A Public Records Access request has been submitted.

Request By: Charlemagne Limage

Signature: Charlemagne Limage

Request date: 10/06/2016

Address: [redacted]

Email: [redacted]

Phone number: [redacted]

Personal Information Request: NO

Records seeking: Dear sir/ madam
This is a request under the Freedom of Information Act. Iam making a request for a copy of all active privilege permits for all of the airlines at John F. Kennedy International airport.

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

PRA #17443

Action by (print / type name):

William Shalewitz , Freedom of Information Administrator

Signature: Date:

10/20/2016

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:

☐ Some requested records that have been located are being made available. The remainder are exempt from disclosure for the following specific reasons:

☐ 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.

☑ Other:

Material responsive to your request can be found on the Port Authority's website at http://corpinfo.panynj.gov/documents/17443-LPA/. Paper copies of the available records are available upon request.
Exemptions applied for privacy.

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.

LEASE FILE

: For Port Authority Use Only :
:
:Permit Number: AYD-758 :

JOHN F. KENNEDY 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 John F. Kennedy International Airport, in the Borough of Queens, County of Queens, City and State of New York, in accordance with the Terms and Conditions hereof; and the Permittee agrees to pay the fee hereinafter specified and to perform all other obligations imposed upon it in the said Terms and Conditions:

1. **PERMITTEE:** BRITISH AIRWAYS PLC, , a(n) corporation of England and Wales

2. **PERMITTEE'S ADDRESS:** 75-20 Astoria Blvd.
Jackson Heights, New York 11370

3. **PERMITTEE'S REPRESENTATIVE:** Mr. Ken Deming, Manager Properties, Americas

4. **PRIVILEGE:** To provide , as set forth in Section 1 of the Terms and Conditions, the 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, 2008

7. **EXPIRATION DATE:** March 31, 2017, unless sooner revoked or terminated as herein provided.

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

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

10. **ENDORSEMENTS:** Special Endorsements.

Dated: As of March 1, 2008

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:

BRITISH AIRWAYS PLC, Permittee

By _____

Name PAUL C. JASINSKI
(Please Print Clearly)

(Title) GENERAL ~~President~~ COUNSEL AMERICAS

TOP

SPECIAL ENDORSEMENTS

1. (a) The Port Authority hereby consents to the Permittee providing the Authorized Service to Approved Aircraft Operators 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]

For the Port Authority

Initialed:

For the Permittee

TERMS AND CONDITIONS

1. Definitions:

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

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

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

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

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

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

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

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

(i) representation and accommodation;

(ii) load control and communications;

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

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

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

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

(vii) distribution of Air Cargo;

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

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

(x) supervision and administration;

(xi) courier services;

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

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

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

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

(xvi) towing of Cargo Aircraft;

(xvii) ramp control tower services for Cargo Aircraft;

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

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

(xx) ramp area cleaning;

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

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

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

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

(xxv) triturator operations and maintenance;

(xxvi) snow removal; and

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

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

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

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

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

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

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

(iv) ramp area cleaning services; and

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

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

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

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

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

(m) "*Executive Director*" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the Executive

Director by this Permit; but until further notice from the Port Authority to the Permittee it shall mean the Executive Director of the Port Authority for the time being or his duly designated representative or representatives.

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

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

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

(y) "*Terminal Four*" shall mean the premises under the Terminal Four Lease commonly referred to on the Airport as "Terminal Four".

(z) "*Terminal Four Gross Receipts*" shall each mean and include all amounts, monies, revenues, receipts and income of every type paid or payable to the Permittee for sales made and for services rendered at Terminal Four, regardless of when or where the order therefor is received, and any other amounts, monies, revenues, receipts and income of any type arising out of or in connection with the Permittee's operations at Terminal Four, provided, however, there shall be excluded from Terminal Four 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.

(aa) "*Terminal Four Lease*" shall mean that certain agreement of lease bearing Port Authority Agreement No. AYC-685 entered into between the Port Authority and JFK International Air Terminal LLC on May 13, 1997.

(bb) "*Terminal Four Lessee*" shall mean for the time being JFK International Air Terminal LLC, a limited liability company organized and existing under the laws of the State of New York, or such other Person which the Port Authority may from time to time and at any time designate by notice to the Permittee.

(cc) "*Terminal Four Percentage Fee*" shall mean the fee payable to the Terminal Four Lessee pursuant to and as defined in Section 4(a)(i) hereof.

2. Effective Date, Termination and Revocation:

(a) The permission hereby granted shall take effect upon the Effective Date. Notwithstanding Item 6 appearing on the first page of this Permit, the Effective Date of this Permit shall be that date the Permittee commenced any of the activities permitted by this Permit. The Permittee in executing this Permit represents that the Effective Date appearing in Item 6 on the first page of this Permit is the date the Permittee commenced any of the activities permitted by this Permit. If the Port Authority determines by audit or otherwise that the Permittee commenced any of the activities permitted by this Permit prior to said effective date, the Effective Date of this Permit shall be the date the Permittee commenced any of the activities

permitted by this Permit and all obligations of the Permittee under this Permit shall commence on such date including without limitation the Permittee's indemnity obligations and obligations to pay fees.

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

(c) In the event the Port Authority exercises 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 City Lease.

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

(d) Neither the execution and delivery of this Permit nor any act done pursuant thereto shall create between any terminal operator, lessee or other occupant of land at the Airport including but not limited to the Terminal Four Lessee and 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 and, if any privilege or portion thereof is performed at Terminal Four, to pay to the Terminal Four Lessee a percentage fee (hereinafter called the "Terminal Four Percentage Fee"), at the times set forth in and in accordance with paragraph (a)(iii) below, equal to five percent (5%), as the same may be increased pursuant to paragraph (k) below, of Terminal Four 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.

(iii) Terminal Four Gross Receipts shall be reported and the Terminal Four Percentage Fee shall be paid to the Terminal Four Lessee 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 the Permit is in effect and including the calendar month in which the Permit ceases to be in effect, the Permittee shall render to the Port Authority and the Terminal Four Lessee a monthly statement sworn to by a responsible executive or fiscal officer of the Permittee showing all of the Terminal Four Gross Receipts for the preceding month (the "Monthly Sworn Statement of Gross Receipts"). Each of the said statements shall also show the cumulative Terminal Four 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 and the Terminal Four Lessee, the Permittee shall pay to the Terminal Four Lessee an amount equal to five percent (5%) applied to the Terminal Four 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 and the Terminal Four Lessee a statement setting forth the cumulative totals of the Terminal Four 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 the Permit, the Permittee shall render to the Port Authority and the Terminal Four Lessee a sworn statement certified, at the Permittee's expense, by a certified public accountant of the Permittee of all Terminal Four Gross Receipts during the period from the last preceding anniversary of the Effective Date up to and including the last day the Permit shall be in effect and the Permittee shall, at the time of rendering such statement to the Terminal Four Lessee pay to the Terminal Four Lessee the Terminal Four Percentage Fee due and unpaid as of the last day the Permit shall be in effect. Each of the statements called for hereunder shall separately list and state the Terminal Four Gross Receipts and the applicable Terminal Four Percentage Fee payable thereon for each privilege (including without limitation each Authorized Service) provided by the Permittee hereunder at Terminal Four.

(b) (i) All statements to be submitted to the Port Authority pursuant to this Section and all payments made under this Permit, except for the Terminal Four Percentage Fee, 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.

(ii) All statements to be submitted to the Terminal Four Lessee hereunder and the Terminal Four Percentage Fee shall be made to the Terminal Four Lessee at Terminal Four, John F. Kennedy International Airport, Room 2300, Jamaica, New York 11430 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 and Terminal Four 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 (and Terminal Four 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 services or Routine and Non-routine Aircraft Maintenance services, there shall be excluded from Gross Receipts and Terminal Four 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 and Terminal Four 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 and Terminal Four Gross Receipts.

(f) Without limiting any other provisions of this Permit regarding Gross Receipts and Terminal Four 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 and Terminal Four 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 and Terminal Four 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 and Terminal Four 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 or Terminal Four 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, the Terminal Four 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 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 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 ("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 agreement, as well as agreements hereinafter entered into.

6. Permittee's Operations:

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

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

Authority shall be used for such removal unless with its prior consent in writing. No such garbage, debris or other waste materials shall be or be permitted to be thrown, discharged or disposed into or upon the waters at or bounding the Airport.

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

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

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

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

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

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

7. Indemnity:

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

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

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

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

8. Liability Insurance:

(a) The Permittee, in its own name as insured and including the Port Authority as an additional insured, shall maintain and pay the premiums during the effective period of the Permit on a policy or policies of Commercial General Liability Insurance, including premises-operations and products-completed operations and covering bodily-injury liability, including death, and

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

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

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

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

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

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

9. Special Endorsements:

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

10. No Waiver:

No failure by the Port Authority or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee shall be in writing, and all such notices given by the Port Authority or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee under this Permit, including without limitation the Port Authority's rights set forth in Section 2 of these Terms and Conditions, or (ii) any obligations of the Permittee under this Permit. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Permit shall be payable instead at such legal maximum.

15. Non-discrimination:

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

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

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

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

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

16. Affirmative Action:

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

17. Rules and Regulations:

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

(b) The Permittee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of the

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

18. Prohibited Acts

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

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

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

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

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

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

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

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

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

the terms and conditions of Sections 17 and 19 hereof of de-icing fluids utilized in the Permittee's ordinary course of business in the performance of any of the privileges granted hereunder and the obligation of the Permittee to remove and remediate such de-icing fluids shall be as required by the terms and conditions of Sections 17 and 19 hereof. The obligations of the Permittee pursuant to this paragraph shall survive the expiration, revocation, cancellation or termination of this Permit.

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

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

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

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

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

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

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

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

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

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

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

19. Law Compliance:

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

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

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

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

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

20. Trademarks and Patent Infringement:

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

21. Inspection:

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

22. Federal Aid:

(a) The Permittee shall

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

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

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

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

(b) The Port Authority has applied for and received a grant or grants of money from the Administrator of the Federal Aviation Administration pursuant to the Airport and Airways Development Act of 1970, as the same has been amended and supplemented, and under prior federal statutes which said Act superseded and the Port Authority may in the future apply for and receive further such grants. In connection therewith the Port Authority has undertaken and may in the future undertake certain obligations respecting its operation of the Airport and the activities of its contractors, lessees and permittees thereon. The performance by the Permittee of the promises and obligations contained in this Permit is therefore a special consideration and inducement to the issuance of this Permit by the Port Authority, and the Permittee further agrees that if the Administrator of the Federal Aviation Administration or any other governmental

officer or body having jurisdiction over the enforcement of the obligations of the Port Authority in connection with Federal Airport Aid, shall make any orders, recommendations or suggestions respecting the performance by the Permittee of its obligations under this Permit, the Permittee will promptly comply therewith at the time or times, when and to the extent that the Port Authority may direct.

23. Capacity and Competition:

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

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

24. Business Development and Records:

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

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

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

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

(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 and/or Terminal Four Gross Receipts and which the Terminal Four Lessee, in its sole discretion, believes may be relevant for identification, determination or calculation of Terminal Four 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 and/or Terminal Four Gross Receipts and which the Terminal Four Lessee, in its sole discretion, believes may be relevant for identification, determination or calculation of Terminal Four 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) if the Permittee has performed any privilege or portion thereof at Terminal Four, then permit and/or cause to be permitted in ordinary business hours during the effective period of the 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 Terminal Four Lessee of all Books and Records within ten (10) days following any request by the Terminal Four Lessee from time to time and at any time to examine and audit any Books and Records;

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

(viii) 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 Terminal Four 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 Terminal Four Gross Receipts and to the Terminal Four Lessee of all Terminal Four 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)(viii) above then, in addition to all, and without limiting any other, rights and remedies of the Port Authority and the Terminal Four Lessee 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) the Port Authority or the Terminal Four Lessee may estimate the Terminal Four Gross Receipts on any basis that the Port Authority or the Terminal Four Lessee, 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 Terminal Four Lessee when billed; and/or

(iii) 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.

(iv) if any Books and Records are maintained outside of the Port of New York District, then the Terminal Four Lessee 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 Terminal Four Lessee within the Port of New York District for examination and audit pursuant to paragraph (a)(vi) hereof and/or (y) examine and audit any such Books and Records pursuant to paragraph (a)(vi) 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 Terminal Four Lessee when billed all travel costs and related expenses, as determined by the Terminal Four Lessee, for Terminal Four Lessee 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 Terminal Four Lessee when billed all costs and expenses of the Terminal Four Lessee, as determined by the Terminal Four Lessee, 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 Terminal Four Lessee 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 or the Terminal Four Lessee determines that unpaid amounts are due to the Port Authority or to the Terminal Four Lessee by the Permittee (the "*Audit Findings*"), the Permittee shall be obligated, and hereby agrees, to pay to the Port Authority and/or the Terminal Four Lessee 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 or by the Terminal Four Lessee. Such service charge (s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority or the Terminal Four Lessee 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) and 4(a)(iii). 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 hereunder and the foregoing auditing costs, expenses and amounts of the Terminal Four Lessee set forth in paragraphs (b), (c) and (d) above shall be deemed fees under this Permit payable to the Terminal Four Lessee with the same force and effect as the Terminal Four Percentage Fee and all other fees payable to the Terminal Four Lessee hereunder.

25. Rates and Charges:

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

26. Other Agreements:

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

27. City Lease Provisions:

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

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

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

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

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

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

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

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

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

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

28. Counterclaims:

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

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

(a) The Permittee acknowledges that the failure of the Permittee to cease to perform the Authorized Service at the Airport from the effective date of such expiration, revocation or termination will or may cause the Port Authority injury, damage or loss, and the Permittee hereby assumes the risk of such injury, damage or loss and hereby agrees that it shall

be responsible for the same and shall pay the Port Authority for the same whether such are foreseen or unforeseen, special, direct, consequential or otherwise and the Permittee hereby expressly agrees to indemnify and hold the Port Authority harmless against any such injury, damage or loss. The Permittee acknowledges that the Port Authority reserves all its legal and equitable rights and remedies in the event of such failure by the Permittee to cease performance of the Authorized Service.

(b) The Permittee hereby acknowledges and agrees that, subject to the foregoing, all terms and provisions of this Permit shall be and continue in full force and effect during any period following such expiration, revocation or termination. The term "Post-Termination Period", for purposes of this Permit, shall mean any period following the expiration, revocation or termination of the effective period of the permission granted under this Permit, as such effective period of permission may be extended from time to time.

30. Governing Law:

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

31. Miscellaneous:

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

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

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

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

For the Port Authority

Initialled:

For the Permittee

LEASE FILE

: For Port Authority Use Only :
: :
:Permit Number: AYD-759 :

JOHN F. KENNEDY 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 John F. Kennedy International Airport, in the Borough of Queens, County of Queens, City and State of New York, in accordance with the Terms and Conditions hereof; and the Permittee agrees to pay the fee hereinafter specified and to perform all other obligations imposed upon it in the said Terms and Conditions:

1. **PERMITTEE:** DELTA AIR LINES, INC., a(n) Delaware corporation

2. **PERMITTEE'S ADDRESS:** 1030 Delta Blvd. - Dept ~~878~~ 877
Atlanta, Georgia 30320

3. **PERMITTEE'S REPRESENTATIVE:** Mr. Raymond Moore, Regional Director of Properties

4. **PRIVILEGE:** To provide , as set forth in paragraph (x) of Section 1 of the Terms and Conditions, 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, 2008

7. **EXPIRATION DATE:** March 31, 2018, unless sooner revoked or terminated as herein provided.

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

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

10. **ENDORSEMENTS:** Special Endorsements.

Dated: As of February 1, 2008

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____
David Kagan
Name Assistant Director
Business. Property & Tenant Development
(Please Print Clearly)
(Title) _____

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

DELTA AIR LINES, INC., Permittee

By _____
Name JOHN W. BOATRIGHT
(Please Print Clearly)
(Title) VICE President

SPECIAL ENDORSEMENTS

1. (a) The Port Authority hereby consents to the Permittee providing the Authorized Service to Approved Aircraft Operators 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]

For the Port Authority

Initialed:

For the Permittee

TERMS AND CONDITIONS

1. Definitions:

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

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

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

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

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

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

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

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

(i) representation and accommodation;

(ii) load control and communications;

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

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

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

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

(vii) distribution of Air Cargo;

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

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

(x) supervision and administration;

(xi) courier services;

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

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

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

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

(xvi) towing of Cargo Aircraft;

(xvii) ramp control tower services for Cargo Aircraft;

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

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

(xx) ramp area cleaning;

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

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

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

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

(xxv) triturator operations and maintenance;

(xxvi) snow removal; and

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

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

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

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

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

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

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

(iv) ramp area cleaning services; and

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

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

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

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

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

(m) "*Executive Director*" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the Executive

Director by this Permit; but until further notice from the Port Authority to the Permittee it shall mean the Executive Director of the Port Authority for the time being or his duly designated representative or representatives.

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

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

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

(y) "*Terminal Four*" shall mean the premises under the Terminal Four Lease commonly referred to on the Airport as "Terminal Four".

(z) "*Terminal Four Gross Receipts*" shall each mean and include all amounts, monies, revenues, receipts and income of every type paid or payable to the Permittee for sales made and for services rendered at Terminal Four, regardless of when or where the order therefor is received, and any other amounts, monies, revenues, receipts and income of any type arising out of or in connection with the Permittee's operations at Terminal Four, provided, however, there shall be excluded from Terminal Four 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.

(aa) "*Terminal Four Lease*" shall mean that certain agreement of lease bearing Port Authority Agreement No. AYC-685 entered into between the Port Authority and JFK International Air Terminal LLC on May 13, 1997.

(bb) "*Terminal Four Lessee*" shall mean for the time being JFK International Air Terminal LLC, a limited liability company organized and existing under the laws of the State of New York, or such other Person which the Port Authority may from time to time and at any time designate by notice to the Permittee.

(cc) "*Terminal Four Percentage Fee*" shall mean the fee payable to the Terminal Four Lessee pursuant to and as defined in Section 4(a)(i) hereof.

2. Effective Date, Termination and Revocation:

(a) The permission hereby granted shall take effect upon the Effective Date. Notwithstanding Item 6 appearing on the first page of this Permit, the Effective Date of this Permit shall be that date the Permittee commenced any of the activities permitted by this Permit. The Permittee in executing this Permit represents that the Effective Date appearing in Item 6 on the first page of this Permit is the date the Permittee commenced any of the activities permitted by this Permit. If the Port Authority determines by audit or otherwise that the Permittee commenced any of the activities permitted by this Permit prior to said effective date, the Effective Date of this Permit shall be the date the Permittee commenced any of the activities

permitted by this Permit and all obligations of the Permittee under this Permit shall commence on such date including without limitation the Permittee's indemnity obligations and obligations to pay fees.

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

(c) In the event the Port Authority exercises 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 City Lease.

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

(d) Neither the execution and delivery of this Permit nor any act done pursuant thereto shall create between any terminal operator, lessee or other occupant of land at the Airport including but not limited to the Terminal Four Lessee and 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 and, if any privilege or portion thereof is performed at Terminal Four, to pay to the Terminal Four Lessee a percentage fee (hereinafter called the "Terminal Four Percentage Fee"), at the times set forth in and in accordance with paragraph (a)(iii) below, equal to five percent (5%), as the same may be increased pursuant to paragraph (k) below, of Terminal Four 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.

(iii) Terminal Four Gross Receipts shall be reported and the Terminal Four Percentage Fee shall be paid to the Terminal Four Lessee 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 the Permit is in effect and including the calendar month in which the Permit ceases to be in effect, the Permittee shall render to the Port Authority and the Terminal Four Lessee a monthly statement sworn to by a responsible executive or fiscal officer of the Permittee showing all of the Terminal Four Gross Receipts for the preceding month (the "Monthly Sworn Statement of Gross Receipts"). Each of the said statements shall also show the cumulative Terminal Four 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 and the Terminal Four Lessee, the Permittee shall pay to the Terminal Four Lessee an amount equal to five percent (5%) applied to the Terminal Four 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 and the Terminal Four Lessee a statement setting forth the cumulative totals of the Terminal Four 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 the Permit, the Permittee shall render to the Port Authority and the Terminal Four Lessee a sworn statement certified, at the Permittee's expense, by a certified public accountant of the Permittee of all Terminal Four Gross Receipts during the period from the last preceding anniversary of the Effective Date up to and including the last day the Permit shall be in effect and the Permittee shall, at the time of rendering such statement to the Terminal Four Lessee pay to the Terminal Four Lessee the Terminal Four Percentage Fee due and unpaid as of the last day the Permit shall be in effect. Each of the statements called for hereunder shall separately list and state the Terminal Four Gross Receipts and the applicable Terminal Four Percentage Fee payable thereon for each privilege (including without limitation each Authorized Service) provided by the Permittee hereunder at Terminal Four.

(b) (i) All statements to be submitted to the Port Authority pursuant to this Section and all payments made under this Permit, except for the Terminal Four Percentage Fee, 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.

(ii) All statements to be submitted to the Terminal Four Lessee hereunder and the Terminal Four Percentage Fee shall be made to the Terminal Four Lessee at Terminal Four, John F. Kennedy International Airport, Room 2300, Jamaica, New York 11430 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 and Terminal Four 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 (and Terminal Four 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 services or Routine and Non-routine Aircraft Maintenance services, there shall be excluded from Gross Receipts and Terminal Four 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 and Terminal Four 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 and Terminal Four Gross Receipts.

(f) Without limiting any other provisions of this Permit regarding Gross Receipts and Terminal Four 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 and Terminal Four 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 and Terminal Four 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 and Terminal Four 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 or Terminal Four 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, the Terminal Four 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 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 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 ("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 agreement, as well as agreements hereinafter entered into.

6. Permittee's Operations:

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

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

Authority shall be used for such removal unless with its prior consent in writing. No such garbage, debris or other waste materials shall be or be permitted to be thrown, discharged or disposed into or upon the waters at or bounding the Airport.

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

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

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

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

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

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

7. Indemnity:

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

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

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

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

8. Liability Insurance:

(a) The Permittee, in its own name as insured and including the Port Authority as an additional insured, shall maintain and pay the premiums during the effective period of the Permit on a policy or policies of Commercial General Liability Insurance, including premises-operations and products-completed operations and covering bodily-injury liability, including death, and

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

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

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

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

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

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

9. Special Endorsements:

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

10. No Waiver:

No failure by the Port Authority or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee shall be in writing, and all such notices given by the Port Authority or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee under this Permit, including without limitation the Port Authority's rights set forth in Section 2 of these Terms and Conditions, or (ii) any obligations of the Permittee under this Permit. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Permit shall be payable instead at such legal maximum.

15. Non-discrimination:

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

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

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

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

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

16. Affirmative Action:

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

17. Rules and Regulations:

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

(b) The Permittee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of the

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

18. Prohibited Acts

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

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

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

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

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

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

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

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

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

the terms and conditions of Sections 17 and 19 hereof of de-icing fluids utilized in the Permittee's ordinary course of business in the performance of any of the privileges granted hereunder and the obligation of the Permittee to remove and remediate such de-icing fluids shall be as required by the terms and conditions of Sections 17 and 19 hereof. The obligations of the Permittee pursuant to this paragraph shall survive the expiration, revocation, cancellation or termination of this Permit.

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

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

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

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

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

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

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

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

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

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

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

19. Law Compliance:

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

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

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

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

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

20. Trademarks and Patent Infringement:

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

21. Inspection:

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

22. Federal Aid:

(a) The Permittee shall

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

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

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

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

(b) The Port Authority has applied for and received a grant or grants of money from the Administrator of the Federal Aviation Administration pursuant to the Airport and Airways Development Act of 1970, as the same has been amended and supplemented, and under prior federal statutes which said Act superseded and the Port Authority may in the future apply for and receive further such grants. In connection therewith the Port Authority has undertaken and may in the future undertake certain obligations respecting its operation of the Airport and the activities of its contractors, lessees and permittees thereon. The performance by the Permittee of the promises and obligations contained in this Permit is therefore a special consideration and inducement to the issuance of this Permit by the Port Authority, and the Permittee further agrees that if the Administrator of the Federal Aviation Administration or any other governmental

officer or body having jurisdiction over the enforcement of the obligations of the Port Authority in connection with Federal Airport Aid, shall make any orders, recommendations or suggestions respecting the performance by the Permittee of its obligations under this Permit, the Permittee will promptly comply therewith at the time or times, when and to the extent that the Port Authority may direct.

23. Capacity and Competition:

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

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

24. Business Development and Records:

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

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

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

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

(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 and/or Terminal Four Gross Receipts and which the Terminal Four Lessee, in its sole discretion, believes may be relevant for identification, determination or calculation of Terminal Four 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 and/or Terminal Four Gross Receipts and which the Terminal Four Lessee, in its sole discretion, believes may be relevant for identification, determination or calculation of Terminal Four 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) if the Permittee has performed any privilege or portion thereof at Terminal Four, then permit and/or cause to be permitted in ordinary business hours during the effective period of the 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 Terminal Four Lessee of all Books and Records within ten (10) days following any request by the Terminal Four Lessee from time to time and at any time to examine and audit any Books and Records;

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

(viii) 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 Terminal Four 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 Terminal Four Gross Receipts and to the Terminal Four Lessee of all Terminal Four 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)(viii) above then, in addition to all, and without limiting any other, rights and remedies of the Port Authority and the Terminal Four Lessee 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) the Port Authority or the Terminal Four Lessee may estimate the Terminal Four Gross Receipts on any basis that the Port Authority or the Terminal Four Lessee, 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 Terminal Four Lessee when billed; and/or

(iii) 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.

(iv) if any Books and Records are maintained outside of the Port of New York District, then the Terminal Four Lessee 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 Terminal Four Lessee within the Port of New York District for examination and audit pursuant to paragraph (a)(vi) hereof and/or (y) examine and audit any such Books and Records pursuant to paragraph (a)(vi) 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 Terminal Four Lessee when billed all travel costs and related expenses, as determined by the Terminal Four Lessee, for Terminal Four Lessee 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 Terminal Four Lessee when billed all costs and expenses of the Terminal Four Lessee, as determined by the Terminal Four Lessee, 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 Terminal Four Lessee 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 or the Terminal Four Lessee determines that unpaid amounts are due to the Port Authority or to the Terminal Four Lessee by the Permittee (the "*Audit Findings*"), the Permittee shall be obligated, and hereby agrees, to pay to the Port Authority and/or the Terminal Four Lessee 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 or by the Terminal Four Lessee. Such service charge (s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority or the Terminal Four Lessee 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) and 4(a)(iii). 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 hereunder and the foregoing auditing costs, expenses and amounts of the Terminal Four Lessee set forth in paragraphs (b), (c) and (d) above shall be deemed fees under this Permit payable to the Terminal Four Lessee with the same force and effect as the Terminal Four Percentage Fee and all other fees payable to the Terminal Four Lessee hereunder.

25. Rates and Charges:

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

26. Other Agreements:

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

27. City Lease Provisions:

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

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

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

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

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

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

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

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

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

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

28. Counterclaims:

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

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

(a) The Permittee acknowledges that the failure of the Permittee to cease to perform the Authorized Service at the Airport from the effective date of such expiration, revocation or termination will or may cause the Port Authority injury, damage or loss, and the Permittee hereby assumes the risk of such injury, damage or loss and hereby agrees that it shall

be responsible for the same and shall pay the Port Authority for the same whether such are foreseen or unforeseen, special, direct, consequential or otherwise and the Permittee hereby expressly agrees to indemnify and hold the Port Authority harmless against any such injury, damage or loss. The Permittee acknowledges that the Port Authority reserves all its legal and equitable rights and remedies in the event of such failure by the Permittee to cease performance of the Authorized Service.

(b) The Permittee hereby acknowledges and agrees that, subject to the foregoing, all terms and provisions of this Permit shall be and continue in full force and effect during any period following such expiration, revocation or termination. The term "Post-Termination Period", for purposes of this Permit, shall mean any period following the expiration, revocation or termination of the effective period of the permission granted under this Permit, as such effective period of permission may be extended from time to time.

30. Governing Law:

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

31. Miscellaneous:

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

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

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

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

Initialled:

For the Port Authority

For the Permittee

: For Port Authority Use Only :
:
:Permit Number: ___AYD-760_____:

JOHN F. KENNEDY 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 John F. Kennedy International Airport, in the Borough of Queens, County of Queens, City and State of New York, in accordance with the Terms and Conditions hereof; and the Permittee agrees to pay the fee hereinafter specified and to perform all other obligations imposed upon it in the said Terms and Conditions:

1. **PERMITTEE:** AMERICAN AIRLINES, INC., a(n) Delaware corporation

2. **PERMITTEE'S ADDRESS:** 4333 Amon Carter Blvd - MD 5317
Fort Worth, Texas 76155

3. **PERMITTEE'S REPRESENTATIVE:** Mr ~~Kevin Cox~~ Michael J. Minerva, Vice President - ~~Real Estate~~ Government and Airport Affairs

4. **PRIVILEGE:** To provide ,as set forth in Section 1 of the Terms and Conditions, 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, 2008

7. **EXPIRATION DATE:** February 28, 2018, unless sooner revoked or terminated as herein provided.

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

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

10. **ENDORSEMENTS:** Special Endorsements.

Dated: As of February 1, 2008

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

Name David Kagan
(Please Print Clearly)

(Title) Assistant Director Business, Properties & Airport Development

AMERICAN AIRLINES, INC., Permittee

By _____

Name Michael J. Minerva, Jr.
Vice President - Government and Airport Affairs
(Please Print Clearly)

(Title) _____ Vice President - ~~Real Estate~~

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

DTO MG

SPECIAL ENDORSEMENTS

1. (a) The Port Authority hereby consents to the Permittee providing the Authorized Service to Approved Aircraft Operators 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. The Permittee agrees that if it provides the Authorized Service to an Approved Aircraft Operator or Person at the Airport other than the one named in Section 1 (a) of these Special Endorsements without receiving the written consent of the Port Authority, the Permittee shall pay to the Port Authority the same fees that are paid by the Permittee for providing the Authorized Service to the Approved Aircraft Operator named in Section 1 (a) of these Special Endorsements.

(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.

(iii) The Permittee agrees that if it carries on any business at the Airport other than as specifically provided herein without obtaining prior written consent of the Port Authority ("non-consented business"), the Permittee shall pay to the Port Authority the same fee that is paid by a Person who engages in such business to the Port Authority pursuant to prior written consent from the Port Authority. For any period during which the fee paid by Persons carrying on such business shall not be uniform and during which the Permittee engages in non-consented business, the Permittee agrees to pay the highest fee which a Person pays to the Port Authority pursuant to prior written consent from the Port Authority.

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

For the Port Authority

Initialed:

For the Permittee

TERMS AND CONDITIONS

1. Definitions:

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

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

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

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

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

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

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

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

(i) representation and accommodation;

(ii) load control and communications;

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

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

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

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

(vii) distribution of Air Cargo;

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

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

(x) supervision and administration;

(xi) courier services;

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

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

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

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

(xvi) towing of Cargo Aircraft;

(xvii) ramp control tower services for Cargo Aircraft;

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

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

(xx) ramp area cleaning;

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

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

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

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

(xxv) triturator operations and maintenance;

(xxvi) snow removal; and

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

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

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

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

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

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

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

(iv) ramp area cleaning services; and

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

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

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

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

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

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

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

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

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

(y) "*Terminal Four*" shall mean the premises under the Terminal Four Lease commonly referred to on the Airport as "Terminal Four".

(z) "*Terminal Four Gross Receipts*" shall each mean and include all amounts, monies, revenues, receipts and income of every type paid or payable to the Permittee for sales made and for services rendered at Terminal Four, regardless of when or where the order therefor is received, and any other amounts, monies, revenues, receipts and income of any type arising out of or in connection with the Permittee's operations at Terminal Four, provided, however, there shall be excluded from Terminal Four 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.

(aa) "*Terminal Four Lease*" shall mean that certain agreement of lease bearing Port Authority Agreement No. AYC-685 entered into between the Port Authority and JFK International Air Terminal LLC on May 13, 1997.

(bb) "*Terminal Four Lessee*" shall mean for the time being JFK International Air Terminal LLC, a limited liability company organized and existing under the laws of the State of New York, or such other Person which the Port Authority may from time to time and at any time designate by notice to the Permittee.

(cc) "*Terminal Four Percentage Fee*" shall mean the fee payable to the Terminal Four Lessee pursuant to and as defined in Section 4(a)(i) hereof.

2. Effective Date, Termination and Revocation:

(a) The permission hereby granted shall take effect upon the Effective Date. Notwithstanding Item 6 appearing on the first page of this Permit, the Effective Date of this Permit shall be that date the Permittee commenced any of the activities permitted by this Permit. The Permittee in executing this Permit represents that the Effective Date appearing in Item 6 on

the first page of this Permit is the date the Permittee commenced any of the activities permitted by this Permit. If the Port Authority determines by audit or otherwise that the Permittee commenced any of the activities permitted by this Permit prior to said effective date, the Effective Date of this Permit shall be the date the Permittee commenced any of the activities permitted by this Permit and all obligations of the Permittee under this Permit shall commence on such date including without limitation the Permittee's indemnity obligations and obligations to pay fees.

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

(c) In the event the Port Authority exercises 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 City Lease.

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

(d) Neither the execution and delivery of this Permit nor any act done pursuant thereto shall create between any terminal operator, lessee or other occupant of land at the Airport including but not limited to the Terminal Four Lessee and 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 and, if any privilege or portion thereof is performed at Terminal Four, to pay to the Terminal Four Lessee a percentage fee (hereinafter called the "Terminal Four Percentage Fee"), at the times set forth in and in accordance with paragraph (a)(iii) below, equal to five percent (5%), as the same may be increased pursuant to paragraph (k) below, of Terminal Four 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 person designated by the Permittee as having sufficient knowledge to provide such statement 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 person designated by the Permittee as having sufficient knowledge to provide such statement 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.

(iii) Terminal Four Gross Receipts shall be reported and the Terminal Four Percentage Fee shall be paid to the Terminal Four Lessee 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 the Permit is in effect and including the calendar month in which the Permit ceases to be in effect, the Permittee shall render to the Port Authority and the Terminal Four Lessee a monthly statement sworn to by a person designated by the Permittee as having sufficient knowledge to provide such statement showing all of the Terminal Four Gross Receipts for the preceding month (the "Monthly Sworn Statement of Gross Receipts"). Each of the said statements shall also show the cumulative Terminal Four 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 and the Terminal Four Lessee, the Permittee shall pay to the Terminal Four Lessee an amount equal to five percent (5%) applied to the Terminal Four 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 and the Terminal Four Lessee a statement setting forth the cumulative totals of the Terminal Four 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 the Permit, the Permittee shall render to the Port Authority and the Terminal Four Lessee a sworn statement certified, at the Permittee's expense, by a a person designated by the Permittee as having sufficient knowledge to provide such statement of all Terminal Four Gross Receipts during the period from the last preceding anniversary of the Effective Date up to and including the last day the Permit shall be in effect and the Permittee shall, at the time of rendering such statement to the Terminal Four Lessee pay to the Terminal Four Lessee the Terminal Four Percentage Fee due and unpaid as of the last day the Permit shall be in effect. Each of the statements called for hereunder shall separately list and state the Terminal Four Gross Receipts and the applicable Terminal Four Percentage Fee payable

thereon for each privilege (including without limitation each Authorized Service) provided by the Permittee hereunder at Terminal Four.

(b) (i) All statements to be submitted to the Port Authority pursuant to this Section and all payments made under this Permit, except for the Terminal Four Percentage Fee, 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.

(ii) All statements to be submitted to the Terminal Four Lessee hereunder and the Terminal Four Percentage Fee shall be made to the Terminal Four Lessee at Terminal Four, John F. Kennedy International Airport, Room 2300, Jamaica, New York 11430 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 and Terminal Four 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 (and Terminal Four 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 services or Routine and Non-routine Aircraft Maintenance services, there shall be excluded from Gross Receipts and Terminal Four 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 and Terminal Four 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 and Terminal Four Gross Receipts.

(f) Without limiting any other provisions of this Permit regarding Gross Receipts and Terminal Four 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 and Terminal Four 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 and Terminal Four 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 and Terminal Four 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 or Terminal Four 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, the Terminal Four 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 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 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 ("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 agreement, as well as agreements hereinafter entered into.

6. Permittee's Operations:

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

(b) The Permittee shall daily remove from the Airport by means of facilities provided by it all garbage, debris and other waste material (whether solid or liquid) arising out of or in connection with the permission granted hereunder, and any such not immediately removed shall be temporarily stored in a clean and sanitary condition, in suitable garbage and waste receptacles, the same to be made of metal and equipped with tight-fitting covers, and to be of a design safely and properly to contain whatever material may be placed therein; said receptacles being provided and maintained by the Permittee. The receptacles shall be kept covered except when filling or

emptying the same. The Permittee shall exercise extreme care in removing such garbage, debris and other waste materials from the Airport. The manner of such storage and removal shall be subject in all respects to the continual approval of the Port Authority. No facilities of the Port Authority shall be used for such removal unless with its prior consent in writing. No such garbage, debris or other waste materials shall be or be permitted to be thrown, discharged or disposed into or upon the waters at or bounding the Airport.

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

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

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

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

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

to the Permittee as to the demeanor, conduct and appearance of the Permittee's employees, invitees and those doing business with it, whereupon the Permittee will take all steps necessary to remove the cause of the objection.

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

7. Indemnity:

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

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

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

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

8. Liability Insurance:

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

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

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

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

shall be recited in each policy or certificate to be delivered pursuant to the following paragraph (e).

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

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

9. Special Endorsements:

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

10. No Waiver:

No failure by the Port Authority or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee shall be in writing, and all such notices given by the Port Authority or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee under this Permit, including without limitation the Port Authority's rights set forth in Section 2 of these Terms and Conditions, or (ii) any obligations of the Permittee under this Permit. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Permit shall be payable instead at such legal maximum.

15. Non-discrimination:

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

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

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

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

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

16. Affirmative Action:

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

17. Rules and Regulations:

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

(b) The Permittee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of the

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

18. Prohibited Acts

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

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

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

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

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

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

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

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

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

the terms and conditions of Sections 17 and 19 hereof of de-icing fluids utilized in the Permittee's ordinary course of business in the performance of any of the privileges granted hereunder and the obligation of the Permittee to remove and remediate such de-icing fluids shall be as required by the terms and conditions of Sections 17 and 19 hereof. The obligations of the Permittee pursuant to this paragraph shall survive the expiration, revocation, cancellation or termination of this Permit.

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

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

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

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

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

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

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

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

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

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

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

19. Law Compliance:

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

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

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

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

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

20. Trademarks and Patent Infringement:

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

21. Inspection:

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

22. Federal Aid:

(a) The Permittee shall

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

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

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

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

(b) The Port Authority has applied for and received a grant or grants of money from the Administrator of the Federal Aviation Administration pursuant to the Airport and Airways Development Act of 1970, as the same has been amended and supplemented, and under prior federal statutes which said Act superseded and the Port Authority may in the future apply for and receive further such grants. In connection therewith the Port Authority has undertaken and may in the future undertake certain obligations respecting its operation of the Airport and the activities of its contractors, lessees and permittees thereon. The performance by the Permittee of the promises and obligations contained in this Permit is therefore a special consideration and inducement to the issuance of this Permit by the Port Authority, and the Permittee further agrees that if the Administrator of the Federal Aviation Administration or any other governmental

officer or body having jurisdiction over the enforcement of the obligations of the Port Authority in connection with Federal Airport Aid, shall make any orders, recommendations or suggestions respecting the performance by the Permittee of its obligations under this Permit, the Permittee will promptly comply therewith at the time or times, when and to the extent that the Port Authority may direct.

23. Capacity and Competition:

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

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

24. Business Development and Records:

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

(i) Intentionally Omitted;

(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 performed at Terminal Four, the Authorized Service performed at the Airport at any location other than Terminal Four and all other services performed at the Airport at any location other than Terminal Four, 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, the Authorized Service performed at Terminal Four and all other services performed at the airport at any location other than Terminal Four;

(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 and/or Terminal Four Gross Receipts and which the Terminal Four Lessee, in its sole discretion, believes may be relevant for identification, determination or calculation of Terminal Four 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 and/or Terminal Four Gross Receipts and which the Terminal Four Lessee, in its sole discretion, believes may be relevant for identification, determination or calculation of Terminal Four 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) if the Permittee has performed any privilege or portion thereof at Terminal Four, then permit and/or cause to be permitted in ordinary business hours during the effective period of the 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 Terminal Four Lessee of all Books and Records within ten (10) days following any request by the Terminal Four Lessee from time to time and at any time to examine and audit any Books and Records;

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

(viii) 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 Terminal Four 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 Terminal Four Gross Receipts and to the Terminal Four Lessee of all Terminal Four 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)(viii) above then, in addition to all, and without limiting any other, rights and remedies of the Port Authority and the Terminal Four Lessee 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) the Port Authority or the Terminal Four Lessee may estimate the Terminal Four Gross Receipts on any basis that the Port Authority or the Terminal Four Lessee, 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 Terminal Four Lessee when billed; and/or

(iii) 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.

(iv) if any Books and Records are maintained outside of the Port of New York District, then the Terminal Four Lessee 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 Terminal Four Lessee within the Port of New York District for examination and audit pursuant to paragraph (a)(vi) hereof and/or (y) examine and audit any such Books and Records pursuant to paragraph (a)(vi) 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 Terminal Four Lessee when billed all travel costs and related expenses, as determined by the Terminal Four Lessee, for Terminal Four Lessee 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 Terminal Four Lessee when billed all costs and expenses of the Terminal Four Lessee, as determined by the Terminal Four Lessee, 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 Terminal Four Lessee 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 or the Terminal Four Lessee determines that unpaid amounts are due to the Port Authority or to the Terminal Four Lessee by the Permittee (the "*Audit Findings*"), the Permittee shall be obligated, and hereby agrees, to pay to the Port Authority and/or the Terminal Four Lessee 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 or by the Terminal Four Lessee. Such service charge (s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority or the Terminal Four Lessee 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) and 4(a)(iii). 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 hereunder and the foregoing auditing costs, expenses and amounts of the Terminal Four Lessee set forth in paragraphs (b), (c) and (d) above shall be deemed fees under this Permit payable to the Terminal Four Lessee with the same force and effect as the Terminal Four Percentage Fee and all other fees payable to the Terminal Four Lessee hereunder.

25. Rates and Charges:

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

26. Other Agreements:

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

27. City Lease Provisions:

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

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

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

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

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

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

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

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

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

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

28. Counterclaims:

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

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

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

damage or loss. The Permittee acknowledges that the Port Authority reserves all its legal and equitable rights and remedies in the event of such failure by the Permittee to cease performance of the Authorized Service.

(b) The Permittee hereby acknowledges and agrees that, subject to the foregoing, all terms and provisions of this Permit shall be and continue in full force and effect during any period following such expiration, revocation or termination. The term "Post-Termination Period", for purposes of this Permit, shall mean any period following the expiration, revocation or termination of the effective period of the permission granted under this Permit, as such effective period of permission may be extended from time to time.

30. Governing Law:

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

31. Miscellaneous:

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

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

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

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

Initialed:

For the Port Authority

For the Permittee

LEASE FILE

: For Port Authority Use Only :
: Permit Number: AYD-767 :

JOHN F. KENNEDY 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 John F. Kennedy International Airport, in the Borough of Queens, County of Queens, City and State of New York, in accordance with the Terms and Conditions hereof; and the Permittee agrees to pay the fee hereinafter specified and to perform all other obligations imposed upon it in the said Terms and Conditions:

1. **PERMITTEE:** SWISS INTERNATIONAL AIR LINES LTD, a(n) Switzerland corporation

2. **PERMITTEE'S ADDRESS:** 776 RexCorp Plaza
Uniondale, New York 11556

3. **PERMITTEE'S REPRESENTATIVE:** Marcel Biedermann, Managing Director

4. **PRIVILEGE:** To provide, as set forth in Section 1 of the Terms and Conditions, the 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:** April 1, 2007

7. **EXPIRATION DATE:** March 31, 2017, unless sooner revoked or terminated as herein provided.

8. **REQUIRED SECURITY DEPOSIT:** As set forth in Special Endorsement No. 3 hereof.

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

10. **ENDORSEMENTS:** Special Endorsements.

Dated: As of April 1, 2007

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

Name David Kagan
(Please Print Clearly)

(Title) Assistant Director
Business. Properties & Airport Development

Checked by Legal Department
Date: 06/22/09
Signature: _____

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

SWISS INTERNATIONAL AIR LINES LTD., Permittee

By _____

Name Annette Reantragoon / Erin K. Sweeney
(Please Print Clearly)

(Title) General Manager USA / General Counsel USA

SPECIAL ENDORSEMENTS

1. (a) The Port Authority hereby consents to the Permittee providing the Authorized Service to Approved Aircraft Operators 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]

3. The Permittee hereby agrees that this Permit constitutes one of the "Agreements", as such term is defined in that certain security agreement entered into between the Port Authority and the Permittee, made as of March 2002, and identified by Port Authority Agreement No. AX-732 (the "Security Agreement"), and that a breach or failure to perform or comply with any other terms or conditions of the Security Agreement, including without limitation failure to provide a letter of credit in accordance with the terms and provisions of the Security Agreement valid and available to the Port Authority or any failure of any banking institution issuing a letter of credit to make one or more payments as provided in such letter of credit, shall constitute a breach of this Permit and of the Security Agreement thereby entitling the Port Authority to immediately exercise any and all rights available to it, including without limitation the right to revoke this Permit for cause.

