented or amended. Said agreement dated October 22, 1947 has been recorded in the Office of the Register of Deeds for the County of Essex, on October 30, 1947, in Book E-110 of Deeds, at pages 242, et seq.

(c) "**City**" shall mean The City of Newark, a municipal corporation of the State of New Jersey.

(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 Newark Liberty 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 to the conduct of such business or operation.

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: [redacted]

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 eight-tenths of one percent (.8%) 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, 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 National Board of Fire Underwriters and the Fire Insurance Rating Organization of New Jersey, 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. 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.

17. Federal Airport Aid: The Permittee shall:

(a) Furnish good, prompt and efficient service hereunder, adequate to meet all demands therefore at the Airport;

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

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

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

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

18. 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.

19. 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.

20. 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.

21. 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.

22. 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.

23. 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 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.

24. 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.

25. 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.

26. 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.

27. 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 Jersey, without regard to choice of law principles.

28. 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.

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.

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 ENDORSMENTS

1) **Space:** Subject to and in accordance with all the terms and conditions of this Permit including without limitation the Endorsements and Insurance Schedule annexed thereto, the Port Authority hereby grants to the Permittee permission to use and occupy the following: space located in Terminal B (hereinafter referred to as "***Area A***") as shown in diagonal cross-hatching on the sketch attached hereto, hereby made a part hereof and marked "Exhibit A"; Ticket Counter Office # 402 located above Outbound Baggage Belt # 2 at the Airport (hereinafter referred to as "***Area B***") as shown in shading on the sketch attached hereto, hereby made a part hereof and marked "Exhibit B"; Ticket Counter Office # 403 located above Outbound Baggage Belt # 2 at the Airport (hereinafter referred to as "***Area C***") as shown in shading on the sketch attached hereto, hereby made a part hereof and marked "Exhibit C"; Ticket Counter Office # 404 located above Outbound Baggage Belt # 2 at the Airport (hereinafter referred to as "***Area D***") as shown in shading on the sketch attached hereto, hereby made a part hereof and marked "Exhibit D"; and space located in Terminal B3 Satellite (hereinafter referred to as "***Area E***") as shown in diagonal hatching on the sketch attached hereto, hereby made a part hereof and marked "Exhibit E"

(the aforesaid Area A, Area B, Area C, Area D and Area E as shown on Exhibits A, B, C, D and E being sometimes herein collectively called the "Space").

2) **Use:** Subject to and in accordance with all the terms and conditions of this Permit and the Endorsements annexed thereto, the Port Authority hereby grants to the Permittee permission to use and occupy the Space, together with all fixtures, improvements and other property of the Port Authority located therein or thereon, as follows:

(a) Area A as an office suite; and

(b) Area B as a ticket counter office; and

(c) Area C as a ticket counter office; and

(d) Area D as a ticket counter office; and

(e) Area E to be used in connection with aircraft storage parts and maintenance at the Airport;

and for no other purpose or purposes whatsoever.

3) **Fees:**

(a) The Permittee shall pay a basic monthly fee to the Port Authority for Area A payable in advance on the first day of each calendar month as follows:

(i) For the period from April 1, 2014 through March 31, 2015, both dates inclusive, at the rate of Ten Thousand Fifty-seven Dollars and Eighty-four Cents ($10,057.84) per month;

(ii) For the period from April 1, 2015 through March 31, 2016, both dates inclusive, at the rate of Ten Thousand Two Hundred Eighty-seven Dollars and Thirty-four Cents ($10,287.34) per month;

(iii) For the period from April 1, 2016 through March 31, 2017, both dates inclusive, at the rate of Ten Thousand Five Hundred Sixteen Dollars and Eighty-four Cents ($10,516.84) per month;

(iv) For the period from April 1, 2017 through March 31, 2018, both dates inclusive, at the rate of Ten Thousand Seven Hundred Forty-six Dollars and Thirty-four Cents ($10,746.34) per month; and,

(v) For the period from April 1, 2018 through March 31, 2019, both dates inclusive, at the rate of Ten Thousand Nine Hundred Seventy-five Dollars and Eighty-four Cents ($10,975.84) per month.