Initialed:

For the Port Authority

For the Permittee

TERMS AND CONDITIONS

1. Definitions:

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

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

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

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

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

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

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

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

(i) representation and accommodation;

(ii) load control and communications;

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

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

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

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

(vii) distribution of Air Cargo;

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

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

(x) supervision and administration;

(xi) courier services;

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

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

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

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

(xvi) towing of Cargo Aircraft;

(xvii) ramp control tower services for Cargo Aircraft;

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

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

(xx) ramp area cleaning;

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

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

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

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

(xxv) triturator operations and maintenance;

(xxvi) snow removal; and

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

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

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

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

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

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

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

(iv) ramp area cleaning services; and

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

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

(l) "*Environmental Requirement*" shall mean all common law and all past, present and future laws, statutes, enactments, resolutions, regulations, rules, directives, ordinances,

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

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

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

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

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

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

(p) "*Gross Receipts*" shall mean all amounts, monies, revenues, receipts and income of every type paid or payable to the Permittee for sales made and for services rendered at or from the Airport, regardless of when or where the order therefor is received, and outside the Airport, if the order therefor is received at the Airport, and any other amounts, monies, revenues, receipts and income of any type arising out of or in connection with the Authorized Service, provided, however, there shall be excluded from Gross Receipts, any Terminal Four Gross Receipts and 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) "*Post-Termination Period*" shall have the meaning ascribed to it in paragraph (a) of Section 29 hereof.

(y) "*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.

(z) "*Terminal Four*" shall mean the premises under the Terminal Four Lease commonly referred to on the Airport as "Terminal Four".

(aa) "*Terminal Four Gross Receipts*" shall each mean and include all amounts, monies, revenues, receipts and income of every type paid or payable to the Permittee for sales made and for services rendered at Terminal Four, regardless of when or where the order therefor is received, and any other amounts, monies, revenues, receipts and income of any type arising out of or in connection with the Permittee's operations at Terminal Four, provided, however, there shall be excluded from Terminal Four 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.

(bb) "*Terminal Four Lease*" shall mean that certain agreement of lease bearing Port Authority Agreement No. AYC-685 entered into between the Port Authority and JFK International Air Terminal LLC on May 13, 1997.

(cc) "*Terminal Four Lessee*" shall mean for the time being JFK International Air Terminal LLC, a limited liability company organized and existing under the laws of the State of New York, or such other Person which the Port Authority may from time to time and at any time designate by notice to the Permittee.

(dd) "*Terminal Four Percentage Fee*" shall mean the fee payable to the Terminal Four Lessee pursuant to and as defined in Section 4(a)(i) hereof.

2. Effective Date, Termination and Revocation:

(a) The permission hereby granted shall take effect upon the Effective Date. Notwithstanding Item 6 appearing on the first page of this Permit, the Effective Date of this Permit shall be that date the Permittee commenced any of the activities permitted by this Permit. The Permittee in executing this Permit represents that the Effective Date appearing in Item 6 on the first page of this Permit is the date the Permittee commenced any of the activities permitted by this Permit. If the Port Authority determines by audit or otherwise that the Permittee commenced any of the activities permitted by this Permit prior to said effective date, the Effective Date of this Permit shall be the date the Permittee commenced any of the activities permitted by this Permit and all obligations of the Permittee under this Permit shall commence

on such date including without limitation the Permittee's indemnity obligations and obligations to pay fees.

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

(c) In the event the Port Authority exercises 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 City Lease.

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

(d) Neither the execution and delivery of this Permit nor any act done pursuant thereto shall create between any terminal operator, lessee or other occupant of land at the Airport including but not limited to the Terminal Four Lessee and 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 and, if any privilege or portion thereof is performed at Terminal Four, to pay to

the Terminal Four Lessee a percentage fee (hereinafter called the "Terminal Four Percentage Fee"), at the times set forth in and in accordance with paragraph (a)(iii) below, equal to five percent (5%), as the same may be increased pursuant to paragraph (k) below, of Terminal Four 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.

(iii) Terminal Four Gross Receipts shall be reported and the Terminal Four Percentage Fee shall be paid to the Terminal Four Lessee 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 the Permit is in effect and including the calendar month in which the Permit ceases to be in effect, the Permittee shall render to the Port Authority and the Terminal Four Lessee a monthly statement sworn to by a responsible executive or fiscal officer of the Permittee showing all of the Terminal Four Gross Receipts for the preceding month. Each of the said statements shall also show the cumulative Terminal Four 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 and the Terminal Four Lessee, the Permittee shall pay to the Terminal Four Lessee an amount equal to five percent (5%) applied to the Terminal Four 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 and the Terminal Four Lessee a statement setting forth the cumulative totals of the Terminal Four Gross Receipts for the entire preceding twelve (12) month period certified, at the Permittee's expense, by a certified public

accountant. In addition to the foregoing, within twenty (20) days after the expiration, termination, revocation or cancellation of the Permit, the Permittee shall render to the Port Authority and the Terminal Four Lessee a sworn statement certified, at the Permittee's expense, by a certified public accountant or a responsible executive or fiscal officer of the Permittee of all Terminal Four Gross Receipts during the period from the last preceding anniversary of the Effective Date up to and including the last day the Permit shall be in effect and the Permittee shall, at the time of rendering such statement to the Terminal Four Lessee pay to the Terminal Four Lessee the Terminal Four Percentage Fee due and unpaid as of the last day the Permit shall be in effect. Each of the statements called for hereunder shall separately list and state the Terminal Four Gross Receipts and the applicable Terminal Four Percentage Fee payable thereon for each privilege (including without limitation each Authorized Service) provided by the Permittee hereunder at Terminal Four.

(b) (i) All statements to be submitted to the Port Authority pursuant to this Section and all payments made under this Permit, except for the Terminal Four Percentage Fee, 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: TB 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.

(ii) All statements to be submitted to the Terminal Four Lessee hereunder and the Terminal Four Percentage Fee shall be made to the Terminal Four Lessee at Terminal Four, John F. Kennedy International Airport, Room 2300, Jamaica, New York 11430 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 and Terminal Four 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 (and Terminal Four 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 services or Routine and Non-routine Aircraft Maintenance services, there shall be excluded from Gross Receipts and Terminal Four 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 and Terminal Four 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 and Terminal Four Gross Receipts.

(f) Without limiting any other provisions of this Permit regarding Gross Receipts and Terminal Four 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 and Terminal Four 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 and Terminal Four 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 and Terminal Four 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 or Terminal Four 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, the Terminal Four 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee shall be in writing, and all such notices given by the Port Authority or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee under this Permit, including without limitation the Port Authority's rights set forth in Section 2 of these Terms and Conditions, or (ii) any obligations of the Permittee under this Permit. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Permit shall be payable instead at such legal maximum.

15. Non-discrimination:

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

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

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

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

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

16. Affirmative Action:

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

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

17. Rules and Regulations:

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

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

18. Prohibited Acts

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

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

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

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

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

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

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

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

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

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

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

(ii) The Permittee shall 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, Terminal Four Gross Receipts or income therefrom, and shall make all applications, reports and returns required in connection therewith.

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

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

(e) The Port Authority has agreed by a provision in the City Lease with the City covering the Airport to conform to the enactments, ordinances, resolutions and regulations of the City and of its various departments, boards and bureaus in regard to the construction and maintenance of buildings and structures and in regard to health and fire protection, to the extent that the Port Authority finds it practicable so to do. The Permittee shall, within forty-eight (48) hours after its receipt of any notice of violation, warning notice, summons, or other legal process for the enforcement of any such enactment, ordinance, resolution or regulation, deliver the same to the Port Authority for examination and determination of the applicability of the agreement of lease provision thereto. Unless otherwise directed in writing by the Port Authority, the Permittee shall conform to such enactments, ordinances, resolutions and regulations insofar as they relate to the operations of the Permittee at the Airport. In the event of compliance with any such enactment, ordinance, resolution or regulation on the part of the Permittee, acting in good faith, commenced after such delivery to the Port Authority but prior to the receipt by the Permittee of a written direction from the Port Authority, such compliance shall not constitute a breach of this Permit, although the Port Authority thereafter notifies the Permittee to refrain from such

compliance. Nothing herein contained shall release or discharge the Permittee from compliance with any other provision hereof respecting governmental requirements.

20. Trademarks and Patent Infringement:

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

21. Inspection:

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

22. Federal Aid:

(a) The Permittee shall

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

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

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

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

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

will promptly comply therewith at the time or times, when and to the extent that the Port Authority may direct.

23. Capacity and Competition:

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

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

24. Business Development and Records:

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

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

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

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

(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 and/or Terminal Four Gross Receipts and which the Terminal Four Lessee, in its sole discretion, believes may be relevant for identification, determination or calculation of Terminal Four 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 and/or Terminal Four Gross Receipts and which the Terminal Four Lessee, in its sole discretion, believes may be relevant for identification, determination or calculation of Terminal Four 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) if the Permittee has performed any privilege or portion thereof at Terminal Four, then permit and/or cause to be permitted in ordinary business hours during the effective period of the 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 Terminal Four Lessee of all Books and Records within ten (10) days following any request by the Terminal Four Lessee from time to time and at any time to examine and audit any Books and Records;

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

(viii) 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 Terminal Four 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 Terminal Four Gross Receipts and to the Terminal Four Lessee of all Terminal Four 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)(viii) above then, in addition to all, and without limiting any other, rights and remedies of the Port Authority and the Terminal Four Lessee 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) the Port Authority or the Terminal Four Lessee may estimate the Terminal Four Gross Receipts on any basis that the Port Authority or the Terminal Four Lessee, 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 Terminal Four Lessee when billed; and/or

(iii) 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.

(iv) if any Books and Records are maintained outside of the Port of New York District, then the Terminal Four Lessee 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 Terminal Four Lessee within the Port of New York District for examination and audit pursuant to paragraph (a)(vi) hereof and/or (y) examine and audit any such Books and Records pursuant to paragraph (a)(vi) 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 Terminal Four Lessee when billed all travel costs and related expenses, as determined by the Terminal Four Lessee, for Terminal Four Lessee 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 Terminal Four Lessee when billed all costs and expenses of the Terminal Four Lessee, as determined by the Terminal Four Lessee, 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 Terminal Four Lessee 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 or the Terminal Four Lessee determines that unpaid amounts are due to the Port Authority or to the Terminal Four Lessee by the Permittee (the "*Audit Findings*"), the Permittee shall be obligated, and hereby agrees, to pay to the Port Authority and/or the Terminal Four Lessee 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 or by the Terminal Four Lessee. Such

service charge (s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority or the Terminal Four Lessee 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 hereunder and the foregoing auditing costs, expenses and amounts of the Terminal Four Lessee set forth in paragraphs (b), (c) and (d) above shall be deemed fees under this Permit payable to the Terminal Four Lessee with the same force and effect as the Terminal Four Percentage Fee and all other fees payable to the Terminal Four Lessee hereunder.

25. Rates and Charges:

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

26. Other Agreements:

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

27. City Lease Provisions:

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

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

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

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

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

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

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

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

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

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

28. Counterclaims:

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

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

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

(b) The Permittee hereby acknowledges and agrees that, subject to the foregoing, all terms and provisions of this Permit shall be and continue in full force and effect during any Post-Termination Period.

30. 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.

For the Port Authority

Initialled:

For the Permittee

LEASE FILE

UNITED
CONTRACT
174344

: For Port Authority Use Only :
:
:Permit Number: AYD-788 :

JOHN F. KENNEDY 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 John F. Kennedy International Airport, in the Borough of Queens, County of Queens, City and State of New York, in accordance with the Terms and Conditions hereof; and the Permittee agrees to pay the fee hereinafter specified and to perform all other obligations imposed upon it in the said Terms and Conditions:

1. **PERMITTEE:** UNITED AIR LINES, INC., a(n) Delaware corporation

2. **PERMITTEE'S ADDRESS:** 6090 Sabal Hammock Circle
Port Orange, Florida 32128

3. **PERMITTEE'S REPRESENTATIVE:** Mr. Michael Matthews

4. **PRIVILEGE:** To provide , as set forth in paragraph (x) of Section 1 of the Terms and Condtions, 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:** Apirl 1, 2007

7. **EXPIRATION DATE:** March 31, 2017, unless sooner revoked or terminated as herein provided.

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

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

10. **ENDORSEMENTS:** Special Endorsements.

Dated: As of April 1, 2007

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

Name _____
David Kagan (Please Print Clearly)

(Title) Assistant Director
Business. Properties & Airport Development

UNITED AIR LINES, INC., Permittee

By Kate Gebo

Name Kate Gebo
(Please Print Clearly)

(Title) Vice President ~~President~~
Corporate Real Estate

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

DTO
10

SPECIAL ENDORSEMENTS

1. (a) The Port Authority hereby consents to the Permittee providing the Authorized Service to Approved Aircraft Operators 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]

For the Port Authority

Initialed:

K. G

For the Permittee

TERMS AND CONDITIONS

1. Definitions:

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

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

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

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

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

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

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

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

(i) representation and accommodation;

(ii) load control and communications;

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

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

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

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

(vii) distribution of Air Cargo;

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

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

(x) supervision and administration;

(xi) courier services;

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

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

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

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

(xvi) towing of Cargo Aircraft;

(xvii) ramp control tower services for Cargo Aircraft;

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

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

(xx) ramp area cleaning;

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

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

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

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

(xxv) triturator operations and maintenance;

(xxvi) snow removal; and

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

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

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

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

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

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

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

(iv) ramp area cleaning services; and

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

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

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

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

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

(m) "*Executive Director*" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the Executive

Director by this Permit; but until further notice from the Port Authority to the Permittee it shall mean the Executive Director of the Port Authority for the time being or his duly designated representative or representatives.

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

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

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

(y) "*Terminal Four*" shall mean the premises under the Terminal Four Lease commonly referred to on the Airport as "Terminal Four".

(z) "*Terminal Four Gross Receipts*" shall each mean and include all amounts, monies, revenues, receipts and income of every type paid or payable to the Permittee for sales made and for services rendered at Terminal Four, regardless of when or where the order therefor is received, and any other amounts, monies, revenues, receipts and income of any type arising out of or in connection with the Permittee's operations at Terminal Four, provided, however, there shall be excluded from Terminal Four 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.

(aa) "*Terminal Four Lease*" shall mean that certain agreement of lease bearing Port Authority Agreement No. AYC-685 entered into between the Port Authority and JFK International Air Terminal LLC on May 13, 1997.

(bb) "*Terminal Four Lessee*" shall mean for the time being JFK International Air Terminal LLC, a limited liability company organized and existing under the laws of the State of New York, or such other Person which the Port Authority may from time to time and at any time designate by notice to the Permittee.

(cc) "*Terminal Four Percentage Fee*" shall mean the fee payable to the Terminal Four Lessee pursuant to and as defined in Section 4(a)(i) hereof.

2. Effective Date, Termination and Revocation:

(a) The permission hereby granted shall take effect upon the Effective Date. Notwithstanding Item 6 appearing on the first page of this Permit, the Effective Date of this Permit shall be that date the Permittee commenced any of the activities permitted by this Permit. The Permittee in executing this Permit represents that the Effective Date appearing in Item 6 on the first page of this Permit is the date the Permittee commenced any of the activities permitted by this Permit. If the Port Authority determines by audit or otherwise that the Permittee commenced any of the activities permitted by this Permit prior to said effective date, the Effective Date of this Permit shall be the date the Permittee commenced any of the activities

permitted by this Permit and all obligations of the Permittee under this Permit shall commence on such date including without limitation the Permittee's indemnity obligations and obligations to pay fees.

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

(c) In the event the Port Authority exercises 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 City Lease.

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

(d) Neither the execution and delivery of this Permit nor any act done pursuant thereto shall create between any terminal operator, lessee or other occupant of land at the Airport including but not limited to the Terminal Four Lessee and 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 and, if any privilege or portion thereof is performed at Terminal Four, to pay to the Terminal Four Lessee a percentage fee (hereinafter called the "Terminal Four Percentage Fee"), at the times set forth in and in accordance with paragraph (a)(iii) below, equal to five percent (5%), as the same may be increased pursuant to paragraph (k) below, of Terminal Four 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.

(iii) Terminal Four Gross Receipts shall be reported and the Terminal Four Percentage Fee shall be paid to the Terminal Four Lessee 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 the Permit is in effect and including the calendar month in which the Permit ceases to be in effect, the Permittee shall render to the Port Authority and the Terminal Four Lessee a monthly statement sworn to by a responsible executive or fiscal officer of the Permittee showing all of the Terminal Four Gross Receipts for the preceding month (the "Monthly Sworn Statement of Gross Receipts"). Each of the said statements shall also show the cumulative Terminal Four 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 and the Terminal Four Lessee, the Permittee shall pay to the Terminal Four Lessee an amount equal to five percent (5%) applied to the Terminal Four 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 and the Terminal Four Lessee a statement setting forth the cumulative totals of the Terminal Four 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 the Permit, the Permittee shall render to the Port Authority and the Terminal Four Lessee a sworn statement certified, at the Permittee's expense, by a certified public accountant of the Permittee of all Terminal Four Gross Receipts during the period from the last preceding anniversary of the Effective Date up to and including the last day the Permit shall be in effect and the Permittee shall, at the time of rendering such statement to the Terminal Four Lessee pay to the Terminal Four Lessee the Terminal Four Percentage Fee due and unpaid as of the last day the Permit shall be in effect. Each of the statements called for hereunder shall separately list and state the Terminal Four Gross Receipts and the applicable Terminal Four Percentage Fee payable thereon for each privilege (including without limitation each Authorized Service) provided by the Permittee hereunder at Terminal Four.

(b) (i) All statements to be submitted to the Port Authority pursuant to this Section and all payments made under this Permit, except for the Terminal Four Percentage Fee, 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.

(ii) All statements to be submitted to the Terminal Four Lessee hereunder and the Terminal Four Percentage Fee shall be made to the Terminal Four Lessee at Terminal Four, John F. Kennedy International Airport, Room 2300, Jamaica, New York 11430 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 and Terminal Four 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 (and Terminal Four 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 services or Routine and Non-routine Aircraft Maintenance services, there shall be excluded from Gross Receipts and Terminal Four 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 and Terminal Four 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 and Terminal Four Gross Receipts.

(f) Without limiting any other provisions of this Permit regarding Gross Receipts and Terminal Four 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 and Terminal Four 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 and Terminal Four 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 and Terminal Four 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 or Terminal Four 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, the Terminal Four 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 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 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 ("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 agreement, as well as agreements hereinafter entered into.

6. Permittee's Operations:

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

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

Authority shall be used for such removal unless with its prior consent in writing. No such garbage, debris or other waste materials shall be or be permitted to be thrown, discharged or disposed into or upon the waters at or bounding the Airport.

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

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

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

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

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

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

7. Indemnity:

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

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

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

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

8. Liability Insurance:

(a) The Permittee, in its own name as insured and including the Port Authority as an additional insured, shall maintain and pay the premiums during the effective period of the Permit on a policy or policies of Commercial General Liability Insurance, including premises-operations and products-completed operations and covering bodily-injury liability, including death, and

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

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

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

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

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

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

9. Special Endorsements:

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

10. No Waiver:

No failure by the Port Authority or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee shall be in writing, and all such notices given by the Port Authority or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee under this Permit, including without limitation the Port Authority's rights set forth in Section 2 of these Terms and Conditions, or (ii) any obligations of the Permittee under this Permit. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Permit shall be payable instead at such legal maximum.

15. Non-discrimination:

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

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

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

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

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

16. Affirmative Action:

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

17. Rules and Regulations:

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

(b) The Permittee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of the

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

18. Prohibited Acts

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

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

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

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

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

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

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

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

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

the terms and conditions of Sections 17 and 19 hereof of de-icing fluids utilized in the Permittee's ordinary course of business in the performance of any of the privileges granted hereunder and the obligation of the Permittee to remove and remediate such de-icing fluids shall be as required by the terms and conditions of Sections 17 and 19 hereof. The obligations of the Permittee pursuant to this paragraph shall survive the expiration, revocation, cancellation or termination of this Permit.

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

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

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

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

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

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

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

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

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

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

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

19. Law Compliance:

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

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

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

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

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

20. Trademarks and Patent Infringement:

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

21. Inspection:

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

22. Federal Aid:

(a) The Permittee shall

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

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

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

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

(b) The Port Authority has applied for and received a grant or grants of money from the Administrator of the Federal Aviation Administration pursuant to the Airport and Airways Development Act of 1970, as the same has been amended and supplemented, and under prior federal statutes which said Act superseded and the Port Authority may in the future apply for and receive further such grants. In connection therewith the Port Authority has undertaken and may in the future undertake certain obligations respecting its operation of the Airport and the activities of its contractors, lessees and permittees thereon. The performance by the Permittee of the promises and obligations contained in this Permit is therefore a special consideration and inducement to the issuance of this Permit by the Port Authority, and the Permittee further agrees that if the Administrator of the Federal Aviation Administration or any other governmental

officer or body having jurisdiction over the enforcement of the obligations of the Port Authority in connection with Federal Airport Aid, shall make any orders, recommendations or suggestions respecting the performance by the Permittee of its obligations under this Permit, the Permittee will promptly comply therewith at the time or times, when and to the extent that the Port Authority may direct.

23. Capacity and Competition:

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

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

24. Business Development and Records:

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

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

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

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

(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 and/or Terminal Four Gross Receipts and which the Terminal Four Lessee, in its sole discretion, believes may be relevant for identification, determination or calculation of Terminal Four 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 and/or Terminal Four Gross Receipts and which the Terminal Four Lessee, in its sole discretion, believes may be relevant for identification, determination or calculation of Terminal Four 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) if the Permittee has performed any privilege or portion thereof at Terminal Four, then permit and/or cause to be permitted in ordinary business hours during the effective period of the 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 Terminal Four Lessee of all Books and Records within ten (10) days following any request by the Terminal Four Lessee from time to time and at any time to examine and audit any Books and Records;

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

(viii) 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 Terminal Four 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 Terminal Four Gross Receipts and to the Terminal Four Lessee of all Terminal Four 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)(viii) above then, in addition to all, and without limiting any other, rights and remedies of the Port Authority and the Terminal Four Lessee 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) the Port Authority or the Terminal Four Lessee may estimate the Terminal Four Gross Receipts on any basis that the Port Authority or the Terminal Four Lessee, 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 Terminal Four Lessee when billed; and/or

(iii) 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.

(iv) if any Books and Records are maintained outside of the Port of New York District, then the Terminal Four Lessee 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 Terminal Four Lessee within the Port of New York District for examination and audit pursuant to paragraph (a)(vi) hereof and/or (y) examine and audit any such Books and Records pursuant to paragraph (a)(vi) 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 Terminal Four Lessee when billed all travel costs and related expenses, as determined by the Terminal Four Lessee, for Terminal Four Lessee 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 Terminal Four Lessee when billed all costs and expenses of the Terminal Four Lessee, as determined by the Terminal Four Lessee, 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 Terminal Four Lessee 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 or the Terminal Four Lessee determines that unpaid amounts are due to the Port Authority or to the Terminal Four Lessee by the Permittee (the "*Audit Findings*"), the Permittee shall be obligated, and hereby agrees, to pay to the Port Authority and/or the Terminal Four Lessee 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 or by the Terminal Four Lessee. Such service charge (s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority or the Terminal Four Lessee 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) and 4(a)(iii). 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 hereunder and the foregoing auditing costs, expenses and amounts of the Terminal Four Lessee set forth in paragraphs (b), (c) and (d) above shall be deemed fees under this Permit payable to the Terminal Four Lessee with the same force and effect as the Terminal Four Percentage Fee and all other fees payable to the Terminal Four Lessee hereunder.

25. Rates and Charges:

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

26. Other Agreements:

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

27. City Lease Provisions:

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

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

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

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

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

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

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

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

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

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

28. Counterclaims:

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

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

(a) The Permittee acknowledges that the failure of the Permittee to cease to perform the Authorized Service at the Airport from the effective date of such expiration, revocation or termination will or may cause the Port Authority injury, damage or loss, and the Permittee hereby assumes the risk of such injury, damage or loss and hereby agrees that it shall

be responsible for the same and shall pay the Port Authority for the same whether such are foreseen or unforeseen, special, direct, consequential or otherwise and the Permittee hereby expressly agrees to indemnify and hold the Port Authority harmless against any such injury, damage or loss. The Permittee acknowledges that the Port Authority reserves all its legal and equitable rights and remedies in the event of such failure by the Permittee to cease performance of the Authorized Service.

(b) The Permittee hereby acknowledges and agrees that, subject to the foregoing, all terms and provisions of this Permit shall be and continue in full force and effect during any period following such expiration, revocation or termination. The term "Post-Termination Period", for purposes of this Permit, shall mean any period following the expiration, revocation or termination of the effective period of the permission granted under this Permit, as such effective period of permission may be extended from time to time.

30. Governing Law:

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

31. Miscellaneous:

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

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

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

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

For the Port Authority

Initialled:

K.G

For the Permittee

LEASE FILE

: For Port Authority Use Only

:Permit Number: AYD-988

JOHN F. KENNEDY 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 John F. Kennedy International Airport, in the Borough of Queens, County of Queens, City and State of New York, in accordance with the Terms and Conditions hereof; and the Permittee agrees to pay the fee hereinafter specified and to perform all other obligations imposed upon it in the said Terms and Conditions:

1. **PERMITTEE:** ABX AIR, INC., a(n) Delaware corporation

2. **PERMITTEE'S ADDRESS:** 145 Hunter Drive
Wilmington, Ohio 45177

3. **PERMITTEE'S REPRESENTATIVE:** John Graber, President

4. **PRIVILEGE:** To provide , as set forth in paragraph (x) of Section 1 of the Terms and Conditions, Routine and Non-routine Aircraft Maintenance and the management of spare parts pools 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:** September 8, 2009

7. **EXPIRATION DATE:** May 31, 2019, unless sooner revoked or terminated as herein provided.

8. **REQUIRED SECURITY DEPOSIT:** As set forth in Special Endorsement No 3 hereof.

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

10. **ENDORSEMENTS:** Special Endorsements.

Dated: As of September 1, 2009

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

Name _____
(Please Print Clearly)
David Kagan

(Title) Assistant Director
Business. Properties & Airport ~~Development~~

ABX AIR, INC., Permittee

By _____

Name W. Joseph Payne
(Please Print Clearly)

(Title) VP, General Counsel & Sec.
~~President~~

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

SPECIAL ENDORSEMENTS

1. (a) The Port Authority hereby consents to the Permittee providing the Authorized Service to Airborne Maintenance and Engineering Services, Inc. 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]

3. The Permittee hereby agrees that this Permit constitutes one of the "Agreements", as such term is defined in that certain security agreement entered into between the Port Authority and the Permittee, dated September 1, 2009 and identified by Port Authority Agreement No. AX-847 (the "Security Agreement"), and that a breach or failure to perform or comply with any other terms or conditions of the Security Agreement, including without limitation failure to provide a letter of credit in accordance with the terms and provisions of the Security Agreement valid and available to the Port Authority or any failure of any banking institution issuing a letter of credit to make one or more payments as provided in such letter of credit, shall constitute a breach of this Permit and of the Security Agreement thereby entitling the Port Authority to immediately exercise any and all rights available to it, including without limitation the right to revoke this Permit for cause.

Initialed:

For the Port Authority

For the Permittee

TERMS AND CONDITIONS

1. Definitions:

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

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

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

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

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

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

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

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

(i) representation and accommodation;

(ii) load control and communications;

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

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

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

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

(vii) distribution of Air Cargo;

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

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

(x) supervision and administration;

(xi) courier services;

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

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

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

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

(xvi) towing of Cargo Aircraft;

(xvii) ramp control tower services for Cargo Aircraft;

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

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

(xx) ramp area cleaning;

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

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

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

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

(xxv) triturator operations and maintenance;

(xxvi) snow removal; and

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

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

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

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

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

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

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

(iv) ramp area cleaning services; and

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

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

(l) "*Environmental Requirement*" shall mean all common law and all past, present and future laws, statutes, enactments, resolutions, regulations, rules, directives, ordinances,

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

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

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

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

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

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

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

(y) "*Terminal Four*" shall mean the premises under the Terminal Four Lease commonly referred to on the Airport as "Terminal Four".

(z) "*Terminal Four Gross Receipts*" shall each mean and include all amounts, monies, revenues, receipts and income of every type paid or payable to the Permittee for sales made and for services rendered at Terminal Four, regardless of when or where the order therefor is received, and any other amounts, monies, revenues, receipts and income of any type arising out of or in connection with the Permittee's operations at Terminal Four, provided, however, there shall be excluded from Terminal Four 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.

(aa) "*Terminal Four Lease*" shall mean that certain agreement of lease bearing Port Authority Agreement No. AYC-685 entered into between the Port Authority and JFK International Air Terminal LLC on May 13, 1997.

(bb) "*Terminal Four Lessee*" shall mean for the time being JFK International Air Terminal LLC, a limited liability company organized and existing under the laws of the State of New York, or such other Person which the Port Authority may from time to time and at any time designate by notice to the Permittee.

(cc) "*Terminal Four Percentage Fee*" shall mean the fee payable to the Terminal Four Lessee pursuant to and as defined in Section 4(a)(i) hereof.

2. Effective Date, Termination and Revocation:

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

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

provided, however, that it may be revoked on twenty-four (24) hours' notice by the Port Authority if the Permittee shall fail to keep, perform and observe each and every promise, agreement, condition, term and provision contained in this Permit, including but not limited to the obligation to pay fees. Unless sooner revoked or terminated, such permission shall expire in any event upon the expiration date hereinbefore set forth.

(c) In the event the Port Authority exercises 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 City Lease.

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

(d) Neither the execution and delivery of this Permit nor any act done pursuant thereto shall create between any terminal operator, lessee or other occupant of land at the Airport including but not limited to the Terminal Four Lessee and 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 and, if any privilege or portion thereof is performed at Terminal Four, to pay to the Terminal Four Lessee a percentage fee (hereinafter called the "Terminal Four Percentage Fee"), at the times set forth in and in accordance with paragraph (a)(iii) below, equal to five percent (5%), as the same may be increased pursuant to paragraph (k) below, of Terminal Four 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.

(iii) Terminal Four Gross Receipts shall be reported and the Terminal Four Percentage Fee shall be paid to the Terminal Four Lessee 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 the Permit is in effect and including the calendar month in which the Permit ceases to be in effect, the Permittee shall render to the Port Authority and the Terminal Four Lessee a monthly statement sworn to by a responsible executive or fiscal officer of the Permittee showing all of the Terminal Four Gross Receipts for the preceding month (the "Monthly Sworn Statement of Gross Receipts"). Each of the said statements shall also show the cumulative Terminal Four 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 and the Terminal Four Lessee, the Permittee shall pay to the Terminal Four Lessee an amount equal to five percent (5%) applied to the Terminal Four 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 and the Terminal Four Lessee a statement setting forth the cumulative totals of the Terminal Four 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 the Permit, the Permittee shall render to the Port Authority and the Terminal Four Lessee a sworn statement certified, at the Permittee's expense, by a certified public accountant of the Permittee of all

Terminal Four Gross Receipts during the period from the last preceding anniversary of the Effective Date up to and including the last day the Permit shall be in effect and the Permittee shall, at the time of rendering such statement to the Terminal Four Lessee pay to the Terminal Four Lessee the Terminal Four Percentage Fee due and unpaid as of the last day the Permit shall be in effect. Each of the statements called for hereunder shall separately list and state the Terminal Four Gross Receipts and the applicable Terminal Four Percentage Fee payable thereon for each privilege (including without limitation each Authorized Service) provided by the Permittee hereunder at Terminal Four.

(b) (i) All statements to be submitted to the Port Authority pursuant to this Section and all payments made under this Permit, except for the Terminal Four Percentage Fee, 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.

(ii) All statements to be submitted to the Terminal Four Lessee hereunder and the Terminal Four Percentage Fee shall be made to the Terminal Four Lessee at Terminal Four, John F. Kennedy International Airport, Room 2300, Jamaica, New York 11430 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 and Terminal Four 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 (and Terminal Four 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 services or Routine and Non-routine Aircraft Maintenance services, there shall be excluded from Gross Receipts and Terminal Four 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 and Terminal Four 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 and Terminal Four Gross Receipts.

(f) Without limiting any other provisions of this Permit regarding Gross Receipts and Terminal Four 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 and Terminal Four 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 and Terminal Four 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 and Terminal Four 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 or Terminal Four 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, the Terminal Four 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee shall be in writing, and all such notices given by the Port Authority or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee under this Permit, including without limitation the Port Authority's rights set forth in Section 2 of these Terms and Conditions, or (ii) any obligations of the Permittee under this Permit. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Permit shall be payable instead at such legal maximum.

15. Non-discrimination:

(a) Without limiting the generality of any of the provisions of this Permit, the Permittee, for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby agree that (1) no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of any space at the Airport and the exercise of any privileges under this

Permit, (2) that in the construction of any improvements on, over, or under any space at the Airport and the furnishing of any service thereon by the Permittee, no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, (3) that the Permittee shall use any space at the Airport and exercise any privileges under this Permit in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended, and any other present or future laws, rules, regulations, orders or directions of the United States of America with respect thereto which from time to time may be applicable to the Permittee's operations thereat, whether by reason of agreement between the Port Authority and the United States Government or otherwise.

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

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

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

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

16. Affirmative Action:

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

17. Rules and Regulations:

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

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

18. Prohibited Acts

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19. Law Compliance:

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

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

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

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

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

20. Trademarks and Patent Infringement:

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

21. Inspection:

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

22. Federal Aid:

(a) The Permittee shall

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

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

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

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

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

23. Capacity and Competition:

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

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

24. Business Development and Records:

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

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

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

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

(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 and/or Terminal Four Gross Receipts and which the Terminal Four Lessee, in its sole discretion, believes may be relevant for identification, determination or calculation of Terminal Four 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 and/or Terminal Four Gross Receipts and which the Terminal Four Lessee, in its sole discretion, believes may be relevant for identification, determination or calculation of Terminal Four 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) if the Permittee has performed any privilege or portion thereof at Terminal Four, then permit and/or cause to be permitted in ordinary business hours during the effective period of the 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 Terminal Four Lessee of all Books and Records within ten (10) days following any request by the Terminal Four Lessee from time to time and at any time to examine and audit any Books and Records;

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

(viii) 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 Terminal Four 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 Terminal Four Gross Receipts and to the Terminal Four Lessee of all Terminal Four 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)(viii) above then, in addition to all, and without limiting any other, rights and remedies of the Port Authority and the Terminal Four Lessee 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) the Port Authority or the Terminal Four Lessee may estimate the Terminal Four Gross Receipts on any basis that the Port Authority or the Terminal Four Lessee, 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 Terminal Four Lessee when billed; and/or

(iii) 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.

(iv) if any Books and Records are maintained outside of the Port of New York District, then the Terminal Four Lessee 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 Terminal Four Lessee within the Port of New York District for examination and audit pursuant to paragraph (a)(vi) hereof and/or (y) examine and audit any such Books and Records pursuant to paragraph (a)(vi) 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 Terminal Four Lessee when billed all travel costs and related expenses, as determined by the Terminal Four Lessee, for Terminal Four Lessee 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 Terminal Four Lessee when billed all costs and expenses of the Terminal Four Lessee, as determined by the Terminal Four Lessee, 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 Terminal Four Lessee 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 or the Terminal Four Lessee determines that unpaid amounts are due to the Port Authority or to the Terminal Four Lessee by the Permittee (the "*Audit Findings*"), the Permittee shall be obligated, and hereby agrees, to pay to the Port Authority and/or the Terminal Four Lessee 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 or by the Terminal Four Lessee. Such service charge (s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority or the Terminal Four Lessee 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) and 4(a)(iii). 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 hereunder and the foregoing auditing costs, expenses and amounts of the Terminal Four Lessee set forth in paragraphs (b), (c) and (d) above shall be deemed fees under this Permit payable to the Terminal Four Lessee with the same force and effect as the Terminal Four Percentage Fee and all other fees payable to the Terminal Four Lessee hereunder.

25. Rates and Charges:

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

26. Other Agreements:

In the event the terms and provisions of any agreement entered into by the Permittee with any third Person in connection with the privileges granted hereunder are contrary to or conflict or

are inconsistent with the terms and provisions of this Permit, the terms and provisions of this Permit shall be controlling, effective and determinative.

27. City Lease Provisions:

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

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

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

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

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

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

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

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

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

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

28. Counterclaims:

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

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

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

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

30. 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.

For the Port Authority

Initialled:

For the Permittee

CEASE FILE

: For Port Authority Use Only :

:Permit Number: ___AYE-085_____:

JOHN F. KENNEDY 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 John F. Kennedy International Airport, in the Borough of Queens, County of Queens, City and State of New York, in accordance with the Terms and Conditions hereof; and the Permittee agrees to pay the fee hereinafter specified and to perform all other obligations imposed upon it in the said Terms and Conditions:

1. **PERMITTEE:** AEROVIAS DEL CONTINENTE AMERICANO AVIANCA S.A., a(n) corporation of the Republic of Colombia

2. **PERMITTEE'S ADDRESS:** 8350 NW 52nd Terrace, Suite 100
Miami, Florida 33166

3. **PERMITTEE'S REPRESENTATIVE:** Juan C. Sarabia

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:** October 1, 2010

7. **EXPIRATION DATE:** May 31, 2020, unless sooner revoked or terminated as herein provided.

8. **REQUIRED SECURITY DEPOSIT:** $ 3,500.00

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

10. **ENDORSEMENTS:** Special Endorsements.

Dated: As of October 1, 2010

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

Name David Kagan
(Please Print Clearly)

(Title) Assistant Director
Business, Properties & Airport Development

AEROVIAS DEL CONTINENTE AMERICANO AVIANCA S.A., Permittee

By _____

Name JUAN CARLOS SARABIA
(Please Print Clearly)

(Title) ATTORNEY IN FACT Attorney In Fact

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

1. (a) The Port Authority hereby consents to the Permittee providing the Authorized Service to TACA International Airlines, S.A., Lineas Aereas Costarricenese, SA, and Aerolineas Galapagos SA AeroGal 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]

For the Port Authority

Initialed:

For the Permittee

TERMS AND CONDITIONS

1. Definitions:

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

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

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

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

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

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

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

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

(i) representation and accommodation;

(ii) load control and communications;

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

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

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

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

(vii) distribution of Air Cargo;

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

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

(x) supervision and administration;

(xi) courier services;

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

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

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

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

(xvi) towing of Cargo Aircraft;

(xvii) ramp control tower services for Cargo Aircraft;

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

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

(xx) ramp area cleaning;

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

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

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

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

(xxv) triturator operations and maintenance;

(xxvi) snow removal; and

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

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

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

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

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

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

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

(iv) ramp area cleaning services; and

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

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

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

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

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

(m) "*Executive Director*" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the Executive

Director by this Permit; but until further notice from the Port Authority to the Permittee it shall mean the Executive Director of the Port Authority for the time being or his duly designated representative or representatives.

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

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

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

(y) "*Terminal Four*" shall mean the premises under the Terminal Four Lease commonly referred to on the Airport as "Terminal Four".

(z) "*Terminal Four Gross Receipts*" shall each mean and include all amounts, monies, revenues, receipts and income of every type paid or payable to the Permittee for sales made and for services rendered at Terminal Four, regardless of when or where the order therefor is received, and any other amounts, monies, revenues, receipts and income of any type arising out of or in connection with the Permittee's operations at Terminal Four, provided, however, there shall be excluded from Terminal Four 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.

(aa) "*Terminal Four Lease*" shall mean that certain agreement of lease bearing Port Authority Agreement No. AYC-685 entered into between the Port Authority and JFK International Air Terminal LLC on May 13, 1997.

(bb) "*Terminal Four Lessee*" shall mean for the time being JFK International Air Terminal LLC, a limited liability company organized and existing under the laws of the State of New York, or such other Person which the Port Authority may from time to time and at any time designate by notice to the Permittee.

(cc) "*Terminal Four Percentage Fee*" shall mean the fee payable to the Terminal Four Lessee pursuant to and as defined in Section 4(a)(i) hereof.

2. Effective Date, Termination and Revocation:

(a) The permission hereby granted shall take effect upon the Effective Date. Notwithstanding Item 6 appearing on the first page of this Permit, the Effective Date of this Permit shall be that date the Permittee commenced any of the activities permitted by this Permit. The Permittee in executing this Permit represents that the Effective Date appearing in Item 6 on the first page of this Permit is the date the Permittee commenced any of the activities permitted by this Permit. If the Port Authority determines by audit or otherwise that the Permittee commenced any of the activities permitted by this Permit prior to said effective date, the Effective Date of this Permit shall be the date the Permittee commenced any of the activities

permitted by this Permit and all obligations of the Permittee under this Permit shall commence on such date including without limitation the Permittee's indemnity obligations and obligations to pay fees.

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

(c) In the event the Port Authority exercises 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 City Lease.

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

(d) Neither the execution and delivery of this Permit nor any act done pursuant thereto shall create between any terminal operator, lessee or other occupant of land at the Airport including but not limited to the Terminal Four Lessee and 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 and, if any privilege or portion thereof is performed at Terminal Four, to pay to the Terminal Four Lessee a percentage fee (hereinafter called the "Terminal Four Percentage Fee"), at the times set forth in and in accordance with paragraph (a)(iii) below, equal to five percent (5%), as the same may be increased pursuant to paragraph (k) below, of Terminal Four 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.

(iii) Terminal Four Gross Receipts shall be reported and the Terminal Four Percentage Fee shall be paid to the Terminal Four Lessee 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 the Permit is in effect and including the calendar month in which the Permit ceases to be in effect, the Permittee shall render to the Port Authority and the Terminal Four Lessee a monthly statement sworn to by a responsible executive or fiscal officer of the Permittee showing all of the Terminal Four Gross Receipts for the preceding month (the "Monthly Sworn Statement of Gross Receipts"). Each of the said statements shall also show the cumulative Terminal Four 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 and the Terminal Four Lessee, the Permittee shall pay to the Terminal Four Lessee an amount equal to five percent (5%) applied to the Terminal Four 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 and the Terminal Four Lessee a statement setting forth the cumulative totals of the Terminal Four 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 the Permit, the Permittee shall render to the Port Authority and the Terminal Four Lessee a sworn statement certified, at the Permittee's expense, by a certified public accountant of the Permittee of all Terminal Four Gross Receipts during the period from the last preceding anniversary of the Effective Date up to and including the last day the Permit shall be in effect and the Permittee shall, at the time of rendering such statement to the Terminal Four Lessee pay to the Terminal Four Lessee the Terminal Four Percentage Fee due and unpaid as of the last day the Permit shall be in effect. Each of the statements called for hereunder shall separately list and state the Terminal Four Gross Receipts and the applicable Terminal Four Percentage Fee payable thereon for each privilege (including without limitation each Authorized Service) provided by the Permittee hereunder at Terminal Four.

(b) (i) All statements to be submitted to the Port Authority pursuant to this Section and all payments made under this Permit, except for the Terminal Four Percentage Fee, 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.

(ii) All statements to be submitted to the Terminal Four Lessee hereunder and the Terminal Four Percentage Fee shall be made to the Terminal Four Lessee at Terminal Four, John F. Kennedy International Airport, Room 2300, Jamaica, New York 11430 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 and Terminal Four 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 (and Terminal Four 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 services or Routine and Non-routine Aircraft Maintenance services, there shall be excluded from Gross Receipts and Terminal Four 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 and Terminal Four 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 and Terminal Four Gross Receipts.

(f) Without limiting any other provisions of this Permit regarding Gross Receipts and Terminal Four 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 and Terminal Four 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 and Terminal Four 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 and Terminal Four 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 or Terminal Four 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, the Terminal Four 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 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 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 ("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 agreement, as well as agreements hereinafter entered into.

6. Permittee's Operations:

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

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

Authority shall be used for such removal unless with its prior consent in writing. No such garbage, debris or other waste materials shall be or be permitted to be thrown, discharged or disposed into or upon the waters at or bounding the Airport.

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

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

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

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

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

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

7. Indemnity:

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

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

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

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

8. Liability Insurance:

(a) The Permittee, in its own name as insured and including the Port Authority as an additional insured, shall maintain and pay the premiums during the effective period of the Permit on a policy or policies of Commercial General Liability Insurance, including premises-operations and products-completed operations and covering bodily-injury liability, including death, and

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

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

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

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

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

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

9. Special Endorsements:

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

10. No Waiver:

No failure by the Port Authority or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee shall be in writing, and all such notices given by the Port Authority or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee under this Permit, including without limitation the Port Authority's rights set forth in Section 2 of these Terms and Conditions, or (ii) any obligations of the Permittee under this Permit. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Permit shall be payable instead at such legal maximum.