(b) The Permittee shall pay a basic monthly fee to the Port Authority for Area B payable in advance on the first day of each calendar month as follows:

(i) For the period from April 1, 2014 through March 31, 2015, both dates inclusive, at the rate of Two Thousand Four Hundred Sixty Dollars and No Cents ($2,460.00) per month;

(ii) For the period from April 1, 2015 through March 31, 2016, both dates inclusive, at the rate of Two Thousand Five Hundred Fourteen Dollars and Sixty-seven Cents ($2,514.67) per month;

(iii) For the period from April 1, 2016 through March 31, 2017, both dates inclusive, at the rate of Two Thousand Five Hundred Sixty-nine Dollars and Thirty-three Cents ($2,569.33) per month;

(iv) For the period from April 1, 2017 through March 31, 2018, both dates inclusive, at the rate of Two Thousand Six Hundred Twenty-four Dollars and No Cents ($2,624.00) per month; and,

(v) For the period from April 1, 2018 through March 31, 2019, both dates inclusive, at the rate of Two Thousand Six Hundred Seventy-eight Dollars and Sixty-seven Cents ($2,678.67) per month.

(c) The Permittee shall pay a basic monthly fee to the Port Authority for Area C payable in advance on the first day of each calendar month as follows:

(i) For the period from April 1, 2014 through March 31, 2015, both dates inclusive, at the rate of Two Thousand One Hundred Fifty-two Dollars and Fifty Cents ($2,152.50) per month;

(ii) For the period from April 1, 2015 through March 31, 2016, both dates inclusive, at the rate of Two Thousand Two Hundred Dollars and Thirty-three Cents ($2,200.33) per month;

(iii) For the period from April 1, 2016 through March 31, 2017, both dates inclusive, at the rate of Two Thousand Two Hundred Forty-eight Dollars and Seventeen Cents ($2,248.17) per month;

(iv) For the period from April 1, 2017 through March 31, 2018, both dates inclusive, at the rate of Two Thousand Two Hundred Ninety-six Dollars and No Cents ($2,296.00) per month; and,

(v) For the period from April 1, 2018 through March 31, 2019, both dates inclusive, at the rate of Two Thousand Three Hundred Forty-three Dollars and Eighty-three Cents ($2,343.83) per month.

(d) The Permittee shall pay a basic monthly fee to the Port Authority for Area D payable in advance on the first day of each calendar month as follows:

(i) For the period from April 1, 2014 through March 31, 2015, both dates inclusive, at the rate of Two Thousand One Hundred Fifty-two Dollars and Fifty Cents ($2,152.50) per month;

(ii) For the period from April 1, 2015 through March 31, 2016, both dates inclusive, at the rate of Two Thousand Two Hundred Dollars and Thirty-three Cents ($2,200.33) per month;

(iii) For the period from April 1, 2016 through March 31, 2017, both dates inclusive, at the rate of Two Thousand Two Hundred Forty-eight Dollars and Seventeen Cents ($2,248.17) per month;

(iv) For the period from April 1, 2017 through March 31, 2018, both dates inclusive, at the rate of Two Thousand Two Hundred Ninety-six Dollars and No Cents ($2,296.00) per month; and,

(v) For the period from April 1, 2018 through March 31, 2019, both dates inclusive, at the rate of Two Thousand Three Hundred Forty-three Dollars and Eighty-three Cents ($2,343.83) per month.

(e) The Permittee shall pay a basic monthly fee to the Port Authority for Area D payable in advance on the first day of each calendar month as follows:

(i) For the period from April 1, 2014 through March 31, 2015, both dates inclusive, at the rate of One Thousand Four Hundred Seven Dollars and Thirty-eight Cents ($1,407.38) per month;

(ii) For the period from April 1, 2015 through March 31, 2016, both dates inclusive, at the rate of One Thousand Four Hundred Seventy-four Dollars and Eighty-eight Cents ($1,474.88) per month;

(iii) For the period from April 1, 2016 through March 31, 2017, both dates inclusive, at the rate of One Thousand Five Hundred Forty-two Dollars and Thirty-eight Cents ($1,542.38) per month;

(iv) For the period from April 1, 2017 through March 31, 2018, both dates inclusive, at the rate of One Thousand Six Hundred Nine Dollars and Eighty-eight Cents ($1,609.88) per month; and,

(v) For the period from April 1, 2018 through March 31, 2019, both dates inclusive, at the rate of One Thousand Six Hundred Seventy-seven Dollars and Thirty-eight Cents ($1,677.38) per month.

(f) The Basic Fees are payable in advance on April 1, 2014 and on the first day of each and every calendar month thereafter. 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 Basic 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.