15. Non-discrimination:

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

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

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

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

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

16. Affirmative Action:

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

17. Rules and Regulations:

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

(b) The Permittee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of the

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

18. Prohibited Acts

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

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

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

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

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

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

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

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

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

the terms and conditions of Sections 17 and 19 hereof of de-icing fluids utilized in the Permittee's ordinary course of business in the performance of any of the privileges granted hereunder and the obligation of the Permittee to remove and remediate such de-icing fluids shall be as required by the terms and conditions of Sections 17 and 19 hereof. The obligations of the Permittee pursuant to this paragraph shall survive the expiration, revocation, cancellation or termination of this Permit.

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

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

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

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

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

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

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

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

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

(j) The Permittee shall not fuel or defuel any equipment in any enclosed space at the Airport without the prior approval of the General Manager of the Airport except in accordance with Port Authority rules and regulations.

(k) The Permittee shall not start or operate any engine or any item of automotive equipment in any enclosed space at the Airport unless such space is adequately ventilated and unless such engine is equipped with a proper spark-arresting device.

19. Law Compliance:

(a) The Permittee shall procure all licenses, certificates, permits or other authorization from all governmental authorities, if any, having jurisdiction over the Permittee's operations at the Airport which may be necessary for the Permittee's operations thereat.

(b) The Permittee shall pay all taxes, license, certification, permit and examination fees and excises which may be assessed, levied, exacted or imposed on its property or operations at the Airport or on the Gross Receipts, Terminal Four Gross Receipts or income therefrom, and shall make all applications, reports and returns required in connection therewith.

(c) The Permittee shall promptly observe, comply with and execute the provisions of any and all present and future governmental laws, rules, regulations, requirements, orders and directions which may pertain or apply to the Permittee's operations at the Airport.

(d) The Permittee's obligations to comply with governmental requirements are provided herein for the purpose of assuring proper safeguards for the protection of Persons and property at the Airport and are not to be construed as a submission by the Port Authority to the application to itself of such requirements or any of them.

(e) The Port Authority has agreed by a provision in the City Lease with the City covering the Airport to conform to the enactments, ordinances, resolutions and regulations of the City and of its various departments, boards and bureaus in regard to the construction and maintenance of buildings and structures and in regard to health and fire protection, to the extent that the Port Authority finds it practicable so to do. The Permittee shall, within forty-eight (48) hours after its receipt of any notice of violation, warning notice, summons, or other legal process for the enforcement of any such enactment, ordinance, resolution or regulation, deliver the same to the Port Authority for examination and determination of the applicability of the agreement of lease provision thereto. Unless otherwise directed in writing by the Port Authority, the Permittee shall conform to such enactments, ordinances, resolutions and regulations insofar as they relate to the operations of the Permittee at the Airport. In the event of compliance with any such enactment, ordinance, resolution or regulation on the part of the Permittee, acting in good faith, commenced after such delivery to the Port Authority but prior to the receipt by the Permittee of a written direction from the Port Authority, such compliance shall not constitute a breach of this Permit, although the Port Authority thereafter notifies the Permittee to refrain from such compliance. Nothing herein contained shall release or discharge the Permittee from compliance with any other provision hereof respecting governmental requirements.

20. Trademarks and Patent Infringement:

The Permittee represents that it is the owner of or fully authorized to use or sell any and all services, processes, machines, articles, marks, names or slogans used or sold by it in its operations under or in any wise connected with this Permit.

21. Inspection:

The Port Authority shall have the right at any time and as often as it may consider it necessary to inspect the Permittee's machines and other equipment, any services being rendered, any merchandise being sold or held for sale by the Permittee, and any activities or operations of the Permittee hereunder. Upon request of the Port Authority, the Permittee shall operate or demonstrate any machines or equipment owned by or in the possession of the Permittee on the Airport or to be placed or brought on the Airport, and shall demonstrate any process or other activity being carried on by the Permittee hereunder. Upon notification by the Port Authority of any deficiency in any machine or piece of equipment, the Permittee shall immediately make good the deficiency or withdraw the machine or piece of equipment from service, and provide a satisfactory substitute.

22. Federal Aid:

(a) The Permittee shall

(i) furnish good, prompt and efficient service hereunder, adequate to meet all demands therefor at the Airport;

(ii) furnish said service on a fair, equal and non-discriminatory basis to all users thereof; and

(iii) charge fair, reasonable and non-discriminatory prices for each unit of sale or service, provided that the Permittee may make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

As used in the above subsections "service" shall include furnishing of parts, materials and supplies (including sale thereof).

(b) The Port Authority has applied for and received a grant or grants of money from the Administrator of the Federal Aviation Administration pursuant to the Airport and Airways Development Act of 1970, as the same has been amended and supplemented, and under prior federal statutes which said Act superseded and the Port Authority may in the future apply for and receive further such grants. In connection therewith the Port Authority has undertaken and may in the future undertake certain obligations respecting its operation of the Airport and the activities of its contractors, lessees and permittees thereon. The performance by the Permittee of the promises and obligations contained in this Permit is therefore a special consideration and inducement to the issuance of this Permit by the Port Authority, and the Permittee further agrees that if the Administrator of the Federal Aviation Administration or any other governmental

officer or body having jurisdiction over the enforcement of the obligations of the Port Authority in connection with Federal Airport Aid, shall make any orders, recommendations or suggestions respecting the performance by the Permittee of its obligations under this Permit, the Permittee will promptly comply therewith at the time or times, when and to the extent that the Port Authority may direct.

23. Capacity and Competition:

(a) The Permittee shall refrain from entering into continuing contracts or arrangements with any third Person for furnishing services covered hereunder when such contracts or arrangements will have the effect of utilizing to an unreasonable extent the Permittee's capacity for rendering such services. A reasonable amount of capacity shall be reserved by the Permittee for the purpose of rendering services hereunder to those who are not parties to continuing contracts with the Permittee.

(b) The Permittee shall not enter into any agreement or understanding, express or implied, binding or non-binding, with any other Person who may furnish services at the Airport similar to those furnished hereunder which will have the effect of (i) fixing rates and charges to be paid by users of the services; (ii) lessening or preventing competition between the Permittee and such other furnishers of services; or (iii) tending to create a monopoly on the Airport in connection with the furnishing of such services.

24. Business Development and Records:

(a) In connection with the exercise of the privileges granted hereunder, the Permittee shall:

(i) use its best efforts in every proper manner to develop and increase the business conducted by it hereunder;

(ii) not divert or cause or allow to be diverted, any business from the Airport;

(iii) maintain, in English and in accordance with accepted accounting practice, during the effective period of this Permit, for one (1) year after the expiration or earlier revocation, cancellation or termination thereof, and for a further period extending until the Permittee shall, upon request to the Port Authority, receive written permission from the Port Authority to do otherwise, full and complete records and books of account (including without limitation all agreements and all source documents such as but not limited to original invoices, invoice listings, timekeeping records, and work schedules) recording all transactions of the Permittee at, through, or in anywise connected with the Airport, which records and books of account shall be kept at all times within the Port of New York District and shall separately state and identify the Authorized Service performed at Terminal Four, the Authorized Service performed at the Airport at any location other than Terminal Four and all other services performed at the Airport at any location other than Terminal Four, 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, the Authorized Service performed at Terminal Four and all other services performed at the airport at any location other than Terminal Four;

(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 and/or Terminal Four Gross Receipts and which the Terminal Four Lessee, in its sole discretion, believes may be relevant for identification, determination or calculation of Terminal Four 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 and/or Terminal Four Gross Receipts and which the Terminal Four Lessee, in its sole discretion, believes may be relevant for identification, determination or calculation of Terminal Four 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) if the Permittee has performed any privilege or portion thereof at Terminal Four, then permit and/or cause to be permitted in ordinary business hours during the effective period of the 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 Terminal Four Lessee of all Books and Records within ten (10) days following any request by the Terminal Four Lessee from time to time and at any time to examine and audit any Books and Records;

(vii) permit the inspection by the officers, employees and representatives of the Port Authority and the Terminal Four Lessee of any equipment used by the Permittee, including but not limited to the equipment described in paragraph (a)(viii) below; and

(viii) 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 Terminal Four 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 Terminal Four Gross Receipts and to the Terminal Four Lessee of all Terminal Four 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)(viii) above then, in addition to all, and without limiting any other, rights and remedies of the Port Authority and the Terminal Four Lessee 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) the Port Authority or the Terminal Four Lessee may estimate the Terminal Four Gross Receipts on any basis that the Port Authority or the Terminal Four Lessee, 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 Terminal Four Lessee when billed; and/or

(iii) 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.

(iv) if any Books and Records are maintained outside of the Port of New York District, then the Terminal Four Lessee 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 Terminal Four Lessee within the Port of New York District for examination and audit pursuant to paragraph (a)(vi) hereof and/or (y) examine and audit any such Books and Records pursuant to paragraph (a)(vi) 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 Terminal Four Lessee when billed all travel costs and related expenses, as determined by the Terminal Four Lessee, for Terminal Four Lessee 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 Terminal Four Lessee when billed all costs and expenses of the Terminal Four Lessee, as determined by the Terminal Four Lessee, 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 Terminal Four Lessee 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 or the Terminal Four Lessee determines that unpaid amounts are due to the Port Authority or to the Terminal Four Lessee by the Permittee (the "*Audit Findings*"), the Permittee shall be obligated, and hereby agrees, to pay to the Port Authority and/or the Terminal Four Lessee 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 or by the Terminal Four Lessee. Such service charge (s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority or the Terminal Four Lessee 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) and 4(a)(iii). 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 hereunder and the foregoing auditing costs, expenses and amounts of the Terminal Four Lessee set forth in paragraphs (b), (c) and (d) above shall be deemed fees under this Permit payable to the Terminal Four Lessee with the same force and effect as the Terminal Four Percentage Fee and all other fees payable to the Terminal Four Lessee hereunder.

25. Rates and Charges:

The Permittee shall establish rates and discounts therefrom which are in compliance with Section 22 hereof (each such rate and discount is hereinafter called an "*Established Rate*"). Upon request by the Port Authority, the Permittee shall provide the Port Authority its rates and discounts therefrom for goods and services furnished hereunder. If the Permittee applies any rate in excess of the Established Rate therefor or extends a discount less than the Established Discount therefor, the amount by which the charge based on such actual rate or actual discount deviates from a charge based on the Established Rate shall constitute an overcharge which will, upon demand of the Port Authority or the Permittee's customer, be promptly refunded to the customer. If the Permittee applies any rate which is less than the Established Rate therefor or extends a discount which is in excess of the Established Rate therefor, the amount by which the charge based on such actual rate or actual discount deviates from a charge based on the Established Rate shall constitute an undercharge and an amount equivalent thereto shall be included in Gross Receipts and Terminal Four Gross Receipts hereunder and the Basic Percentage Fee and the Terminal Four 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 or Terminal Four Gross Receipts any such overcharge or undercharge shall constitute a breach of the Permittee's obligations hereunder and the Port Authority shall have all remedies consequent upon such breach which would otherwise be available to it at law, in equity or by reason of this Permit.

26. Other Agreements:

In the event the terms and provisions of any agreement entered into by the Permittee with any third Person in connection with the privileges granted hereunder are contrary to or conflict or are inconsistent with the terms and provisions of this Permit, the terms and provisions of this Permit shall be controlling, effective and determinative.

27. City Lease Provisions:

(a) The Permittee acknowledges that it has received a copy of, and is familiar with the contents of, the City Lease. The Permittee acknowledges that no greater rights or privileges are hereby granted to the Permittee than the Port Authority has the power to grant under the City Lease.

(b) In accordance with the provisions of the City Lease, the Port Authority and the Permittee hereby agree as follows:

(i) This Permit is subject and subordinate to the City Lease and to any interest superior to that of the Port Authority;

(ii) The Permittee shall not pay the fees or other sums under this Permit for more than one (1) month in advance (excluding security or other deposits required under this Permit);

(iii) With respect to this Permit, the Permittee on the termination of the City Lease will, at the option of the City, enter into a direct permit on identical terms with the City;

(iv) The Permittee shall indemnify the City, as third party beneficiary hereunder, with respect to all matters described in Section 31 of the City Lease that arise out of the Permittee's operations at the Airport, or arise out of the acts or omissions of the Permittee's officers, employees, agents, representatives, contractors, customers, business visitors and guests at the Airport with the Permittee's consent;

(v) The Permittee shall not use any portion of the Airport for any use other than as permitted under the City Lease;

(vi) The Permittee shall use the Airport in a manner consistent with the Port Authority's obligations under Section 28 of the City Lease;

(vii) The failure of the Permittee to comply with the foregoing provisions shall be an event of default under this Permit, which shall provide the Port Authority with the right to revoke this Permit and exercise any other rights that the Port Authority may have as the grantor of the permission hereunder; and

(viii) The City shall be named as an additional insured or loss payee, as applicable, under each policy of insurance procured by the Permittee pursuant to this Permit.

28. Counterclaims:

The Permittee specifically agrees that it shall not interpose any claims as counterclaims in any action for non-payment of fees or other amounts, which may be brought by the Port Authority unless such claims would be deemed waived if not so interposed.

29. Continued Exercise of Privilege After Expiration, Revocation or Termination:

(a) The Permittee acknowledges that the failure of the Permittee to cease to perform the Authorized Service at the Airport from the effective date of such expiration, revocation or termination will or may cause the Port Authority injury, damage or loss, and the Permittee hereby assumes the risk of such injury, damage or loss and hereby agrees that it shall

be responsible for the same and shall pay the Port Authority for the same whether such are foreseen or unforeseen, special, direct, consequential or otherwise and the Permittee hereby expressly agrees to indemnify and hold the Port Authority harmless against any such injury, damage or loss. The Permittee acknowledges that the Port Authority reserves all its legal and equitable rights and remedies in the event of such failure by the Permittee to cease performance of the Authorized Service.

(b) The Permittee hereby acknowledges and agrees that, subject to the foregoing, all terms and provisions of this Permit shall be and continue in full force and effect during any period following such expiration, revocation or termination. The term "Post-Termination Period", for purposes of this Permit, shall mean any period following the expiration, revocation or termination of the effective period of the permission granted under this Permit, as such effective period of permission may be extended from time to time.

30. Governing Law:

This agreement and any claim, dispute or controversy arising out of, under or related to this agreement shall be governed by, interpreted and construed in accordance with the laws of the State of New York, without regard to choice of law principles.

31. Miscellaneous:

(a) It is understood and agreed that the Port Authority shall not furnish, sell or supply to the Permittee any services or utilities in connection with this Permit.

(b) No Commissioner, Director, officer, agent or employee of either party shall be charged personally by the other party with any liability, or held liable to the other party, under any term or provision of this Permit, or because of the party's execution or attempted execution, or because of any breach thereof.

(c) The Section and paragraph headings, if any, in this Permit are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of any provision hereof.

(d) This Permit, including the attached Special Endorsements, constitutes the entire agreement of the Port Authority and the Permittee on the subject matter hereof. This Permit may not be changed, modified, discharged or extended, except by written instrument duly executed on behalf of the Port Authority and the Permittee or except by notice as specifically set forth in Sections 4 and 13 hereof. The Permittee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing herein.

Initialled:

For the Port Authority

For the Permittee

Copy Fees

: For Port Authority Use Only :
:
:Permit Number: ___AYE-087_____:

JOHN F. KENNEDY 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 John F. Kennedy International Airport, in the Borough of Queens, County of Queens, City and State of New York, in accordance with the Terms and Conditions hereof; and the Permittee agrees to pay the fee hereinafter specified and to perform all other obligations imposed upon it in the said Terms and Conditions:

1. **PERMITTEE:** Deutsche Lufthansa Aktiengesellschaft , a(n) corporation of the Federal Republic of Germany

2. **PERMITTEE'S ADDRESS:** 1640 Hempstead Turnpike
Esat Meadow, NY 11554

3. **PERMITTEE'S REPRESENTATIVE:** Robin McDougall, Paralegal

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:** April 1, 2011

7. **EXPIRATION DATE:** March 31, 2021, unless sooner revoked or terminated as herein provided.

8. **REQUIRED SECURITY DEPOSIT:** $ 0.00

9. **INSURANCE REQUIREMENTS:** $25,000,000.00 minimum limit Commercial General Liability
$25,000,000.00 minimum limit Automobile Liability

10. **ENDORSEMENTS:** Special Endorsements.

Dated: As of April 1, 2011

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:

DEUTSCHE LUFTHANSA AKTIENGESELLSCHAFT , Permittee

By _____

Name Jens Bischof
(Please Print Clearly)

(Title) Vice President the Americas

DSD

SPECIAL ENDORSEMENTS

1. (a) The Port Authority hereby consents to the Permittee providing the Authorized Service to Approved Aircraft Operators 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]

3. (a) The Permittee has designated and appointed Arthur Molins, General Counsel, whose office and place of business is at 1640 Hempstead Turnpike, East Meadow, New York 11554, as agent for service of process in any action, suit or proceeding instituted by the Port Authority against the Permittee and the Permittee agrees that the giving of notice and service of process upon Arthur Molins, General Counsel shall be deemed in every respect effective notice and service of process upon the Permittee. Such designation and appointment shall be irrevocable throughout the period of permission under the Permit and for a period of two years subsequent to expiration or earlier termination of the Permit unless the Port Authority shall agree in advance to a substitute designee. If during the period of permission Arthur Molins, General Counsel is no longer holding the position of General Counsel, North America, or shall fail or refuse to so act as agent of the Permittee, the Permittee shall within ten (10) days thereafter designate and appoint Arthur Molins' successor. The Permittee shall take such actions, including the execution and filing of documents and instruments, as may be necessary to continue such designation and appointment in full force and effect, shall execute and furnish to the designated agent all documents required by it for and in connection with the designation and appointment hereunder and shall deliver duplicate originals of such documents and instruments to the Port Authority. The method of serving process described in this subparagraph shall not be taken or held to be exclusive and does not preclude the use of other methods of serving process or the service upon other proper persons or agents in accordance with law and in addition to the methods set forth and agreed upon in this subparagraph, service of process in any such action, suit or proceeding may be made in any manner provided under applicable law.

(b) The Permittee agrees that it shall be subject to the jurisdiction of the courts in the State of New York in connection with any disputes which arise out of or relate to the permit and agrees to not object to the jurisdiction of such New York courts on the grounds of forum nonconveniens.

DVO
For the Port Authority

Initialed:

For the Permittee

TERMS AND CONDITIONS

1. Definitions:

The following terms, when and if used in this Permit, shall have the respective meanings given below:

(a) "*Air Cargo*" shall mean cargo transported to or from the Airport by aircraft owned or operated by an Approved Aircraft Operator.

(b) "*Aircraft Operator*" shall mean (a) a Person owning one or more aircraft which are not leased or chartered to any other Person for operation, and (b) a Person to whom one or more aircraft are leased or chartered for operation - whether the aircraft so owned, leased or chartered are military or non-military, or are used for private business, pleasure or governmental business, or for carrier or non-carrier operations, or for scheduled or non-scheduled operations or otherwise. Said term shall not mean the pilot of an aircraft unless he is also the owner or lessee thereof or a Person to whom it is chartered.

(c) "*Airport*" shall mean John F. Kennedy International Airport, consisting of certain premises identified as "John F. Kennedy International Airport" on Sheet JFK-1 of Exhibit A, and more particularly described in Exhibit B, annexed to the City Lease, and such other property as may be acquired in connection with and added to such premises pursuant to the terms of the City Lease.

(d) "*Approved Aircraft Operator*" shall mean an Aircraft Operator which the General Manager of the Airport has authorized to conduct its aircraft operations at the Airport and if such Aircraft Operator is subleasing or subusing space, or has a ground handling agreement or other agreement at the Airport with an Aircraft Operator, a lessee or other Person at the Airport which requires the consent of the Port Authority, each such subleasing, subuse, ground handling agreement or other agreement has been consented to in writing by the Port Authority.

(e) "*Basic Percentage Fee*" shall have the meaning given such term in Section 4(a)(i) hereof.

(f) "*Cargo Aircraft*" shall mean aircraft engaged solely and exclusively in the carriage of Air Cargo.

(g) "*Cargo Handling and Ramp Service*" shall mean all or any of the following services for or in connection with Air Cargo:

(i) representation and accommodation;

(ii) load control and communications;

(iii) unit load device control, handling and administration in connection with Cargo Aircraft;

(iv) flight operations and crew administration in connection with Cargo Aircraft, including but not limited to obtaining and providing meteorological reports, briefing and debriefing flight crews, preparing and filing flight plans, dispatching and receiving messages in connection with flight and ground operations, maintaining station logs and filing necessary reports with governmental agencies, preparing weight and balance plans, maintaining flight watch and arranging hotel accommodations for flight crews;

(v) pickup and delivery of Air Cargo, air express and mail to and from appropriate locations (allowed or designated from time to time by the Port Authority for such pickup and delivery) on the Airport;

(vi) preparation of documentation associated with Air Cargo, including but not limited to cargo manifests, airway bills and customs clearance documentation;

(vii) distribution of Air Cargo;

(viii) reception of Air Cargo to be shipped from the Airport;

(ix) temporary warehousing, sorting and storage of Air Cargo;

(x) supervision and administration;

(xi) courier services;

(xii) guiding Cargo Aircraft in and out of gate or loading or unloading positions and parking Cargo Aircraft;

(xiii) providing, positioning/removing, and operating appropriate units for engine starting for Cargo Aircraft;

(xiv) furnishing and placing in position and thereafter removing the necessary and appropriate steps, stands and power equipment for the safe and efficient loading and unloading of crew members and other persons, ballast, potable water, mail, air express, Air Cargo and supplies onto and from aircraft and trucks, and performing such loading and unloading and reporting irregularities;

(xv) providing a fire guard equipped with the necessary and appropriate fire fighting equipment for Cargo Aircraft;

(xvi) towing of Cargo Aircraft;

(xvii) ramp control tower services for Cargo Aircraft;

(xviii) Cargo Aircraft servicing, including interior and exterior cleaning, the removal and disposal of aircraft waste material and providing water service, cooling and heating, and toilet service;

(xix) conversion operations and services consisting of the removal of seats from convertible-type aircraft, so as to convert the same to Cargo Aircraft, and from Cargo Aircraft to Passenger Aircraft by the installation of seats;

(xx) ramp area cleaning;

(xxi) Gateside Aircraft Maintenance of Cargo Aircraft, it being specifically understood, however, that Routine and Non-routine Aircraft Maintenance, as distinguished from Gateside Aircraft Maintenance, is hereby prohibited unless expressly provided for hereunder;

(xxii) mobile fueling, on the Permittee's own account, for automotive and other ramp equipment using mobile tender vehicles or other equipment as may be approved from time to time by the General Manager of the Airport;

(xxiii) the rental, on the Permittee's own account, of ground service equipment, vehicles and parts and of ramp equipment, vehicles and parts to Approved Aircraft Operators at the Airport and the provision, on the Permittee's own account, of a maintenance and/or management service for ground service equipment, vehicles and parts and ramp equipment, vehicles and parts owned or operated by Approved Aircraft Operators at the Airport;

(xxiv) deicing to the exterior of aircraft of Approved Aircraft Operators at such locations on the Airport as may from time to time be designated by the General Manager of the Airport;

(xxv) triturator operations and maintenance;

(xxvi) snow removal; and

(xxvii) security services for and in connection with Air Cargo and Cargo Aircraft.

(h) "*City*" shall mean the City of New York.

(i) "*City Lease*" shall mean the Amended and Restated Agreement of Lease of the Municipal Air Terminals between The City of New York, as Landlord, and The Port Authority of New York and New Jersey, as Tenant, dated as of November 24, 2004 and recorded in the office of the City Register of the City on December 3, 2004 under City Register File No. 2004000748687, as the same may have been or may be amended or supplemented.

(j) "*Cleaning Service*" shall mean all or any of the following services:

(i) the cleaning, repairing and installing of upholstery, carpeting and curtains in aircraft and linens used on aircraft;

(ii) the complete interior and exterior cleaning of aircraft, the removal and disposal of waste material and providing water service, cooling and heating, and toilet service;

(iii) conversion operations and services consisting of the removal of seats from convertible-type aircraft so as to convert the same to Cargo Aircraft and from Cargo Aircraft to Passenger Aircraft by installation of seats;

(iv) ramp area cleaning services; and

(v) the rental, on the Permittee's own account, of ground service equipment, vehicles and parts and of ramp equipment, vehicles and parts to Approved Aircraft Operators at the Airport and the provision, on the Permittee's own account, of a maintenance and/or management service for ground service equipment, vehicles and parts and ramp equipment, vehicles and parts owned or operated by Approved Aircraft Operators at the Airport.

(k) "*Effective Date*" shall mean that date appearing in Item 6 on the first page of this Permit as the same may be modified pursuant to the provisions of Section 2(a) hereof.

(l) "*Environmental Requirement*" shall mean all common law and all past, present and future laws, statutes, enactments, resolutions, regulations, rules, directives, ordinances, codes, licenses, permits, orders, memoranda of understanding and memoranda of agreement, guidances, approvals, plans, authorizations, concessions, franchises, requirements and similar items of all governmental agencies, departments, commissions, boards, bureaus or instrumentalities of the United States, states and political subdivisions thereof, all pollution prevention programs, "best management practices plans", and other programs adopted and agreements made by the Port Authority (whether adopted or made with or without consideration or with or without compulsion), with any government agencies, departments, commissions, boards, bureaus or instrumentalities of the United States, states and political subdivisions thereof, and all judicial, administrative, voluntary and regulatory decrees, judgments, orders and agreements relating to the protection of human health or the environment, and in the event that there shall be more than one compliance standard, the standard for any of the foregoing to be that which requires the lowest level of a Hazardous Substance, the foregoing to include without limitation:

(i) All requirements pertaining to reporting, licensing, permitting, investigation and remediation of emissions, discharges, releases or threatened releases of Hazardous Substances into the air, surface water, groundwater or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Substances, or the transfer of property on which Hazardous Substances exist; and

(ii) All requirements pertaining to the protection from Hazardous Substances of the health and safety of employees or the public.

(m) "*Executive Director*" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the Executive

Director by this Permit; but until further notice from the Port Authority to the Permittee it shall mean the Executive Director of the Port Authority for the time being or his duly designated representative or representatives.

(n) "*Gateside Aircraft Maintenance*" shall mean such emergency transit and turnaround maintenance performed on the aircraft of an Aircraft Operator as may be performed in the time such aircraft is permitted to be and remain at the aircraft gate position or hardstand at which such maintenance is to be performed and which is performed by or required by law, rule or regulation to be performed by or under the supervision of a licensed aircraft mechanic or other person specifically licensed, certified or approved by governmental authority having jurisdiction, including the rental or equipment and tools in the connection therewith. It is specifically understood that the performance of any other aircraft maintenance, including but not limited to Routine and Non-routine Aircraft Maintenance, is hereby prohibited unless expressly provided for hereunder.

(o) "*General Manager of the Airport*" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in said General Manager by this Permit; but until further notice from the Port Authority to the Permittee it shall mean said General Manager (or Acting General Manager) of the Airport for the time being or his duly designated representative or representatives.

(p) "*Gross Receipts*" shall mean all amounts, monies, revenues, receipts and income of every type paid or payable to the Permittee for sales made and for services rendered at or from the Airport, regardless of when or where the order therefor is received, and outside the Airport, if the order therefor is received at the Airport, and any other amounts, monies, revenues, receipts and income of any type arising out of or in connection with the Authorized Service, provided, however, there shall be excluded from Gross Receipts, any Terminal Four Gross Receipts and 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.

(y) "*Terminal Four*" shall mean the premises under the Terminal Four Lease commonly referred to on the Airport as "Terminal Four".

(z) "*Terminal Four Gross Receipts*" shall each mean and include all amounts, monies, revenues, receipts and income of every type paid or payable to the Permittee for sales made and for services rendered at Terminal Four, regardless of when or where the order therefor is received, and any other amounts, monies, revenues, receipts and income of any type arising out of or in connection with the Permittee's operations at Terminal Four, provided, however, there shall be excluded from Terminal Four 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.

(aa) "*Terminal Four Lease*" shall mean that certain agreement of lease bearing Port Authority Agreement No. AYC-685 entered into between the Port Authority and JFK International Air Terminal LLC on May 13, 1997.

(bb) "*Terminal Four Lessee*" shall mean for the time being JFK International Air Terminal LLC, a limited liability company organized and existing under the laws of the State of New York, or such other Person which the Port Authority may from time to time and at any time designate by notice to the Permittee.

(cc) "*Terminal Four Percentage Fee*" shall mean the fee payable to the Terminal Four Lessee pursuant to and as defined in Section 4(a)(i) hereof.

2. Effective Date, Termination and Revocation:

(a) The permission hereby granted shall take effect upon the Effective Date. Notwithstanding Item 6 appearing on the first page of this Permit, the Effective Date of this Permit shall be that date the Permittee commenced any of the activities permitted by this Permit. The Permittee in executing this Permit represents that the Effective Date appearing in Item 6 on the first page of this Permit is the date the Permittee commenced any of the activities permitted by this Permit. If the Port Authority determines by audit or otherwise that the Permittee commenced any of the activities permitted by this Permit prior to said effective date, the Effective Date of this Permit shall be the date the Permittee commenced any of the activities

permitted by this Permit and all obligations of the Permittee under this Permit shall commence on such date including without limitation the Permittee's indemnity obligations and obligations to pay fees.

(b) Notwithstanding any other term or condition hereof, the permission hereby granted may be revoked without cause upon thirty (30) days' written notice by the Port Authority, or terminated without cause upon thirty (30) days' written notice by the Permittee, provided, however, that it may be revoked on twenty-four (24) hours' notice by the Port Authority if the Permittee shall fail to keep, perform and observe each and every promise, agreement, condition, term and provision contained in this Permit, including but not limited to the obligation to pay fees. Unless sooner revoked or terminated, such permission shall expire in any event upon the expiration date hereinbefore set forth.

(c) In the event the Port Authority exercises 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 City Lease.

(c) Neither this Permit nor anything contained herein, shall be deemed to grant any rights in the Permittee to use and occupy any land, building space or other area at the Airport or shall be deemed to have created any obligation on the part of the Port Authority to provide any such land, space or area to the Permittee.

(d) Neither the execution and delivery of this Permit nor any act done pursuant thereto shall create between any terminal operator, lessee or other occupant of land at the Airport including but not limited to the Terminal Four Lessee and 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 and, if any privilege or portion thereof is performed at Terminal Four, to pay to the Terminal Four Lessee a percentage fee (hereinafter called the "Terminal Four Percentage Fee"), at the times set forth in and in accordance with paragraph (a)(iii) below, equal to five percent (5%), as the same may be increased pursuant to paragraph (k) below, of Terminal Four 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.

(iii) Terminal Four Gross Receipts shall be reported and the Terminal Four Percentage Fee shall be paid to the Terminal Four Lessee 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 the Permit is in effect and including the calendar month in which the Permit ceases to be in effect, the Permittee shall render to the Port Authority and the Terminal Four Lessee a monthly statement sworn to by a responsible executive or fiscal officer of the Permittee showing all of the Terminal Four Gross Receipts for the preceding month (the "Monthly Sworn Statement of Gross Receipts"). Each of the said statements shall also show the cumulative Terminal Four 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 and the Terminal Four Lessee, the Permittee shall pay to the Terminal Four Lessee an amount equal to five percent (5%) applied to the Terminal Four 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 and the Terminal Four Lessee a statement setting forth the cumulative totals of the Terminal Four 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 the Permit, the Permittee shall render to the Port Authority and the Terminal Four Lessee a sworn statement certified, at the Permittee's expense, by a certified public accountant of the Permittee of all Terminal Four Gross Receipts during the period from the last preceding anniversary of the Effective Date up to and including the last day the Permit shall be in effect and the Permittee shall, at the time of rendering such statement to the Terminal Four Lessee pay to the Terminal Four Lessee the Terminal Four Percentage Fee due and unpaid as of the last day the Permit shall be in effect. Each of the statements called for hereunder shall separately list and state the Terminal Four Gross Receipts and the applicable Terminal Four Percentage Fee payable thereon for each privilege (including without limitation each Authorized Service) provided by the Permittee hereunder at Terminal Four.

(b) (i) All statements to be submitted to the Port Authority pursuant to this Section and all payments made under this Permit, except for the Terminal Four Percentage Fee, 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.

(ii) All statements to be submitted to the Terminal Four Lessee hereunder and the Terminal Four Percentage Fee shall be made to the Terminal Four Lessee at Terminal Four, John F. Kennedy International Airport, Room 2300, Jamaica, New York 11430 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 and Terminal Four 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 (and Terminal Four 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 services or Routine and Non-routine Aircraft Maintenance services, there shall be excluded from Gross Receipts and Terminal Four 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 and Terminal Four 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 and Terminal Four Gross Receipts.

(f) Without limiting any other provisions of this Permit regarding Gross Receipts and Terminal Four 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 and Terminal Four 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 and Terminal Four 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 and Terminal Four 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 or Terminal Four 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, the Terminal Four 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 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 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 ("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 agreement, as well as agreements hereinafter entered into.

6. Permittee's Operations:

(a) The Permittee shall provide to the Port Authority, upon request of the Port Authority from time to time, such information and data in connection with the permission granted hereunder as the Port Authority may request and shall, if so requested by the Port Authority, make periodic reports thereof to the Port Authority utilizing such forms as may be adopted by the Port Authority for such purpose.

(b) The Permittee shall daily remove from the Airport by means of facilities provided by it all garbage, debris and other waste material (whether solid or liquid) arising out of or in connection with the permission granted hereunder, and any such not immediately removed shall be temporarily stored in a clean and sanitary condition, in suitable garbage and waste receptacles, the same to be made of metal and equipped with tight-fitting covers, and to be of a design safely and properly to contain whatever material may be placed therein; said receptacles being provided and maintained by the Permittee. The receptacles shall be kept covered except when filling or emptying the same. The Permittee shall exercise extreme care in removing such garbage, debris and other waste materials from the Airport. The manner of such storage and removal shall be subject in all respects to the continual approval of the Port Authority. No facilities of the Port

Authority shall be used for such removal unless with its prior consent in writing. No such garbage, debris or other waste materials shall be or be permitted to be thrown, discharged or disposed into or upon the waters at or bounding the Airport.

(c) The Permittee shall at all times that areas of the Airport are being used for the privileges permitted hereunder, maintain said areas in a clean and orderly condition and appearance. The Permittee shall promptly wipe up any oil, gasoline, grease, lubricants and other inflammable liquids and substances and any liquids and substances having a corrosive or detrimental effect on the paving or other surface of the ramps or other areas upon which it performs the privileges authorized by this Permit resulting from its operations hereunder. The Permittee shall repair, replace, repave or rebuild, or at the Port Authority's election, the Permittee shall pay to the Port Authority the cost to the Port Authority of repairing, replacing, repaving or rebuilding, all or any part of the ramps or other areas upon which it performs the privileges authorized by this Permit which may be damaged or destroyed by such oil, gasoline, grease, lubricants or other liquids or substances or by any other act or omission of the Permittee or its employees, agents or contractors except for reasonable wear and tear arising out of its operations thereon.

(d) A principal purpose of the Port Authority in granting the permission under this Permit is to have available at the Airport, the privileges which the Permittee is permitted to render hereunder. The Permittee agrees that it will conduct a first-class operation and will furnish all fixtures, equipment, personnel (including licensed personnel as necessary), supplies, materials and other facilities and replacements necessary or proper therefor, and keep the same in a first-class operating condition at all times.

(e) The Permittee shall immediately comply with all orders, directives and procedures as may be issued by the General Manager of the Airport covering the operations of the Permittee under this Permit at any time and from time to time. The Port Authority may, at any time and from time to time, without prior notice or cause, withdraw or modify any designation, approval, substitution or redesignation given by it hereunder.

(f) In the event of any injury or death to any person (other than employees of the Permittee) at the Airport when caused by the Permittee's operations, or damage to any property (other than the Permittee's property) at the Airport when caused by the Permittee's operations, the Permittee shall immediately notify the Port Authority and promptly thereafter furnish to the Port Authority copies of all reports given to the Permittee's insurance carrier.

(g) The operations of the Permittee, its employees, invitees and those doing business with it shall be conducted in an orderly and proper manner and so as not to annoy, disturb or be offensive to others at the Airport. The Permittee shall provide and its employees shall wear or carry badges or other suitable means of identification and the employees shall wear appropriate uniforms. The badges, means of identification and uniforms shall be subject to the written approval of the General Manager of the Airport. The Port Authority shall have the right to object to the Permittee as to the demeanor, conduct and appearance of the Permittee's employees, invitees and those doing business with it, whereupon the Permittee will take all steps necessary to remove the cause of the objection.

(h) The Permittee shall promptly repair or replace any property of the Port Authority damaged by the Permittee's operations at the Airport.

7. Indemnity:

(a) The Permittee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives, from and against (and shall reimburse the Port Authority for the Port Authority's costs and expenses including legal costs and expenses incurred in connection with the defense of) all claims and demands of third Persons including but not limited to claims and demands for death or personal injuries, or for property damages, arising out of any default of the Permittee in performing or observing any term or provision of this Permit, or out of the operations of the Permittee hereunder, or out of any of the acts or omissions of the Permittee, its officers, employees or Persons who are doing business with the Permittee arising out of or in connection with the activities permitted hereunder, or arising out of the acts or omissions of the Permittee, its officers or employees at the Airport, including claims and demands of the City against the Port Authority for indemnification arising by operation of law or through agreement of the Port Authority with the said City.

(b) Without limiting any other term or provision hereof, the Permittee agrees to indemnify and hold harmless the Port Authority, its Commissioners, officers, employees, agents and representatives of and from any loss, liability, expense, suit or claim for damages in connection with any actual or alleged infringement of any patent, trademark or copyright, or arising from any alleged or actual unfair competition or other similar claim arising out of the operations of the Permittee under or in any wise connected with this Permit.

(c) Without limiting any other term or provision hereof, the Permittee shall indemnify the Port Authority and hold it harmless against all claims and demands of third Persons for damage to any aircraft cargo or baggage or any other property handled or delivered pursuant to the permission granted by this Permit.

(d) If so directed, the Permittee shall at its own expense defend any suit based upon any such claim or demand set forth in paragraphs (a), (b) and (c) above (even if such claim or demand is groundless, false or fraudulent), and in handling such it shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority.

8. Liability Insurance:

(a) The Permittee, in its own name as insured and including the Port Authority as an additional insured, shall maintain and pay the premiums during the effective period of the Permit on a policy or policies of Commercial General Liability Insurance, including premises-operations and products-completed operations and covering bodily-injury liability, including death, and

property damage liability, none of the foregoing to contain care, custody or control exclusions, and providing for coverage in the minimum limit set forth in Item 9 on the first page of this Permit, and Commercial Automobile Liability Insurance covering owned, non-owned and hired vehicles and including automatic coverage for newly acquired vehicles and providing for coverage in the minimum limit set forth in Item 9 on the first page of this Permit. Without limiting the foregoing, the Permittee shall maintain Workers' Compensation and Employers Liability Insurance in accordance with the Permittee's statutory obligations under the applicable State Workers' Compensation Law for those employees of the Permittee employed in operations conducted pursuant to this Permit at or from the Airport. In the event the Permittee maintains the foregoing insurance in limits greater than aforesaid, the Port Authority shall be included therein as an additional insured, except for the Workers' Compensation and Employers Liability Insurance policies, to the full extent of all such insurance in accordance with all terms and provisions of this Permit.

(b) Each policy of insurance, except for the Workers' Compensation and Employers Liability Insurance policies, shall also contain an ISO standard "separation of insureds" clause or a cross liability endorsement providing that the protections afforded the Permittee thereunder with respect to any claim or action against the Permittee by a third person shall pertain and apply with like effect with respect to any claim or action against the Permittee by the Port Authority and any claim or action against the Port Authority by the Permittee, as if the Port Authority were the named insured thereunder, but such clause or endorsement shall not limit, vary, change or affect the protections afforded the Port Authority thereunder as an additional insured. Each policy of insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Permittee under Section 7 of the Terms and Conditions of this Permit.

(c) All insurance coverages and policies required under this Section may be reviewed by the Port Authority for adequacy of terms, conditions and limits of coverage at any time and from time to time during the effective period of permission granted under this Permit. The Port Authority may, at any such time, require additions, deletions, amendments or modifications to the aforementioned insurance requirements, or may require such other and additional insurance, in such reasonable amounts, against such other insurable hazards, as the Port Authority may deem required and the Permittee shall promptly comply therewith.

(d) Each policy must be specifically endorsed to provide that the policy may not be cancelled, terminated, changed or modified without giving thirty (30) days' written advance notice thereof to the Port Authority. Each policy shall contain a provision or endorsement that the insurer "shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port Authority." The foregoing provisions or endorsements shall be recited in each policy or certificate to be delivered pursuant to the following paragraph (e).

(e) A certified copy of each policy or a certificate or certificates of insurance evidencing the existence thereof, or binders, shall be delivered to the Port Authority upon execution and delivery of this Permit by the Permittee to the Port Authority. In the event any binder is delivered it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate of insurance. Any renewal policy shall be evidenced by a renewal certificate of insurance delivered to the Port Authority at least thirty (30) days prior to the expiration of each expiring policy, except for any policy expiring after the date of expiration of this Permit. The aforesaid insurance shall be written by a company or companies approved by the Port Authority. If at any time any insurance policy shall be or become unsatisfactory to the Port Authority as to form or substance or if any of the carriers issuing such policy shall be or become unsatisfactory to the Port Authority, the Permittee shall promptly obtain a new and satisfactory policy in replacement. If the Port Authority at any time so requests, a certified copy of each policy shall be delivered to or made available for inspection by the Port Authority.

(f) The foregoing insurance requirements shall not in any way be construed as a limitation on the nature or extent of the contractual obligations assumed by the Permittee under this Permit. The foregoing insurance requirements shall not constitute a representation or warranty as to the adequacy of the required coverage to protect the Permittee with respect to the obligations imposed on the Permittee by this Permit or any other agreement or by law.

9. Special Endorsements:

The Permittee hereby agrees to the terms and conditions of the endorsements attached hereto, hereby made a part hereof and marked "*Special Endorsements*". The terms and provisions of the Special Endorsements shall have the same force and effect and as if herein set forth in full.

10. No Waiver:

No failure by the Port Authority or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee shall be in writing, and all such notices given by the Port Authority or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee under this Permit, including without limitation the Port Authority's rights set forth in Section 2 of these Terms and Conditions, or (ii) any obligations of the Permittee under this Permit. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Permit shall be payable instead at such legal maximum.

15. Non-discrimination:

(a) Without limiting the generality of any of the provisions of this Permit, the Permittee, for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby agree that (1) no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of any space at the Airport and the exercise of any privileges under this Permit, (2) that in the construction of any improvements on, over, or under any space at the Airport and the furnishing of any service thereon by the Permittee, no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, (3) that the Permittee shall use any space at the Airport and exercise any privileges under this Permit in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended, and any other present or future laws, rules, regulations, orders or directions of the United States of America with respect thereto which from time to time may be applicable to the Permittee's operations thereat, whether by reason of agreement between the Port Authority and the United States Government or otherwise.

(b) The Permittee shall include the provisions of paragraph (a) of this Section in every agreement or concession it may make pursuant to which any Person or Persons, other than the Permittee, operates any facility at the Airport providing services to the public and shall also include therein a provision granting the Port Authority a right to take such action as the United States may direct to enforce such provisions.

(c) The Permittee's noncompliance with the provisions of this Section shall constitute a material breach of this Permit. Without limiting any other term or provision hereof or any other rights or remedies of the Port Authority hereunder or at law or equity, in the event of the breach by the Permittee of any of the above non-discrimination provisions, the Port Authority may take any appropriate action to enforce compliance or by giving twenty-four (24) hours' notice, may revoke this Permit and the permission hereunder; or may pursue such other remedies as may be provided by law; and as to any or all of the foregoing, the Port Authority may take such action as the United States may direct.

(d) Without limiting any other term or provision hereof, the Permittee shall indemnify and hold harmless the Port Authority from any claims and demands of third Persons, including the United States of America, resulting from the Permittee's noncompliance with any of the provisions of this Section and the Permittee shall reimburse the Port Authority for any loss or expense incurred by reason of such noncompliance.

(e) Nothing contained in this Section shall grant or shall be deemed to grant to the Permittee the right to transfer or assign this Permit, to make any agreement or concession of the type mentioned in paragraph (b) hereof, or any right to perform any construction on any space at the Airport, or any right to use or occupy any space at the Airport.