4) **Damage to Space by Permittee**. The Permittee shall pay to the Port Authority upon demand to the Port Authority the cost of repairing, replacing, rebuilding, or painting all or any part of the Space or of the Airport that may be damaged or destroyed as a result of the Permittee's operations hereunder or by its use of the Space in any manner whatsoever.

5) **Property Liability**. 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 in 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.

6) **Security Deposit:**

(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 Fifty Thousand Dollars and No Cents ($50,000.00). The form and terms of such letter of credit, as well as the institution issuing it, shall be subject to the prior and continuing approval of the Port Authority. Such letter of credit shall provide that it shall continue throughout the 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. Upon acceptance of such letter of credit by the Port Authority, and upon request by the Permittee made thereafter, the Port Authority will return the security deposit, if any, theretofore made. The Permittee shall have the same rights to receive such deposit during the existence of a valid letter of credit as it would have to receive such sum upon expiration of the permission under this Permit and fulfillment of the obligations of the Permittee hereunder. If the Port Authority shall make any drawing under a letter of credit held by the Port Authority hereunder, the Permittee on demand of the Port Authority and within two (2) days thereafter, shall bring the letter of credit back up to its full amount. 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) For purposes of this paragraph, the Permittee hereby certifies that its federal tax identification number is [redacted]

(c) The Permittee acknowledges and agrees that the Port Authority reserves the right, in its sole discretion at any time and from time to time upon sixty (60) days' notice to the Permittee, to adjust the Required Security Deposit Amount but in no event would the adjusted amount equal more than three months of fees that would be payable to the Port Authority. Not later than the effective date set forth in said notice by the Port Authority, the Permittee shall furnish additional cash or bonds, as provided for in paragraph (a) above, or an amendment to, or a replacement of, the letter of credit providing for such adjusted Required Security Deposit Amount, as the case may be, and such additional cash and/or bonds or adjusted (or replaced) letter of credit shall thereafter constitute the Required Security Deposit required under this Section.

(d) If the Permittee is obligated by any other agreement ("***Other PA Agreement***") to maintain a security deposit with the Port Authority to insure payment and performance by the Permittee of all fees, rentals, charges and other obligations which may become due and owing to the Port Authority arising from the Permittee's operations at the Airport (or other Port Authority facility) pursuant to any such Other PA Agreement or otherwise, then all such security deposit-related obligations under such Other PA 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 PA Agreement. All provisions of such Other PA Agreement with respect to security deposit-related 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. It is understood that the term Other PA Agreement refers both to agreements entered into prior to, or as of, the effective date of this Permit, as well as agreements hereinafter entered into.

7) **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.* The 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.

8) **Audit Fee:**

(a) Books and Records. The Permittee shall permit and/or cause to be permitted in ordinary business hours during the period of permission hereunder and for one 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 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.

(b) Fee. In the event that upon conducting an examination and audit under the provisions of this Permit (and as it may be hereinafter amended), the Port Authority determines that unpaid amounts are due to the Port Authority by the Permittee (the "***Audit Findings***"), the Permittee shall be obligated, and hereby agrees, to pay to the Port Authority a service charge in the amount equal to five percent (5%) of the Audit Findings to defray personnel costs and legal expenses incurred by the Port Authority (including but not limited to the cost to the Port Authority of in-house legal services), in connection with such audit and collection of the unpaid amounts due to the Port Authority. Each such service charge shall be payable immediately upon demand (by notice, bill or otherwise) made at any time therefor by the Port Authority. Such service charge(s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority by the Permittee under this Agreement or otherwise. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid service charge shall be deemed a waiver of the right of the Port Authority of payment of any late charge(s) or other service charge(s) payable under the provisions of this Agreement with respect to such unpaid amount. Each such service charge shall be and become fees, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the rentals to be paid. Nothing in this Section is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Agreement, including, without limitation, the Port Authority's rights to terminate this Agreement or (ii) any obligations of the Permittee under this Agreement.

For the Port Authority

Initialed:

For the Permittee

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: N/A

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 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 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 Port Authority Use Only
Number ANC-469

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

NEWARK LIBERTY 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 Newark Liberty International Airport, New Jersey (hereinafter referred to as the "Space") for the purposes hereinafter specified and purposes incidental thereto in accordance with the Terms and Conditions hereof and the endorsements annexed hereto; 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 and the endorsements.