16. Affirmative Action:

The Permittee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Permittee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Permittee assures that it will require that its covered suborganizations provide assurances to the Permittee that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

17. Rules and Regulations:

(a) The Permittee shall observe and obey (and compel its officers, employees, guests, invitees, and those doing business with it, to observe and obey) the rules and regulations and procedures of the Port Authority now in effect, and such further reasonable rules and regulations and procedures which may from time to time during the effective period of this Permit, be promulgated by the Port Authority for reasons of safety, health, preservation of property or maintenance of a good and orderly appearance of the Airport or for the safe and efficient operation of the Airport. The Port Authority agrees that, except in cases of emergency, it shall give notice to the Permittee of every rule and regulation hereafter adopted by it at least five (5) days before the Permittee shall be required to comply therewith.

(b) The Permittee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of the

New York Board of Fire Underwriters and the New York Fire Insurance Exchange, and any other body or organization exercising similar functions which may pertain or apply to the Permittee's operations hereunder. If by reason of the Permittee's failure to comply with the provisions of this Section, any fire insurance, extended coverage or rental insurance rate on the Airport or any part thereof, or upon the contents of any building thereon, shall at any time be higher than it otherwise would be, then the Permittee shall on demand pay the Port Authority that part of all fire insurance premiums paid or payable by the Port Authority which shall have been charged because of such violation by the Permittee.

18. Prohibited Acts

(a) The Permittee shall not do or permit to be done any act which

(i) will invalidate or be in conflict with any fire insurance policies covering the Airport or any part thereof or upon the contents of any building thereon, or

(ii) will increase the rate of any fire insurance, extended coverage or rental insurance on the Airport or any part thereof or upon the contents of any building thereon, or

(iii) in the opinion of the Port Authority will constitute a hazardous condition, so as to increase the risks normally attendant upon the operations contemplated by this Permit, or

(iv) may cause or produce upon the Airport any unusual noxious or objectionable smokes, gases, vapors or odors, or

(v) may interfere with the effectiveness or accessibility of any drainage and sewerage system, water system, communications system, fire protection system, sprinkler system, alarm system, fire hydrant and hose, if any, installed or located or to be installed or located in or on the Airport, or

(vi) shall constitute a nuisance or injury in or on the Airport or which may result in the creation, commission or maintenance of a nuisance or injury in or on the Airport.

For the purpose of this paragraph (a), "Airport" includes all structures located thereon.

(b) The Permittee shall not dispose of, release or discharge nor permit anyone to dispose of, release or discharge any Hazardous Substance on the Airport except that the Permittee may release or discharge de-icing fluids utilized in the Permittee's ordinary course of business in the performance of any of the privileges granted hereunder so long as such release or discharge is not a violation of the terms and conditions of Sections 17 or 19 hereof. In addition to and without limiting Section 19 hereof, any Hazardous Substance disposed of, released or discharged by the Permittee (or permitted by the Permittee to be disposed of, released or discharged) on the Airport shall upon notice by the Port Authority to the Permittee and subject to the provisions of Sections 17 and 19 hereof and to all Environmental Requirements, be completely removed and/or remediated by the Permittee at its sole cost and expense, provided, however, the forgoing shall not apply to releases and discharges which are in compliance with

the terms and conditions of Sections 17 and 19 hereof of de-icing fluids utilized in the Permittee's ordinary course of business in the performance of any of the privileges granted hereunder and the obligation of the Permittee to remove and remediate such de-icing fluids shall be as required by the terms and conditions of Sections 17 and 19 hereof. The obligations of the Permittee pursuant to this paragraph shall survive the expiration, revocation, cancellation or termination of this Permit.

(c) The Permittee shall not dispose of nor permit anyone to dispose of any waste materials (whether liquid or solid) by means of any toilets, sanitary sewers or storm sewers.

(d) (i) The Permittee shall not employ any persons or use any labor, or use or have any equipment, or permit any condition to exist, which shall or may cause or be conducive to any labor complaints, troubles, disputes or controversies at the Airport which interfere or are likely to interfere with the operation of the Airport or any part thereof by the Port Authority or with the operations of the lessees, licensees, permittees or other users of the Airport or with the operations of the Permittee under this Permit.

(ii) The Permittee shall immediately give notice to the Port Authority (to be followed by written notice and reports) of any and all impending or existing labor complaints, troubles, disputes or controversies and the progress thereof. The Permittee shall use its best efforts to resolve any such complaints, troubles, disputes or controversies.

(iii) The Permittee acknowledges that it is familiar with the general and local conditions prevailing at the Airport and with the all pertinent matters and circumstances which may in any way affect performance of the privileges granted under this Permit.

(e) The Permittee shall not solicit business on the public areas of the Airport and the use, at any time, of hand or standard megaphones, loudspeakers or any electric, electronic or other amplifying device is hereby expressly prohibited.

(f) The Permittee shall not install any fixtures or make any alterations, additions, improvements or repairs to any property of the Port Authority except with the prior written approval of the Port Authority.

(g) No signs, posters or similar devices shall be erected, displayed or maintained at the Airport without the written approval of the General Manager of the Airport; and any not approved by such General Manager or not removed by the Permittee upon the termination, revocation, expiration or cancellation of this Permit may be removed by the Port Authority at the expense of the Permittee.

(h) The Permittee shall not operate any engine or any item of automotive equipment in any enclosed space at the Airport unless such space is adequately ventilated.

(i) The Permittee shall not use any cleaning materials having a harmful or corrosive effect on any part of the Airport.

(j) The Permittee shall not fuel or defuel any equipment in any enclosed space at the Airport without the prior approval of the General Manager of the Airport except in accordance with Port Authority rules and regulations.

(k) The Permittee shall not start or operate any engine or any item of automotive equipment in any enclosed space at the Airport unless such space is adequately ventilated and unless such engine is equipped with a proper spark-arresting device.

19. Law Compliance:

(a) The Permittee shall procure all licenses, certificates, permits or other authorization from all governmental authorities, if any, having jurisdiction over the Permittee's operations at the Airport which may be necessary for the Permittee's operations thereat.

(b) The Permittee shall pay all taxes, license, certification, permit and examination fees and excises which may be assessed, levied, exacted or imposed on its property or operations at the Airport or on the Gross Receipts, Terminal Four Gross Receipts or income therefrom, and shall make all applications, reports and returns required in connection therewith.

(c) The Permittee shall promptly observe, comply with and execute the provisions of any and all present and future governmental laws, rules, regulations, requirements, orders and directions which may pertain or apply to the Permittee's operations at the Airport.

(d) The Permittee's obligations to comply with governmental requirements are provided herein for the purpose of assuring proper safeguards for the protection of Persons and property at the Airport and are not to be construed as a submission by the Port Authority to the application to itself of such requirements or any of them.

(e) The Port Authority has agreed by a provision in the City Lease with the City covering the Airport to conform to the enactments, ordinances, resolutions and regulations of the City and of its various departments, boards and bureaus in regard to the construction and maintenance of buildings and structures and in regard to health and fire protection, to the extent that the Port Authority finds it practicable so to do. The Permittee shall, within forty-eight (48) hours after its receipt of any notice of violation, warning notice, summons, or other legal process for the enforcement of any such enactment, ordinance, resolution or regulation, deliver the same to the Port Authority for examination and determination of the applicability of the agreement of lease provision thereto. Unless otherwise directed in writing by the Port Authority, the Permittee shall conform to such enactments, ordinances, resolutions and regulations insofar as they relate to the operations of the Permittee at the Airport. In the event of compliance with any such enactment, ordinance, resolution or regulation on the part of the Permittee, acting in good faith, commenced after such delivery to the Port Authority but prior to the receipt by the Permittee of a written direction from the Port Authority, such compliance shall not constitute a breach of this Permit, although the Port Authority thereafter notifies the Permittee to refrain from such compliance. Nothing herein contained shall release or discharge the Permittee from compliance with any other provision hereof respecting governmental requirements.

20. Trademarks and Patent Infringement:

The Permittee represents that it is the owner of or fully authorized to use or sell any and all services, processes, machines, articles, marks, names or slogans used or sold by it in its operations under or in any wise connected with this Permit.

21. Inspection:

The Port Authority shall have the right at any time and as often as it may consider it necessary to inspect the Permittee's machines and other equipment, any services being rendered, any merchandise being sold or held for sale by the Permittee, and any activities or operations of the Permittee hereunder. Upon request of the Port Authority, the Permittee shall operate or demonstrate any machines or equipment owned by or in the possession of the Permittee on the Airport or to be placed or brought on the Airport, and shall demonstrate any process or other activity being carried on by the Permittee hereunder. Upon notification by the Port Authority of any deficiency in any machine or piece of equipment, the Permittee shall immediately make good the deficiency or withdraw the machine or piece of equipment from service, and provide a satisfactory substitute.

22. Federal Aid:

(a) The Permittee shall

(i) furnish good, prompt and efficient service hereunder, adequate to meet all demands therefor at the Airport;

(ii) furnish said service on a fair, equal and non-discriminatory basis to all users thereof; and

(iii) charge fair, reasonable and non-discriminatory prices for each unit of sale or service, provided that the Permittee may make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

As used in the above subsections "service" shall include furnishing of parts, materials and supplies (including sale thereof).

(b) The Port Authority has applied for and received a grant or grants of money from the Administrator of the Federal Aviation Administration pursuant to the Airport and Airways Development Act of 1970, as the same has been amended and supplemented, and under prior federal statutes which said Act superseded and the Port Authority may in the future apply for and receive further such grants. In connection therewith the Port Authority has undertaken and may in the future undertake certain obligations respecting its operation of the Airport and the activities of its contractors, lessees and permittees thereon. The performance by the Permittee of the promises and obligations contained in this Permit is therefore a special consideration and inducement to the issuance of this Permit by the Port Authority, and the Permittee further agrees that if the Administrator of the Federal Aviation Administration or any other governmental

officer or body having jurisdiction over the enforcement of the obligations of the Port Authority in connection with Federal Airport Aid, shall make any orders, recommendations or suggestions respecting the performance by the Permittee of its obligations under this Permit, the Permittee will promptly comply therewith at the time or times, when and to the extent that the Port Authority may direct.

23. Capacity and Competition:

(a) The Permittee shall refrain from entering into continuing contracts or arrangements with any third Person for furnishing services covered hereunder when such contracts or arrangements will have the effect of utilizing to an unreasonable extent the Permittee's capacity for rendering such services. A reasonable amount of capacity shall be reserved by the Permittee for the purpose of rendering services hereunder to those who are not parties to continuing contracts with the Permittee.

(b) The Permittee shall not enter into any agreement or understanding, express or implied, binding or non-binding, with any other Person who may furnish services at the Airport similar to those furnished hereunder which will have the effect of (i) fixing rates and charges to be paid by users of the services; (ii) lessening or preventing competition between the Permittee and such other furnishers of services; or (iii) tending to create a monopoly on the Airport in connection with the furnishing of such services.

24. Business Development and Records:

(a) In connection with the exercise of the privileges granted hereunder, the Permittee shall:

(i) use its best efforts in every proper manner to develop and increase the business conducted by it hereunder;

(ii) not divert or cause or allow to be diverted, any business from the Airport;

(iii) maintain, in English and in accordance with accepted accounting practice, during the effective period of this Permit, for one (1) year after the expiration or earlier revocation, cancellation or termination thereof, and for a further period extending until the Permittee shall, upon request to the Port Authority, receive written permission from the Port Authority to do otherwise, full and complete records and books of account (including without limitation all agreements and all source documents such as but not limited to original invoices, invoice listings, timekeeping records, and work schedules) recording all transactions of the Permittee at, through, or in anywise connected with the Airport, which records and books of account shall be kept at all times within the Port of New York District and shall separately state and identify the Authorized Service performed at Terminal Four, the Authorized Service performed at the Airport at any location other than Terminal Four and all other services performed at the Airport at any location other than Terminal Four, 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, the Authorized Service performed at Terminal Four and all other services performed at the airport at any location other than Terminal Four;

(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 and/or Terminal Four Gross Receipts and which the Terminal Four Lessee, in its sole discretion, believes may be relevant for identification, determination or calculation of Terminal Four 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 and/or Terminal Four Gross Receipts and which the Terminal Four Lessee, in its sole discretion, believes may be relevant for identification, determination or calculation of Terminal Four 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) if the Permittee has performed any privilege or portion thereof at Terminal Four, then permit and/or cause to be permitted in ordinary business hours during the effective period of the 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 Terminal Four Lessee of all Books and Records within ten (10) days following any request by the Terminal Four Lessee from time to time and at any time to examine and audit any Books and Records;

(vii) permit the inspection by the officers, employees and representatives of the Port Authority and the Terminal Four Lessee of any equipment used by the Permittee, including but not limited to the equipment described in paragraph (a)(viii) below; and

(viii) 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 Terminal Four 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 Terminal Four Gross Receipts and to the Terminal Four Lessee of all Terminal Four 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)(viii) above then, in addition to all, and without limiting any other, rights and remedies of the Port Authority and the Terminal Four Lessee 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) the Port Authority or the Terminal Four Lessee may estimate the Terminal Four Gross Receipts on any basis that the Port Authority or the Terminal Four Lessee, 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 Terminal Four Lessee when billed; and/or

(iii) 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.

(iv) if any Books and Records are maintained outside of the Port of New York District, then the Terminal Four Lessee 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 Terminal Four Lessee within the Port of New York District for examination and audit pursuant to paragraph (a)(vi) hereof and/or (y) examine and audit any such Books and Records pursuant to paragraph (a)(vi) 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 Terminal Four Lessee when billed all travel costs and related expenses, as determined by the Terminal Four Lessee, for Terminal Four Lessee 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 Terminal Four Lessee when billed all costs and expenses of the Terminal Four Lessee, as determined by the Terminal Four Lessee, 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 Terminal Four Lessee 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 or the Terminal Four Lessee determines that unpaid amounts are due to the Port Authority or to the Terminal Four Lessee by the Permittee (the "*Audit Findings*"), the Permittee shall be obligated, and hereby agrees, to pay to the Port Authority and/or the Terminal Four Lessee 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 or by the Terminal Four Lessee. Such service charge (s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority or the Terminal Four Lessee 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) and 4(a)(iii). 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 hereunder and the foregoing auditing costs, expenses and amounts of the Terminal Four Lessee set forth in paragraphs (b), (c) and (d) above shall be deemed fees under this Permit payable to the Terminal Four Lessee with the same force and effect as the Terminal Four Percentage Fee and all other fees payable to the Terminal Four Lessee hereunder.

25. Rates and Charges:

The Permittee shall establish rates and discounts therefrom which are in compliance with Section 22 hereof (each such rate and discount is hereinafter called an "*Established Rate*"). Upon request by the Port Authority, the Permittee shall provide the Port Authority its rates and discounts therefrom for goods and services furnished hereunder. If the Permittee applies any rate in excess of the Established Rate therefor or extends a discount less than the Established Discount therefor, the amount by which the charge based on such actual rate or actual discount deviates from a charge based on the Established Rate shall constitute an overcharge which will, upon demand of the Port Authority or the Permittee's customer, be promptly refunded to the customer. If the Permittee applies any rate which is less than the Established Rate therefor or extends a discount which is in excess of the Established Rate therefor, the amount by which the charge based on such actual rate or actual discount deviates from a charge based on the Established Rate shall constitute an undercharge and an amount equivalent thereto shall be included in Gross Receipts and Terminal Four Gross Receipts hereunder and the Basic Percentage Fee and the Terminal Four 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 or Terminal Four Gross Receipts any such overcharge or undercharge shall constitute a breach of the Permittee's obligations hereunder and the Port Authority shall have all remedies consequent upon such breach which would otherwise be available to it at law, in equity or by reason of this Permit.

26. Other Agreements:

In the event the terms and provisions of any agreement entered into by the Permittee with any third Person in connection with the privileges granted hereunder are contrary to or conflict or are inconsistent with the terms and provisions of this Permit, the terms and provisions of this Permit shall be controlling, effective and determinative.

27. City Lease Provisions:

(a) The Permittee acknowledges that it has received a copy of, and is familiar with the contents of, the City Lease. The Permittee acknowledges that no greater rights or privileges are hereby granted to the Permittee than the Port Authority has the power to grant under the City Lease.

(b) In accordance with the provisions of the City Lease, the Port Authority and the Permittee hereby agree as follows:

(i) This Permit is subject and subordinate to the City Lease and to any interest superior to that of the Port Authority;

(ii) The Permittee shall not pay the fees or other sums under this Permit for more than one (1) month in advance (excluding security or other deposits required under this Permit);

(iii) With respect to this Permit, the Permittee on the termination of the City Lease will, at the option of the City, enter into a direct permit on identical terms with the City;

(iv) The Permittee shall indemnify the City, as third party beneficiary hereunder, with respect to all matters described in Section 31 of the City Lease that arise out of the Permittee's operations at the Airport, or arise out of the acts or omissions of the Permittee's officers, employees, agents, representatives, contractors, customers, business visitors and guests at the Airport with the Permittee's consent;

(v) The Permittee shall not use any portion of the Airport for any use other than as permitted under the City Lease;

(vi) The Permittee shall use the Airport in a manner consistent with the Port Authority's obligations under Section 28 of the City Lease;

(vii) The failure of the Permittee to comply with the foregoing provisions shall be an event of default under this Permit, which shall provide the Port Authority with the right to revoke this Permit and exercise any other rights that the Port Authority may have as the grantor of the permission hereunder; and

(viii) The City shall be named as an additional insured or loss payee, as applicable, under each policy of insurance procured by the Permittee pursuant to this Permit.

28. Counterclaims:

The Permittee specifically agrees that it shall not interpose any claims as counterclaims in any action for non-payment of fees or other amounts, which may be brought by the Port Authority unless such claims would be deemed waived if not so interposed.

29. Continued Exercise of Privilege After Expiration, Revocation or Termination:

(a) The Permittee acknowledges that the failure of the Permittee to cease to perform the Authorized Service at the Airport from the effective date of such expiration, revocation or termination will or may cause the Port Authority injury, damage or loss, and the Permittee hereby assumes the risk of such injury, damage or loss and hereby agrees that it shall

be responsible for the same and shall pay the Port Authority for the same whether such are foreseen or unforeseen, special, direct, consequential or otherwise and the Permittee hereby expressly agrees to indemnify and hold the Port Authority harmless against any such injury, damage or loss. The Permittee acknowledges that the Port Authority reserves all its legal and equitable rights and remedies in the event of such failure by the Permittee to cease performance of the Authorized Service.

(b) The Permittee hereby acknowledges and agrees that, subject to the foregoing, all terms and provisions of this Permit shall be and continue in full force and effect during any period following such expiration, revocation or termination. The term "Post-Termination Period", for purposes of this Permit, shall mean any period following the expiration, revocation or termination of the effective period of the permission granted under this Permit, as such effective period of permission may be extended from time to time.

30. Governing Law:

This agreement and any claim, dispute or controversy arising out of, under or related to this agreement shall be governed by, interpreted and construed in accordance with the laws of the State of New York, without regard to choice of law principles.

31. Miscellaneous:

(a) It is understood and agreed that the Port Authority shall not furnish, sell or supply to the Permittee any services or utilities in connection with this Permit.

(b) No Commissioner, Director, officer, agent or employee of either party shall be charged personally by the other party with any liability, or held liable to the other party, under any term or provision of this Permit, or because of the party's execution or attempted execution, or because of any breach thereof.

(c) The Section and paragraph headings, if any, in this Permit are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of any provision hereof.

(d) This Permit, including the attached Special Endorsements, constitutes the entire agreement of the Port Authority and the Permittee on the subject matter hereof. This Permit may not be changed, modified, discharged or extended, except by written instrument duly executed on behalf of the Port Authority and the Permittee or except by notice as specifically set forth in Sections 4 and 13 hereof. The Permittee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing herein.

Initialled:

For the Port Authority

For the Permittee

: For Port Authority Use Only :
:
:Permit Number: ___AYE-088_____:

Cease File

JOHN F. KENNEDY 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 John F. Kennedy International Airport, in the Borough of Queens, County of Queens, City and State of New York, in accordance with the Terms and Conditions hereof; and the Permittee agrees to pay the fee hereinafter specified and to perform all other obligations imposed upon it in the said Terms and Conditions:

1. **PERMITTEE:** IBERIA LINEAS AEREAS DE ESPAÑA SOCIEDAD ANONIMA OPERADORA CO., a(n) corporation of Spain

2. **PERMITTEE'S ADDRESS:** 5835 Blue Lagoon Drive, Suite 350
Miami, Florida 33126

3. **PERMITTEE'S REPRESENTATIVE:** Mr. Jose Maria Alvarado

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:** April 1, 2011

7. **EXPIRATION DATE:** March 31, 2021, unless sooner revoked or terminated as herein provided.

8. **REQUIRED SECURITY DEPOSIT:** $5,500.00

9. **INSURANCE REQUIREMENTS:** $25,000,000.00 minimum limit Commercial General Liability
$25,000,000.00 minimum limit Automobile Liability

10. **ENDORSEMENTS:** Special Endorsements.

Dated: As of April 1, 2011

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

Name David Kagan
Assistant Director
Business. Properties & Airport Development
(Please Print Clearly)

(Title) _____

IBERIA LINEAS AEREAS DE ESPAÑA SOCIEDAD ANONIMA OPERADORA CO., Permittee

By _____

Name JOSE MARIA ALVARADO

(Title) Attorney in Fact Pursuant to Power of Attorney

Port Authority Use Only:	
Approval as to Terms:	Approval as to Form:
	i.l.f

SPECIAL ENDORSEMENTS

1. (a) The Port Authority hereby consents to the Permittee providing the Authorized Service to Airk Air USA LLC and Air Europa Lineas Aereas 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]

For the Port Authority

Initialed:

For the Permittee

TERMS AND CONDITIONS

1. Definitions:

The following terms, when and if used in this Permit, shall have the respective meanings given below:

(a) "*Air Cargo*" shall mean cargo transported to or from the Airport by aircraft owned or operated by an Approved Aircraft Operator.

(b) "*Aircraft Operator*" shall mean (a) a Person owning one or more aircraft which are not leased or chartered to any other Person for operation, and (b) a Person to whom one or more aircraft are leased or chartered for operation - whether the aircraft so owned, leased or chartered are military or non-military, or are used for private business, pleasure or governmental business, or for carrier or non-carrier operations, or for scheduled or non-scheduled operations or otherwise. Said term shall not mean the pilot of an aircraft unless he is also the owner or lessee thereof or a Person to whom it is chartered.

(c) "*Airport*" shall mean John F. Kennedy International Airport, consisting of certain premises identified as "John F. Kennedy International Airport" on Sheet JFK-1 of Exhibit A, and more particularly described in Exhibit B, annexed to the City Lease, and such other property as may be acquired in connection with and added to such premises pursuant to the terms of the City Lease.

(d) "*Approved Aircraft Operator*" shall mean an Aircraft Operator which the General Manager of the Airport has authorized to conduct its aircraft operations at the Airport and if such Aircraft Operator is subleasing or subusing space, or has a ground handling agreement or other agreement at the Airport with an Aircraft Operator, a lessee or other Person at the Airport which requires the consent of the Port Authority, each such subleasing, subuse, ground handling agreement or other agreement has been consented to in writing by the Port Authority.

(e) "*Basic Percentage Fee*" shall have the meaning given such term in Section 4(a)(i) hereof.

(f) "*Cargo Aircraft*" shall mean aircraft engaged solely and exclusively in the carriage of Air Cargo.

(g) "*Cargo Handling and Ramp Service*" shall mean all or any of the following services for or in connection with Air Cargo:

(i) representation and accommodation;

(ii) load control and communications;

(iii) unit load device control, handling and administration in connection with Cargo Aircraft;

(iv) flight operations and crew administration in connection with Cargo Aircraft, including but not limited to obtaining and providing meteorological reports, briefing and debriefing flight crews, preparing and filing flight plans, dispatching and receiving messages in connection with flight and ground operations, maintaining station logs and filing necessary reports with governmental agencies, preparing weight and balance plans, maintaining flight watch and arranging hotel accommodations for flight crews;

(v) pickup and delivery of Air Cargo, air express and mail to and from appropriate locations (allowed or designated from time to time by the Port Authority for such pickup and delivery) on the Airport;

(vi) preparation of documentation associated with Air Cargo, including but not limited to cargo manifests, airway bills and customs clearance documentation;

(vii) distribution of Air Cargo;

(viii) reception of Air Cargo to be shipped from the Airport;

(ix) temporary warehousing, sorting and storage of Air Cargo;

(x) supervision and administration;

(xi) courier services;

(xii) guiding Cargo Aircraft in and out of gate or loading or unloading positions and parking Cargo Aircraft;

(xiii) providing, positioning/removing, and operating appropriate units for engine starting for Cargo Aircraft;

(xiv) furnishing and placing in position and thereafter removing the necessary and appropriate steps, stands and power equipment for the safe and efficient loading and unloading of crew members and other persons, ballast, potable water, mail, air express, Air Cargo and supplies onto and from aircraft and trucks, and performing such loading and unloading and reporting irregularities;

(xv) providing a fire guard equipped with the necessary and appropriate fire fighting equipment for Cargo Aircraft;

(xvi) towing of Cargo Aircraft;

(xvii) ramp control tower services for Cargo Aircraft;

(xviii) Cargo Aircraft servicing, including interior and exterior cleaning, the removal and disposal of aircraft waste material and providing water service, cooling and heating, and toilet service;

(xix) conversion operations and services consisting of the removal of seats from convertible-type aircraft, so as to convert the same to Cargo Aircraft, and from Cargo Aircraft to Passenger Aircraft by the installation of seats;

(xx) ramp area cleaning;

(xxi) Gateside Aircraft Maintenance of Cargo Aircraft, it being specifically understood, however, that Routine and Non-routine Aircraft Maintenance, as distinguished from Gateside Aircraft Maintenance, is hereby prohibited unless expressly provided for hereunder;

(xxii) mobile fueling, on the Permittee's own account, for automotive and other ramp equipment using mobile tender vehicles or other equipment as may be approved from time to time by the General Manager of the Airport;

(xxiii) the rental, on the Permittee's own account, of ground service equipment, vehicles and parts and of ramp equipment, vehicles and parts to Approved Aircraft Operators at the Airport and the provision, on the Permittee's own account, of a maintenance and/or management service for ground service equipment, vehicles and parts and ramp equipment, vehicles and parts owned or operated by Approved Aircraft Operators at the Airport;

(xxiv) deicing to the exterior of aircraft of Approved Aircraft Operators at such locations on the Airport as may from time to time be designated by the General Manager of the Airport;

(xxv) triturator operations and maintenance;

(xxvi) snow removal; and

(xxvii) security services for and in connection with Air Cargo and Cargo Aircraft.

(h) "*City*" shall mean the City of New York.

(i) "*City Lease*" shall mean the Amended and Restated Agreement of Lease of the Municipal Air Terminals between The City of New York, as Landlord, and The Port Authority of New York and New Jersey, as Tenant, dated as of November 24, 2004 and recorded in the office of the City Register of the City on December 3, 2004 under City Register File No. 2004000748687, as the same may have been or may be amended or supplemented.

(j) "*Cleaning Service*" shall mean all or any of the following services:

(i) the cleaning, repairing and installing of upholstery, carpeting and curtains in aircraft and linens used on aircraft;

(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.

(y) "*Terminal Four*" shall mean the premises under the Terminal Four Lease commonly referred to on the Airport as "Terminal Four".

(z) "*Terminal Four Gross Receipts*" shall each mean and include all amounts, monies, revenues, receipts and income of every type paid or payable to the Permittee for sales made and for services rendered at Terminal Four, regardless of when or where the order therefor is received, and any other amounts, monies, revenues, receipts and income of any type arising out of or in connection with the Permittee's operations at Terminal Four, provided, however, there shall be excluded from Terminal Four 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.

(aa) "*Terminal Four Lease*" shall mean that certain agreement of lease bearing Port Authority Agreement No. AYC-685 entered into between the Port Authority and JFK International Air Terminal LLC on May 13, 1997.

(bb) "*Terminal Four Lessee*" shall mean for the time being JFK International Air Terminal LLC, a limited liability company organized and existing under the laws of the State of New York, or such other Person which the Port Authority may from time to time and at any time designate by notice to the Permittee.

(cc) "*Terminal Four Percentage Fee*" shall mean the fee payable to the Terminal Four Lessee pursuant to and as defined in Section 4(a)(i) hereof.

2. Effective Date, Termination and Revocation:

(a) The permission hereby granted shall take effect upon the Effective Date. Notwithstanding Item 6 appearing on the first page of this Permit, the Effective Date of this Permit shall be that date the Permittee commenced any of the activities permitted by this Permit. The Permittee in executing this Permit represents that the Effective Date appearing in Item 6 on the first page of this Permit is the date the Permittee commenced any of the activities permitted by this Permit. If the Port Authority determines by audit or otherwise that the Permittee commenced any of the activities permitted by this Permit prior to said effective date, the Effective Date of this Permit shall be the date the Permittee commenced any of the activities

permitted by this Permit and all obligations of the Permittee under this Permit shall commence on such date including without limitation the Permittee's indemnity obligations and obligations to pay fees.

(b) Notwithstanding any other term or condition hereof, the permission hereby granted may be revoked without cause upon thirty (30) days' written notice by the Port Authority, or terminated without cause upon thirty (30) days' written notice by the Permittee, provided, however, that it may be revoked on twenty-four (24) hours' notice by the Port Authority if the Permittee shall fail to keep, perform and observe each and every promise, agreement, condition, term and provision contained in this Permit, including but not limited to the obligation to pay fees. Unless sooner revoked or terminated, such permission shall expire in any event upon the expiration date hereinbefore set forth.

(c) In the event the Port Authority exercises 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 City Lease.

(c) Neither this Permit nor anything contained herein, shall be deemed to grant any rights in the Permittee to use and occupy any land, building space or other area at the Airport or shall be deemed to have created any obligation on the part of the Port Authority to provide any such land, space or area to the Permittee.

(d) Neither the execution and delivery of this Permit nor any act done pursuant thereto shall create between any terminal operator, lessee or other occupant of land at the Airport including but not limited to the Terminal Four Lessee and 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 and, if any privilege or portion thereof is performed at Terminal Four, to pay to the Terminal Four Lessee a percentage fee (hereinafter called the "Terminal Four Percentage Fee"), at the times set forth in and in accordance with paragraph (a)(iii) below, equal to five percent (5%), as the same may be increased pursuant to paragraph (k) below, of Terminal Four 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.

(iii) Terminal Four Gross Receipts shall be reported and the Terminal Four Percentage Fee shall be paid to the Terminal Four Lessee 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 the Permit is in effect and including the calendar month in which the Permit ceases to be in effect, the Permittee shall render to the Port Authority and the Terminal Four Lessee a monthly statement sworn to by a responsible executive or fiscal officer of the Permittee showing all of the Terminal Four Gross Receipts for the preceding month (the "Monthly Sworn Statement of Gross Receipts"). Each of the said statements shall also show the cumulative Terminal Four 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 and the Terminal Four Lessee, the Permittee shall pay to the Terminal Four Lessee an amount equal to five percent (5%) applied to the Terminal Four 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 and the Terminal Four Lessee a statement setting forth the cumulative totals of the Terminal Four 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 the Permit, the Permittee shall render to the Port Authority and the Terminal Four Lessee a sworn statement certified, at the Permittee's expense, by a certified public accountant of the Permittee of all Terminal Four Gross Receipts during the period from the last preceding anniversary of the Effective Date up to and including the last day the Permit shall be in effect and the Permittee shall, at the time of rendering such statement to the Terminal Four Lessee pay to the Terminal Four Lessee the Terminal Four Percentage Fee due and unpaid as of the last day the Permit shall be in effect. Each of the statements called for hereunder shall separately list and state the Terminal Four Gross Receipts and the applicable Terminal Four Percentage Fee payable thereon for each privilege (including without limitation each Authorized Service) provided by the Permittee hereunder at Terminal Four.

(b) (i) All statements to be submitted to the Port Authority pursuant to this Section and all payments made under this Permit, except for the Terminal Four Percentage Fee, 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.

(ii) All statements to be submitted to the Terminal Four Lessee hereunder and the Terminal Four Percentage Fee shall be made to the Terminal Four Lessee at Terminal Four, John F. Kennedy International Airport, Room 2300, Jamaica, New York 11430 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 and Terminal Four 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 (and Terminal Four 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 services or Routine and Non-routine Aircraft Maintenance services, there shall be excluded from Gross Receipts and Terminal Four 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 and Terminal Four 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 and Terminal Four Gross Receipts.

(f) Without limiting any other provisions of this Permit regarding Gross Receipts and Terminal Four 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 and Terminal Four 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 and Terminal Four 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 and Terminal Four 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 or Terminal Four 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, the Terminal Four 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 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 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 ("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 agreement, as well as agreements hereinafter entered into.

6. Permittee's Operations:

(a) The Permittee shall provide to the Port Authority, upon request of the Port Authority from time to time, such information and data in connection with the permission granted hereunder as the Port Authority may request and shall, if so requested by the Port Authority, make periodic reports thereof to the Port Authority utilizing such forms as may be adopted by the Port Authority for such purpose.

(b) The Permittee shall daily remove from the Airport by means of facilities provided by it all garbage, debris and other waste material (whether solid or liquid) arising out of or in connection with the permission granted hereunder, and any such not immediately removed shall be temporarily stored in a clean and sanitary condition, in suitable garbage and waste receptacles, the same to be made of metal and equipped with tight-fitting covers, and to be of a design safely and properly to contain whatever material may be placed therein; said receptacles being provided and maintained by the Permittee. The receptacles shall be kept covered except when filling or emptying the same. The Permittee shall exercise extreme care in removing such garbage, debris and other waste materials from the Airport. The manner of such storage and removal shall be subject in all respects to the continual approval of the Port Authority. No facilities of the Port

Authority shall be used for such removal unless with its prior consent in writing. No such garbage, debris or other waste materials shall be or be permitted to be thrown, discharged or disposed into or upon the waters at or bounding the Airport.

(c) The Permittee shall at all times that areas of the Airport are being used for the privileges permitted hereunder, maintain said areas in a clean and orderly condition and appearance. The Permittee shall promptly wipe up any oil, gasoline, grease, lubricants and other inflammable liquids and substances and any liquids and substances having a corrosive or detrimental effect on the paving or other surface of the ramps or other areas upon which it performs the privileges authorized by this Permit resulting from its operations hereunder. The Permittee shall repair, replace, repave or rebuild, or at the Port Authority's election, the Permittee shall pay to the Port Authority the cost to the Port Authority of repairing, replacing, repaving or rebuilding, all or any part of the ramps or other areas upon which it performs the privileges authorized by this Permit which may be damaged or destroyed by such oil, gasoline, grease, lubricants or other liquids or substances or by any other act or omission of the Permittee or its employees, agents or contractors except for reasonable wear and tear arising out of its operations thereon.

(d) A principal purpose of the Port Authority in granting the permission under this Permit is to have available at the Airport, the privileges which the Permittee is permitted to render hereunder. The Permittee agrees that it will conduct a first-class operation and will furnish all fixtures, equipment, personnel (including licensed personnel as necessary), supplies, materials and other facilities and replacements necessary or proper therefor, and keep the same in a first-class operating condition at all times.

(e) The Permittee shall immediately comply with all orders, directives and procedures as may be issued by the General Manager of the Airport covering the operations of the Permittee under this Permit at any time and from time to time. The Port Authority may, at any time and from time to time, without prior notice or cause, withdraw or modify any designation, approval, substitution or redesignation given by it hereunder.

(f) In the event of any injury or death to any person (other than employees of the Permittee) at the Airport when caused by the Permittee's operations, or damage to any property (other than the Permittee's property) at the Airport when caused by the Permittee's operations, the Permittee shall immediately notify the Port Authority and promptly thereafter furnish to the Port Authority copies of all reports given to the Permittee's insurance carrier.

(g) The operations of the Permittee, its employees, invitees and those doing business with it shall be conducted in an orderly and proper manner and so as not to annoy, disturb or be offensive to others at the Airport. The Permittee shall provide and its employees shall wear or carry badges or other suitable means of identification and the employees shall wear appropriate uniforms. The badges, means of identification and uniforms shall be subject to the written approval of the General Manager of the Airport. The Port Authority shall have the right to object to the Permittee as to the demeanor, conduct and appearance of the Permittee's employees, invitees and those doing business with it, whereupon the Permittee will take all steps necessary to remove the cause of the objection.

(h) The Permittee shall promptly repair or replace any property of the Port Authority damaged by the Permittee's operations at the Airport.

7. Indemnity:

(a) The Permittee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives, from and against (and shall reimburse the Port Authority for the Port Authority's costs and expenses including legal costs and expenses incurred in connection with the defense of) all claims and demands of third Persons including but not limited to claims and demands for death or personal injuries, or for property damages, arising out of any default of the Permittee in performing or observing any term or provision of this Permit, or out of the operations of the Permittee hereunder, or out of any of the acts or omissions of the Permittee, its officers, employees or Persons who are doing business with the Permittee arising out of or in connection with the activities permitted hereunder, or arising out of the acts or omissions of the Permittee, its officers or employees at the Airport, including claims and demands of the City against the Port Authority for indemnification arising by operation of law or through agreement of the Port Authority with the said City.

(b) Without limiting any other term or provision hereof, the Permittee agrees to indemnify and hold harmless the Port Authority, its Commissioners, officers, employees, agents and representatives of and from any loss, liability, expense, suit or claim for damages in connection with any actual or alleged infringement of any patent, trademark or copyright, or arising from any alleged or actual unfair competition or other similar claim arising out of the operations of the Permittee under or in any wise connected with this Permit.

(c) Without limiting any other term or provision hereof, the Permittee shall indemnify the Port Authority and hold it harmless against all claims and demands of third Persons for damage to any aircraft cargo or baggage or any other property handled or delivered pursuant to the permission granted by this Permit.

(d) If so directed, the Permittee shall at its own expense defend any suit based upon any such claim or demand set forth in paragraphs (a), (b) and (c) above (even if such claim or demand is groundless, false or fraudulent), and in handling such it shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority.

8. Liability Insurance:

(a) The Permittee, in its own name as insured and including the Port Authority as an additional insured, shall maintain and pay the premiums during the effective period of the Permit on a policy or policies of Commercial General Liability Insurance, including premises-operations and products-completed operations and covering bodily-injury liability, including death, and

property damage liability, none of the foregoing to contain care, custody or control exclusions, and providing for coverage in the minimum limit set forth in Item 9 on the first page of this Permit, and Commercial Automobile Liability Insurance covering owned, non-owned and hired vehicles and including automatic coverage for newly acquired vehicles and providing for coverage in the minimum limit set forth in Item 9 on the first page of this Permit. Without limiting the foregoing, the Permittee shall maintain Workers' Compensation and Employers Liability Insurance in accordance with the Permittee's statutory obligations under the applicable State Workers' Compensation Law for those employees of the Permittee employed in operations conducted pursuant to this Permit at or from the Airport. In the event the Permittee maintains the foregoing insurance in limits greater than aforesaid, the Port Authority shall be included therein as an additional insured, except for the Workers' Compensation and Employers Liability Insurance policies, to the full extent of all such insurance in accordance with all terms and provisions of this Permit.

(b) Each policy of insurance, except for the Workers' Compensation and Employers Liability Insurance policies, shall also contain an ISO standard "separation of insureds" clause or a cross liability endorsement providing that the protections afforded the Permittee thereunder with respect to any claim or action against the Permittee by a third person shall pertain and apply with like effect with respect to any claim or action against the Permittee by the Port Authority and any claim or action against the Port Authority by the Permittee, as if the Port Authority were the named insured thereunder, but such clause or endorsement shall not limit, vary, change or affect the protections afforded the Port Authority thereunder as an additional insured. Each policy of insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Permittee under Section 7 of the Terms and Conditions of this Permit.

(c) All insurance coverages and policies required under this Section may be reviewed by the Port Authority for adequacy of terms, conditions and limits of coverage at any time and from time to time during the effective period of permission granted under this Permit. The Port Authority may, at any such time, require additions, deletions, amendments or modifications to the aforementioned insurance requirements, or may require such other and additional insurance, in such reasonable amounts, against such other insurable hazards, as the Port Authority may deem required and the Permittee shall promptly comply therewith.

(d) Each policy must be specifically endorsed to provide that the policy may not be cancelled, terminated, changed or modified without giving thirty (30) days' written advance notice thereof to the Port Authority. Each policy shall contain a provision or endorsement that the insurer "shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port Authority." The foregoing provisions or endorsements shall be recited in each policy or certificate to be delivered pursuant to the following paragraph (e).

(e) A certified copy of each policy or a certificate or certificates of insurance evidencing the existence thereof, or binders, shall be delivered to the Port Authority upon execution and delivery of this Permit by the Permittee to the Port Authority. In the event any binder is delivered it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate of insurance. Any renewal policy shall be evidenced by a renewal certificate of insurance delivered to the Port Authority at least thirty (30) days prior to the expiration of each expiring policy, except for any policy expiring after the date of expiration of this Permit. The aforesaid insurance shall be written by a company or companies approved by the Port Authority. If at any time any insurance policy shall be or become unsatisfactory to the Port Authority as to form or substance or if any of the carriers issuing such policy shall be or become unsatisfactory to the Port Authority, the Permittee shall promptly obtain a new and satisfactory policy in replacement. If the Port Authority at any time so requests, a certified copy of each policy shall be delivered to or made available for inspection by the Port Authority.

(f) The foregoing insurance requirements shall not in any way be construed as a limitation on the nature or extent of the contractual obligations assumed by the Permittee under this Permit. The foregoing insurance requirements shall not constitute a representation or warranty as to the adequacy of the required coverage to protect the Permittee with respect to the obligations imposed on the Permittee by this Permit or any other agreement or by law.

9. Special Endorsements:

The Permittee hereby agrees to the terms and conditions of the endorsements attached hereto, hereby made a part hereof and marked "*Special Endorsements*". The terms and provisions of the Special Endorsements shall have the same force and effect and as if herein set forth in full.

10. No Waiver:

No failure by the Port Authority or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee shall be in writing, and all such notices given by the Port Authority or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee under this Permit, including without limitation the Port Authority's rights set forth in Section 2 of these Terms and Conditions, or (ii) any obligations of the Permittee under this Permit. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Permit shall be payable instead at such legal maximum.

15. Non-discrimination:

(a) Without limiting the generality of any of the provisions of this Permit, the Permittee, for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby agree that (1) no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of any space at the Airport and the exercise of any privileges under this Permit, (2) that in the construction of any improvements on, over, or under any space at the Airport and the furnishing of any service thereon by the Permittee, no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, (3) that the Permittee shall use any space at the Airport and exercise any privileges under this Permit in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended, and any other present or future laws, rules, regulations, orders or directions of the United States of America with respect thereto which from time to time may be applicable to the Permittee's operations thereat, whether by reason of agreement between the Port Authority and the United States Government or otherwise.

(b) The Permittee shall include the provisions of paragraph (a) of this Section in every agreement or concession it may make pursuant to which any Person or Persons, other than the Permittee, operates any facility at the Airport providing services to the public and shall also include therein a provision granting the Port Authority a right to take such action as the United States may direct to enforce such provisions.

(c) The Permittee's noncompliance with the provisions of this Section shall constitute a material breach of this Permit. Without limiting any other term or provision hereof or any other rights or remedies of the Port Authority hereunder or at law or equity, in the event of the breach by the Permittee of any of the above non-discrimination provisions, the Port Authority may take any appropriate action to enforce compliance or by giving twenty-four (24) hours' notice, may revoke this Permit and the permission hereunder; or may pursue such other remedies as may be provided by law; and as to any or all of the foregoing, the Port Authority may take such action as the United States may direct.

(d) Without limiting any other term or provision hereof, the Permittee shall indemnify and hold harmless the Port Authority from any claims and demands of third Persons, including the United States of America, resulting from the Permittee's noncompliance with any of the provisions of this Section and the Permittee shall reimburse the Port Authority for any loss or expense incurred by reason of such noncompliance.

(e) Nothing contained in this Section shall grant or shall be deemed to grant to the Permittee the right to transfer or assign this Permit, to make any agreement or concession of the type mentioned in paragraph (b) hereof, or any right to perform any construction on any space at the Airport, or any right to use or occupy any space at the Airport.

16. Affirmative Action:

The Permittee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Permittee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Permittee assures that it will require that its covered suborganizations provide assurances to the Permittee that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

17. Rules and Regulations:

(a) The Permittee shall observe and obey (and compel its officers, employees, guests, invitees, and those doing business with it, to observe and obey) the rules and regulations and procedures of the Port Authority now in effect, and such further reasonable rules and regulations and procedures which may from time to time during the effective period of this Permit, be promulgated by the Port Authority for reasons of safety, health, preservation of property or maintenance of a good and orderly appearance of the Airport or for the safe and efficient operation of the Airport. The Port Authority agrees that, except in cases of emergency, it shall give notice to the Permittee of every rule and regulation hereafter adopted by it at least five (5) days before the Permittee shall be required to comply therewith.

(b) The Permittee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of the

New York Board of Fire Underwriters and the New York Fire Insurance Exchange, and any other body or organization exercising similar functions which may pertain or apply to the Permittee's operations hereunder. If by reason of the Permittee's failure to comply with the provisions of this Section, any fire insurance, extended coverage or rental insurance rate on the Airport or any part thereof, or upon the contents of any building thereon, shall at any time be higher than it otherwise would be, then the Permittee shall on demand pay the Port Authority that part of all fire insurance premiums paid or payable by the Port Authority which shall have been charged because of such violation by the Permittee.

18. Prohibited Acts

(a) The Permittee shall not do or permit to be done any act which

(i) will invalidate or be in conflict with any fire insurance policies covering the Airport or any part thereof or upon the contents of any building thereon, or

(ii) will increase the rate of any fire insurance, extended coverage or rental insurance on the Airport or any part thereof or upon the contents of any building thereon, or

(iii) in the opinion of the Port Authority will constitute a hazardous condition, so as to increase the risks normally attendant upon the operations contemplated by this Permit, or

(iv) may cause or produce upon the Airport any unusual noxious or objectionable smokes, gases, vapors or odors, or

(v) may interfere with the effectiveness or accessibility of any drainage and sewerage system, water system, communications system, fire protection system, sprinkler system, alarm system, fire hydrant and hose, if any, installed or located or to be installed or located in or on the Airport, or

(vi) shall constitute a nuisance or injury in or on the Airport or which may result in the creation, commission or maintenance of a nuisance or injury in or on the Airport.

For the purpose of this paragraph (a), "Airport" includes all structures located thereon.

(b) The Permittee shall not dispose of, release or discharge nor permit anyone to dispose of, release or discharge any Hazardous Substance on the Airport except that the Permittee may release or discharge de-icing fluids utilized in the Permittee's ordinary course of business in the performance of any of the privileges granted hereunder so long as such release or discharge is not a violation of the terms and conditions of Sections 17 or 19 hereof. In addition to and without limiting Section 19 hereof, any Hazardous Substance disposed of, released or discharged by the Permittee (or permitted by the Permittee to be disposed of, released or discharged) on the Airport shall upon notice by the Port Authority to the Permittee and subject to the provisions of Sections 17 and 19 hereof and to all Environmental Requirements, be completely removed and/or remediated by the Permittee at its sole cost and expense, provided, however, the forgoing shall not apply to releases and discharges which are in compliance with

the terms and conditions of Sections 17 and 19 hereof of de-icing fluids utilized in the Permittee's ordinary course of business in the performance of any of the privileges granted hereunder and the obligation of the Permittee to remove and remediate such de-icing fluids shall be as required by the terms and conditions of Sections 17 and 19 hereof. The obligations of the Permittee pursuant to this paragraph shall survive the expiration, revocation, cancellation or termination of this Permit.

(c) The Permittee shall not dispose of nor permit anyone to dispose of any waste materials (whether liquid or solid) by means of any toilets, sanitary sewers or storm sewers.

(d) (i) The Permittee shall not employ any persons or use any labor, or use or have any equipment, or permit any condition to exist, which shall or may cause or be conducive to any labor complaints, troubles, disputes or controversies at the Airport which interfere or are likely to interfere with the operation of the Airport or any part thereof by the Port Authority or with the operations of the lessees, licensees, permittees or other users of the Airport or with the operations of the Permittee under this Permit.

(ii) The Permittee shall immediately give notice to the Port Authority (to be followed by written notice and reports) of any and all impending or existing labor complaints, troubles, disputes or controversies and the progress thereof. The Permittee shall use its best efforts to resolve any such complaints, troubles, disputes or controversies.

(iii) The Permittee acknowledges that it is familiar with the general and local conditions prevailing at the Airport and with the all pertinent matters and circumstances which may in any way affect performance of the privileges granted under this Permit.

(e) The Permittee shall not solicit business on the public areas of the Airport and the use, at any time, of hand or standard megaphones, loudspeakers or any electric, electronic or other amplifying device is hereby expressly prohibited.

(f) The Permittee shall not install any fixtures or make any alterations, additions, improvements or repairs to any property of the Port Authority except with the prior written approval of the Port Authority.

(g) No signs, posters or similar devices shall be erected, displayed or maintained at the Airport without the written approval of the General Manager of the Airport; and any not approved by such General Manager or not removed by the Permittee upon the termination, revocation, expiration or cancellation of this Permit may be removed by the Port Authority at the expense of the Permittee.

(h) The Permittee shall not operate any engine or any item of automotive equipment in any enclosed space at the Airport unless such space is adequately ventilated.

(i) The Permittee shall not use any cleaning materials having a harmful or corrosive effect on any part of the Airport.

(j) The Permittee shall not fuel or defuel any equipment in any enclosed space at the Airport without the prior approval of the General Manager of the Airport except in accordance with Port Authority rules and regulations.

(k) The Permittee shall not start or operate any engine or any item of automotive equipment in any enclosed space at the Airport unless such space is adequately ventilated and unless such engine is equipped with a proper spark-arresting device.

19. Law Compliance:

(a) The Permittee shall procure all licenses, certificates, permits or other authorization from all governmental authorities, if any, having jurisdiction over the Permittee's operations at the Airport which may be necessary for the Permittee's operations thereat.

(b) The Permittee shall pay all taxes, license, certification, permit and examination fees and excises which may be assessed, levied, exacted or imposed on its property or operations at the Airport or on the Gross Receipts, Terminal Four Gross Receipts or income therefrom, and shall make all applications, reports and returns required in connection therewith.

(c) The Permittee shall promptly observe, comply with and execute the provisions of any and all present and future governmental laws, rules, regulations, requirements, orders and directions which may pertain or apply to the Permittee's operations at the Airport.

(d) The Permittee's obligations to comply with governmental requirements are provided herein for the purpose of assuring proper safeguards for the protection of Persons and property at the Airport and are not to be construed as a submission by the Port Authority to the application to itself of such requirements or any of them.

(e) The Port Authority has agreed by a provision in the City Lease with the City covering the Airport to conform to the enactments, ordinances, resolutions and regulations of the City and of its various departments, boards and bureaus in regard to the construction and maintenance of buildings and structures and in regard to health and fire protection, to the extent that the Port Authority finds it practicable so to do. The Permittee shall, within forty-eight (48) hours after its receipt of any notice of violation, warning notice, summons, or other legal process for the enforcement of any such enactment, ordinance, resolution or regulation, deliver the same to the Port Authority for examination and determination of the applicability of the agreement of lease provision thereto. Unless otherwise directed in writing by the Port Authority, the Permittee shall conform to such enactments, ordinances, resolutions and regulations insofar as they relate to the operations of the Permittee at the Airport. In the event of compliance with any such enactment, ordinance, resolution or regulation on the part of the Permittee, acting in good faith, commenced after such delivery to the Port Authority but prior to the receipt by the Permittee of a written direction from the Port Authority, such compliance shall not constitute a breach of this Permit, although the Port Authority thereafter notifies the Permittee to refrain from such compliance. Nothing herein contained shall release or discharge the Permittee from compliance with any other provision hereof respecting governmental requirements.

20. Trademarks and Patent Infringement:

The Permittee represents that it is the owner of or fully authorized to use or sell any and all services, processes, machines, articles, marks, names or slogans used or sold by it in its operations under or in any wise connected with this Permit.

21. Inspection:

The Port Authority shall have the right at any time and as often as it may consider it necessary to inspect the Permittee's machines and other equipment, any services being rendered, any merchandise being sold or held for sale by the Permittee, and any activities or operations of the Permittee hereunder. Upon request of the Port Authority, the Permittee shall operate or demonstrate any machines or equipment owned by or in the possession of the Permittee on the Airport or to be placed or brought on the Airport, and shall demonstrate any process or other activity being carried on by the Permittee hereunder. Upon notification by the Port Authority of any deficiency in any machine or piece of equipment, the Permittee shall immediately make good the deficiency or withdraw the machine or piece of equipment from service, and provide a satisfactory substitute.

22. Federal Aid:

(a) The Permittee shall

(i) furnish good, prompt and efficient service hereunder, adequate to meet all demands therefor at the Airport;

(ii) furnish said service on a fair, equal and non-discriminatory basis to all users thereof; and

(iii) charge fair, reasonable and non-discriminatory prices for each unit of sale or service, provided that the Permittee may make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

As used in the above subsections "service" shall include furnishing of parts, materials and supplies (including sale thereof).

(b) The Port Authority has applied for and received a grant or grants of money from the Administrator of the Federal Aviation Administration pursuant to the Airport and Airways Development Act of 1970, as the same has been amended and supplemented, and under prior federal statutes which said Act superseded and the Port Authority may in the future apply for and receive further such grants. In connection therewith the Port Authority has undertaken and may in the future undertake certain obligations respecting its operation of the Airport and the activities of its contractors, lessees and permittees thereon. The performance by the Permittee of the promises and obligations contained in this Permit is therefore a special consideration and inducement to the issuance of this Permit by the Port Authority, and the Permittee further agrees that if the Administrator of the Federal Aviation Administration or any other governmental

officer or body having jurisdiction over the enforcement of the obligations of the Port Authority in connection with Federal Airport Aid, shall make any orders, recommendations or suggestions respecting the performance by the Permittee of its obligations under this Permit, the Permittee will promptly comply therewith at the time or times, when and to the extent that the Port Authority may direct.

23. Capacity and Competition:

(a) The Permittee shall refrain from entering into continuing contracts or arrangements with any third Person for furnishing services covered hereunder when such contracts or arrangements will have the effect of utilizing to an unreasonable extent the Permittee's capacity for rendering such services. A reasonable amount of capacity shall be reserved by the Permittee for the purpose of rendering services hereunder to those who are not parties to continuing contracts with the Permittee.

(b) The Permittee shall not enter into any agreement or understanding, express or implied, binding or non-binding, with any other Person who may furnish services at the Airport similar to those furnished hereunder which will have the effect of (i) fixing rates and charges to be paid by users of the services; (ii) lessening or preventing competition between the Permittee and such other furnishers of services; or (iii) tending to create a monopoly on the Airport in connection with the furnishing of such services.

24. Business Development and Records:

(a) In connection with the exercise of the privileges granted hereunder, the Permittee shall:

(i) use its best efforts in every proper manner to develop and increase the business conducted by it hereunder;

(ii) not divert or cause or allow to be diverted, any business from the Airport;

(iii) maintain, in English and in accordance with accepted accounting practice, during the effective period of this Permit, for one (1) year after the expiration or earlier revocation, cancellation or termination thereof, and for a further period extending until the Permittee shall, upon request to the Port Authority, receive written permission from the Port Authority to do otherwise, full and complete records and books of account (including without limitation all agreements and all source documents such as but not limited to original invoices, invoice listings, timekeeping records, and work schedules) recording all transactions of the Permittee at, through, or in anywise connected with the Airport, which records and books of account shall be kept at all times within the Port of New York District and shall separately state and identify the Authorized Service performed at Terminal Four, the Authorized Service performed at the Airport at any location other than Terminal Four and all other services performed at the Airport at any location other than Terminal Four, 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, the Authorized Service performed at Terminal Four and all other services performed at the airport at any location other than Terminal Four;

(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 and/or Terminal Four Gross Receipts and which the Terminal Four Lessee, in its sole discretion, believes may be relevant for identification, determination or calculation of Terminal Four 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 and/or Terminal Four Gross Receipts and which the Terminal Four Lessee, in its sole discretion, believes may be relevant for identification, determination or calculation of Terminal Four 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) if the Permittee has performed any privilege or portion thereof at Terminal Four, then permit and/or cause to be permitted in ordinary business hours during the effective period of the 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 Terminal Four Lessee of all Books and Records within ten (10) days following any request by the Terminal Four Lessee from time to time and at any time to examine and audit any Books and Records;

(vii) permit the inspection by the officers, employees and representatives of the Port Authority and the Terminal Four Lessee of any equipment used by the Permittee, including but not limited to the equipment described in paragraph (a)(viii) below; and

(viii) 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 Terminal Four 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 Terminal Four Gross Receipts and to the Terminal Four Lessee of all Terminal Four 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)(viii) above then, in addition to all, and without limiting any other, rights and remedies of the Port Authority and the Terminal Four Lessee 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) the Port Authority or the Terminal Four Lessee may estimate the Terminal Four Gross Receipts on any basis that the Port Authority or the Terminal Four Lessee, 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 Terminal Four Lessee when billed; and/or

(iii) 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.

(iv) if any Books and Records are maintained outside of the Port of New York District, then the Terminal Four Lessee 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 Terminal Four Lessee within the Port of New York District for examination and audit pursuant to paragraph (a)(vi) hereof and/or (y) examine and audit any such Books and Records pursuant to paragraph (a)(vi) 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 Terminal Four Lessee when billed all travel costs and related expenses, as determined by the Terminal Four Lessee, for Terminal Four Lessee 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 Terminal Four Lessee when billed all costs and expenses of the Terminal Four Lessee, as determined by the Terminal Four Lessee, 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 Terminal Four Lessee 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 or the Terminal Four Lessee determines that unpaid amounts are due to the Port Authority or to the Terminal Four Lessee by the Permittee (the "*Audit Findings*"), the Permittee shall be obligated, and hereby agrees, to pay to the Port Authority and/or the Terminal Four Lessee 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 or by the Terminal Four Lessee. Such service charge (s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority or the Terminal Four Lessee 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) and 4(a)(iii). 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 hereunder and the foregoing auditing costs, expenses and amounts of the Terminal Four Lessee set forth in paragraphs (b), (c) and (d) above shall be deemed fees under this Permit payable to the Terminal Four Lessee with the same force and effect as the Terminal Four Percentage Fee and all other fees payable to the Terminal Four Lessee hereunder.

25. Rates and Charges:

The Permittee shall establish rates and discounts therefrom which are in compliance with Section 22 hereof (each such rate and discount is hereinafter called an "*Established Rate*"). Upon request by the Port Authority, the Permittee shall provide the Port Authority its rates and discounts therefrom for goods and services furnished hereunder. If the Permittee applies any rate in excess of the Established Rate therefor or extends a discount less than the Established Discount therefor, the amount by which the charge based on such actual rate or actual discount deviates from a charge based on the Established Rate shall constitute an overcharge which will, upon demand of the Port Authority or the Permittee's customer, be promptly refunded to the customer. If the Permittee applies any rate which is less than the Established Rate therefor or extends a discount which is in excess of the Established Rate therefor, the amount by which the charge based on such actual rate or actual discount deviates from a charge based on the Established Rate shall constitute an undercharge and an amount equivalent thereto shall be included in Gross Receipts and Terminal Four Gross Receipts hereunder and the Basic Percentage Fee and the Terminal Four 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 or Terminal Four Gross Receipts any such overcharge or undercharge shall constitute a breach of the Permittee's obligations hereunder and the Port Authority shall have all remedies consequent upon such breach which would otherwise be available to it at law, in equity or by reason of this Permit.

26. Other Agreements:

In the event the terms and provisions of any agreement entered into by the Permittee with any third Person in connection with the privileges granted hereunder are contrary to or conflict or are inconsistent with the terms and provisions of this Permit, the terms and provisions of this Permit shall be controlling, effective and determinative.

27. City Lease Provisions:

(a) The Permittee acknowledges that it has received a copy of, and is familiar with the contents of, the City Lease. The Permittee acknowledges that no greater rights or privileges are hereby granted to the Permittee than the Port Authority has the power to grant under the City Lease.

(b) In accordance with the provisions of the City Lease, the Port Authority and the Permittee hereby agree as follows:

(i) This Permit is subject and subordinate to the City Lease and to any interest superior to that of the Port Authority;

(ii) The Permittee shall not pay the fees or other sums under this Permit for more than one (1) month in advance (excluding security or other deposits required under this Permit);

(iii) With respect to this Permit, the Permittee on the termination of the City Lease will, at the option of the City, enter into a direct permit on identical terms with the City;

(iv) The Permittee shall indemnify the City, as third party beneficiary hereunder, with respect to all matters described in Section 31 of the City Lease that arise out of the Permittee's operations at the Airport, or arise out of the acts or omissions of the Permittee's officers, employees, agents, representatives, contractors, customers, business visitors and guests at the Airport with the Permittee's consent;

(v) The Permittee shall not use any portion of the Airport for any use other than as permitted under the City Lease;

(vi) The Permittee shall use the Airport in a manner consistent with the Port Authority's obligations under Section 28 of the City Lease;

(vii) The failure of the Permittee to comply with the foregoing provisions shall be an event of default under this Permit, which shall provide the Port Authority with the right to revoke this Permit and exercise any other rights that the Port Authority may have as the grantor of the permission hereunder; and

(viii) The City shall be named as an additional insured or loss payee, as applicable, under each policy of insurance procured by the Permittee pursuant to this Permit.

28. Counterclaims:

The Permittee specifically agrees that it shall not interpose any claims as counterclaims in any action for non-payment of fees or other amounts, which may be brought by the Port Authority unless such claims would be deemed waived if not so interposed.

29. Continued Exercise of Privilege After Expiration, Revocation or Termination:

(a) The Permittee acknowledges that the failure of the Permittee to cease to perform the Authorized Service at the Airport from the effective date of such expiration, revocation or termination will or may cause the Port Authority injury, damage or loss, and the Permittee hereby assumes the risk of such injury, damage or loss and hereby agrees that it shall

be responsible for the same and shall pay the Port Authority for the same whether such are foreseen or unforeseen, special, direct, consequential or otherwise and the Permittee hereby expressly agrees to indemnify and hold the Port Authority harmless against any such injury, damage or loss. The Permittee acknowledges that the Port Authority reserves all its legal and equitable rights and remedies in the event of such failure by the Permittee to cease performance of the Authorized Service.

(b) The Permittee hereby acknowledges and agrees that, subject to the foregoing, all terms and provisions of this Permit shall be and continue in full force and effect during any period following such expiration, revocation or termination. The term "Post-Termination Period", for purposes of this Permit, shall mean any period following the expiration, revocation or termination of the effective period of the permission granted under this Permit, as such effective period of permission may be extended from time to time.

30. Governing Law:

This agreement and any claim, dispute or controversy arising out of, under or related to this agreement shall be governed by, interpreted and construed in accordance with the laws of the State of New York, without regard to choice of law principles.

31. Miscellaneous:

(a) It is understood and agreed that the Port Authority shall not furnish, sell or supply to the Permittee any services or utilities in connection with this Permit.

(b) No Commissioner, Director, officer, agent or employee of either party shall be charged personally by the other party with any liability, or held liable to the other party, under any term or provision of this Permit, or because of the party's execution or attempted execution, or because of any breach thereof.

(c) The Section and paragraph headings, if any, in this Permit are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of any provision hereof.

(d) This Permit, including the attached Special Endorsements, constitutes the entire agreement of the Port Authority and the Permittee on the subject matter hereof. This Permit may not be changed, modified, discharged or extended, except by written instrument duly executed on behalf of the Port Authority and the Permittee or except by notice as specifically set forth in Sections 4 and 13 hereof. The Permittee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing herein.

Initialled:

For the Port Authority

For the Permittee

: For Port Authority Use Only :
:
:Permit Number: AYE-092 :

JOHN F. KENNEDY 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 John F. Kennedy International Airport, in the Borough of Queens, County of Queens, City and State of New York, in accordance with the Terms and Conditions hereof; and the Permittee agrees to pay the fee hereinafter specified and to perform all other obligations imposed upon it in the said Terms and Conditions:

1. **PERMITEE:** VIRGIN ATLANTIC AIRWAYS LIMITED, a corporation of the United Kingdom

2. **PERMITTEE'S ADDRESS:** 75 North Water Street
South Norwalk, CT 06854

3. **PERMITTEE'S REPRESENTATIVE:** Kim Tulip

4. **PRIVILEGE:** To provide Routine and Non-routine Aircraft Maintenance services on Permitted Areas of the Airport to Approved Aircraft Operators at the Airport, as such Approved Aircraft Operators 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:** April 1, 2011

7. **EXPIRATION DATE:** March 31, 2021, unless sooner revoked or terminated as herein provided.

8. **REQUIRED SECURITY DEPOSIT:** As set forth in Special Endorsment No. 2 hereof.

9. **INSURANCE REQUIREMENTS:** $25,000,000.00 minimum limit Commercial General Liability
$25,000,000.00 minimum limit Automobile Liability

10. **ENDORSEMENTS:** Special Endorsements.

Dated: As of April 1, 2011

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____
David Kagan
Name Assistant Director
Business, Properties & Airport Development
(Please Print Clearly)
(Title) _____

Port Authority Use Only:	
Approval as to Terms:	Approval as to Form:
	nd

VIRGIN ATLANTIC AIRWAYS LIMITED, Permittee

By _____

Name CHRISTOPHER ROSSI
(Please Print Clearly)

(Title) SENIOR VICE President N. AMERICA

MDF/NEI

TERMS AND CONDITIONS

1. Definitions:

The following terms, when and if used in this Permit, shall have the respective meanings given below:

(a) "*Air Cargo*" shall mean cargo transported to or from the Airport by aircraft owned or operated by an Approved Aircraft Operator.

(b) "*Aircraft Operator*" shall mean (a) a Person owning one or more aircraft which are not leased or chartered to any other Person for operation, and (b) a Person to whom one or more aircraft are leased or chartered for operation - whether the aircraft so owned, leased or chartered are military or non-military, or are used for private business, pleasure or governmental business, or for carrier or non-carrier operations, or for scheduled or non-scheduled operations or otherwise. Said term shall not mean the pilot of an aircraft unless he is also the owner or lessee thereof or a Person to whom it is chartered.

(c) "*Airport*" shall mean John F. Kennedy International Airport, consisting of certain premises identified as "John F. Kennedy International Airport" on Sheet JFK-1 of Exhibit A, and more particularly described in Exhibit B, annexed to the City Lease, and such other property as may be acquired in connection with and added to such premises pursuant to the terms of the City Lease.

(d) "*Approved Aircraft Operator*" shall mean an Aircraft Operator which the General Manager of the Airport has authorized to conduct its aircraft operations at the Airport and if such Aircraft Operator is subleasing or subusing space, or has a ground handling agreement or other agreement at the Airport with an Aircraft Operator, a lessee or other Person at the Airport which requires the consent of the Port Authority, each such subleasing, subuse, ground handling agreement or other agreement has been consented to in writing by the Port Authority.

(e) "*Basic Percentage Fee*" shall have the meaning given such term in Section 4(a)(i) hereof.

(f) "*Cargo Aircraft*" shall mean aircraft engaged solely and exclusively in the carriage of Air Cargo.

(g) "*Cargo Handling and Ramp Service*" shall mean all or any of the following services for or in connection with Air Cargo:

(i) representation and accommodation;

(ii) load control and communications;

(iii) unit load device control, handling and administration in connection with Cargo Aircraft;

(iv) flight operations and crew administration in connection with Cargo Aircraft, including but not limited to obtaining and providing meteorological reports, briefing and debriefing flight crews, preparing and filing flight plans, dispatching and receiving messages in connection with flight and ground operations, maintaining station logs and filing necessary reports with governmental agencies, preparing weight and balance plans, maintaining flight watch and arranging hotel accommodations for flight crews;

(v) pickup and delivery of Air Cargo, air express and mail to and from appropriate locations (allowed or designated from time to time by the Port Authority for such pickup and delivery) on the Airport;

(vi) preparation of documentation associated with Air Cargo, including but not limited to cargo manifests, airway bills and customs clearance documentation;

(vii) distribution of Air Cargo;

(viii) reception of Air Cargo to be shipped from the Airport;

(ix) temporary warehousing, sorting and storage of Air Cargo;

(x) supervision and administration;

(xi) courier services;

(xii) guiding Cargo Aircraft in and out of gate or loading or unloading positions and parking Cargo Aircraft;

(xiii) providing, positioning/removing, and operating appropriate units for engine starting for Cargo Aircraft;

(xiv) furnishing and placing in position and thereafter removing the necessary and appropriate steps, stands and power equipment for the safe and efficient loading and unloading of crew members and other persons, ballast, potable water, mail, air express, Air Cargo and supplies onto and from aircraft and trucks, and performing such loading and unloading and reporting irregularities;

(xv) providing a fire guard equipped with the necessary and appropriate fire fighting equipment for Cargo Aircraft;

(xvi) towing of Cargo Aircraft;

(xvii) ramp control tower services for Cargo Aircraft;

(xviii) Cargo Aircraft servicing, including interior and exterior cleaning, the removal and disposal of aircraft waste material and providing water service, cooling and heating, and toilet service;

(xix) conversion operations and services consisting of the removal of seats from convertible-type aircraft, so as to convert the same to Cargo Aircraft, and from Cargo Aircraft to Passenger Aircraft by the installation of seats;

(xx) ramp area cleaning;

(xxi) Gateside Aircraft Maintenance of Cargo Aircraft, it being specifically understood, however, that Routine and Non-routine Aircraft Maintenance, as distinguished from Gateside Aircraft Maintenance, is hereby prohibited unless expressly provided for hereunder;

(xxii) mobile fueling, on the Permittee's own account, for automotive and other ramp equipment using mobile tender vehicles or other equipment as may be approved from time to time by the General Manager of the Airport;

(xxiii) the rental, on the Permittee's own account, of ground service equipment, vehicles and parts and of ramp equipment, vehicles and parts to Approved Aircraft Operators at the Airport and the provision, on the Permittee's own account, of a maintenance and/or management service for ground service equipment, vehicles and parts and ramp equipment, vehicles and parts owned or operated by Approved Aircraft Operators at the Airport;

(xxiv) deicing to the exterior of aircraft of Approved Aircraft Operators at such locations on the Airport as may from time to time be designated by the General Manager of the Airport;

(xxv) triturator operations and maintenance;

(xxvi) snow removal; and

(xxvii) security services for and in connection with Air Cargo and Cargo Aircraft.

(h) "*City*" shall mean the City of New York.

(i) "*City Lease*" shall mean the Amended and Restated Agreement of Lease of the Municipal Air Terminals between The City of New York, as Landlord, and The Port Authority of New York and New Jersey, as Tenant, dated as of November 24, 2004 and recorded in the office of the City Register of the City on December 3, 2004 under City Register File No. 2004000748687, as the same may have been or may be amended or supplemented.

(j) "*Cleaning Service*" shall mean all or any of the following services:

(i) the cleaning, repairing and installing of upholstery, carpeting and curtains in aircraft and linens used on aircraft;

(ii) the complete interior and exterior cleaning of aircraft, the removal and disposal of waste material and providing water service, cooling and heating, and toilet service;

(iii) conversion operations and services consisting of the removal of seats from convertible-type aircraft so as to convert the same to Cargo Aircraft and from Cargo Aircraft to Passenger Aircraft by installation of seats;

(iv) ramp area cleaning services; and

(v) the rental, on the Permittee's own account, of ground service equipment, vehicles and parts and of ramp equipment, vehicles and parts to Approved Aircraft Operators at the Airport and the provision, on the Permittee's own account, of a maintenance and/or management service for ground service equipment, vehicles and parts and ramp equipment, vehicles and parts owned or operated by Approved Aircraft Operators at the Airport.

(k) "*Effective Date*" shall mean that date appearing in Item 6 on the first page of this Permit as the same may be modified pursuant to the provisions of Section 2(a) hereof.

(l) "*Environmental Requirement*" shall mean all common law and all past, present and future laws, statutes, enactments, resolutions, regulations, rules, directives, ordinances, codes, licenses, permits, orders, memoranda of understanding and memoranda of agreement, guidances, approvals, plans, authorizations, concessions, franchises, requirements and similar items of all governmental agencies, departments, commissions, boards, bureaus or instrumentalities of the United States, states and political subdivisions thereof, all pollution prevention programs, "best management practices plans", and other programs adopted and agreements made by the Port Authority (whether adopted or made with or without consideration or with or without compulsion), with any government agencies, departments, commissions, boards, bureaus or instrumentalities of the United States, states and political subdivisions thereof, and all judicial, administrative, voluntary and regulatory decrees, judgments, orders and agreements relating to the protection of human health or the environment, and in the event that there shall be more than one compliance standard, the standard for any of the foregoing to be that which requires the lowest level of a Hazardous Substance, the foregoing to include without limitation:

(i) All requirements pertaining to reporting, licensing, permitting, investigation and remediation of emissions, discharges, releases or threatened releases of Hazardous Substances into the air, surface water, groundwater or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Substances, or the transfer of property on which Hazardous Substances exist; and

(ii) All requirements pertaining to the protection from Hazardous Substances of the health and safety of employees or the public.

(m) "*Executive Director*" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the Executive

Director by this Permit; but until further notice from the Port Authority to the Permittee it shall mean the Executive Director of the Port Authority for the time being or his duly designated representative or representatives.

(n) "*Gateside Aircraft Maintenance*" shall mean such emergency transit and turnaround maintenance performed on the aircraft of an Aircraft Operator as may be performed in the time such aircraft is permitted to be and remain at the aircraft gate position or hardstand at which such maintenance is to be performed and which is performed by or required by law, rule or regulation to be performed by or under the supervision of a licensed aircraft mechanic or other person specifically licensed, certified or approved by governmental authority having jurisdiction, including the rental or equipment and tools in the connection therewith. It is specifically understood that the performance of any other aircraft maintenance, including but not limited to Routine and Non-routine Aircraft Maintenance, is hereby prohibited unless expressly provided for hereunder.

(o) "*General Manager of the Airport*" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in said General Manager by this Permit; but until further notice from the Port Authority to the Permittee it shall mean said General Manager (or Acting General Manager) of the Airport for the time being or his duly designated representative or representatives.

(p) "*Gross Receipts*" shall mean all amounts, monies, revenues, receipts and income of every type paid or payable to the Permittee for sales made and for services rendered at or from the Airport, regardless of when or where the order therefor is received, and outside the Airport, if the order therefor is received at the Airport, and any other amounts, monies, revenues, receipts and income of any type arising out of or in connection with the Authorized Service, provided, however, there shall be excluded from Gross Receipts, any Terminal Four Gross Receipts and 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.

(y) "*Terminal Four*" shall mean the premises under the Terminal Four Lease commonly referred to on the Airport as "Terminal Four".

(z) "*Terminal Four Gross Receipts*" shall each mean and include all amounts, monies, revenues, receipts and income of every type paid or payable to the Permittee for sales made and for services rendered at Terminal Four, regardless of when or where the order therefor is received, and any other amounts, monies, revenues, receipts and income of any type arising out of or in connection with the Permittee's operations at Terminal Four, provided, however, there shall be excluded from Terminal Four 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.

(aa) "*Terminal Four Lease*" shall mean that certain agreement of lease bearing Port Authority Agreement No. AYC-685 entered into between the Port Authority and JFK International Air Terminal LLC on May 13, 1997.

(bb) "*Terminal Four Lessee*" shall mean for the time being JFK International Air Terminal LLC, a limited liability company organized and existing under the laws of the State of New York, or such other Person which the Port Authority may from time to time and at any time designate by notice to the Permittee.

(cc) "*Terminal Four Percentage Fee*" shall mean the fee payable to the Terminal Four Lessee pursuant to and as defined in Section 4(a)(i) hereof.

2. Effective Date, Termination and Revocation:

(a) The permission hereby granted shall take effect upon the Effective Date. Notwithstanding Item 6 appearing on the first page of this Permit, the Effective Date of this Permit shall be that date the Permittee commenced any of the activities permitted by this Permit. The Permittee in executing this Permit represents that the Effective Date appearing in Item 6 on the first page of this Permit is the date the Permittee commenced any of the activities permitted by this Permit. If the Port Authority determines by audit or otherwise that the Permittee

commenced any of the activities permitted by this Permit prior to said effective date, the Effective Date of this Permit shall be the date the Permittee commenced any of the activities permitted by this Permit and all obligations of the Permittee under this Permit shall commence on such date including without limitation the Permittee's indemnity obligations and obligations to pay fees.

(b) Notwithstanding any other term or condition hereof, the permission hereby granted may be revoked without cause upon thirty (30) days' written notice by the Port Authority, or terminated without cause upon thirty (30) days' written notice by the Permittee, provided, however, that it may be revoked on twenty-four (24) hours' notice by the Port Authority if the Permittee shall fail to keep, perform and observe each and every promise, agreement, condition, term and provision contained in this Permit, including but not limited to the obligation to pay fees. Unless sooner revoked or terminated, such permission shall expire in any event upon the expiration date hereinbefore set forth.

(c) In the event the Port Authority exercises 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 City Lease.

(c) Neither this Permit nor anything contained herein, shall be deemed to grant any rights in the Permittee to use and occupy any land, building space or other area at the Airport or shall be deemed to have created any obligation on the part of the Port Authority to provide any such land, space or area to the Permittee.

(d) Neither the execution and delivery of this Permit nor any act done pursuant thereto shall create between any terminal operator, lessee or other occupant of land at the Airport including but not limited to the Terminal Four Lessee and 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 and, if any privilege or portion thereof is performed at Terminal Four, to pay to the Terminal Four Lessee a percentage fee (hereinafter called the "Terminal Four Percentage Fee"), at the times set forth in and in accordance with paragraph (a)(iii) below, equal to five percent (5%), as the same may be increased pursuant to paragraph (k) below, of Terminal Four 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.

(iii) Terminal Four Gross Receipts shall be reported and the Terminal Four Percentage Fee shall be paid to the Terminal Four Lessee 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 the Permit is in effect and including the calendar month in which the Permit ceases to be in effect, the Permittee shall render to the Port Authority and the Terminal Four Lessee a monthly statement sworn to by a responsible executive or fiscal officer of the Permittee showing all of the Terminal Four Gross Receipts for the preceding month (the "Monthly Sworn Statement of Gross Receipts"). Each of the said statements shall also show the cumulative Terminal Four 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 and the Terminal Four Lessee, the Permittee shall pay to the Terminal Four Lessee an amount equal to five percent (5%) applied to the Terminal Four 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 and the Terminal Four Lessee a statement setting forth the cumulative totals of the Terminal Four 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 the Permit, the Permittee shall render to the Port Authority and the Terminal Four Lessee a sworn statement certified, at the Permittee's expense, by a certified public accountant of the Permittee of all Terminal Four Gross Receipts during the period from the last preceding anniversary of the Effective Date up to and including the last day the Permit shall be in effect and the Permittee shall, at the time of rendering such statement to the Terminal Four Lessee pay to the Terminal Four Lessee the Terminal Four Percentage Fee due and unpaid as of the last day the Permit shall be in effect. Each of the statements called for hereunder shall separately list and state the Terminal Four Gross Receipts and the applicable Terminal Four Percentage Fee payable thereon for each privilege (including without limitation each Authorized Service) provided by the Permittee hereunder at Terminal Four.

(b) (i) All statements to be submitted to the Port Authority pursuant to this Section and all payments made under this Permit, except for the Terminal Four Percentage Fee, 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.

(ii) All statements to be submitted to the Terminal Four Lessee hereunder and the Terminal Four Percentage Fee shall be made to the Terminal Four Lessee at Terminal Four, John F. Kennedy International Airport, Room 2300, Jamaica, New York 11430 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 and Terminal Four 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 (and Terminal Four 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 services or Routine and Non-routine Aircraft Maintenance services, there shall be excluded from Gross Receipts and Terminal Four 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 and Terminal Four 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 and Terminal Four Gross Receipts.

(f) Without limiting any other provisions of this Permit regarding Gross Receipts and Terminal Four 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 and Terminal Four 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 and Terminal Four 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 and Terminal Four 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 or Terminal Four 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, the Terminal Four 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 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 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 ("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 agreement, as well as agreements hereinafter entered into.

6. Permittee's Operations:

(a) The Permittee shall provide to the Port Authority, upon request of the Port Authority from time to time, such information and data in connection with the permission granted hereunder as the Port Authority may request and shall, if so requested by the Port Authority, make periodic reports thereof to the Port Authority utilizing such forms as may be adopted by the Port Authority for such purpose.

(b) The Permittee shall daily remove from the Airport by means of facilities provided by it all garbage, debris and other waste material (whether solid or liquid) arising out of or in connection with the permission granted hereunder, and any such not immediately removed shall be temporarily stored in a clean and sanitary condition, in suitable garbage and waste receptacles, the same to be made of metal and equipped with tight-fitting covers, and to be of a design safely and properly to contain whatever material may be placed therein; said receptacles being provided and maintained by the Permittee. The receptacles shall be kept covered except when filling or emptying the same. The Permittee shall exercise extreme care in removing such garbage, debris and other waste materials from the Airport. The manner of such storage and removal shall be subject in all respects to the continual approval of the Port Authority. No facilities of the Port

Authority shall be used for such removal unless with its prior consent in writing. No such garbage, debris or other waste materials shall be or be permitted to be thrown, discharged or disposed into or upon the waters at or bounding the Airport.

(c) The Permittee shall at all times that areas of the Airport are being used for the privileges permitted hereunder, maintain said areas in a clean and orderly condition and appearance. The Permittee shall promptly wipe up any oil, gasoline, grease, lubricants and other inflammable liquids and substances and any liquids and substances having a corrosive or detrimental effect on the paving or other surface of the ramps or other areas upon which it performs the privileges authorized by this Permit resulting from its operations hereunder. The Permittee shall repair, replace, repave or rebuild, or at the Port Authority's election, the Permittee shall pay to the Port Authority the cost to the Port Authority of repairing, replacing, repaving or rebuilding, all or any part of the ramps or other areas upon which it performs the privileges authorized by this Permit which may be damaged or destroyed by such oil, gasoline, grease, lubricants or other liquids or substances or by any other act or omission of the Permittee or its employees, agents or contractors except for reasonable wear and tear arising out of its operations thereon.

(d) A principal purpose of the Port Authority in granting the permission under this Permit is to have available at the Airport, the privileges which the Permittee is permitted to render hereunder. The Permittee agrees that it will conduct a first-class operation and will furnish all fixtures, equipment, personnel (including licensed personnel as necessary), supplies, materials and other facilities and replacements necessary or proper therefor, and keep the same in a first-class operating condition at all times.

(e) The Permittee shall immediately comply with all orders, directives and procedures as may be issued by the General Manager of the Airport covering the operations of the Permittee under this Permit at any time and from time to time. The Port Authority may, at any time and from time to time, without prior notice or cause, withdraw or modify any designation, approval, substitution or redesignation given by it hereunder.

(f) In the event of any injury or death to any person (other than employees of the Permittee) at the Airport when caused by the Permittee's operations, or damage to any property (other than the Permittee's property) at the Airport when caused by the Permittee's operations, the Permittee shall immediately notify the Port Authority and promptly thereafter furnish to the Port Authority copies of all reports given to the Permittee's insurance carrier.

(g) The operations of the Permittee, its employees, invitees and those doing business with it shall be conducted in an orderly and proper manner and so as not to annoy, disturb or be offensive to others at the Airport. The Permittee shall provide and its employees shall wear or carry badges or other suitable means of identification and the employees shall wear appropriate uniforms. The badges, means of identification and uniforms shall be subject to the written approval of the General Manager of the Airport. The Port Authority shall have the right to object to the Permittee as to the demeanor, conduct and appearance of the Permittee's employees, invitees and those doing business with it, whereupon the Permittee will take all steps necessary to remove the cause of the objection.

(h) The Permittee shall promptly repair or replace any property of the Port Authority damaged by the Permittee's operations at the Airport.

7. Indemnity:

(a) The Permittee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives, from and against (and shall reimburse the Port Authority for the Port Authority's costs and expenses including legal costs and expenses incurred in connection with the defense of) all claims and demands of third Persons including but not limited to claims and demands for death or personal injuries, or for property damages, arising out of any default of the Permittee in performing or observing any term or provision of this Permit, or out of the operations of the Permittee hereunder, or out of any of the acts or omissions of the Permittee, its officers, employees or Persons who are doing business with the Permittee arising out of or in connection with the activities permitted hereunder, or arising out of the acts or omissions of the Permittee, its officers or employees at the Airport, including claims and demands of the City against the Port Authority for indemnification arising by operation of law or through agreement of the Port Authority with the said City.

(b) Without limiting any other term or provision hereof, the Permittee agrees to indemnify and hold harmless the Port Authority, its Commissioners, officers, employees, agents and representatives of and from any loss, liability, expense, suit or claim for damages in connection with any actual or alleged infringement of any patent, trademark or copyright, or arising from any alleged or actual unfair competition or other similar claim arising out of the operations of the Permittee under or in any wise connected with this Permit.

(c) Without limiting any other term or provision hereof, the Permittee shall indemnify the Port Authority and hold it harmless against all claims and demands of third Persons for damage to any aircraft cargo or baggage or any other property handled or delivered pursuant to the permission granted by this Permit.

(d) If so directed, the Permittee shall at its own expense defend any suit based upon any such claim or demand set forth in paragraphs (a), (b) and (c) above (even if such claim or demand is groundless, false or fraudulent), and in handling such it shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority.

8. Liability Insurance:

(a) The Permittee, in its own name as insured and including the Port Authority as an additional insured, shall maintain and pay the premiums during the effective period of the Permit on a policy or policies of Commercial General Liability Insurance, including premises-operations and products-completed operations and covering bodily-injury liability, including death, and

property damage liability, none of the foregoing to contain care, custody or control exclusions, and providing for coverage in the minimum limit set forth in Item 9 on the first page of this Permit, and Commercial Automobile Liability Insurance covering owned, non-owned and hired vehicles and including automatic coverage for newly acquired vehicles and providing for coverage in the minimum limit set forth in Item 9 on the first page of this Permit. Without limiting the foregoing, the Permittee shall maintain Workers' Compensation and Employers Liability Insurance in accordance with the Permittee's statutory obligations under the applicable State Workers' Compensation Law for those employees of the Permittee employed in operations conducted pursuant to this Permit at or from the Airport. In the event the Permittee maintains the foregoing insurance in limits greater than aforesaid, the Port Authority shall be included therein as an additional insured, except for the Workers' Compensation and Employers Liability Insurance policies, to the full extent of all such insurance in accordance with all terms and provisions of this Permit.

(b) Each policy of insurance, except for the Workers' Compensation and Employers Liability Insurance policies, shall also contain an ISO standard "separation of insureds" clause or a cross liability endorsement providing that the protections afforded the Permittee thereunder with respect to any claim or action against the Permittee by a third person shall pertain and apply with like effect with respect to any claim or action against the Permittee by the Port Authority and any claim or action against the Port Authority by the Permittee, as if the Port Authority were the named insured thereunder, but such clause or endorsement shall not limit, vary, change or affect the protections afforded the Port Authority thereunder as an additional insured. Each policy of insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Permittee under Section 7 of the Terms and Conditions of this Permit.

(c) All insurance coverages and policies required under this Section may be reviewed by the Port Authority for adequacy of terms, conditions and limits of coverage at any time and from time to time during the effective period of permission granted under this Permit. The Port Authority may, at any such time, require additions, deletions, amendments or modifications to the aforementioned insurance requirements, or may require such other and additional insurance, in such reasonable amounts, against such other insurable hazards, as the Port Authority may deem required and the Permittee shall promptly comply therewith.

(d) Each policy must be specifically endorsed to provide that the policy may not be cancelled, terminated, changed or modified without giving thirty (30) days' written advance notice thereof to the Port Authority. Each policy shall contain a provision or endorsement that the insurer "shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port Authority." The foregoing provisions or endorsements shall be recited in each policy or certificate to be delivered pursuant to the following paragraph (e).

(e) A certified copy of each policy or a certificate or certificates of insurance evidencing the existence thereof, or binders, shall be delivered to the Port Authority upon execution and delivery of this Permit by the Permittee to the Port Authority. In the event any binder is delivered it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate of insurance. Any renewal policy shall be evidenced by a renewal certificate of insurance delivered to the Port Authority at least thirty (30) days prior to the expiration of each expiring policy, except for any policy expiring after the date of expiration of this Permit. The aforesaid insurance shall be written by a company or companies approved by the Port Authority. If at any time any insurance policy shall be or become unsatisfactory to the Port Authority as to form or substance or if any of the carriers issuing such policy shall be or become unsatisfactory to the Port Authority, the Permittee shall promptly obtain a new and satisfactory policy in replacement. If the Port Authority at any time so requests, a certified copy of each policy shall be delivered to or made available for inspection by the Port Authority.

(f) The foregoing insurance requirements shall not in any way be construed as a limitation on the nature or extent of the contractual obligations assumed by the Permittee under this Permit. The foregoing insurance requirements shall not constitute a representation or warranty as to the adequacy of the required coverage to protect the Permittee with respect to the obligations imposed on the Permittee by this Permit or any other agreement or by law.

9. Special Endorsements:

The Permittee hereby agrees to the terms and conditions of the endorsements attached hereto, hereby made a part hereof and marked "*Special Endorsements*". The terms and provisions of the Special Endorsements shall have the same force and effect and as if herein set forth in full.

10. No Waiver:

No failure by the Port Authority or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee shall be in writing, and all such notices given by the Port Authority or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee under this Permit, including without limitation the Port Authority's rights set forth in Section 2 of these Terms and Conditions, or (ii) any obligations of the Permittee under this Permit. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Permit shall be payable instead at such legal maximum.

15. Non-discrimination:

(a) Without limiting the generality of any of the provisions of this Permit, the Permittee, for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby agree that (1) no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of any space at the Airport and the exercise of any privileges under this Permit, (2) that in the construction of any improvements on, over, or under any space at the Airport and the furnishing of any service thereon by the Permittee, no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, (3) that the Permittee shall use any space at the Airport and exercise any privileges under this Permit in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended, and any other present or future laws, rules, regulations, orders or directions of the United States of America with respect thereto which from time to time may be applicable to the Permittee's operations thereat, whether by reason of agreement between the Port Authority and the United States Government or otherwise.