1. PERMITTEE: LUFTHANSA GERMAN AIRLINES aka Deutche Lufthansa Aktiengesellshaft, a corporation formed under the laws of Germany
2. PERMITTEE'S ADDRESS: 1640 Hempstead Turnpike
East Meadow, New York 11554
3. PERMITTEE'S REPRESENTATIVE: Arthur J. Mollins
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: August 1, 2014
8. EXPIRATION DATE: July 31, 2019, unless sooner revoked or terminated as provided in the Permit.
9. ENDORSEMENTS: Special Endorsements, Insurance Schedule and Exhibit A

Dated: As of August 1, 2014

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
By: _____
(Title) David Kagan
Assistant Director
Business. Properties & Airport Development

LUFTHANSA GERMAN AIRLINES,
Permittee

By: _____
Print Name: JUERGEN STEGENROCK
Title: VP President
By: _____
Uwe Hauser
Director Finance, Business Svcs, & HR
The Americas

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

LLF/NEI

TERMS AND CONDITIONS

1. Certain Definitions:

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

(b) "**City Lease**" shall mean the agreement between the City and the Port Authority dated October 22, 1947, as the same from time to time may have been or may be supplemented or amended. Said agreement dated October 22, 1947 has been recorded in the Office of the Register of Deeds for the County of Essex, on October 30, 1947, in Book E-110 of Deeds, at pages 242, et seq.

(c) "**City**" shall mean The City of Newark, a municipal corporation of the State of New Jersey.

(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 Newark Liberty 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 to the conduct of such business or operation.

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: [redacted]

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 eight-tenths of one percent (.8%) 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, 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 National Board of Fire Underwriters and the Fire Insurance Rating Organization of New Jersey, 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. 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.

17. Federal Airport Aid: The Permittee shall:

(a) Furnish good, prompt and efficient service hereunder, adequate to meet all demands therefore at the Airport;

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

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

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

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

18. 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.

19. 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.

20. 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.

21. 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.

22. 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.

23. 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 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.

24. 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.

25. 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.

26. 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.

27. 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 Jersey, without regard to choice of law principles.

28. 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.

SPECIAL ENDORSEMENTS

1. The space shall consist of the area located in the Terminal B-3, as shown in cross diagonal hatching (the "Space") on the sketch attached hereto, hereby made a part hereof and marked "Exhibit A."

2. Subject to and in accordance with all the terms and conditions of this Permit and the Endorsements annexed thereto, the Port Authority hereby grants to the Permittee permission to use and occupy the Space, together with all fixtures, improvements and other property of the Port Authority located therein or thereon, for storage space and for no other purpose or purposes whatsoever.

3. The Permittee shall pay the following monthly fee for the Space to the Port Authority:

(a) For the period from August 1, 2014 through July 31, 2015, both dates inclusive, at a rate of One Thousand Seven Hundred Twenty-nine Dollars and Seventeen Cents ($1,729.17) per month, and;

(b) For the period from August 1, 2015 through July 31, 2016, both dates inclusive, at a rate of Two Thousand Seventy-five Dollars and No Cents ($2,075.00) per month, and;

(c) For the period from August 1, 2016 through July 31, 2017, both dates inclusive, at a rate of Two Thousand Four Hundred Twenty Dollars and Eighty-three Cents ($2,420.83) per month, and;

(d) For the period from August 1, 2017 through July 31, 2018, both dates inclusive, at a rate of Two Thousand Seven Hundred Sixty-six Dollars and Sixty-seven Cents ($2,766.67) per month, and;

(e) For the period from August 1, 2018 through July 31, 2019, both dates inclusive, at a rate of Three Thousand One Hundred Twelve Dollars and Fifty Cents ($3,112.50) per month.

4. 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 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.

5. The Permittee hereby acknowledges that the Port Authority shall have no responsibility to keep the Space guarded, attended or patrolled at any time. The Port Authority shall not be obligated to police the use of the Space, 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.

6. The effective date of this Permit is that date the Permittee commenced the activities permitted by this Permit. The Permittee in executing this Permit represents that the date stated as the "Effective Date" in Item 7 appearing on the first page of this Permit is the date the Permittee commenced the activities permitted by this Permit. If the Port Authority determines by audit or otherwise that the Permittee commenced such activities prior to said Effective Date, the effective date of this Permit shall be the date the Permittee commenced the activities permitted by this Permit and all obligations of the Permittee under this Permit shall commence on such date including, but not limited to, the Permittee's indemnity obligations and obligations to pay fees.