(b) The Permittee shall include the provisions of paragraph (a) of this Section in every agreement or concession it may make pursuant to which any Person or Persons, other than the Permittee, operates any facility at the Airport providing services to the public and shall also include therein a provision granting the Port Authority a right to take such action as the United States may direct to enforce such provisions.

(c) The Permittee's noncompliance with the provisions of this Section shall constitute a material breach of this Permit. Without limiting any other term or provision hereof or any other rights or remedies of the Port Authority hereunder or at law or equity, in the event of the

breach by the Permittee of any of the above non-discrimination provisions, the Port Authority may take any appropriate action to enforce compliance or by giving twenty-four (24) hours' notice, may revoke this Permit and the permission hereunder; or may pursue such other remedies as may be provided by law; and as to any or all of the foregoing, the Port Authority may take such action as the United States may direct.

(d) Without limiting any other term or provision hereof, the Permittee shall indemnify and hold harmless the Port Authority from any claims and demands of third Persons, including the United States of America, resulting from the Permittee's noncompliance with any of the provisions of this Section and the Permittee shall reimburse the Port Authority for any loss or expense incurred by reason of such noncompliance.

(e) Nothing contained in this Section shall grant or shall be deemed to grant to the Permittee the right to transfer or assign this Permit, to make any agreement or concession of the type mentioned in paragraph (b) hereof, or any right to perform any construction on any space at the Airport, or any right to use or occupy any space at the Airport.

16. Affirmative Action:

The Permittee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Permittee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Permittee assures that it will require that its covered suborganizations provide assurances to the Permittee that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

17. Rules and Regulations:

(a) The Permittee shall observe and obey (and compel its officers, employees, guests, invitees, and those doing business with it, to observe and obey) the rules and regulations and procedures of the Port Authority now in effect, and such further reasonable rules and regulations and procedures which may from time to time during the effective period of this Permit, be promulgated by the Port Authority for reasons of safety, health, preservation of property or maintenance of a good and orderly appearance of the Airport or for the safe and efficient operation of the Airport. The Port Authority agrees that, except in cases of emergency, it shall give notice to the Permittee of every rule and regulation hereafter adopted by it at least five (5) days before the Permittee shall be required to comply therewith.

(b) The Permittee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of the New York Board of Fire Underwriters and the New York Fire Insurance Exchange, and any other body or organization exercising similar functions which may pertain or apply to the

Permittee's operations hereunder. If by reason of the Permittee's failure to comply with the provisions of this Section, any fire insurance, extended coverage or rental insurance rate on the Airport or any part thereof, or upon the contents of any building thereon, shall at any time be higher than it otherwise would be, then the Permittee shall on demand pay the Port Authority that part of all fire insurance premiums paid or payable by the Port Authority which shall have been charged because of such violation by the Permittee.

18. Prohibited Acts

(a) The Permittee shall not do or permit to be done any act which

(i) will invalidate or be in conflict with any fire insurance policies covering the Airport or any part thereof or upon the contents of any building thereon, or

(ii) will increase the rate of any fire insurance, extended coverage or rental insurance on the Airport or any part thereof or upon the contents of any building thereon, or

(iii) in the opinion of the Port Authority will constitute a hazardous condition, so as to increase the risks normally attendant upon the operations contemplated by this Permit, or

(iv) may cause or produce upon the Airport any unusual noxious or objectionable smokes, gases, vapors or odors, or

(v) may interfere with the effectiveness or accessibility of any drainage and sewerage system, water system, communications system, fire protection system, sprinkler system, alarm system, fire hydrant and hose, if any, installed or located or to be installed or located in or on the Airport, or

(vi) shall constitute a nuisance or injury in or on the Airport or which may result in the creation, commission or maintenance of a nuisance or injury in or on the Airport.

For the purpose of this paragraph (a), "Airport" includes all structures located thereon.

(b) The Permittee shall not dispose of, release or discharge nor permit anyone to dispose of, release or discharge any Hazardous Substance on the Airport except that the Permittee may release or discharge de-icing fluids utilized in the Permittee's ordinary course of business in the performance of any of the privileges granted hereunder so long as such release or discharge is not a violation of the terms and conditions of Sections 17 or 19 hereof. In addition to and without limiting Section 19 hereof, any Hazardous Substance disposed of, released or discharged by the Permittee (or permitted by the Permittee to be disposed of, released or discharged) on the Airport shall upon notice by the Port Authority to the Permittee and subject to the provisions of Sections 17 and 19 hereof and to all Environmental Requirements, be completely removed and/or remediated by the Permittee at its sole cost and expense, provided, however, the forgoing shall not apply to releases and discharges which are in compliance with the terms and conditions of Sections 17 and 19 hereof of de-icing fluids utilized in the Permittee's ordinary course of business in the performance of any of the privileges granted

hereunder and the obligation of the Permittee to remove and remediate such de-icing fluids shall be as required by the terms and conditions of Sections 17 and 19 hereof. The obligations of the Permittee pursuant to this paragraph shall survive the expiration, revocation, cancellation or termination of this Permit.

(c) The Permittee shall not dispose of nor permit anyone to dispose of any waste materials (whether liquid or solid) by means of any toilets, sanitary sewers or storm sewers.

(d) (i) The Permittee shall not employ any persons or use any labor, or use or have any equipment, or permit any condition to exist, which shall or may cause or be conducive to any labor complaints, troubles, disputes or controversies at the Airport which interfere or are likely to interfere with the operation of the Airport or any part thereof by the Port Authority or with the operations of the lessees, licensees, permittees or other users of the Airport or with the operations of the Permittee under this Permit.

(ii) The Permittee shall immediately give notice to the Port Authority (to be followed by written notice and reports) of any and all impending or existing labor complaints, troubles, disputes or controversies and the progress thereof. The Permittee shall use its best efforts to resolve any such complaints, troubles, disputes or controversies.

(iii) The Permittee acknowledges that it is familiar with the general and local conditions prevailing at the Airport and with the all pertinent matters and circumstances which may in any way affect performance of the privileges granted under this Permit.

(e) The Permittee shall not solicit business on the public areas of the Airport and the use, at any time, of hand or standard megaphones, loudspeakers or any electric, electronic or other amplifying device is hereby expressly prohibited.

(f) The Permittee shall not install any fixtures or make any alterations, additions, improvements or repairs to any property of the Port Authority except with the prior written approval of the Port Authority.

(g) No signs, posters or similar devices shall be erected, displayed or maintained at the Airport without the written approval of the General Manager of the Airport; and any not approved by such General Manager or not removed by the Permittee upon the termination, revocation, expiration or cancellation of this Permit may be removed by the Port Authority at the expense of the Permittee.

(h) The Permittee shall not operate any engine or any item of automotive equipment in any enclosed space at the Airport unless such space is adequately ventilated.

(i) The Permittee shall not use any cleaning materials having a harmful or corrosive effect on any part of the Airport.

(j) The Permittee shall not fuel or defuel any equipment in any enclosed space at the Airport without the prior approval of the General Manager of the Airport except in accordance with Port Authority rules and regulations.

(k) The Permittee shall not start or operate any engine or any item of automotive equipment in any enclosed space at the Airport unless such space is adequately ventilated and unless such engine is equipped with a proper spark-arresting device.

19. Law Compliance:

(a) The Permittee shall procure all licenses, certificates, permits or other authorization from all governmental authorities, if any, having jurisdiction over the Permittee's operations at the Airport which may be necessary for the Permittee's operations thereat.

(b) The Permittee shall pay all taxes, license, certification, permit and examination fees and excises which may be assessed, levied, exacted or imposed on its property or operations at the Airport or on the Gross Receipts, Terminal Four Gross Receipts or income therefrom, and shall make all applications, reports and returns required in connection therewith.

(c) The Permittee shall promptly observe, comply with and execute the provisions of any and all present and future governmental laws, rules, regulations, requirements, orders and directions which may pertain or apply to the Permittee's operations at the Airport.

(d) The Permittee's obligations to comply with governmental requirements are provided herein for the purpose of assuring proper safeguards for the protection of Persons and property at the Airport and are not to be construed as a submission by the Port Authority to the application to itself of such requirements or any of them.

(e) The Port Authority has agreed by a provision in the City Lease with the City covering the Airport to conform to the enactments, ordinances, resolutions and regulations of the City and of its various departments, boards and bureaus in regard to the construction and maintenance of buildings and structures and in regard to health and fire protection, to the extent that the Port Authority finds it practicable so to do. The Permittee shall, within forty-eight (48) hours after its receipt of any notice of violation, warning notice, summons, or other legal process for the enforcement of any such enactment, ordinance, resolution or regulation, deliver the same to the Port Authority for examination and determination of the applicability of the agreement of lease provision thereto. Unless otherwise directed in writing by the Port Authority, the Permittee shall conform to such enactments, ordinances, resolutions and regulations insofar as they relate to the operations of the Permittee at the Airport. In the event of compliance with any such enactment, ordinance, resolution or regulation on the part of the Permittee, acting in good faith, commenced after such delivery to the Port Authority but prior to the receipt by the Permittee of a written direction from the Port Authority, such compliance shall not constitute a breach of this Permit, although the Port Authority thereafter notifies the Permittee to refrain from such compliance. Nothing herein contained shall release or discharge the Permittee from compliance with any other provision hereof respecting governmental requirements.

20. Trademarks and Patent Infringement:

The Permittee represents that it is the owner of or fully authorized to use or sell any and all services, processes, machines, articles, marks, names or slogans used or sold by it in its operations under or in any wise connected with this Permit.

21. Inspection:

The Port Authority shall have the right at any time and as often as it may consider it necessary to inspect the Permittee's machines and other equipment, any services being rendered, any merchandise being sold or held for sale by the Permittee, and any activities or operations of the Permittee hereunder. Upon request of the Port Authority, the Permittee shall operate or demonstrate any machines or equipment owned by or in the possession of the Permittee on the Airport or to be placed or brought on the Airport, and shall demonstrate any process or other activity being carried on by the Permittee hereunder. Upon notification by the Port Authority of any deficiency in any machine or piece of equipment, the Permittee shall immediately make good the deficiency or withdraw the machine or piece of equipment from service, and provide a satisfactory substitute.

22. Federal Aid:

(a) The Permittee shall

(i) furnish good, prompt and efficient service hereunder, adequate to meet all demands therefor at the Airport;

(ii) furnish said service on a fair, equal and non-discriminatory basis to all users thereof; and

(iii) charge fair, reasonable and non-discriminatory prices for each unit of sale or service, provided that the Permittee may make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

As used in the above subsections "service" shall include furnishing of parts, materials and supplies (including sale thereof).

(b) The Port Authority has applied for and received a grant or grants of money from the Administrator of the Federal Aviation Administration pursuant to the Airport and Airways Development Act of 1970, as the same has been amended and supplemented, and under prior federal statutes which said Act superseded and the Port Authority may in the future apply for and receive further such grants. In connection therewith the Port Authority has undertaken and may in the future undertake certain obligations respecting its operation of the Airport and the activities of its contractors, lessees and permittees thereon. The performance by the Permittee of the promises and obligations contained in this Permit is therefore a special consideration and inducement to the issuance of this Permit by the Port Authority, and the Permittee further agrees

that if the Administrator of the Federal Aviation Administration or any other governmental officer or body having jurisdiction over the enforcement of the obligations of the Port Authority in connection with Federal Airport Aid, shall make any orders, recommendations or suggestions respecting the performance by the Permittee of its obligations under this Permit, the Permittee will promptly comply therewith at the time or times, when and to the extent that the Port Authority may direct.

23. Capacity and Competition:

(a) The Permittee shall refrain from entering into continuing contracts or arrangements with any third Person for furnishing services covered hereunder when such contracts or arrangements will have the effect of utilizing to an unreasonable extent the Permittee's capacity for rendering such services. A reasonable amount of capacity shall be reserved by the Permittee for the purpose of rendering services hereunder to those who are not parties to continuing contracts with the Permittee.

(b) The Permittee shall not enter into any agreement or understanding, express or implied, binding or non-binding, with any other Person who may furnish services at the Airport similar to those furnished hereunder which will have the effect of (i) fixing rates and charges to be paid by users of the services; (ii) lessening or preventing competition between the Permittee and such other furnishers of services; or (iii) tending to create a monopoly on the Airport in connection with the furnishing of such services.

24. Business Development and Records:

(a) In connection with the exercise of the privileges granted hereunder, the Permittee shall:

(i) use its best efforts in every proper manner to develop and increase the business conducted by it hereunder;

(ii) not divert or cause or allow to be diverted, any business from the Airport;

(iii) maintain, in English and in accordance with accepted accounting practice, during the effective period of this Permit, for one (1) year after the expiration or earlier revocation, cancellation or termination thereof, and for a further period extending until the Permittee shall, upon request to the Port Authority, receive written permission from the Port Authority to do otherwise, full and complete records and books of account (including without limitation all agreements and all source documents such as but not limited to original invoices, invoice listings, timekeeping records, and work schedules) recording all transactions of the Permittee at, through, or in anywise connected with the Airport, which records and books of account shall be kept at all times within the Port of New York District and shall separately state and identify the Authorized Service performed at Terminal Four, the Authorized Service performed at the Airport at any location other than Terminal Four and all other services performed at the Airport at any location other than Terminal Four, 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, the Authorized Service performed at Terminal Four and all other services performed at the airport at any location other than Terminal Four;

(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 and/or Terminal Four Gross Receipts and which the Terminal Four Lessee, in its sole discretion, believes may be relevant for identification, determination or calculation of Terminal Four 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 and/or Terminal Four Gross Receipts and which the Terminal Four Lessee, in its sole discretion, believes may be relevant for identification, determination or calculation of Terminal Four 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) if the Permittee has performed any privilege or portion thereof at Terminal Four, then permit and/or cause to be permitted in ordinary business hours during the effective period of the 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 Terminal Four Lessee of all Books and Records within ten (10) days following any request by the Terminal Four Lessee from time to time and at any time to examine and audit any Books and Records;

(vii) permit the inspection by the officers, employees and representatives of the Port Authority and the Terminal Four Lessee of any equipment used by the Permittee, including but not limited to the equipment described in paragraph (a)(viii) below; and

(viii) 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 Terminal Four 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 Terminal Four Gross Receipts and to the Terminal Four Lessee of all Terminal Four 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)(viii) above then, in addition to all, and without limiting any other, rights and remedies of the Port Authority and the Terminal Four Lessee 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) the Port Authority or the Terminal Four Lessee may estimate the Terminal Four Gross Receipts on any basis that the Port Authority or the Terminal Four Lessee, 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 Terminal Four Lessee when billed; and/or

(iii) 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.

(iv) if any Books and Records are maintained outside of the Port of New York District, then the Terminal Four Lessee 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 Terminal Four Lessee within the Port of New York District for examination and audit pursuant to paragraph (a)(vi) hereof and/or (y) examine and audit any such Books and Records pursuant to paragraph (a)(vi) 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 Terminal Four Lessee when billed all travel costs and related expenses, as determined by the Terminal Four Lessee, for Terminal Four Lessee 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 Terminal Four Lessee when billed all costs and expenses of the Terminal Four Lessee, as determined by the Terminal Four Lessee, 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 Terminal Four Lessee 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 or the Terminal Four Lessee determines that unpaid amounts are due to the Port Authority or to the Terminal Four Lessee by the Permittee (the "*Audit Findings*"), the Permittee shall be obligated, and hereby agrees, to pay to the Port Authority and/or the Terminal Four Lessee 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 or by the Terminal Four Lessee. Such service charge (s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority or the Terminal Four Lessee 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) and 4(a)(iii). 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 hereunder and the foregoing auditing costs, expenses and amounts of the Terminal Four Lessee set forth in paragraphs (b), (c) and (d) above shall be deemed fees under this Permit payable to the Terminal Four Lessee with the same force and effect as the Terminal Four Percentage Fee and all other fees payable to the Terminal Four Lessee hereunder.

25. Rates and Charges:

The Permittee shall establish rates and discounts therefrom which are in compliance with Section 22 hereof (each such rate and discount is hereinafter called an "*Established Rate*"). Upon request by the Port Authority, the Permittee shall provide the Port Authority its rates and discounts therefrom for goods and services furnished hereunder. If the Permittee applies any rate in excess of the Established Rate therefor or extends a discount less than the Established Discount therefor, the amount by which the charge based on such actual rate or actual discount deviates from a charge based on the Established Rate shall constitute an overcharge which will, upon demand of the Port Authority or the Permittee's customer, be promptly refunded to the customer. If the Permittee applies any rate which is less than the Established Rate therefor or extends a discount which is in excess of the Established Rate therefor, the amount by which the charge based on such actual rate or actual discount deviates from a charge based on the Established Rate shall constitute an undercharge and an amount equivalent thereto shall be included in Gross Receipts and Terminal Four Gross Receipts hereunder and the Basic Percentage Fee and the Terminal Four 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 or Terminal Four Gross Receipts any such overcharge or undercharge shall constitute a breach of the Permittee's obligations hereunder and the Port Authority shall have all remedies consequent upon such breach which would otherwise be available to it at law, in equity or by reason of this Permit.

26. Other Agreements:

In the event the terms and provisions of any agreement entered into by the Permittee with any third Person in connection with the privileges granted hereunder are contrary to or conflict or are inconsistent with the terms and provisions of this Permit, the terms and provisions of this Permit shall be controlling, effective and determinative.

27. City Lease Provisions:

(a) The Permittee acknowledges that it has received a copy of, and is familiar with the contents of, the City Lease. The Permittee acknowledges that no greater rights or privileges are hereby granted to the Permittee than the Port Authority has the power to grant under the City Lease.

(b) In accordance with the provisions of the City Lease, the Port Authority and the Permittee hereby agree as follows:

(i) This Permit is subject and subordinate to the City Lease and to any interest superior to that of the Port Authority;

(ii) The Permittee shall not pay the fees or other sums under this Permit for more than one (1) month in advance (excluding security or other deposits required under this Permit);

(iii) With respect to this Permit, the Permittee on the termination of the City Lease will, at the option of the City, enter into a direct permit on identical terms with the City;

(iv) The Permittee shall indemnify the City, as third party beneficiary hereunder, with respect to all matters described in Section 31 of the City Lease that arise out of the Permittee's operations at the Airport, or arise out of the acts or omissions of the Permittee's officers, employees, agents, representatives, contractors, customers, business visitors and guests at the Airport with the Permittee's consent;

(v) The Permittee shall not use any portion of the Airport for any use other than as permitted under the City Lease;

(vi) The Permittee shall use the Airport in a manner consistent with the Port Authority's obligations under Section 28 of the City Lease;

(vii) The failure of the Permittee to comply with the foregoing provisions shall be an event of default under this Permit, which shall provide the Port Authority with the right to revoke this Permit and exercise any other rights that the Port Authority may have as the grantor of the permission hereunder; and

(viii) The City shall be named as an additional insured or loss payee, as applicable, under each policy of insurance procured by the Permittee pursuant to this Permit.

28. Counterclaims:

The Permittee specifically agrees that it shall not interpose any claims as counterclaims in any action for non-payment of fees or other amounts, which may be brought by the Port Authority unless such claims would be deemed waived if not so interposed.

29. Continued Exercise of Privilege After Expiration, Revocation or Termination:

(a) The Permittee acknowledges that the failure of the Permittee to cease to perform the Authorized Service at the Airport from the effective date of such expiration, revocation or termination will or may cause the Port Authority injury, damage or loss, and the Permittee hereby assumes the risk of such injury, damage or loss and hereby agrees that it shall

be responsible for the same and shall pay the Port Authority for the same whether such are foreseen or unforeseen, special, direct, consequential or otherwise and the Permittee hereby expressly agrees to indemnify and hold the Port Authority harmless against any such injury, damage or loss. The Permittee acknowledges that the Port Authority reserves all its legal and equitable rights and remedies in the event of such failure by the Permittee to cease performance of the Authorized Service.

(b) The Permittee hereby acknowledges and agrees that, subject to the foregoing, all terms and provisions of this Permit shall be and continue in full force and effect during any period following such expiration, revocation or termination.

30. Governing Law:

This permit and any claim, dispute or controversy arising out of, under or related to this permit shall be governed by, interpreted and construed in accordance with the laws of the State of New York, without regard to choice of law principles.

31. Miscellaneous:

(a) It is understood and agreed that the Port Authority shall not furnish, sell or supply to the Permittee any services or utilities in connection with this Permit.

(b) No Commissioner, Director, officer, agent or employee of either party shall be charged personally by the other party with any liability, or held liable to the other party, under any term or provision of this Permit, or because of the party's execution or attempted execution, or because of any breach thereof.

(c) The Section and paragraph headings, if any, in this Permit are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of any provision hereof.

(d) This Permit, including the attached Special Endorsements, constitutes the entire agreement of the Port Authority and the Permittee on the subject matter hereof. This Permit may not be changed, modified, discharged or extended, except by written instrument duly executed on behalf of the Port Authority and the Permittee or except by notice as specifically set forth in Sections 4 and 13 hereof. The Permittee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing herein.

For the Port Authority

Initialled:

For the Permittee

SPECIAL ENDORSEMENTS

1. (a) The Port Authority hereby consents to the Permittee providing the Authorized Service to Cathay Pacific Airways Ltd., China Airlines, Ltd., Singapore Airlines Limited and South African Airways (PTY) Limited at the Airport.

(b) (i) In the event the Permittee shall desire to provide the Authorized Service to another Approved Aircraft Operator 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 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. Notwithstanding anything to the contrary contained in this Permit, the Permittee hereby agrees that this Permit is one of the "Agreements", as such term is defined in that certain security agreement entered into between the Port Authority and the Permittee, made as of December 1, 2006, and identified by Port Authority Agreement No. AX-803 (as amended and supplemented, the "Security Agreement"), and that a breach or failure to perform or comply with any of the terms and conditions of the Security Agreement, including without limitation failure to provide a letter of credit in accordance with the terms and provisions of the Security Agreement at any time during the term under any of the Agreements valid and available to the Port Authority or any failure of any banking institution issuing a letter of credit to make one or more payments as provided in such letter of credit, shall constitute a material breach of this Permit and the Security Agreement thereby entitling the Port Authority to immediately exercise any and all rights available to it, including without limitation the right to terminate this Permit for cause.

For the Port Authority

Initialed:

For the Permittee

[redacted]

[redacted]

: For Port Authority Use Only :

: :

:Permit Number: ___AYE-141_____:

MEMORANDUM COPY

This Agreement shall not be binding upon the Port Authority until duly executed by an executive officer thereof, and delivered by an authorized representative of the Port Authority.

JOHN F. KENNEDY 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 John F. Kennedy International Airport, in the Borough of Queens, County of Queens, City and State of New York, in accordance with the Terms and Conditions hereof; and the Permittee agrees to pay the fee hereinafter specified and to perform all other obligations imposed upon it in the said Terms and Conditions:

1. **PERMITTEE:** FEDERAL EXPRESS CORPORATION, a(n) Delaware corporation

2. **PERMITTEE'S ADDRESS:** 3680 Hacks Cross Road, Bldg H, 3rd floor
Memphis, TN 38125

3. **PERMITTEE'S REPRESENTATIVE:** Mr. William Pettit

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:** April 1, 2011

7. **EXPIRATION DATE:** March 31, 2021, unless sooner revoked or terminated as herein provided.

8. **REQUIRED SECURITY DEPOSIT:** $0.00

9. **INSURANCE REQUIREMENTS:** $25,000,000.00 minimum limit Commercial General Liability
$25,000,000.00 minimum limit Automobile Liability

10. **ENDORSEMENTS:** Special Endorsements.

Dated: As of April 1, 2011

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:

Approved
Legal Department
3-9-11

FEDERAL EXPRESS CORPORATION, Permittee

By _____

Name Wiley Johnson, Jr.
(Please Print Clearly)

(Title) Managing Director
And Airport Development

WP RJG 3-15-11

SPECIAL ENDORSEMENTS

1. (a) The Port Authority hereby consents to the Permittee providing the Authorized Service to Approved Aircraft Operators 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]

For the Port Authority

Initialed:

For the Permittee

RJG 3-15-11

TERMS AND CONDITIONS

1. Definitions:

The following terms, when and if used in this Permit, shall have the respective meanings given below:

(a) "*Air Cargo*" shall mean cargo transported to or from the Airport by aircraft owned or operated by an Approved Aircraft Operator.

(b) "*Aircraft Operator*" shall mean (a) a Person owning one or more aircraft which are not leased or chartered to any other Person for operation, and (b) a Person to whom one or more aircraft are leased or chartered for operation - whether the aircraft so owned, leased or chartered are military or non-military, or are used for private business, pleasure or governmental business, or for carrier or non-carrier operations, or for scheduled or non-scheduled operations or otherwise. Said term shall not mean the pilot of an aircraft unless he is also the owner or lessee thereof or a Person to whom it is chartered.

(c) "*Airport*" shall mean John F. Kennedy International Airport, consisting of certain premises identified as "John F. Kennedy International Airport" on Sheet JFK-1 of Exhibit A, and more particularly described in Exhibit B, annexed to the City Lease, and such other property as may be acquired in connection with and added to such premises pursuant to the terms of the City Lease.

(d) "*Approved Aircraft Operator*" shall mean an Aircraft Operator which the General Manager of the Airport has authorized to conduct its aircraft operations at the Airport and if such Aircraft Operator is subleasing or subusing space, or has a ground handling agreement or other agreement at the Airport with an Aircraft Operator, a lessee or other Person at the Airport which requires the consent of the Port Authority, each such subleasing, subuse, ground handling agreement or other agreement has been consented to in writing by the Port Authority.

(e) "*Basic Percentage Fee*" shall have the meaning given such term in Section 4(a)(i) hereof.

(f) "*Cargo Aircraft*" shall mean aircraft engaged solely and exclusively in the carriage of Air Cargo.

(g) "*Cargo Handling and Ramp Service*" shall mean all or any of the following services for or in connection with Air Cargo:

(i) representation and accommodation;

(ii) load control and communications;

(iii) unit load device control, handling and administration in connection with Cargo Aircraft;

(iv) flight operations and crew administration in connection with Cargo Aircraft, including but not limited to obtaining and providing meteorological reports, briefing and debriefing flight crews, preparing and filing flight plans, dispatching and receiving messages in connection with flight and ground operations, maintaining station logs and filing necessary reports with governmental agencies, preparing weight and balance plans, maintaining flight watch and arranging hotel accommodations for flight crews;

(v) pickup and delivery of Air Cargo, air express and mail to and from appropriate locations (allowed or designated from time to time by the Port Authority for such pickup and delivery) on the Airport;

(vi) preparation of documentation associated with Air Cargo, including but not limited to cargo manifests, airway bills and customs clearance documentation;

(vii) distribution of Air Cargo;

(viii) reception of Air Cargo to be shipped from the Airport;

(ix) temporary warehousing, sorting and storage of Air Cargo;

(x) supervision and administration;

(xi) courier services;

(xii) guiding Cargo Aircraft in and out of gate or loading or unloading positions and parking Cargo Aircraft;

(xiii) providing, positioning/removing, and operating appropriate units for engine starting for Cargo Aircraft;

(xiv) furnishing and placing in position and thereafter removing the necessary and appropriate steps, stands and power equipment for the safe and efficient loading and unloading of crew members and other persons, ballast, potable water, mail, air express, Air Cargo and supplies onto and from aircraft and trucks, and performing such loading and unloading and reporting irregularities;

(xv) providing a fire guard equipped with the necessary and appropriate fire fighting equipment for Cargo Aircraft;

(xvi) towing of Cargo Aircraft;

(xvii) ramp control tower services for Cargo Aircraft;

(xviii) Cargo Aircraft servicing, including interior and exterior cleaning, the removal and disposal of aircraft waste material and providing water service, cooling and heating, and toilet service;

(xix) conversion operations and services consisting of the removal of seats from convertible-type aircraft, so as to convert the same to Cargo Aircraft, and from Cargo Aircraft to Passenger Aircraft by the installation of seats;

(xx) ramp area cleaning;

(xxi) Gateside Aircraft Maintenance of Cargo Aircraft, it being specifically understood, however, that Routine and Non-routine Aircraft Maintenance, as distinguished from Gateside Aircraft Maintenance, is hereby prohibited unless expressly provided for hereunder;

(xxii) mobile fueling, on the Permittee's own account, for automotive and other ramp equipment using mobile tender vehicles or other equipment as may be approved from time to time by the General Manager of the Airport;

(xxiii) the rental, on the Permittee's own account, of ground service equipment, vehicles and parts and of ramp equipment, vehicles and parts to Approved Aircraft Operators at the Airport and the provision, on the Permittee's own account, of a maintenance and/or management service for ground service equipment, vehicles and parts and ramp equipment, vehicles and parts owned or operated by Approved Aircraft Operators at the Airport;

(xxiv) deicing to the exterior of aircraft of Approved Aircraft Operators at such locations on the Airport as may from time to time be designated by the General Manager of the Airport;

(xxv) triturator operations and maintenance;

(xxvi) snow removal; and

(xxvii) security services for and in connection with Air Cargo and Cargo Aircraft.

(h) "*City*" shall mean the City of New York.

(i) "*City Lease*" shall mean the Amended and Restated Agreement of Lease of the Municipal Air Terminals between The City of New York, as Landlord, and The Port Authority of New York and New Jersey, as Tenant, dated as of November 24, 2004 and recorded in the office of the City Register of the City on December 3, 2004 under City Register File No. 2004000748687, as the same may have been or may be amended or supplemented.

(j) "*Cleaning Service*" shall mean all or any of the following services:

(i) the cleaning, repairing and installing of upholstery, carpeting and curtains in aircraft and linens used on aircraft;

(ii) the complete interior and exterior cleaning of aircraft, the removal and disposal of waste material and providing water service, cooling and heating, and toilet service;

(iii) conversion operations and services consisting of the removal of seats from convertible-type aircraft so as to convert the same to Cargo Aircraft and from Cargo Aircraft to Passenger Aircraft by installation of seats;

(iv) ramp area cleaning services; and

(v) the rental, on the Permittee's own account, of ground service equipment, vehicles and parts and of ramp equipment, vehicles and parts to Approved Aircraft Operators at the Airport and the provision, on the Permittee's own account, of a maintenance and/or management service for ground service equipment, vehicles and parts and ramp equipment, vehicles and parts owned or operated by Approved Aircraft Operators at the Airport.

(k) "*Effective Date*" shall mean that date appearing in Item 6 on the first page of this Permit as the same may be modified pursuant to the provisions of Section 2(a) hereof.

(l) "*Environmental Requirement*" shall mean all common law and all past, present and future laws, statutes, enactments, resolutions, regulations, rules, directives, ordinances, codes, licenses, permits, orders, memoranda of understanding and memoranda of agreement, guidances, approvals, plans, authorizations, concessions, franchises, requirements and similar items of all governmental agencies, departments, commissions, boards, bureaus or instrumentalities of the United States, states and political subdivisions thereof, all pollution prevention programs, "best management practices plans", and other programs adopted and agreements made by the Port Authority (whether adopted or made with or without consideration or with or without compulsion), with any government agencies, departments, commissions, boards, bureaus or instrumentalities of the United States, states and political subdivisions thereof, and all judicial, administrative, voluntary and regulatory decrees, judgments, orders and agreements relating to the protection of human health or the environment, and in the event that there shall be more than one compliance standard, the standard for any of the foregoing to be that which requires the lowest level of a Hazardous Substance, the foregoing to include without limitation:

(i) All requirements pertaining to reporting, licensing, permitting, investigation and remediation of emissions, discharges, releases or threatened releases of Hazardous Substances into the air, surface water, groundwater or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Substances, or the transfer of property on which Hazardous Substances exist; and

(ii) All requirements pertaining to the protection from Hazardous Substances of the health and safety of employees or the public.

(m) "*Executive Director*" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the Executive

Director by this Permit; but until further notice from the Port Authority to the Permittee it shall mean the Executive Director of the Port Authority for the time being or his duly designated representative or representatives.

(n) "*Gateside Aircraft Maintenance*" shall mean such emergency transit and turnaround maintenance performed on the aircraft of an Aircraft Operator as may be performed in the time such aircraft is permitted to be and remain at the aircraft gate position or hardstand at which such maintenance is to be performed and which is performed by or required by law, rule or regulation to be performed by or under the supervision of a licensed aircraft mechanic or other person specifically licensed, certified or approved by governmental authority having jurisdiction, including the rental or equipment and tools in the connection therewith. It is specifically understood that the performance of any other aircraft maintenance, including but not limited to Routine and Non-routine Aircraft Maintenance, is hereby prohibited unless expressly provided for hereunder.

(o) "*General Manager of the Airport*" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in said General Manager by this Permit; but until further notice from the Port Authority to the Permittee it shall mean said General Manager (or Acting General Manager) of the Airport for the time being or his duly designated representative or representatives.

(p) "*Gross Receipts*" shall mean all amounts, monies, revenues, receipts and income of every type paid or payable to the Permittee for sales made and for services rendered at or from the Airport, regardless of when or where the order therefor is received, and outside the Airport, if the order therefor is received at the Airport, and any other amounts, monies, revenues, receipts and income of any type arising out of or in connection with the Authorized Service, provided, however, there shall be excluded from Gross Receipts, any Terminal Four Gross Receipts and 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.

(y) "*Terminal Four*" shall mean the premises under the Terminal Four Lease commonly referred to on the Airport as "Terminal Four".

(z) "*Terminal Four Gross Receipts*" shall each mean and include all amounts, monies, revenues, receipts and income of every type paid or payable to the Permittee for sales made and for services rendered at Terminal Four, regardless of when or where the order therefor is received, and any other amounts, monies, revenues, receipts and income of any type arising out of or in connection with the Permittee's operations at Terminal Four, provided, however, there shall be excluded from Terminal Four 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.

(aa) "*Terminal Four Lease*" shall mean that certain agreement of lease bearing Port Authority Agreement No. AYC-685 entered into between the Port Authority and JFK International Air Terminal LLC on May 13, 1997.

(bb) "*Terminal Four Lessee*" shall mean for the time being JFK International Air Terminal LLC, a limited liability company organized and existing under the laws of the State of New York, or such other Person which the Port Authority may from time to time and at any time designate by notice to the Permittee.

(cc) "*Terminal Four Percentage Fee*" shall mean the fee payable to the Terminal Four Lessee pursuant to and as defined in Section 4(a)(i) hereof.

2. Effective Date, Termination and Revocation:

(a) The permission hereby granted shall take effect upon the Effective Date. Notwithstanding Item 6 appearing on the first page of this Permit, the Effective Date of this Permit shall be that date the Permittee commenced any of the activities permitted by this Permit. The Permittee in executing this Permit represents that the Effective Date appearing in Item 6 on the first page of this Permit is the date the Permittee commenced any of the activities permitted by this Permit. If the Port Authority determines by audit or otherwise that the Permittee commenced any of the activities permitted by this Permit prior to said effective date, the Effective Date of this Permit shall be the date the Permittee commenced any of the activities

permitted by this Permit and all obligations of the Permittee under this Permit shall commence on such date including without limitation the Permittee's indemnity obligations and obligations to pay fees.

(b) Notwithstanding any other term or condition hereof, the permission hereby granted may be revoked without cause upon thirty (30) days' written notice by the Port Authority, or terminated without cause upon thirty (30) days' written notice by the Permittee, provided, however, that it may be revoked on twenty-four (24) hours' notice by the Port Authority if the Permittee shall fail to keep, perform and observe each and every promise, agreement, condition, term and provision contained in this Permit, including but not limited to the obligation to pay fees. Unless sooner revoked or terminated, such permission shall expire in any event upon the expiration date hereinbefore set forth.

(c) In the event the Port Authority exercises 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 City Lease.

(c) Neither this Permit nor anything contained herein, shall be deemed to grant any rights in the Permittee to use and occupy any land, building space or other area at the Airport or shall be deemed to have created any obligation on the part of the Port Authority to provide any such land, space or area to the Permittee.

(d) Neither the execution and delivery of this Permit nor any act done pursuant thereto shall create between any terminal operator, lessee or other occupant of land at the Airport including but not limited to the Terminal Four Lessee and 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 and, if any privilege or portion thereof is performed at Terminal Four, to pay to the Terminal Four Lessee a percentage fee (hereinafter called the "Terminal Four Percentage Fee"), at the times set forth in and in accordance with paragraph (a)(iii) below, equal to five percent (5%), as the same may be increased pursuant to paragraph (k) below, of Terminal Four 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.

(iii) Terminal Four Gross Receipts shall be reported and the Terminal Four Percentage Fee shall be paid to the Terminal Four Lessee 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 the Permit is in effect and including the calendar month in which the Permit ceases to be in effect, the Permittee shall render to the Port Authority and the Terminal Four Lessee a monthly statement sworn to by a responsible executive or fiscal officer of the Permittee showing all of the Terminal Four Gross Receipts for the preceding month (the "Monthly Sworn Statement of Gross Receipts"). Each of the said statements shall also show the cumulative Terminal Four 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 and the Terminal Four Lessee, the Permittee shall pay to the Terminal Four Lessee an amount equal to five percent (5%) applied to the Terminal Four 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 and the Terminal Four Lessee a statement setting forth the cumulative totals of the Terminal Four 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 the Permit, the Permittee shall render to the Port Authority and the Terminal Four Lessee a sworn statement certified, at the Permittee's expense, by a certified public accountant of the Permittee of all Terminal Four Gross Receipts during the period from the last preceding anniversary of the Effective Date up to and including the last day the Permit shall be in effect and the Permittee shall, at the time of rendering such statement to the Terminal Four Lessee pay to the Terminal Four Lessee the Terminal Four Percentage Fee due and unpaid as of the last day the Permit shall be in effect. Each of the statements called for hereunder shall separately list and state the Terminal Four Gross Receipts and the applicable Terminal Four Percentage Fee payable thereon for each privilege (including without limitation each Authorized Service) provided by the Permittee hereunder at Terminal Four.

(b) (i) All statements to be submitted to the Port Authority pursuant to this Section and all payments made under this Permit, except for the Terminal Four Percentage Fee, 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.

(ii) All statements to be submitted to the Terminal Four Lessee hereunder and the Terminal Four Percentage Fee shall be made to the Terminal Four Lessee at Terminal Four, John F. Kennedy International Airport, Room 2300, Jamaica, New York 11430 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 and Terminal Four 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 (and Terminal Four 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 services or Routine and Non-routine Aircraft Maintenance services, there shall be excluded from Gross Receipts and Terminal Four 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 and Terminal Four 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 and Terminal Four Gross Receipts.

(f) Without limiting any other provisions of this Permit regarding Gross Receipts and Terminal Four 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 and Terminal Four 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 and Terminal Four 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 and Terminal Four 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 or Terminal Four 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, the Terminal Four 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 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 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 ("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 agreement, as well as agreements hereinafter entered into.

6. Permittee's Operations:

(a) The Permittee shall provide to the Port Authority, upon request of the Port Authority from time to time, such information and data in connection with the permission granted hereunder as the Port Authority may request and shall, if so requested by the Port Authority, make periodic reports thereof to the Port Authority utilizing such forms as may be adopted by the Port Authority for such purpose.

(b) The Permittee shall daily remove from the Airport by means of facilities provided by it all garbage, debris and other waste material (whether solid or liquid) arising out of or in connection with the permission granted hereunder, and any such not immediately removed shall be temporarily stored in a clean and sanitary condition, in suitable garbage and waste receptacles, the same to be made of metal and equipped with tight-fitting covers, and to be of a design safely and properly to contain whatever material may be placed therein; said receptacles being provided and maintained by the Permittee. The receptacles shall be kept covered except when filling or emptying the same. The Permittee shall exercise extreme care in removing such garbage, debris and other waste materials from the Airport. The manner of such storage and removal shall be subject in all respects to the continual approval of the Port Authority. No facilities of the Port

Authority shall be used for such removal unless with its prior consent in writing. No such garbage, debris or other waste materials shall be or be permitted to be thrown, discharged or disposed into or upon the waters at or bounding the Airport.

(c) The Permittee shall at all times that areas of the Airport are being used for the privileges permitted hereunder, maintain said areas in a clean and orderly condition and appearance. The Permittee shall promptly wipe up any oil, gasoline, grease, lubricants and other inflammable liquids and substances and any liquids and substances having a corrosive or detrimental effect on the paving or other surface of the ramps or other areas upon which it performs the privileges authorized by this Permit resulting from its operations hereunder. The Permittee shall repair, replace, repave or rebuild, or at the Port Authority's election, the Permittee shall pay to the Port Authority the cost to the Port Authority of repairing, replacing, repaving or rebuilding, all or any part of the ramps or other areas upon which it performs the privileges authorized by this Permit which may be damaged or destroyed by such oil, gasoline, grease, lubricants or other liquids or substances or by any other act or omission of the Permittee or its employees, agents or contractors except for reasonable wear and tear arising out of its operations thereon.

(d) A principal purpose of the Port Authority in granting the permission under this Permit is to have available at the Airport, the privileges which the Permittee is permitted to render hereunder. The Permittee agrees that it will conduct a first-class operation and will furnish all fixtures, equipment, personnel (including licensed personnel as necessary), supplies, materials and other facilities and replacements necessary or proper therefor, and keep the same in a first-class operating condition at all times.

(e) The Permittee shall immediately comply with all orders, directives and procedures as may be issued by the General Manager of the Airport covering the operations of the Permittee under this Permit at any time and from time to time. The Port Authority may, at any time and from time to time, without prior notice or cause, withdraw or modify any designation, approval, substitution or redesignation given by it hereunder.

(f) In the event of any injury or death to any person (other than employees of the Permittee) at the Airport when caused by the Permittee's operations, or damage to any property (other than the Permittee's property) at the Airport when caused by the Permittee's operations, the Permittee shall immediately notify the Port Authority and promptly thereafter furnish to the Port Authority copies of all reports given to the Permittee's insurance carrier.

(g) The operations of the Permittee, its employees, invitees and those doing business with it shall be conducted in an orderly and proper manner and so as not to annoy, disturb or be offensive to others at the Airport. The Permittee shall provide and its employees shall wear or carry badges or other suitable means of identification and the employees shall wear appropriate uniforms. The badges, means of identification and uniforms shall be subject to the written approval of the General Manager of the Airport. The Port Authority shall have the right to object to the Permittee as to the demeanor, conduct and appearance of the Permittee's employees, invitees and those doing business with it, whereupon the Permittee will take all steps necessary to remove the cause of the objection.

(h) The Permittee shall promptly repair or replace any property of the Port Authority damaged by the Permittee's operations at the Airport.

7. Indemnity:

(a) The Permittee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives, from and against (and shall reimburse the Port Authority for the Port Authority's costs and expenses including legal costs and expenses incurred in connection with the defense of) all claims and demands of third Persons including but not limited to claims and demands for death or personal injuries, or for property damages, arising out of any default of the Permittee in performing or observing any term or provision of this Permit, or out of the operations of the Permittee hereunder, or out of any of the acts or omissions of the Permittee, its officers, employees or Persons who are doing business with the Permittee arising out of or in connection with the activities permitted hereunder, or arising out of the acts or omissions of the Permittee, its officers or employees at the Airport, including claims and demands of the City against the Port Authority for indemnification arising by operation of law or through agreement of the Port Authority with the said City.

(b) Without limiting any other term or provision hereof, the Permittee agrees to indemnify and hold harmless the Port Authority, its Commissioners, officers, employees, agents and representatives of and from any loss, liability, expense, suit or claim for damages in connection with any actual or alleged infringement of any patent, trademark or copyright, or arising from any alleged or actual unfair competition or other similar claim arising out of the operations of the Permittee under or in any wise connected with this Permit.

(c) Without limiting any other term or provision hereof, the Permittee shall indemnify the Port Authority and hold it harmless against all claims and demands of third Persons for damage to any aircraft cargo or baggage or any other property handled or delivered pursuant to the permission granted by this Permit.

(d) If so directed, the Permittee shall at its own expense defend any suit based upon any such claim or demand set forth in paragraphs (a), (b) and (c) above (even if such claim or demand is groundless, false or fraudulent), and in handling such it shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority.

8. Liability Insurance:

(a) The Permittee, in its own name as insured and including the Port Authority as an additional insured, shall maintain and pay the premiums during the effective period of the Permit on a policy or policies of Commercial General Liability Insurance, including premises-operations and products-completed operations and covering bodily-injury liability, including death, and

property damage liability, none of the foregoing to contain care, custody or control exclusions, and providing for coverage in the minimum limit set forth in Item 9 on the first page of this Permit, and Commercial Automobile Liability Insurance covering owned, non-owned and hired vehicles and including automatic coverage for newly acquired vehicles and providing for coverage in the minimum limit set forth in Item 9 on the first page of this Permit. Without limiting the foregoing, the Permittee shall maintain Workers' Compensation and Employers Liability Insurance in accordance with the Permittee's statutory obligations under the applicable State Workers' Compensation Law for those employees of the Permittee employed in operations conducted pursuant to this Permit at or from the Airport. In the event the Permittee maintains the foregoing insurance in limits greater than aforesaid, the Port Authority shall be included therein as an additional insured, except for the Workers' Compensation and Employers Liability Insurance policies, to the full extent of all such insurance in accordance with all terms and provisions of this Permit.

(b) Each policy of insurance, except for the Workers' Compensation and Employers Liability Insurance policies, shall also contain an ISO standard "separation of insureds" clause or a cross liability endorsement providing that the protections afforded the Permittee thereunder with respect to any claim or action against the Permittee by a third person shall pertain and apply with like effect with respect to any claim or action against the Permittee by the Port Authority and any claim or action against the Port Authority by the Permittee, as if the Port Authority were the named insured thereunder, but such clause or endorsement shall not limit, vary, change or affect the protections afforded the Port Authority thereunder as an additional insured. Each policy of insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Permittee under Section 7 of the Terms and Conditions of this Permit.

(c) All insurance coverages and policies required under this Section may be reviewed by the Port Authority for adequacy of terms, conditions and limits of coverage at any time and from time to time during the effective period of permission granted under this Permit. The Port Authority may, at any such time, require additions, deletions, amendments or modifications to the aforementioned insurance requirements, or may require such other and additional insurance, in such reasonable amounts, against such other insurable hazards, as the Port Authority may deem required and the Permittee shall promptly comply therewith.

(d) Each policy must be specifically endorsed to provide that the policy may not be cancelled, terminated, changed or modified without giving thirty (30) days' written advance notice thereof to the Port Authority. Each policy shall contain a provision or endorsement that the insurer "shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port Authority." The foregoing provisions or endorsements shall be recited in each policy or certificate to be delivered pursuant to the following paragraph (e).

(e) A certified copy of each policy or a certificate or certificates of insurance evidencing the existence thereof, or binders, shall be delivered to the Port Authority upon execution and delivery of this Permit by the Permittee to the Port Authority. In the event any binder is delivered it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate of insurance. Any renewal policy shall be evidenced by a renewal certificate of insurance delivered to the Port Authority at least thirty (30) days prior to the expiration of each expiring policy, except for any policy expiring after the date of expiration of this Permit. The aforesaid insurance shall be written by a company or companies approved by the Port Authority. If at any time any insurance policy shall be or become unsatisfactory to the Port Authority as to form or substance or if any of the carriers issuing such policy shall be or become unsatisfactory to the Port Authority, the Permittee shall promptly obtain a new and satisfactory policy in replacement. If the Port Authority at any time so requests, a certified copy of each policy shall be delivered to or made available for inspection by the Port Authority.

(f) The foregoing insurance requirements shall not in any way be construed as a limitation on the nature or extent of the contractual obligations assumed by the Permittee under this Permit. The foregoing insurance requirements shall not constitute a representation or warranty as to the adequacy of the required coverage to protect the Permittee with respect to the obligations imposed on the Permittee by this Permit or any other agreement or by law.

9. Special Endorsements:

The Permittee hereby agrees to the terms and conditions of the endorsements attached hereto, hereby made a part hereof and marked "*Special Endorsements*". The terms and provisions of the Special Endorsements shall have the same force and effect and as if herein set forth in full.

10. No Waiver:

No failure by the Port Authority or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee shall be in writing, and all such notices given by the Port Authority or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee under this Permit, including without limitation the Port Authority's rights set forth in Section 2 of these Terms and Conditions, or (ii) any obligations of the Permittee under this Permit. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Permit shall be payable instead at such legal maximum.

15. Non-discrimination:

(a) Without limiting the generality of any of the provisions of this Permit, the Permittee, for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby agree that (1) no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of any space at the Airport and the exercise of any privileges under this Permit, (2) that in the construction of any improvements on, over, or under any space at the Airport and the furnishing of any service thereon by the Permittee, no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, (3) that the Permittee shall use any space at the Airport and exercise any privileges under this Permit in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended, and any other present or future laws, rules, regulations, orders or directions of the United States of America with respect thereto which from time to time may be applicable to the Permittee's operations thereat, whether by reason of agreement between the Port Authority and the United States Government or otherwise.

(b) The Permittee shall include the provisions of paragraph (a) of this Section in every agreement or concession it may make pursuant to which any Person or Persons, other than the Permittee, operates any facility at the Airport providing services to the public and shall also include therein a provision granting the Port Authority a right to take such action as the United States may direct to enforce such provisions.

(c) The Permittee's noncompliance with the provisions of this Section shall constitute a material breach of this Permit. Without limiting any other term or provision hereof or any other rights or remedies of the Port Authority hereunder or at law or equity, in the event of the breach by the Permittee of any of the above non-discrimination provisions, the Port Authority may take any appropriate action to enforce compliance or by giving twenty-four (24) hours' notice, may revoke this Permit and the permission hereunder; or may pursue such other remedies as may be provided by law; and as to any or all of the foregoing, the Port Authority may take such action as the United States may direct.

(d) Without limiting any other term or provision hereof, the Permittee shall indemnify and hold harmless the Port Authority from any claims and demands of third Persons, including the United States of America, resulting from the Permittee's noncompliance with any of the provisions of this Section and the Permittee shall reimburse the Port Authority for any loss or expense incurred by reason of such noncompliance.

(e) Nothing contained in this Section shall grant or shall be deemed to grant to the Permittee the right to transfer or assign this Permit, to make any agreement or concession of the type mentioned in paragraph (b) hereof, or any right to perform any construction on any space at the Airport, or any right to use or occupy any space at the Airport.

16. Affirmative Action:

The Permittee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Permittee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Permittee assures that it will require that its covered suborganizations provide assurances to the Permittee that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

17. Rules and Regulations:

(a) The Permittee shall observe and obey (and compel its officers, employees, guests, invitees, and those doing business with it, to observe and obey) the rules and regulations and procedures of the Port Authority now in effect, and such further reasonable rules and regulations and procedures which may from time to time during the effective period of this Permit, be promulgated by the Port Authority for reasons of safety, health, preservation of property or maintenance of a good and orderly appearance of the Airport or for the safe and efficient operation of the Airport. The Port Authority agrees that, except in cases of emergency, it shall give notice to the Permittee of every rule and regulation hereafter adopted by it at least five (5) days before the Permittee shall be required to comply therewith.

(b) The Permittee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of the

New York Board of Fire Underwriters and the New York Fire Insurance Exchange, and any other body or organization exercising similar functions which may pertain or apply to the Permittee's operations hereunder. If by reason of the Permittee's failure to comply with the provisions of this Section, any fire insurance, extended coverage or rental insurance rate on the Airport or any part thereof, or upon the contents of any building thereon, shall at any time be higher than it otherwise would be, then the Permittee shall on demand pay the Port Authority that part of all fire insurance premiums paid or payable by the Port Authority which shall have been charged because of such violation by the Permittee.

18. Prohibited Acts

(a) The Permittee shall not do or permit to be done any act which

(i) will invalidate or be in conflict with any fire insurance policies covering the Airport or any part thereof or upon the contents of any building thereon, or

(ii) will increase the rate of any fire insurance, extended coverage or rental insurance on the Airport or any part thereof or upon the contents of any building thereon, or

(iii) in the opinion of the Port Authority will constitute a hazardous condition, so as to increase the risks normally attendant upon the operations contemplated by this Permit, or

(iv) may cause or produce upon the Airport any unusual noxious or objectionable smokes, gases, vapors or odors, or

(v) may interfere with the effectiveness or accessibility of any drainage and sewerage system, water system, communications system, fire protection system, sprinkler system, alarm system, fire hydrant and hose, if any, installed or located or to be installed or located in or on the Airport, or

(vi) shall constitute a nuisance or injury in or on the Airport or which may result in the creation, commission or maintenance of a nuisance or injury in or on the Airport.

For the purpose of this paragraph (a), "Airport" includes all structures located thereon.

(b) The Permittee shall not dispose of, release or discharge nor permit anyone to dispose of, release or discharge any Hazardous Substance on the Airport except that the Permittee may release or discharge de-icing fluids utilized in the Permittee's ordinary course of business in the performance of any of the privileges granted hereunder so long as such release or discharge is not a violation of the terms and conditions of Sections 17 or 19 hereof. In addition to and without limiting Section 19 hereof, any Hazardous Substance disposed of, released or discharged by the Permittee (or permitted by the Permittee to be disposed of, released or discharged) on the Airport shall upon notice by the Port Authority to the Permittee and subject to the provisions of Sections 17 and 19 hereof and to all Environmental Requirements, be completely removed and/or remediated by the Permittee at its sole cost and expense, provided, however, the forgoing shall not apply to releases and discharges which are in compliance with

the terms and conditions of Sections 17 and 19 hereof of de-icing fluids utilized in the Permittee's ordinary course of business in the performance of any of the privileges granted hereunder and the obligation of the Permittee to remove and remediate such de-icing fluids shall be as required by the terms and conditions of Sections 17 and 19 hereof. The obligations of the Permittee pursuant to this paragraph shall survive the expiration, revocation, cancellation or termination of this Permit.

(c) The Permittee shall not dispose of nor permit anyone to dispose of any waste materials (whether liquid or solid) by means of any toilets, sanitary sewers or storm sewers.

(d) (i) The Permittee shall not employ any persons or use any labor, or use or have any equipment, or permit any condition to exist, which shall or may cause or be conducive to any labor complaints, troubles, disputes or controversies at the Airport which interfere or are likely to interfere with the operation of the Airport or any part thereof by the Port Authority or with the operations of the lessees, licensees, permittees or other users of the Airport or with the operations of the Permittee under this Permit.

(ii) The Permittee shall immediately give notice to the Port Authority (to be followed by written notice and reports) of any and all impending or existing labor complaints, troubles, disputes or controversies and the progress thereof. The Permittee shall use its best efforts to resolve any such complaints, troubles, disputes or controversies.

(iii) The Permittee acknowledges that it is familiar with the general and local conditions prevailing at the Airport and with the all pertinent matters and circumstances which may in any way affect performance of the privileges granted under this Permit.

(e) The Permittee shall not solicit business on the public areas of the Airport and the use, at any time, of hand or standard megaphones, loudspeakers or any electric, electronic or other amplifying device is hereby expressly prohibited.

(f) The Permittee shall not install any fixtures or make any alterations, additions, improvements or repairs to any property of the Port Authority except with the prior written approval of the Port Authority.

(g) No signs, posters or similar devices shall be erected, displayed or maintained at the Airport without the written approval of the General Manager of the Airport; and any not approved by such General Manager or not removed by the Permittee upon the termination, revocation, expiration or cancellation of this Permit may be removed by the Port Authority at the expense of the Permittee.

(h) The Permittee shall not operate any engine or any item of automotive equipment in any enclosed space at the Airport unless such space is adequately ventilated.

(i) The Permittee shall not use any cleaning materials having a harmful or corrosive effect on any part of the Airport.

(j) The Permittee shall not fuel or defuel any equipment in any enclosed space at the Airport without the prior approval of the General Manager of the Airport except in accordance with Port Authority rules and regulations.

(k) The Permittee shall not start or operate any engine or any item of automotive equipment in any enclosed space at the Airport unless such space is adequately ventilated and unless such engine is equipped with a proper spark-arresting device.

19. Law Compliance:

(a) The Permittee shall procure all licenses, certificates, permits or other authorization from all governmental authorities, if any, having jurisdiction over the Permittee's operations at the Airport which may be necessary for the Permittee's operations thereat.

(b) The Permittee shall pay all taxes, license, certification, permit and examination fees and excises which may be assessed, levied, exacted or imposed on its property or operations at the Airport or on the Gross Receipts, Terminal Four Gross Receipts or income therefrom, and shall make all applications, reports and returns required in connection therewith.

(c) The Permittee shall promptly observe, comply with and execute the provisions of any and all present and future governmental laws, rules, regulations, requirements, orders and directions which may pertain or apply to the Permittee's operations at the Airport.

(d) The Permittee's obligations to comply with governmental requirements are provided herein for the purpose of assuring proper safeguards for the protection of Persons and property at the Airport and are not to be construed as a submission by the Port Authority to the application to itself of such requirements or any of them.

(e) The Port Authority has agreed by a provision in the City Lease with the City covering the Airport to conform to the enactments, ordinances, resolutions and regulations of the City and of its various departments, boards and bureaus in regard to the construction and maintenance of buildings and structures and in regard to health and fire protection, to the extent that the Port Authority finds it practicable so to do. The Permittee shall, within forty-eight (48) hours after its receipt of any notice of violation, warning notice, summons, or other legal process for the enforcement of any such enactment, ordinance, resolution or regulation, deliver the same to the Port Authority for examination and determination of the applicability of the agreement of lease provision thereto. Unless otherwise directed in writing by the Port Authority, the Permittee shall conform to such enactments, ordinances, resolutions and regulations insofar as they relate to the operations of the Permittee at the Airport. In the event of compliance with any such enactment, ordinance, resolution or regulation on the part of the Permittee, acting in good faith, commenced after such delivery to the Port Authority but prior to the receipt by the Permittee of a written direction from the Port Authority, such compliance shall not constitute a breach of this Permit, although the Port Authority thereafter notifies the Permittee to refrain from such compliance. Nothing herein contained shall release or discharge the Permittee from compliance with any other provision hereof respecting governmental requirements.

20. Trademarks and Patent Infringement:

The Permittee represents that it is the owner of or fully authorized to use or sell any and all services, processes, machines, articles, marks, names or slogans used or sold by it in its operations under or in any wise connected with this Permit.

21. Inspection:

The Port Authority shall have the right at any time and as often as it may consider it necessary to inspect the Permittee's machines and other equipment, any services being rendered, any merchandise being sold or held for sale by the Permittee, and any activities or operations of the Permittee hereunder. Upon request of the Port Authority, the Permittee shall operate or demonstrate any machines or equipment owned by or in the possession of the Permittee on the Airport or to be placed or brought on the Airport, and shall demonstrate any process or other activity being carried on by the Permittee hereunder. Upon notification by the Port Authority of any deficiency in any machine or piece of equipment, the Permittee shall immediately make good the deficiency or withdraw the machine or piece of equipment from service, and provide a satisfactory substitute.

22. Federal Aid:

(a) The Permittee shall

(i) furnish good, prompt and efficient service hereunder, adequate to meet all demands therefor at the Airport;

(ii) furnish said service on a fair, equal and non-discriminatory basis to all users thereof; and

(iii) charge fair, reasonable and non-discriminatory prices for each unit of sale or service, provided that the Permittee may make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

As used in the above subsections "service" shall include furnishing of parts, materials and supplies (including sale thereof).

(b) The Port Authority has applied for and received a grant or grants of money from the Administrator of the Federal Aviation Administration pursuant to the Airport and Airways Development Act of 1970, as the same has been amended and supplemented, and under prior federal statutes which said Act superseded and the Port Authority may in the future apply for and receive further such grants. In connection therewith the Port Authority has undertaken and may in the future undertake certain obligations respecting its operation of the Airport and the activities of its contractors, lessees and permittees thereon. The performance by the Permittee of the promises and obligations contained in this Permit is therefore a special consideration and inducement to the issuance of this Permit by the Port Authority, and the Permittee further agrees that if the Administrator of the Federal Aviation Administration or any other governmental

officer or body having jurisdiction over the enforcement of the obligations of the Port Authority in connection with Federal Airport Aid, shall make any orders, recommendations or suggestions respecting the performance by the Permittee of its obligations under this Permit, the Permittee will promptly comply therewith at the time or times, when and to the extent that the Port Authority may direct.

23. Capacity and Competition:

(a) The Permittee shall refrain from entering into continuing contracts or arrangements with any third Person for furnishing services covered hereunder when such contracts or arrangements will have the effect of utilizing to an unreasonable extent the Permittee's capacity for rendering such services. A reasonable amount of capacity shall be reserved by the Permittee for the purpose of rendering services hereunder to those who are not parties to continuing contracts with the Permittee.

(b) The Permittee shall not enter into any agreement or understanding, express or implied, binding or non-binding, with any other Person who may furnish services at the Airport similar to those furnished hereunder which will have the effect of (i) fixing rates and charges to be paid by users of the services; (ii) lessening or preventing competition between the Permittee and such other furnishers of services; or (iii) tending to create a monopoly on the Airport in connection with the furnishing of such services.

24. Business Development and Records:

(a) In connection with the exercise of the privileges granted hereunder, the Permittee shall:

(i) use its best efforts in every proper manner to develop and increase the business conducted by it hereunder;

(ii) not divert or cause or allow to be diverted, any business from the Airport;

(iii) maintain, in English and in accordance with accepted accounting practice, during the effective period of this Permit, for one (1) year after the expiration or earlier revocation, cancellation or termination thereof, and for a further period extending until the Permittee shall, upon request to the Port Authority, receive written permission from the Port Authority to do otherwise, full and complete records and books of account (including without limitation all agreements and all source documents such as but not limited to original invoices, invoice listings, timekeeping records, and work schedules) recording all transactions of the Permittee at, through, or in anywise connected with the Airport, which records and books of account shall be kept at all times within the Port of New York District and shall separately state and identify the Authorized Service performed at Terminal Four, the Authorized Service performed at the Airport at any location other than Terminal Four and all other services performed at the Airport at any location other than Terminal Four, 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, the Authorized Service performed at Terminal Four and all other services performed at the airport at any location other than Terminal Four;

(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 and/or Terminal Four Gross Receipts and which the Terminal Four Lessee, in its sole discretion, believes may be relevant for identification, determination or calculation of Terminal Four 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 and/or Terminal Four Gross Receipts and which the Terminal Four Lessee, in its sole discretion, believes may be relevant for identification, determination or calculation of Terminal Four 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) if the Permittee has performed any privilege or portion thereof at Terminal Four, then permit and/or cause to be permitted in ordinary business hours during the effective period of the 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 Terminal Four Lessee of all Books and Records within ten (10) days following any request by the Terminal Four Lessee from time to time and at any time to examine and audit any Books and Records;

(vii) permit the inspection by the officers, employees and representatives of the Port Authority and the Terminal Four Lessee of any equipment used by the Permittee, including but not limited to the equipment described in paragraph (a)(viii) below; and

(viii) 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 Terminal Four 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 Terminal Four Gross Receipts and to the Terminal Four Lessee of all Terminal Four 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)(viii) above then, in addition to all, and without limiting any other, rights and remedies of the Port Authority and the Terminal Four Lessee 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) the Port Authority or the Terminal Four Lessee may estimate the Terminal Four Gross Receipts on any basis that the Port Authority or the Terminal Four Lessee, 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 Terminal Four Lessee when billed; and/or

(iii) 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.

(iv) if any Books and Records are maintained outside of the Port of New York District, then the Terminal Four Lessee 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 Terminal Four Lessee within the Port of New York District for examination and audit pursuant to paragraph (a)(vi) hereof and/or (y) examine and audit any such Books and Records pursuant to paragraph (a)(vi) 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 Terminal Four Lessee when billed all travel costs and related expenses, as determined by the Terminal Four Lessee, for Terminal Four Lessee 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 Terminal Four Lessee when billed all costs and expenses of the Terminal Four Lessee, as determined by the Terminal Four Lessee, 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 Terminal Four Lessee 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 or the Terminal Four Lessee determines that unpaid amounts are due to the Port Authority or to the Terminal Four Lessee by the Permittee (the "*Audit Findings*"), the Permittee shall be obligated, and hereby agrees, to pay to the Port Authority and/or the Terminal Four Lessee 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 or by the Terminal Four Lessee. Such service charge (s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority or the Terminal Four Lessee 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) and 4(a)(iii). 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 hereunder and the foregoing auditing costs, expenses and amounts of the Terminal Four Lessee set forth in paragraphs (b), (c) and (d) above shall be deemed fees under this Permit payable to the Terminal Four Lessee with the same force and effect as the Terminal Four Percentage Fee and all other fees payable to the Terminal Four Lessee hereunder.

25. Rates and Charges:

The Permittee shall establish rates and discounts therefrom which are in compliance with Section 22 hereof (each such rate and discount is hereinafter called an "*Established Rate*"). Upon request by the Port Authority, the Permittee shall provide the Port Authority its rates and discounts therefrom for goods and services furnished hereunder. If the Permittee applies any rate in excess of the Established Rate therefor or extends a discount less than the Established Discount therefor, the amount by which the charge based on such actual rate or actual discount deviates from a charge based on the Established Rate shall constitute an overcharge which will, upon demand of the Port Authority or the Permittee's customer, be promptly refunded to the customer. If the Permittee applies any rate which is less than the Established Rate therefor or extends a discount which is in excess of the Established Rate therefor, the amount by which the charge based on such actual rate or actual discount deviates from a charge based on the Established Rate shall constitute an undercharge and an amount equivalent thereto shall be included in Gross Receipts and Terminal Four Gross Receipts hereunder and the Basic Percentage Fee and the Terminal Four 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 or Terminal Four Gross Receipts any such overcharge or undercharge shall constitute a breach of the Permittee's obligations hereunder and the Port Authority shall have all remedies consequent upon such breach which would otherwise be available to it at law, in equity or by reason of this Permit.

26. Other Agreements:

In the event the terms and provisions of any agreement entered into by the Permittee with any third Person in connection with the privileges granted hereunder are contrary to or conflict or are inconsistent with the terms and provisions of this Permit, the terms and provisions of this Permit shall be controlling, effective and determinative.

27. City Lease Provisions:

(a) The Permittee acknowledges that it has received a copy of, and is familiar with the contents of, the City Lease. The Permittee acknowledges that no greater rights or privileges are hereby granted to the Permittee than the Port Authority has the power to grant under the City Lease.

(b) In accordance with the provisions of the City Lease, the Port Authority and the Permittee hereby agree as follows:

(i) This Permit is subject and subordinate to the City Lease and to any interest superior to that of the Port Authority;

(ii) The Permittee shall not pay the fees or other sums under this Permit for more than one (1) month in advance (excluding security or other deposits required under this Permit);

(iii) With respect to this Permit, the Permittee on the termination of the City Lease will, at the option of the City, enter into a direct permit on identical terms with the City;

(iv) The Permittee shall indemnify the City, as third party beneficiary hereunder, with respect to all matters described in Section 31 of the City Lease that arise out of the Permittee's operations at the Airport, or arise out of the acts or omissions of the Permittee's officers, employees, agents, representatives, contractors, customers, business visitors and guests at the Airport with the Permittee's consent;

(v) The Permittee shall not use any portion of the Airport for any use other than as permitted under the City Lease;

(vi) The Permittee shall use the Airport in a manner consistent with the Port Authority's obligations under Section 28 of the City Lease;

(vii) The failure of the Permittee to comply with the foregoing provisions shall be an event of default under this Permit, which shall provide the Port Authority with the right to revoke this Permit and exercise any other rights that the Port Authority may have as the grantor of the permission hereunder; and

(viii) The City shall be named as an additional insured or loss payee, as applicable, under each policy of insurance procured by the Permittee pursuant to this Permit.

28. Counterclaims:

The Permittee specifically agrees that it shall not interpose any claims as counterclaims in any action for non-payment of fees or other amounts, which may be brought by the Port Authority unless such claims would be deemed waived if not so interposed.

29. Continued Exercise of Privilege After Expiration, Revocation or Termination:

(a) The Permittee acknowledges that the failure of the Permittee to cease to perform the Authorized Service at the Airport from the effective date of such expiration, revocation or termination will or may cause the Port Authority injury, damage or loss, and the Permittee hereby assumes the risk of such injury, damage or loss and hereby agrees that it shall

be responsible for the same and shall pay the Port Authority for the same whether such are foreseen or unforeseen, special, direct, consequential or otherwise and the Permittee hereby expressly agrees to indemnify and hold the Port Authority harmless against any such injury, damage or loss. The Permittee acknowledges that the Port Authority reserves all its legal and equitable rights and remedies in the event of such failure by the Permittee to cease performance of the Authorized Service.

(b) The Permittee hereby acknowledges and agrees that, subject to the foregoing, all terms and provisions of this Permit shall be and continue in full force and effect during any period following such expiration, revocation or termination. The term "Post-Termination Period", for purposes of this Permit, shall mean any period following the expiration, revocation or termination of the effective period of the permission granted under this Permit, as such effective period of permission may be extended from time to time.

30. Governing Law:

This agreement and any claim, dispute or controversy arising out of, under or related to this agreement shall be governed by, interpreted and construed in accordance with the laws of the State of New York, without regard to choice of law principles.

31. Miscellaneous:

(a) It is understood and agreed that the Port Authority shall not furnish, sell or supply to the Permittee any services or utilities in connection with this Permit.

(b) No Commissioner, Director, officer, agent or employee of either party shall be charged personally by the other party with any liability, or held liable to the other party, under any term or provision of this Permit, or because of the party's execution or attempted execution, or because of any breach thereof.

(c) The Section and paragraph headings, if any, in this Permit are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of any provision hereof.

(d) This Permit, including the attached Special Endorsements, constitutes the entire agreement of the Port Authority and the Permittee on the subject matter hereof. This Permit may not be changed, modified, discharged or extended, except by written instrument duly executed on behalf of the Port Authority and the Permittee or except by notice as specifically set forth in Sections 4 and 13 hereof. The Permittee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing herein.

Initialled:

For the Port Authority

For the Permittee

RJG 3-15-11

[redacted]

: For Port Authority Use Only :
: :
:Permit Number: AYE-206 :

JOHN F. KENNEDY 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 John F. Kennedy International Airport, in the Borough of Queens, County of Queens, City and State of New York, in accordance with the Terms and Conditions hereof; and the Permittee agrees to pay the fee hereinafter specified and to perform all other obligations imposed upon it in the said Terms and Conditions:

1. **PERMITEE:** JETBLUE AIRWAYS CORPORATION, a New York corporation

2. **PERMITTEE'S ADDRESS:** 27-01 Queens Plaza North
Long Island City, New York 11101

3. **PERMITTEE'S REPRESENTATIVE:** Kevin Costello

4. **PRIVILEGE:** To provide the Cleaning Service, In-Terminal Handling Service, Passenger Ramp Service and Routine and Non-routine Aircraft Maintenance services (as defined in the Section entitled "*Definitions*" of the Terms and Conditions of this Permit) 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:** February 1, 2008

7. **EXPIRATION DATE:** January 31, 2018, unless sooner revoked or terminated as herein provided.

8. **REQUIRED SECURITY DEPOSIT:** As set forth in Special Endorsements No. 2 hereof

9. **INSURANCE REQUIREMENTS:** $25,000,000.00 minimum limit Commercial General Liability
$25,000,000.00 minimum limit Automobile Liability

10. **ENDORSEMENTS:** Special Endorsements.

Dated: As of February 1, 2008

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:
	SSA

JETBLUE AIRWAYS CORPORATION, Permittee

By _____

Name RICHARD J. SMYTH
(Please Print Clearly)

(Title) Vice President - Corp Real Estate

SPECIAL ENDORSEMENTS

1. **Authorized Service.**

(a) Consent. The Port Authority hereby consents to the Permittee providing the Authorized Service to Hawaiian Airlines, Inc. at the Airport.

(b) Operations.

(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. **Effect of Security Agreement**. Notwithstanding anything to the contrary contained in this Permit, the Permittee hereby agrees that this Permit is one of the "Agreements", as such term is defined in that certain security agreement entered into between the Port Authority and the Permittee, dated as of February 4, 2000, and identified by Port Authority Agreement No. AYD-132 (as may be amended, modified or extended, the "***Security Agreement***"), and that a breach or failure to perform or comply with any of the terms and conditions of the Security Agreement, including without limitation failure to provide a letter of credit in accordance with the terms and provisions of the Security Agreement at any time during the term under any of the Agreements valid and available to the Port Authority or any failure of any banking institution issuing a letter of credit to make one or more payments as provided in such letter of credit, shall constitute a material breach of this Permit and the Security Agreement thereby entitling the Port Authority to immediately exercise any and all rights available to it, including without limitation the right to terminate this Permit for cause.

3. **Insurance**. Section 8, entitled "*Liability Insurance*", of the Terms and Conditions of this Permit is hereby deleted and the following is substituted in lieu thereof:

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 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 "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 certificates and coverages required under this Section may be reviewed by the Port Authority for adequacy of terms, conditions and limits of coverage at any time and from time to time during the effective period of permission granted under this Permit. The Port Authority may, at any such time, require additions, deletions, amendments or modifications to the aforementioned insurance requirements, or may require such other and additional insurance, in such reasonable amounts, against such other insurable hazards, as the Port Authority may deem required and the Permittee shall promptly comply therewith.

(d) Each policy must be specifically endorsed to provide that the policy may not be cancelled, terminated, changed or modified without giving thirty (30) days' written advance notice thereof to the Port Authority. Each policy shall contain a provision or endorsement that the insurer "shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port

Authority." The foregoing provisions or endorsements shall be recited in each policy or certificate to be delivered pursuant to the following paragraph (e).

(e) A certified copy of each policy or a certificate or certificates of insurance evidencing the existence thereof, or binders, shall be delivered to the Port Authority upon execution and delivery of this Permit by the Permittee to the Port Authority. In the event any binder is delivered it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate of insurance. Any renewal policy shall be evidenced by a renewal certificate of insurance delivered to the Port Authority 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 or certificate of insurance 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.

4. **OFAC.**

(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 term 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 term of the period of permission hereunder.

For the Port Authority

Initialed:

For the Permittee

TERMS AND CONDITIONS

1. Definitions:

The following terms, when and if used in this Permit, shall have the respective meanings given below:

(a) "*Air Cargo*" shall mean cargo transported to or from the Airport by aircraft owned or operated by an Approved Aircraft Operator.

(b) "*Aircraft Operator*" shall mean (a) a Person owning one or more aircraft which are not leased or chartered to any other Person for operation, and (b) a Person to whom one or more aircraft are leased or chartered for operation - whether the aircraft so owned, leased or chartered are military or non-military, or are used for private business, pleasure or governmental business, or for carrier or non-carrier operations, or for scheduled or non-scheduled operations or otherwise. Said term shall not mean the pilot of an aircraft unless he is also the owner or lessee thereof or a Person to whom it is chartered.

(c) "*Airport*" shall mean John F. Kennedy International Airport, consisting of certain premises identified as "John F. Kennedy International Airport" on Sheet JFK-1 of Exhibit A, and more particularly described in Exhibit B, annexed to the City Lease, and such other property as may be acquired in connection with and added to such premises pursuant to the terms of the City Lease.

(d) "*Approved Aircraft Operator*" shall mean an Aircraft Operator which the General Manager of the Airport has authorized to conduct its aircraft operations at the Airport and if such Aircraft Operator is subleasing or subusing space, or has a ground handling agreement or other agreement at the Airport with an Aircraft Operator, a lessee or other Person at the Airport which requires the consent of the Port Authority, each such subleasing, subuse, ground handling agreement or other agreement has been consented to in writing by the Port Authority.

(e) "*Basic Percentage Fee*" shall have the meaning given such term in Section 4(a)(i) hereof.

(f) "*Cargo Aircraft*" shall mean aircraft engaged solely and exclusively in the carriage of Air Cargo.

(g) "*Cargo Handling and Ramp Service*" shall mean all or any of the following services for or in connection with Air Cargo:

(i) representation and accommodation;

(ii) load control and communications;

(iii) unit load device control, handling and administration in connection with Cargo Aircraft;

(iv) flight operations and crew administration in connection with Cargo Aircraft, including but not limited to obtaining and providing meteorological reports, briefing and debriefing flight crews, preparing and filing flight plans, dispatching and receiving messages in connection with flight and ground operations, maintaining station logs and filing necessary reports with governmental agencies, preparing weight and balance plans, maintaining flight watch and arranging hotel accommodations for flight crews;

(v) pickup and delivery of Air Cargo, air express and mail to and from appropriate locations (allowed or designated from time to time by the Port Authority for such pickup and delivery) on the Airport;

(vi) preparation of documentation associated with Air Cargo, including but not limited to cargo manifests, airway bills and customs clearance documentation;

(vii) distribution of Air Cargo;

(viii) reception of Air Cargo to be shipped from the Airport;

(ix) temporary warehousing, sorting and storage of Air Cargo;

(x) supervision and administration;

(xi) courier services;

(xii) guiding Cargo Aircraft in and out of gate or loading or unloading positions and parking Cargo Aircraft;

(xiii) providing, positioning/removing, and operating appropriate units for engine starting for Cargo Aircraft;

(xiv) furnishing and placing in position and thereafter removing the necessary and appropriate steps, stands and power equipment for the safe and efficient loading and unloading of crew members and other persons, ballast, potable water, mail, air express, Air Cargo and supplies onto and from aircraft and trucks, and performing such loading and unloading and reporting irregularities;

(xv) providing a fire guard equipped with the necessary and appropriate fire fighting equipment for Cargo Aircraft;

(xvi) towing of Cargo Aircraft;

(xvii) ramp control tower services for Cargo Aircraft;

(xviii) Cargo Aircraft servicing, including interior and exterior cleaning, the removal and disposal of aircraft waste material and providing water service, cooling and heating, and toilet service;

(xix) conversion operations and services consisting of the removal of seats from convertible-type aircraft, so as to convert the same to Cargo Aircraft, and from Cargo Aircraft to Passenger Aircraft by the installation of seats;

(xx) ramp area cleaning;

(xxi) Gateside Aircraft Maintenance of Cargo Aircraft, it being specifically understood, however, that Routine and Non-routine Aircraft Maintenance, as distinguished from Gateside Aircraft Maintenance, is hereby prohibited unless expressly provided for hereunder;

(xxii) mobile fueling, on the Permittee's own account, for automotive and other ramp equipment using mobile tender vehicles or other equipment as may be approved from time to time by the General Manager of the Airport;

(xxiii) the rental, on the Permittee's own account, of ground service equipment, vehicles and parts and of ramp equipment, vehicles and parts to Approved Aircraft Operators at the Airport and the provision, on the Permittee's own account, of a maintenance and/or management service for ground service equipment, vehicles and parts and ramp equipment, vehicles and parts owned or operated by Approved Aircraft Operators at the Airport;

(xxiv) deicing to the exterior of aircraft of Approved Aircraft Operators at such locations on the Airport as may from time to time be designated by the General Manager of the Airport;

(xxv) triturator operations and maintenance;

(xxvi) snow removal; and

(xxvii) security services for and in connection with Air Cargo and Cargo Aircraft.

(h) "*City*" shall mean the City of New York.

(i) "*City Lease*" shall mean the Amended and Restated Agreement of Lease of the Municipal Air Terminals between The City of New York, as Landlord, and The Port Authority of New York and New Jersey, as Tenant, dated as of November 24, 2004 and recorded in the office of the City Register of the City on December 3, 2004 under City Register File No. 2004000748687, as the same may have been or may be amended or supplemented.

(j) "*Cleaning Service*" shall mean all or any of the following services:

(i) the cleaning, repairing and installing of upholstery, carpeting and curtains in aircraft and linens used on aircraft;

(ii) the complete interior and exterior cleaning of aircraft, the removal and disposal of waste material and providing water service, cooling and heating, and toilet service;

(iii) conversion operations and services consisting of the removal of seats from convertible-type aircraft so as to convert the same to Cargo Aircraft and from Cargo Aircraft to Passenger Aircraft by installation of seats;

(iv) ramp area cleaning services; and

(v) the rental, on the Permittee's own account, of ground service equipment, vehicles and parts and of ramp equipment, vehicles and parts to Approved Aircraft Operators at the Airport and the provision, on the Permittee's own account, of a maintenance and/or management service for ground service equipment, vehicles and parts and ramp equipment, vehicles and parts owned or operated by Approved Aircraft Operators at the Airport.

(k) "*Effective Date*" shall mean that date appearing in Item 6 on the first page of this Permit as the same may be modified pursuant to the provisions of Section 2(a) hereof.

(l) "*Environmental Requirement*" shall mean all common law and all past, present and future laws, statutes, enactments, resolutions, regulations, rules, directives, ordinances, codes, licenses, permits, orders, memoranda of understanding and memoranda of agreement, guidances, approvals, plans, authorizations, concessions, franchises, requirements and similar items of all governmental agencies, departments, commissions, boards, bureaus or instrumentalities of the United States, states and political subdivisions thereof, all pollution prevention programs, "best management practices plans", and other programs adopted and agreements made by the Port Authority (whether adopted or made with or without consideration or with or without compulsion), with any government agencies, departments, commissions, boards, bureaus or instrumentalities of the United States, states and political subdivisions thereof, and all judicial, administrative, voluntary and regulatory decrees, judgments, orders and agreements relating to the protection of human health or the environment, and in the event that there shall be more than one compliance standard, the standard for any of the foregoing to be that which requires the lowest level of a Hazardous Substance, the foregoing to include without limitation:

(i) All requirements pertaining to reporting, licensing, permitting, investigation and remediation of emissions, discharges, releases or threatened releases of Hazardous Substances into the air, surface water, groundwater or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Substances, or the transfer of property on which Hazardous Substances exist; and

(ii) All requirements pertaining to the protection from Hazardous Substances of the health and safety of employees or the public.

(m) "*Executive Director*" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the Executive Director by this Permit; but until further notice from the Port Authority to the Permittee it shall

mean the Executive Director of the Port Authority for the time being or his duly designated representative or representatives.

(n) "*Gateside Aircraft Maintenance*" shall mean such emergency transit and turnaround maintenance performed on the aircraft of an Aircraft Operator as may be performed in the time such aircraft is permitted to be and remain at the aircraft gate position or hardstand at which such maintenance is to be performed and which is performed by or required by law, rule or regulation to be performed by or under the supervision of a licensed aircraft mechanic or other person specifically licensed, certified or approved by governmental authority having jurisdiction, including the rental or equipment and tools in the connection therewith. It is specifically understood that the performance of any other aircraft maintenance, including but not limited to Routine and Non-routine Aircraft Maintenance, is hereby prohibited unless expressly provided for hereunder.

(o) "*General Manager of the Airport*" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in said General Manager by this Permit; but until further notice from the Port Authority to the Permittee it shall mean said General Manager (or Acting General Manager) of the Airport for the time being or his duly designated representative or representatives.

(p) "*Gross Receipts*" shall mean all amounts, monies, revenues, receipts and income of every type paid or payable to the Permittee for sales made and for services rendered at or from the Airport, regardless of when or where the order therefor is received, and outside the Airport, if the order therefor is received at the Airport, and any other amounts, monies, revenues, receipts and income of any type arising out of or in connection with the Authorized Service, provided, however, there shall be excluded from Gross Receipts, any Terminal Four Gross Receipts and 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.

(y) "*Terminal Four*" shall mean the premises under the Terminal Four Lease commonly referred to on the Airport as "Terminal Four".

(z) "*Terminal Four Gross Receipts*" shall each mean and include all amounts, monies, revenues, receipts and income of every type paid or payable to the Permittee for sales made and for services rendered at Terminal Four, regardless of when or where the order therefor is received, and any other amounts, monies, revenues, receipts and income of any type arising out of or in connection with the Permittee's operations at Terminal Four, provided, however, there shall be excluded from Terminal Four 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.

(aa) "*Terminal Four Lease*" shall mean that certain agreement of lease bearing Port Authority Agreement No. AYC-685 entered into between the Port Authority and JFK International Air Terminal LLC on May 13, 1997.

(bb) "*Terminal Four Lessee*" shall mean for the time being JFK International Air Terminal LLC, a limited liability company organized and existing under the laws of the State of New York, or such other Person which the Port Authority may from time to time and at any time designate by notice to the Permittee.

(cc) "*Terminal Four Percentage Fee*" shall mean the fee payable to the Terminal Four Lessee pursuant to and as defined in Section 4(a)(i) hereof.

2. Effective Date, Termination and Revocation:

(a) The permission hereby granted shall take effect upon the Effective Date. Notwithstanding Item 6 appearing on the first page of this Permit, the Effective Date of this Permit shall be that date the Permittee commenced any of the activities permitted by this Permit. The Permittee in executing this Permit represents that the Effective Date appearing in Item 6 on the first page of this Permit is the date the Permittee commenced any of the activities permitted by this Permit. If the Port Authority determines by audit or otherwise that the Permittee

commenced any of the activities permitted by this Permit prior to said effective date, the Effective Date of this Permit shall be the date the Permittee commenced any of the activities permitted by this Permit and all obligations of the Permittee under this Permit shall commence on such date including without limitation the Permittee's indemnity obligations and obligations to pay fees.

(b) Notwithstanding any other term or condition hereof, the permission hereby granted may be revoked without cause upon thirty (30) days' written notice by the Port Authority, or terminated without cause upon thirty (30) days' written notice by the Permittee, provided, however, that it may be revoked on twenty-four (24) hours' notice by the Port Authority if the Permittee shall fail to keep, perform and observe each and every promise, agreement, condition, term and provision contained in this Permit, including but not limited to the obligation to pay fees. Unless sooner revoked or terminated, such permission shall expire in any event upon the expiration date hereinbefore set forth.

(c) In the event the Port Authority exercises 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 City Lease.

(c) Neither this Permit nor anything contained herein, shall be deemed to grant any rights in the Permittee to use and occupy any land, building space or other area at the Airport or shall be deemed to have created any obligation on the part of the Port Authority to provide any such land, space or area to the Permittee.

(d) Neither the execution and delivery of this Permit nor any act done pursuant thereto shall create between any terminal operator, lessee or other occupant of land at the Airport including but not limited to the Terminal Four Lessee and 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 and, if any privilege or portion thereof is performed at Terminal Four, to pay to the Terminal Four Lessee a percentage fee (hereinafter called the "Terminal Four Percentage Fee"), at the times set forth in and in accordance with paragraph (a)(iii) below, equal to five percent (5%), as the same may be increased pursuant to paragraph (k) below, of Terminal Four 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 person designated by the Permittee as having sufficient knowledge to provide such statement 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 person designated by the Permittee as having sufficient knowledge to provide such statement 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.

(iii) Terminal Four Gross Receipts shall be reported and the Terminal Four Percentage Fee shall be paid to the Terminal Four Lessee 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 the Permit is in effect and including the calendar month in which the Permit ceases to be in effect, the Permittee shall render to the Port Authority and the Terminal Four Lessee a monthly statement sworn to by a person designated by the Permittee as having sufficient knowledge to provide such statement showing all of the Terminal Four Gross Receipts for the preceding month (the "Monthly Sworn Statement of Gross Receipts"). Each of the said statements shall also show the cumulative Terminal Four 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 and the Terminal Four Lessee, the Permittee shall pay to the Terminal Four Lessee an amount equal to five percent (5%) applied to the Terminal Four 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 and the Terminal Four Lessee a statement setting forth the cumulative totals of the Terminal Four 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 the Permit, the Permittee shall render to the Port Authority and the Terminal Four Lessee a sworn statement certified, at the Permittee's expense, by a person designated by the Permittee as having sufficient knowledge to provide such statement of all Terminal Four Gross Receipts during the period from the last preceding anniversary of the Effective Date up to and including the last day the Permit shall be in effect and the Permittee shall, at the time of rendering such statement to the Terminal Four Lessee pay to the Terminal Four Lessee the Terminal Four Percentage Fee due and unpaid as of the last day the Permit shall be in effect. Each of the statements called for hereunder shall separately list and state the Terminal Four Gross Receipts and the applicable Terminal Four Percentage Fee payable thereon for each privilege (including without limitation each Authorized Service) provided by the Permittee hereunder at Terminal Four.

(b) (i) All statements to be submitted to the Port Authority pursuant to this Section and all payments made under this Permit, except for the Terminal Four Percentage Fee, 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.

(ii) All statements to be submitted to the Terminal Four Lessee hereunder and the Terminal Four Percentage Fee shall be made to the Terminal Four Lessee at Terminal Four, John F. Kennedy International Airport, Room 2300, Jamaica, New York 11430 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 and Terminal Four 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 (and Terminal Four 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 services or Routine and Non-routine Aircraft Maintenance services, there shall be excluded from Gross Receipts and Terminal Four 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 and Terminal Four 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 and Terminal Four Gross Receipts.

(f) Without limiting any other provisions of this Permit regarding Gross Receipts and Terminal Four 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 and Terminal Four 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 and Terminal Four 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 and Terminal Four 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 or Terminal Four 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, the Terminal Four 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 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 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 ("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 agreement, as well as agreements hereinafter entered into.

6. Permittee's Operations:

(a) The Permittee shall provide to the Port Authority, upon request of the Port Authority from time to time, such information and data in connection with the permission granted hereunder as the Port Authority may request and shall, if so requested by the Port Authority, make periodic reports thereof to the Port Authority utilizing such forms as may be adopted by the Port Authority for such purpose.

(b) The Permittee shall daily remove from the Airport by means of facilities provided by it all garbage, debris and other waste material (whether solid or liquid) arising out of or in connection with the permission granted hereunder, and any such not immediately removed shall be temporarily stored in a clean and sanitary condition, in suitable garbage and waste receptacles, the same to be made of metal and equipped with tight-fitting covers, and to be of a design safely and properly to contain whatever material may be placed therein; said receptacles being provided and maintained by the Permittee. The receptacles shall be kept covered except when filling or emptying the same. The Permittee shall exercise extreme care in removing such garbage, debris and other waste materials from the Airport. The manner of such storage and removal shall be subject in all respects to the continual approval of the Port Authority. No facilities of the Port

Authority shall be used for such removal unless with its prior consent in writing. No such garbage, debris or other waste materials shall be or be permitted to be thrown, discharged or disposed into or upon the waters at or bounding the Airport.