7. The Permittee acknowledges that Federal rules and regulations in connection with the subject matter of Section 19 of the Terms and Conditions may be amended from time to time and, in connection therewith, the Port Authority may modify the terms and provisions of Section 19 of the Terms and Conditions so as to assure compliance with such Federal rules and regulations. The Permittee hereby acknowledges and agrees that it shall be bound by all modifications made by the Port Authority to the terms and provisions of Section 19 of the Terms and Conditions as described in the preceding sentence, upon written notice from the Port Authority containing such modifications.

8. Even if this Permit does not set forth a stated amount of security deposit that must be provided by the Permittee prior to or upon the effective date of this Permit in connection with the Permittee's operations hereunder, nothing in this Permit shall prevent or preclude, or shall be construed as preventing or precluding, the Port Authority from requiring a security deposit at any time during the period of permission of this Permit, or as a condition of entering into any agreement (including without limitation extensions, amendments or supplements to this Permit or existing agreements) which may be entered into between the Port Authority and the Permittee subsequent to the execution of this Permit. Accordingly, the Port Authority reserves the right, in its sole discretion, upon fifteen (15) days written notice, to require that a security deposit be delivered to it by the Permittee hereunder and, in such event, the amount and type of security deposit set forth in said notice shall be deposited with the Port Authority forthwith in strict accordance with the Port Authority's notice. Similarly, the Port Authority reserves the right, in its sole discretion, to further adjust such amount, at any time and from time to time, upon fifteen (15) days written notice to the Permittee, thereby increasing or decreasing the security amount, based upon changes in the Permittee's activity at any Port Authority Facility. From and after the effective date set forth in said notice the Permittee shall deposit with the Port Authority the new security amount as set forth in said notice.

For the Port Authority

Initialed:

For the Permittee

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, 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
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 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 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 Port Authority Use Only
Permit Number ANC-504

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
4 World Trade Center
150 Greenwich St.
New York, NY 10007

NEWARK LIBERTY 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 Newark Liberty International Airport, New Jersey (hereinafter referred to as the "***Space***") for the purposes hereinafter specified and purposes incidental thereto in accordance with the Terms and Conditions hereof and the endorsements annexed hereto; 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 and the endorsements.

1. **PERMITTEE**: DEUTSCHE LUFTHANSA AKTIENGESELLSCHAFT , a corporation existing under the Laws of Germany
2. **PERMITTEE'S ADDRESS**: 1640 Hempstead Turnpike
East Meadow, NY 11554
3. **PERMITTEE'S REPRESENTATIVE**: Arthur J. Mollins
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**: April 1, 2015
8. **EXPIRATION DATE**: March 31, 2019, unless sooner revoked or terminated as provided in this Permit.
9. **ENDORSEMENTS**: 11.1, 14.1, 19.3, Special Endorsements, Exhibit A, and Insurance Schedule

Dated: As of April 1, 2015

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By: _____

Print Name: David Kagan

Title: Assistant Director
Business. Properties & Airport Development

DEUTSCHE LUFTHANSA AKTIENGESELLSCHAFT

By: _____

Print Name: JUELLRIEN SREBERROCK

Title: VP - AMERICAS

WITNESS: _____

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

JED

TERMS AND CONDITIONS

1. Certain Definitions:

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

(b) "**City Lease**" shall mean the agreement between the City and the Port Authority dated October 22, 1947, as the same from time to time may have been or may be supplemented or amended. Said agreement dated October 22, 1947 has been recorded in the Office of the Register of Deeds for the County of Essex, on October 30, 1947, in Book E-110 of Deeds, at pages 242, et seq.

(c) "**City**" shall mean The City of Newark, a municipal corporation of the State of New Jersey.

(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 Newark Liberty 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 to the conduct of such business or operation.

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: [redacted]

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 eight-tenths of one percent (.8%) 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, 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 National Board of Fire Underwriters and the Fire Insurance Rating Organization of New Jersey, 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. 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.

17. Federal Airport Aid: The Permittee shall:

(a) Furnish good, prompt and efficient service hereunder, adequate to meet all demands therefore at the Airport;

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

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

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

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

18. 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.

19. 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.

20. 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 4 World Trade Center, 150 Greenwich St, 23rd Floor, New York, New York 10007 or at such other address as the Port Authority shall hereafter designate by notice to the Permittee.

21. 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.

22. 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.

23. 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 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.

24. 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.

25. 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.

26. 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.

27. 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 Jersey, without regard to choice of law principles.

28. 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

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

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

The Port Authority has agreed by a provision in its agreement of Permit with the City covering the Airport to conform to the enactments, ordinances, resolutions and regulations of the City and of it various departments, boards and bureaus in regard to the construction and maintenance of buildings and structures and in regard to health and fire protection, to the extent that the Port Authority finds it practicable so to do. The Permittee shall, within forty-eight (48) hours after its receipt of any notice of violation, warning notice, summons, or other legal process for the enforcement of any such enactment, ordinance, resolution or regulation, deliver the same to the Port Authority for examination and determination of the applicability of the agreement of Permit 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.

SPECIAL ENDORSEMENTS

1. **The Space:** The space shall consist of an approximately 130 square foot storage area on Level One of Terminal B shown as the area circled on the sketch attached hereto, hereby made a part hereof and marked "Exhibit A," and which shall be hereinafter referred to as the "Space."

2. **Purpose:** The Permittee shall use the Space as a storage area, and for no other purpose whatsoever.

3. **Fees:**

(a) From the Effective Date through March 31, 2016, the Permittee shall pay a fee to the Port Authority for use of the Space at the rate of Eight Hundred Sixty Six Dollars and Sixty Seven Cents ($866.67) per month. This fee shall be paid in advance on the start of each month during the Permittee's use of the Space.

(b) For the period from April 1, 2016 through March 31, 2017, the Permittee shall pay a fee to the Port Authority for use of the Space at the rate of Eight Hundred Ninety Nine Dollars and Seventeen Cents ($899.17) per month. This fee shall be paid in advance on the start of each month during the Permittee's use of the Space.

(c) For the period from April 1, 2017 through March 31, 2018, the Permittee shall pay a fee to the Port Authority for use of the Space at the rate of Nine Hundred Thirty One Dollars and Sixty Seven Cents ($931.67) per month. This fee shall be paid in advance on the start of each month during the Permittee's use of the Space.

(d) For the period from April 1, 2018 through March 31, 2019, the Permittee shall pay a fee to the Port Authority for use of the Space at the rate of Nine Hundred Sixty Four Dollars and Seventeen Cents ($964.17) per month. This fee shall be paid in advance on the start of each month during the Permittee's use of the Space.

4. **Security Agreement**. Lufthansa currently provides a $125,000 Letter of Credit for Agreements ANC-444 and ANC-310 at EWR. At this time, that letter of credit will cover this Agreement (ANC-504) as well, and no further security deposit is required.

5. **Repairs:**

(a) **Maintenance and Repair.** The Permittee shall, throughout the period of permission of this Permit, assume the entire responsibility and shall relieve the Port Authority from all responsibility for all repair, rebuilding and maintenance whatsoever in the Space, 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 Permittee shall:

(i) Keep at all times in a clean and orderly condition and appearance, the Space and all the Permittee's fixtures, equipment and personal property which are located in any part of the Space 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 Space available for use by the Permittee;

(iii) Take good care of the Space and maintain the same at all times in good condition, perform all necessary preventive maintenance, including but not limited to, painting (the exterior of the structures on the Space and areas visible to the general public to be painted only in colors which have been approved by the Port Authority); and make all repairs and replacements and do all rebuilding, inside and outside, ordinary and extraordinary, partial and entire, foreseen and unforeseen, structural or otherwise, which repairs, rebuilding and replacements by the Permittee 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) 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 the Sections of this Permit entitled "*Compliance with Governmental Requirements*" and "*Rules and Regulations*"; and

(v) Repair any damage to the paving or other surface of the Space caused by any salt, sand, 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 Permittee 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 or 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 twenty (20) 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 repair, replacement, rebuilding or painting of all of the Space required to be repaired, replaced, rebuilt or painted 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, repair, replace, rebuild or paint all or any part of the Space included in the said notice, and the cost thereof shall be payable by the Permittee upon demand.

(c) In addition to the Permittee's obligations under paragraph (h) of the Section of the Terms and Conditions of this Permit entitled "*Conduct of Operations*", 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 make such 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.

(d) If the performance of any of the foregoing repair, maintenance, replacement, repainting or rebuilding obligations of the Permittee requires work to be performed near an active Taxiway or where safety of operations is involved, the Permittee shall at its own

expense, unless otherwise permitted by the Port Authority in writing, post guards or take such other appropriate measures as may be directed by the General Manager of the Airport to ensure that such work is performed safely.

6. **Aircraft Maintenance Prohibited:** The Permittee shall not perform any aircraft maintenance on the Space.

7. **Rules and Regulations:** The Rules and Regulations of the Port Authority relating to safe and orderly operations and conduct on the public aircraft parking and storage area shall apply to the Permittee's operations and conduct on the Space as if the Space were public aircraft parking and storage area, and the Permittee's obligations in connection therewith shall be as stated in the Section of the foregoing Terms and Conditions entitled "Rules and Regulations".

8. **Additional Indemnification:** In the use of the means of ingress to and egress from the Space, the Permittee shall exercise a high degree of care to avoid injuries to persons and damage to property. The indemnity provided in the Section of the foregoing Terms and Conditions entitled "Indemnification of the Port Authority" shall cover all claims of third persons, including without limitation thereto, claims for death, personal injuries or property damages, arising out of or in connection with the Permittee's use of the Space, regardless of the degree of care exercised, regardless of whether such use was by the Permittee or by other with the consent of the Permittee, and regardless of whether such use was in accordance with the Rules and Regulations of the Port Authority.

9. **Property Liability:** 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 in the Space or elsewhere at the Airport except to the extent such loss, theft or damage is caused due to the Port Authority's gross negligence or intentional misconduct.

10. **Security of Space:** The Permittee hereby acknowledges that the Port Authority shall have no responsibility to keep the space guarded, attended or patrolled at any time. The Port Authority shall not be obligated to police the use of the Space, 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 herewith.

11. **Audit Fee:**

(a) Books and Records. The Permittee shall permit and/or cause to be permitted in ordinary business hours during the period of permission hereunder and for one 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 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.

(b) Fee. In the event that upon conducting an examination and audit under the provisions of this Permit (and as it may be hereinafter amended), the Port Authority determines

that unpaid amounts are due to the Port Authority by the Permittee (the "***Audit Findings***"), the Permittee shall be obligated, and hereby agrees, to pay to the Port Authority a service charge in the amount equal to five percent (5%) of the Audit Findings to defray personnel costs and legal expenses incurred by the Port Authority (including but not limited to the cost to the Port Authority of in-house legal services), in connection with such audit and collection of the unpaid amounts due to the Port Authority. Each such service charge shall be payable immediately upon demand (by notice, bill or otherwise) made at any time therefor by the Port Authority. Such service charge(s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority by the Permittee under this Permit or otherwise. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid service charge shall be deemed a waiver of the right of the Port Authority of payment of any late charge(s) or other service charge(s) payable under the provisions of this Permit with respect to such unpaid amount. Each such service charge shall be and become fees, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the fees to be paid. Nothing in this Special Endorsementis intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Permit, including, without limitation, the Port Authority's rights to terminate this Permit or (ii) any obligations of the Permittee under this Permit.

12. **Identification:** All individuals employed by the Permittee at the Airport shall meet the requirements for Airport workers (including without limitation the relevant Transportation Security Administration requirements) and shall be required to qualify for and obtain the appropriate identification media issued by the Port Authority for workers at the Airport. Upon the termination or revocation of this Permit, the Permittee shall promptly surrender any such identification media issued by the Port Authority in connection with the permission granted hereunder in its possession.

13. **Amendments to the Terms and Conditions:**

(a) Paragraph (a) of Term and Condition No. 8 hereunder shall be modified as follows: after the phrase "arising out of any of the obligations, acts or omissions of the Permittee hereunder" and before the comma, the following parenthetical shall be inserted "(except claims and demands arising solely from the willful misconduct or the sole negligence of the Port Authority)".

(b) Paragraph (a) of Term and Condition No. 11 hereunder shall be modified as follows: at the end of the first sentence of such paragraph, the following phrase shall be added "so long as such orders, directives and procedures are not applied in an arbitrary and capricious manner."

(c) Subparagraph (a)(2) of Term and Condition No. 15 hereunder shall be modified as follows: before the phrase at the end of the first sentence "and the progress thereof." The following phrase shall be added "occurring at or in connection with the Space or the Airport".

For the Port Authority

Initialed:

For the Permittee

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, broadened to include, or obtain equivalent separate policies, covering aircraft 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
Commercial Automobile Liability Insurance Combined single limit per occurrence for death, bodily injury and property damage liability	
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 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 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