(c) The Permittee shall at all times that areas of the Airport are being used for the privileges permitted hereunder, maintain said areas in a clean and orderly condition and appearance. The Permittee shall promptly wipe up any oil, gasoline, grease, lubricants and other inflammable liquids and substances and any liquids and substances having a corrosive or detrimental effect on the paving or other surface of the ramps or other areas upon which it performs the privileges authorized by this Permit resulting from its operations hereunder. The Permittee shall repair, replace, repave or rebuild, or at the Port Authority's election, the Permittee shall pay to the Port Authority the cost to the Port Authority of repairing, replacing, repaving or rebuilding, all or any part of the ramps or other areas upon which it performs the privileges authorized by this Permit which may be damaged or destroyed by such oil, gasoline, grease, lubricants or other liquids or substances or by any other act or omission of the Permittee or its employees, agents or contractors except for reasonable wear and tear arising out of its operations thereon.

(d) A principal purpose of the Port Authority in granting the permission under this Permit is to have available at the Airport, the privileges which the Permittee is permitted to render hereunder. The Permittee agrees that it will conduct a first-class operation and will furnish all fixtures, equipment, personnel (including licensed personnel as necessary), supplies, materials and other facilities and replacements necessary or proper therefor, and keep the same in a first-class operating condition at all times.

(e) The Permittee shall immediately comply with all orders, directives and procedures as may be issued by the General Manager of the Airport covering the operations of the Permittee under this Permit at any time and from time to time. The Port Authority may, at any time and from time to time, without prior notice or cause, withdraw or modify any designation, approval, substitution or redesignation given by it hereunder.

(f) In the event of any injury or death to any person (other than employees of the Permittee) at the Airport when caused by the Permittee's operations, or damage to any property (other than the Permittee's property) at the Airport when caused by the Permittee's operations, the Permittee shall immediately notify the Port Authority and promptly thereafter furnish to the Port Authority copies of all reports given to the Permittee's insurance carrier.

(g) The operations of the Permittee, its employees, invitees and those doing business with it shall be conducted in an orderly and proper manner and so as not to annoy, disturb or be offensive to others at the Airport. The Permittee shall provide and its employees shall wear or carry badges or other suitable means of identification and the employees shall wear appropriate uniforms. The badges, means of identification and uniforms shall be subject to the written approval of the General Manager of the Airport. The Port Authority shall have the right to object to the Permittee as to the demeanor, conduct and appearance of the Permittee's employees, invitees and those doing business with it, whereupon the Permittee will take all steps necessary to remove the cause of the objection.

(h) The Permittee shall promptly repair or replace any property of the Port Authority damaged by the Permittee's operations at the Airport.

7. Indemnity:

(a) The Permittee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives, from and against (and shall reimburse the Port Authority for the Port Authority's costs and expenses including legal costs and expenses incurred in connection with the defense of) all claims and demands of third Persons including but not limited to claims and demands for death or personal injuries, or for property damages, arising out of any default of the Permittee in performing or observing any term or provision of this Permit, or out of the operations of the Permittee hereunder, or out of any of the acts or omissions of the Permittee, its officers, employees or Persons who are doing business with the Permittee arising out of or in connection with the activities permitted hereunder, or arising out of the acts or omissions of the Permittee, its officers or employees at the Airport, including claims and demands of the City against the Port Authority for indemnification arising by operation of law or through agreement of the Port Authority with the said City.

(b) Without limiting any other term or provision hereof, the Permittee agrees to indemnify and hold harmless the Port Authority, its Commissioners, officers, employees, agents and representatives of and from any loss, liability, expense, suit or claim for damages in connection with any actual or alleged infringement of any patent, trademark or copyright, or arising from any alleged or actual unfair competition or other similar claim arising out of the operations of the Permittee under or in any wise connected with this Permit.

(c) Without limiting any other term or provision hereof, the Permittee shall indemnify the Port Authority and hold it harmless against all claims and demands of third Persons for damage to any aircraft cargo or baggage or any other property handled or delivered pursuant to the permission granted by this Permit.

(d) If so directed, the Permittee shall at its own expense defend any suit based upon any such claim or demand set forth in paragraphs (a), (b) and (c) above (even if such claim or demand is groundless, false or fraudulent), and in handling such it shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority.

8. Liability Insurance:

(a) The Permittee, in its own name as insured and including the Port Authority as an additional insured, shall maintain and pay the premiums during the effective period of the Permit on a policy or policies of Commercial General Liability Insurance, including premises-operations and products-completed operations and covering bodily-injury liability, including death, and

property damage liability, none of the foregoing to contain care, custody or control exclusions, and providing for coverage in the minimum limit set forth in Item 9 on the first page of this Permit, and Commercial Automobile Liability Insurance covering owned, non-owned and hired vehicles and including automatic coverage for newly acquired vehicles and providing for coverage in the minimum limit set forth in Item 9 on the first page of this Permit. Without limiting the foregoing, the Permittee shall maintain Workers' Compensation and Employers Liability Insurance in accordance with the Permittee's statutory obligations under the applicable State Workers' Compensation Law for those employees of the Permittee employed in operations conducted pursuant to this Permit at or from the Airport. In the event the Permittee maintains the foregoing insurance in limits greater than aforesaid, the Port Authority shall be included therein as an additional insured, except for the Workers' Compensation and Employers Liability Insurance policies, to the full extent of all such insurance in accordance with all terms and provisions of this Permit.

(b) Each policy of insurance, except for the Workers' Compensation and Employers Liability Insurance policies, shall also contain an ISO standard "separation of insureds" clause or a cross liability endorsement providing that the protections afforded the Permittee thereunder with respect to any claim or action against the Permittee by a third person shall pertain and apply with like effect with respect to any claim or action against the Permittee by the Port Authority and any claim or action against the Port Authority by the Permittee, as if the Port Authority were the named insured thereunder, but such clause or endorsement shall not limit, vary, change or affect the protections afforded the Port Authority thereunder as an additional insured. Each policy of insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Permittee under Section 7 of the Terms and Conditions of this Permit.

(c) All insurance coverages and policies required under this Section may be reviewed by the Port Authority for adequacy of terms, conditions and limits of coverage at any time and from time to time during the effective period of permission granted under this Permit. The Port Authority may, at any such time, require additions, deletions, amendments or modifications to the aforementioned insurance requirements, or may require such other and additional insurance, in such reasonable amounts, against such other insurable hazards, as the Port Authority may deem required and the Permittee shall promptly comply therewith.

(d) Each policy must be specifically endorsed to provide that the policy may not be cancelled, terminated, changed or modified without giving thirty (30) days' written advance notice thereof to the Port Authority. Each policy shall contain a provision or endorsement that the insurer "shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port Authority." The foregoing provisions or endorsements shall be recited in each policy or certificate to be delivered pursuant to the following paragraph (e).

(e) A certified copy of each policy or a certificate or certificates of insurance evidencing the existence thereof, or binders, shall be delivered to the Port Authority upon execution and delivery of this Permit by the Permittee to the Port Authority. In the event any binder is delivered it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate of insurance. Any renewal policy shall be evidenced by a renewal certificate of insurance delivered to the Port Authority at least thirty (30) days prior to the expiration of each expiring policy, except for any policy expiring after the date of expiration of this Permit. The aforesaid insurance shall be written by a company or companies approved by the Port Authority. If at any time any insurance policy shall be or become unsatisfactory to the Port Authority as to form or substance or if any of the carriers issuing such policy shall be or become unsatisfactory to the Port Authority, the Permittee shall promptly obtain a new and satisfactory policy in replacement. If the Port Authority at any time so requests, a certified copy of each policy shall be delivered to or made available for inspection by the Port Authority.

(f) The foregoing insurance requirements shall not in any way be construed as a limitation on the nature or extent of the contractual obligations assumed by the Permittee under this Permit. The foregoing insurance requirements shall not constitute a representation or warranty as to the adequacy of the required coverage to protect the Permittee with respect to the obligations imposed on the Permittee by this Permit or any other agreement or by law.

9. Special Endorsements:

The Permittee hereby agrees to the terms and conditions of the endorsements attached hereto, hereby made a part hereof and marked "*Special Endorsements*". The terms and provisions of the Special Endorsements shall have the same force and effect and as if herein set forth in full.

10. No Waiver:

No failure by the Port Authority or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee shall be in writing, and all such notices given by the Port Authority or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee under this Permit, including without limitation the Port Authority's rights set forth in Section 2 of these Terms and Conditions, or (ii) any obligations of the Permittee under this Permit. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Permit shall be payable instead at such legal maximum.

15. Non-discrimination:

(a) Without limiting the generality of any of the provisions of this Permit, the Permittee, for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby agree that (1) no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of any space at the Airport and the exercise of any privileges under this Permit, (2) that in the construction of any improvements on, over, or under any space at the Airport and the furnishing of any service thereon by the Permittee, no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, (3) that the Permittee shall use any space at the Airport and exercise any privileges under this Permit in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended, and any other present or future laws, rules, regulations, orders or directions of the United States of America with respect thereto which from time to time may be applicable to the Permittee's operations thereat, whether by reason of agreement between the Port Authority and the United States Government or otherwise.

(b) The Permittee shall include the provisions of paragraph (a) of this Section in every agreement or concession it may make pursuant to which any Person or Persons, other than the Permittee, operates any facility at the Airport providing services to the public and shall also include therein a provision granting the Port Authority a right to take such action as the United States may direct to enforce such provisions.

(c) The Permittee's noncompliance with the provisions of this Section shall constitute a material breach of this Permit. Without limiting any other term or provision hereof or any other rights or remedies of the Port Authority hereunder or at law or equity, in the event of the

breach by the Permittee of any of the above non-discrimination provisions, the Port Authority may take any appropriate action to enforce compliance or by giving twenty-four (24) hours' notice, may revoke this Permit and the permission hereunder; or may pursue such other remedies as may be provided by law; and as to any or all of the foregoing, the Port Authority may take such action as the United States may direct.

(d) Without limiting any other term or provision hereof, the Permittee shall indemnify and hold harmless the Port Authority from any claims and demands of third Persons, including the United States of America, resulting from the Permittee's noncompliance with any of the provisions of this Section and the Permittee shall reimburse the Port Authority for any loss or expense incurred by reason of such noncompliance.

(e) Nothing contained in this Section shall grant or shall be deemed to grant to the Permittee the right to transfer or assign this Permit, to make any agreement or concession of the type mentioned in paragraph (b) hereof, or any right to perform any construction on any space at the Airport, or any right to use or occupy any space at the Airport.

16. Affirmative Action:

The Permittee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Permittee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Permittee assures that it will require that its covered suborganizations provide assurances to the Permittee that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

17. Rules and Regulations:

(a) The Permittee shall observe and obey (and compel its officers, employees, guests, invitees, and those doing business with it, to observe and obey) the rules and regulations and procedures of the Port Authority now in effect, and such further reasonable rules and regulations and procedures which may from time to time during the effective period of this Permit, be promulgated by the Port Authority for reasons of safety, health, preservation of property or maintenance of a good and orderly appearance of the Airport or for the safe and efficient operation of the Airport. The Port Authority agrees that, except in cases of emergency, it shall give notice to the Permittee of every rule and regulation hereafter adopted by it at least five (5) days before the Permittee shall be required to comply therewith.

(b) The Permittee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of the New York Board of Fire Underwriters and the New York Fire Insurance Exchange, and any other body or organization exercising similar functions which may pertain or apply to the

Permittee's operations hereunder. If by reason of the Permittee's failure to comply with the provisions of this Section, any fire insurance, extended coverage or rental insurance rate on the Airport or any part thereof, or upon the contents of any building thereon, shall at any time be higher than it otherwise would be, then the Permittee shall on demand pay the Port Authority that part of all fire insurance premiums paid or payable by the Port Authority which shall have been charged because of such violation by the Permittee.

18. Prohibited Acts

(a) The Permittee shall not do or permit to be done any act which

(i) will invalidate or be in conflict with any fire insurance policies covering the Airport or any part thereof or upon the contents of any building thereon, or

(ii) will increase the rate of any fire insurance, extended coverage or rental insurance on the Airport or any part thereof or upon the contents of any building thereon, or

(iii) in the opinion of the Port Authority will constitute a hazardous condition, so as to increase the risks normally attendant upon the operations contemplated by this Permit, or

(iv) may cause or produce upon the Airport any unusual noxious or objectionable smokes, gases, vapors or odors, or

(v) may interfere with the effectiveness or accessibility of any drainage and sewerage system, water system, communications system, fire protection system, sprinkler system, alarm system, fire hydrant and hose, if any, installed or located or to be installed or located in or on the Airport, or

(vi) shall constitute a nuisance or injury in or on the Airport or which may result in the creation, commission or maintenance of a nuisance or injury in or on the Airport.

For the purpose of this paragraph (a), "Airport" includes all structures located thereon.

(b) The Permittee shall not dispose of, release or discharge nor permit anyone to dispose of, release or discharge any Hazardous Substance on the Airport except that the Permittee may release or discharge de-icing fluids utilized in the Permittee's ordinary course of business in the performance of any of the privileges granted hereunder so long as such release or discharge is not a violation of the terms and conditions of Sections 17 or 19 hereof. In addition to and without limiting Section 19 hereof, any Hazardous Substance disposed of, released or discharged by the Permittee (or permitted by the Permittee to be disposed of, released or discharged) on the Airport shall upon notice by the Port Authority to the Permittee and subject to the provisions of Sections 17 and 19 hereof and to all Environmental Requirements, be completely removed and/or remediated by the Permittee at its sole cost and expense, provided, however, the forgoing shall not apply to releases and discharges which are in compliance with the terms and conditions of Sections 17 and 19 hereof of de-icing fluids utilized in the Permittee's ordinary course of business in the performance of any of the privileges granted

hereunder and the obligation of the Permittee to remove and remediate such de-icing fluids shall be as required by the terms and conditions of Sections 17 and 19 hereof. The obligations of the Permittee pursuant to this paragraph shall survive the expiration, revocation, cancellation or termination of this Permit.

(c) The Permittee shall not dispose of nor permit anyone to dispose of any waste materials (whether liquid or solid) by means of any toilets, sanitary sewers or storm sewers.

(d) (i) The Permittee shall not employ any persons or use any labor, or use or have any equipment, or permit any condition to exist, which shall or may cause or be conducive to any labor complaints, troubles, disputes or controversies at the Airport which interfere or are likely to interfere with the operation of the Airport or any part thereof by the Port Authority or with the operations of the lessees, licensees, permittees or other users of the Airport or with the operations of the Permittee under this Permit.

(ii) The Permittee shall immediately give notice to the Port Authority (to be followed by written notice and reports) of any and all impending or existing labor complaints, troubles, disputes or controversies and the progress thereof. The Permittee shall use its best efforts to resolve any such complaints, troubles, disputes or controversies.

(iii) The Permittee acknowledges that it is familiar with the general and local conditions prevailing at the Airport and with the all pertinent matters and circumstances which may in any way affect performance of the privileges granted under this Permit.

(e) The Permittee shall not solicit business on the public areas of the Airport and the use, at any time, of hand or standard megaphones, loudspeakers or any electric, electronic or other amplifying device is hereby expressly prohibited.

(f) The Permittee shall not install any fixtures or make any alterations, additions, improvements or repairs to any property of the Port Authority except with the prior written approval of the Port Authority.

(g) No signs, posters or similar devices shall be erected, displayed or maintained at the Airport without the written approval of the General Manager of the Airport; and any not approved by such General Manager or not removed by the Permittee upon the termination, revocation, expiration or cancellation of this Permit may be removed by the Port Authority at the expense of the Permittee.

(h) The Permittee shall not operate any engine or any item of automotive equipment in any enclosed space at the Airport unless such space is adequately ventilated.

(i) The Permittee shall not use any cleaning materials having a harmful or corrosive effect on any part of the Airport.

(j) The Permittee shall not fuel or defuel any equipment in any enclosed space at the Airport without the prior approval of the General Manager of the Airport except in accordance with Port Authority rules and regulations.

(k) The Permittee shall not start or operate any engine or any item of automotive equipment in any enclosed space at the Airport unless such space is adequately ventilated and unless such engine is equipped with a proper spark-arresting device.

19. Law Compliance:

(a) The Permittee shall procure all licenses, certificates, permits or other authorization from all governmental authorities, if any, having jurisdiction over the Permittee's operations at the Airport which may be necessary for the Permittee's operations thereat.

(b) The Permittee shall pay all taxes, license, certification, permit and examination fees and excises which may be assessed, levied, exacted or imposed on its property or operations at the Airport or on the Gross Receipts, Terminal Four Gross Receipts or income therefrom, and shall make all applications, reports and returns required in connection therewith.

(c) The Permittee shall promptly observe, comply with and execute the provisions of any and all present and future governmental laws, rules, regulations, requirements, orders and directions which may pertain or apply to the Permittee's operations at the Airport.

(d) The Permittee's obligations to comply with governmental requirements are provided herein for the purpose of assuring proper safeguards for the protection of Persons and property at the Airport and are not to be construed as a submission by the Port Authority to the application to itself of such requirements or any of them.

(e) The Port Authority has agreed by a provision in the City Lease with the City covering the Airport to conform to the enactments, ordinances, resolutions and regulations of the City and of its various departments, boards and bureaus in regard to the construction and maintenance of buildings and structures and in regard to health and fire protection, to the extent that the Port Authority finds it practicable so to do. The Permittee shall, within forty-eight (48) hours after its receipt of any notice of violation, warning notice, summons, or other legal process for the enforcement of any such enactment, ordinance, resolution or regulation, deliver the same to the Port Authority for examination and determination of the applicability of the agreement of lease provision thereto. Unless otherwise directed in writing by the Port Authority, the Permittee shall conform to such enactments, ordinances, resolutions and regulations insofar as they relate to the operations of the Permittee at the Airport. In the event of compliance with any such enactment, ordinance, resolution or regulation on the part of the Permittee, acting in good faith, commenced after such delivery to the Port Authority but prior to the receipt by the Permittee of a written direction from the Port Authority, such compliance shall not constitute a breach of this Permit, although the Port Authority thereafter notifies the Permittee to refrain from such compliance. Nothing herein contained shall release or discharge the Permittee from compliance with any other provision hereof respecting governmental requirements.

20. Trademarks and Patent Infringement:

The Permittee represents that it is the owner of or fully authorized to use or sell any and all services, processes, machines, articles, marks, names or slogans used or sold by it in its operations under or in any wise connected with this Permit.

21. Inspection:

The Port Authority shall have the right at any time and as often as it may consider it necessary to inspect the Permittee's machines and other equipment, any services being rendered, any merchandise being sold or held for sale by the Permittee, and any activities or operations of the Permittee hereunder. Upon request of the Port Authority, the Permittee shall operate or demonstrate any machines or equipment owned by or in the possession of the Permittee on the Airport or to be placed or brought on the Airport, and shall demonstrate any process or other activity being carried on by the Permittee hereunder. Upon notification by the Port Authority of any deficiency in any machine or piece of equipment, the Permittee shall immediately make good the deficiency or withdraw the machine or piece of equipment from service, and provide a satisfactory substitute.

22. Federal Aid:

(a) The Permittee shall

(i) furnish good, prompt and efficient service hereunder, adequate to meet all demands therefor at the Airport;

(ii) furnish said service on a fair, equal and non-discriminatory basis to all users thereof; and

(iii) charge fair, reasonable and non-discriminatory prices for each unit of sale or service, provided that the Permittee may make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

As used in the above subsections "service" shall include furnishing of parts, materials and supplies (including sale thereof).

(b) The Port Authority has applied for and received a grant or grants of money from the Administrator of the Federal Aviation Administration pursuant to the Airport and Airways Development Act of 1970, as the same has been amended and supplemented, and under prior federal statutes which said Act superseded and the Port Authority may in the future apply for and receive further such grants. In connection therewith the Port Authority has undertaken and may in the future undertake certain obligations respecting its operation of the Airport and the activities of its contractors, lessees and permittees thereon. The performance by the Permittee of the promises and obligations contained in this Permit is therefore a special consideration and inducement to the issuance of this Permit by the Port Authority, and the Permittee further agrees that if the Administrator of the Federal Aviation Administration or any other governmental

officer or body having jurisdiction over the enforcement of the obligations of the Port Authority in connection with Federal Airport Aid, shall make any orders, recommendations or suggestions respecting the performance by the Permittee of its obligations under this Permit, the Permittee will promptly comply therewith at the time or times, when and to the extent that the Port Authority may direct.

23. Capacity and Competition:

(a) The Permittee shall refrain from entering into continuing contracts or arrangements with any third Person for furnishing services covered hereunder when such contracts or arrangements will have the effect of utilizing to an unreasonable extent the Permittee's capacity for rendering such services. A reasonable amount of capacity shall be reserved by the Permittee for the purpose of rendering services hereunder to those who are not parties to continuing contracts with the Permittee.

(b) The Permittee shall not enter into any agreement or understanding, express or implied, binding or non-binding, with any other Person who may furnish services at the Airport similar to those furnished hereunder which will have the effect of (i) fixing rates and charges to be paid by users of the services; (ii) lessening or preventing competition between the Permittee and such other furnishers of services; or (iii) tending to create a monopoly on the Airport in connection with the furnishing of such services.

24. Business Development and Records:

(a) In connection with the exercise of the privileges granted hereunder, the Permittee shall:

(i) Intentionally Omitted;

(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 performed at Terminal Four, the Authorized Service performed at the Airport at any location other than Terminal Four and all other services performed at the Airport at any location other than Terminal Four, 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, the Authorized Service performed at Terminal Four and all other services performed at the airport at any location other than Terminal Four;

(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 and/or Terminal Four Gross Receipts and which the Terminal Four Lessee, in its sole discretion, believes may be relevant for identification, determination or calculation of Terminal Four 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 and/or Terminal Four Gross Receipts and which the Terminal Four Lessee, in its sole discretion, believes may be relevant for identification, determination or calculation of Terminal Four 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) if the Permittee has performed any privilege or portion thereof at Terminal Four, then permit and/or cause to be permitted in ordinary business hours during the effective period of the 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 Terminal Four Lessee of all Books and Records within ten (10) days following any request by the Terminal Four Lessee from time to time and at any time to examine and audit any Books and Records;

(vii) permit the inspection by the officers, employees and representatives of the Port Authority and the Terminal Four Lessee of any equipment used by the Permittee, including but not limited to the equipment described in paragraph (a)(viii) below; and

(viii) 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 Terminal Four 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 Terminal Four Gross Receipts and to the Terminal Four Lessee of all Terminal Four 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)(viii) above then, in addition to all, and without limiting any other, rights and remedies of the Port Authority and the Terminal Four Lessee 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) the Port Authority or the Terminal Four Lessee may estimate the Terminal Four Gross Receipts on any basis that the Port Authority or the Terminal Four Lessee, 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 Terminal Four Lessee when billed; and/or

(iii) 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.

(iv) if any Books and Records are maintained outside of the Port of New York District, then the Terminal Four Lessee 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 Terminal Four Lessee within the Port of New York District for examination and audit pursuant to paragraph (a)(vi) hereof and/or (y) examine and audit any such Books and Records pursuant to paragraph (a)(vi) 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 Terminal Four Lessee when billed all travel costs and related expenses, as determined by the Terminal Four Lessee, for Terminal Four Lessee 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 Terminal Four Lessee when billed all costs and expenses of the Terminal Four Lessee, as determined by the Terminal Four Lessee, 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 Terminal Four Lessee 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 or the Terminal Four Lessee determines that unpaid amounts are due to the Port Authority or to the Terminal Four Lessee by the Permittee (the "*Audit Findings*"), the Permittee shall be obligated, and hereby agrees, to pay to the Port Authority and/or the Terminal Four Lessee 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 or by the Terminal Four Lessee. Such service charge (s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority or the Terminal Four Lessee 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) and 4(a)(iii). 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 hereunder and the foregoing auditing costs, expenses and amounts of the Terminal Four Lessee set forth in paragraphs (b), (c) and (d) above shall be deemed fees under this Permit payable to the Terminal Four Lessee with the same force and effect as the Terminal Four Percentage Fee and all other fees payable to the Terminal Four Lessee hereunder.

25. Rates and Charges:

The Permittee shall establish rates and discounts therefrom which are in compliance with Section 22 hereof (each such rate and discount is hereinafter called an "*Established Rate*"). Upon request by the Port Authority, the Permittee shall provide the Port Authority its rates and discounts therefrom for goods and services furnished hereunder. If the Permittee applies any rate in excess of the Established Rate therefor or extends a discount less than the Established Discount therefor, the amount by which the charge based on such actual rate or actual discount deviates from a charge based on the Established Rate shall constitute an overcharge which will, upon demand of the Port Authority or the Permittee's customer, be promptly refunded to the customer. If the Permittee applies any rate which is less than the Established Rate therefor or extends a discount which is in excess of the Established Rate therefor, the amount by which the charge based on such actual rate or actual discount deviates from a charge based on the Established Rate shall constitute an undercharge and an amount equivalent thereto shall be included in Gross Receipts and Terminal Four Gross Receipts hereunder and the Basic Percentage Fee and the Terminal Four 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 or Terminal Four Gross Receipts any such overcharge or undercharge shall constitute a breach of the Permittee's obligations hereunder and the Port Authority shall have all remedies consequent upon such breach which would otherwise be available to it at law, in equity or by reason of this Permit.

26. Other Agreements:

In the event the terms and provisions of any agreement entered into by the Permittee with any third Person in connection with the privileges granted hereunder are contrary to or conflict or are inconsistent with the terms and provisions of this Permit, the terms and provisions of this Permit shall be controlling, effective and determinative.

27. City Lease Provisions:

(a) The Permittee acknowledges that it has received a copy of, and is familiar with the contents of, the City Lease. The Permittee acknowledges that no greater rights or privileges are hereby granted to the Permittee than the Port Authority has the power to grant under the City Lease.

(b) In accordance with the provisions of the City Lease, the Port Authority and the Permittee hereby agree as follows:

(i) This Permit is subject and subordinate to the City Lease and to any interest superior to that of the Port Authority;

(ii) The Permittee shall not pay the fees or other sums under this Permit for more than one (1) month in advance (excluding security or other deposits required under this Permit);

(iii) With respect to this Permit, the Permittee on the termination of the City Lease will, at the option of the City, enter into a direct permit on identical terms with the City;

(iv) The Permittee shall indemnify the City, as third party beneficiary hereunder, with respect to all matters described in Section 31 of the City Lease that arise out of the Permittee's operations at the Airport, or arise out of the acts or omissions of the Permittee's officers, employees, agents, representatives, contractors, customers, business visitors and guests at the Airport with the Permittee's consent;

(v) The Permittee shall not use any portion of the Airport for any use other than as permitted under the City Lease;

(vi) The Permittee shall use the Airport in a manner consistent with the Port Authority's obligations under Section 28 of the City Lease;

(vii) The failure of the Permittee to comply with the foregoing provisions shall be an event of default under this Permit, which shall provide the Port Authority with the right to revoke this Permit and exercise any other rights that the Port Authority may have as the grantor of the permission hereunder; and

(viii) The City shall be named as an additional insured or loss payee, as applicable, under each policy of insurance procured by the Permittee pursuant to this Permit.

28. Counterclaims:

The Permittee specifically agrees that it shall not interpose any claims as counterclaims in any action for non-payment of fees or other amounts, which may be brought by the Port Authority unless such claims would be deemed waived if not so interposed.

29. Continued Exercise of Privilege After Expiration, Revocation or Termination:

(a) The Permittee acknowledges that the failure of the Permittee to cease to perform the Authorized Service at the Airport from the effective date of such expiration, revocation or termination will or may cause the Port Authority injury, damage or loss, and the Permittee hereby assumes the risk of such injury, damage or loss and hereby agrees that it shall be responsible for the same and shall pay the Port Authority for the same whether such are foreseen or unforeseen, special, direct, consequential or otherwise and the Permittee hereby expressly agrees to indemnify and hold the Port Authority harmless against any such injury,

damage or loss. The Permittee acknowledges that the Port Authority reserves all its legal and equitable rights and remedies in the event of such failure by the Permittee to cease performance of the Authorized Service.

(b) The Permittee hereby acknowledges and agrees that, subject to the foregoing, all terms and provisions of this Permit shall be and continue in full force and effect during any period following such expiration, revocation or termination.

30. Governing Law:

This permit and any claim, dispute or controversy arising out of, under or related to this permit shall be governed by, interpreted and construed in accordance with the laws of the State of New York, without regard to choice of law principles.

31. Miscellaneous:

(a) It is understood and agreed that the Port Authority shall not furnish, sell or supply to the Permittee any services or utilities in connection with this Permit.

(b) No Commissioner, Director, officer, agent or employee of either party shall be charged personally by the other party with any liability, or held liable to the other party, under any term or provision of this Permit, or because of the party's execution or attempted execution, or because of any breach thereof.

(c) The Section and paragraph headings, if any, in this Permit are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of any provision hereof.

(d) This Permit, including the attached Special Endorsements, constitutes the entire agreement of the Port Authority and the Permittee on the subject matter hereof. This Permit may not be changed, modified, discharged or extended, except by written instrument duly executed on behalf of the Port Authority and the Permittee or except by notice as specifically set forth in Sections 4 and 13 hereof. The Permittee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing herein.

For the Port Authority

Initialed:

For the Permittee

LEASE MGT

: For Port Authority Use Only :
: :
:Permit Number: ___AYE-348_____:

JOHN F. KENNEDY 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 John F. Kennedy International Airport, in the Borough of Queens, County of Queens, City and State of New York, in accordance with the Terms and Conditions hereof; and the Permittee agrees to pay the fee hereinafter specified and to perform all other obligations imposed upon it in the said Terms and Conditions:

1. **PERMITTEE:** ENVOY AIR INC., a(n) corporation of the State of Delaware

2. **PERMITTEE'S ADDRESS:** 4333 Amon Carter Blvd. - MD 5625
Fort Worth, Texas 76155

3. **PERMITTEE'S REPRESENTATIVE:** Rodger Recker

4. **PRIVILEGE:** To provide In-Terminal 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:** July 1, 2014

7. **EXPIRATION DATE:** May 31, 2023, unless sooner revoked or terminated as herein provided.

8. **REQUIRED SECURITY DEPOSIT:** $0.00

9. **INSURANCE REQUIREMENTS:** $5,000,000.00 minimum limit Commercial General Liability
$0,000,000.00 minimum limit Automobile Liability

10. **ENDORSEMENTS:** Special Endorsements.

Dated: As of May 5, 2014

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

Name David Kagan
~~Assistant Director~~
(Please Print Clearly)
Business, Properties & ~~Airport Development~~

(Title) _____

ENVOY AIR INC., Permittee

By _____

Name PEDRO FABREGAS
(Please Print Clearly)

(Title) _____ President & CEO

Port Authority Use Only:	
Approval as to Terms:	Approval as to Form:

Privilege Permit (JFK 2/13)

SPECIAL ENDORSEMENTS

1. (a) The Port Authority hereby consents to the Permittee providing the Authorized Service to Aerovias de Mexico, S.A (AeroMexico) 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. The Permittee agrees that if it provides the Authorized Service to an Approved Aircraft Operator or Person at the Airport other than the one named in Section 1 (a) of these Special Endorsements without receiving the written consent of the Port Authority, the Permittee shall pay to the Port Authority the same fees that are paid by the Permittee for providing the Authorized Service to the Approved Aircraft Operator named in Section 1 (a) of these Special Endorsements.

(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.

(iii) The Permittee agrees that if it carries on any business at the Airport other than as specifically provided herein without obtaining prior written consent of the Port Authority ("non-consented business"), the Permittee shall pay to the Port Authority the same fee that is paid by a Person who engages in such business to the Port Authority pursuant to prior written consent from the Port Authority. For any period during which the fee paid by Persons carrying on such business shall not be uniform and during which the Permittee engages in non-consented business, the Permittee agrees to pay the highest fee which a Person pays to the Port Authority pursuant to prior written consent from the Port Authority.

2. The Permittee hereby attests that its federal taxpayer identification number is [redacted]

OC

For the Port Authority

Initialed:

For the Permittee

TERMS AND CONDITIONS

1. Definitions:

The following terms, when and if used in this Permit, shall have the respective meanings given below:

(a) "*Air Cargo*" shall mean cargo transported to or from the Airport by aircraft owned or operated by an Approved Aircraft Operator.

(b) "*Aircraft Operator*" shall mean (a) a Person owning one or more aircraft which are not leased or chartered to any other Person for operation, and (b) a Person to whom one or more aircraft are leased or chartered for operation - whether the aircraft so owned, leased or chartered are military or non-military, or are used for private business, pleasure or governmental business, or for carrier or non-carrier operations, or for scheduled or non-scheduled operations or otherwise. Said term shall not mean the pilot of an aircraft unless he is also the owner or lessee thereof or a Person to whom it is chartered.

(c) "*Airport*" shall mean John F. Kennedy International Airport, consisting of certain premises identified as "John F. Kennedy International Airport" on Sheet JFK-1 of Exhibit A, and more particularly described in Exhibit B, annexed to the City Lease, and such other property as may be acquired in connection with and added to such premises pursuant to the terms of the City Lease.

(d) "*Approved Aircraft Operator*" shall mean an Aircraft Operator which the General Manager of the Airport has authorized to conduct its aircraft operations at the Airport and if such Aircraft Operator is subleasing or subusing space, or has a ground handling agreement or other agreement at the Airport with an Aircraft Operator, a lessee or other Person at the Airport which requires the consent of the Port Authority, each such subleasing, subuse, ground handling agreement or other agreement has been consented to in writing by the Port Authority.

(e) "*Basic Percentage Fee*" shall have the meaning given such term in Section 4(a)(i) hereof.

(f) "*Cargo Aircraft*" shall mean aircraft engaged solely and exclusively in the carriage of Air Cargo.

(g) "*Cargo Handling and Ramp Service*" shall mean all or any of the following services for or in connection with Air Cargo:

(i) representation and accommodation;

(ii) load control and communications;

(iii) unit load device control, handling and administration in connection with Cargo Aircraft;

(iv) flight operations and crew administration in connection with Cargo Aircraft, including but not limited to obtaining and providing meteorological reports, briefing and debriefing flight crews, preparing and filing flight plans, dispatching and receiving messages in connection with flight and ground operations, maintaining station logs and filing necessary reports with governmental agencies, preparing weight and balance plans, maintaining flight watch and arranging hotel accommodations for flight crews;

(v) pickup and delivery of Air Cargo, air express and mail to and from appropriate locations (allowed or designated from time to time by the Port Authority for such pickup and delivery) on the Airport;

(vi) preparation of documentation associated with Air Cargo, including but not limited to cargo manifests, airway bills and customs clearance documentation;

(vii) distribution of Air Cargo;

(viii) reception of Air Cargo to be shipped from the Airport;

(ix) temporary warehousing, sorting and storage of Air Cargo;

(x) supervision and administration;

(xi) courier services;

(xii) guiding Cargo Aircraft in and out of gate or loading or unloading positions and parking Cargo Aircraft;

(xiii) providing, positioning/removing, and operating appropriate units for engine starting for Cargo Aircraft;

(xiv) furnishing and placing in position and thereafter removing the necessary and appropriate steps, stands and power equipment for the safe and efficient loading and unloading of crew members and other persons, ballast, potable water, mail, air express, Air Cargo and supplies onto and from aircraft and trucks, and performing such loading and unloading and reporting irregularities;

(xv) providing a fire guard equipped with the necessary and appropriate fire fighting equipment for Cargo Aircraft;

(xvi) towing of Cargo Aircraft;

(xvii) ramp control tower services for Cargo Aircraft;

(xviii) Cargo Aircraft servicing, including interior and exterior cleaning, the removal and disposal of aircraft waste material and providing water service, cooling and heating, and toilet service;

(xix) conversion operations and services consisting of the removal of seats from convertible-type aircraft, so as to convert the same to Cargo Aircraft, and from Cargo Aircraft to Passenger Aircraft by the installation of seats;

(xx) ramp area cleaning;

(xxi) Gateside Aircraft Maintenance of Cargo Aircraft, it being specifically understood, however, that Routine and Non-routine Aircraft Maintenance, as distinguished from Gateside Aircraft Maintenance, is hereby prohibited unless expressly provided for hereunder;

(xxii) mobile fueling, on the Permittee's own account, for automotive and other ramp equipment using mobile tender vehicles or other equipment as may be approved from time to time by the General Manager of the Airport;

(xxiii) the rental, on the Permittee's own account, of ground service equipment, vehicles and parts and of ramp equipment, vehicles and parts to Approved Aircraft Operators at the Airport and the provision, on the Permittee's own account, of a maintenance and/or management service for ground service equipment, vehicles and parts and ramp equipment, vehicles and parts owned or operated by Approved Aircraft Operators at the Airport;

(xxiv) deicing to the exterior of aircraft of Approved Aircraft Operators at such locations on the Airport as may from time to time be designated by the General Manager of the Airport;

(xxv) triturator operations and maintenance;

(xxvi) snow removal; and

(xxvii) security services for and in connection with Air Cargo and Cargo Aircraft.

(h) "*City*" shall mean the City of New York.

(i) "*City Lease*" shall mean the Amended and Restated Agreement of Lease of the Municipal Air Terminals between The City of New York, as Landlord, and The Port Authority of New York and New Jersey, as Tenant, dated as of November 24, 2004 and recorded in the office of the City Register of the City on December 3, 2004 under City Register File No. 2004000748687, as the same may have been or may be amended or supplemented.

(j) "*Cleaning Service*" shall mean all or any of the following services:

(i) the cleaning, repairing and installing of upholstery, carpeting and curtains in aircraft and linens used on aircraft;

(ii) the complete interior and exterior cleaning of aircraft, the removal and disposal of waste material and providing water service, cooling and heating, and toilet service;

(iii) conversion operations and services consisting of the removal of seats from convertible-type aircraft so as to convert the same to Cargo Aircraft and from Cargo Aircraft to Passenger Aircraft by installation of seats;

(iv) ramp area cleaning services; and

(v) the rental, on the Permittee's own account, of ground service equipment, vehicles and parts and of ramp equipment, vehicles and parts to Approved Aircraft Operators at the Airport and the provision, on the Permittee's own account, of a maintenance and/or management service for ground service equipment, vehicles and parts and ramp equipment, vehicles and parts owned or operated by Approved Aircraft Operators at the Airport.

(k) "*Effective Date*" shall mean that date appearing in Item 6 on the first page of this Permit as the same may be modified pursuant to the provisions of Section 2(a) hereof.

(l) "*Environmental Requirement*" shall mean all common law and all past, present and future laws, statutes, enactments, resolutions, regulations, rules, directives, ordinances, codes, licenses, permits, orders, memoranda of understanding and memoranda of agreement, guidances, approvals, plans, authorizations, concessions, franchises, requirements and similar items of all governmental agencies, departments, commissions, boards, bureaus or instrumentalities of the United States, states and political subdivisions thereof, all pollution prevention programs, "best management practices plans", and other programs adopted and agreements made by the Port Authority (whether adopted or made with or without consideration or with or without compulsion), with any government agencies, departments, commissions, boards, bureaus or instrumentalities of the United States, states and political subdivisions thereof, and all judicial, administrative, voluntary and regulatory decrees, judgments, orders and agreements relating to the protection of human health or the environment, and in the event that there shall be more than one compliance standard, the standard for any of the foregoing to be that which requires the lowest level of a Hazardous Substance, the foregoing to include without limitation:

(i) All requirements pertaining to reporting, licensing, permitting, investigation and remediation of emissions, discharges, releases or threatened releases of Hazardous Substances into the air, surface water, groundwater or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Substances, or the transfer of property on which Hazardous Substances exist; and

(ii) All requirements pertaining to the protection from Hazardous Substances of the health and safety of employees or the public.

(m) "*Executive Director*" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the Executive Director by this Permit; but until further notice from the Port Authority to the Permittee it shall mean the Executive Director of the Port Authority for the time being or his duly designated representative or representatives.

(n) "*Gateside Aircraft Maintenance*" shall mean such emergency transit and turnaround maintenance performed on the aircraft of an Aircraft Operator as may be performed in the time such aircraft is permitted to be and remain at the aircraft gate position or hardstand at which such maintenance is to be performed and which is performed by or required by law, rule or regulation to be performed by or under the supervision of a licensed aircraft mechanic or other person specifically licensed, certified or approved by governmental authority having jurisdiction, including the rental or equipment and tools in the connection therewith. It is specifically understood that the performance of any other aircraft maintenance, including but not limited to Routine and Non-routine Aircraft Maintenance, is hereby prohibited unless expressly provided for hereunder.

(o) "*General Manager of the Airport*" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in said General Manager by this Permit; but until further notice from the Port Authority to the Permittee it shall mean said General Manager (or Acting General Manager) of the Airport for the time being or his duly designated representative or representatives.

(p) "*Gross Receipts*" shall mean all amounts, monies, revenues, receipts and income of every type paid or payable to the Permittee for sales made and for services rendered at or from the Airport, regardless of when or where the order therefor is received, and outside the Airport, if the order therefor is received at the Airport, and any other amounts, monies, revenues, receipts and income of any type arising out of or in connection with the Authorized Service, provided, however, there shall be excluded from Gross Receipts, any Terminal Four Gross Receipts and 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.

(y) "*Terminal Four*" shall mean the premises under the Terminal Four Lease commonly referred to on the Airport as "Terminal Four".

(z) "*Terminal Four Gross Receipts*" shall each mean and include all amounts, monies, revenues, receipts and income of every type paid or payable to the Permittee for sales made and for services rendered at Terminal Four, regardless of when or where the order therefor is received, and any other amounts, monies, revenues, receipts and income of any type arising out of or in connection with the Permittee's operations at Terminal Four, provided, however, there shall be excluded from Terminal Four 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.

(aa) "*Terminal Four Lease*" shall mean that certain agreement of lease bearing Port Authority Agreement No. AYC-685 entered into between the Port Authority and JFK International Air Terminal LLC on May 13, 1997.

(bb) "*Terminal Four Lessee*" shall mean for the time being JFK International Air Terminal LLC, a limited liability company organized and existing under the laws of the State of New York, or such other Person which the Port Authority may from time to time and at any time designate by notice to the Permittee.

(cc) "*Terminal Four Percentage Fee*" shall mean the fee payable to the Terminal Four Lessee pursuant to and as defined in Section 4(a)(i) hereof.

2. Effective Date, Termination and Revocation:

(a) The permission hereby granted shall take effect upon the Effective Date. Notwithstanding Item 6 appearing on the first page of this Permit, the Effective Date of this Permit shall be that date the Permittee commenced any of the activities permitted by this Permit. The Permittee in executing this Permit represents that the Effective Date appearing in Item 6 on

the first page of this Permit is the date the Permittee commenced any of the activities permitted by this Permit. If the Port Authority determines by audit or otherwise that the Permittee commenced any of the activities permitted by this Permit prior to said effective date, the Effective Date of this Permit shall be the date the Permittee commenced any of the activities permitted by this Permit and all obligations of the Permittee under this Permit shall commence on such date including without limitation the Permittee's indemnity obligations and obligations to pay fees.

(b) Notwithstanding any other term or condition hereof, the permission hereby granted may be revoked without cause upon thirty (30) days' written notice by the Port Authority, or terminated without cause upon thirty (30) days' written notice by the Permittee, provided, however, that it may be revoked on twenty-four (24) hours' notice by the Port Authority if the Permittee shall fail to keep, perform and observe each and every promise, agreement, condition, term and provision contained in this Permit, including but not limited to the obligation to pay fees. Unless sooner revoked or terminated, such permission shall expire in any event upon the expiration date hereinbefore set forth.

(c) In the event the Port Authority exercises 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 City Lease.

(c) Neither this Permit nor anything contained herein, shall be deemed to grant any rights in the Permittee to use and occupy any land, building space or other area at the Airport or shall be deemed to have created any obligation on the part of the Port Authority to provide any such land, space or area to the Permittee.

(d) Neither the execution and delivery of this Permit nor any act done pursuant thereto shall create between any terminal operator, lessee or other occupant of land at the Airport including but not limited to the Terminal Four Lessee and 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 and, if any privilege or portion thereof is performed at Terminal Four, to pay to the Terminal Four Lessee a percentage fee (hereinafter called the "Terminal Four Percentage Fee"), at the times set forth in and in accordance with paragraph (a)(iii) below, equal to five percent (5%), as the same may be increased pursuant to paragraph (k) below, of Terminal Four 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 person designated by the Permittee as having sufficient knowledge to provide such statement 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 person designated by the Permittee as having sufficient knowledge to provide such statement 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.

(iii) Terminal Four Gross Receipts shall be reported and the Terminal Four Percentage Fee shall be paid to the Terminal Four Lessee 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 the Permit is in effect and including the calendar month in which the Permit ceases to be in effect, the Permittee shall render to the Port Authority and the Terminal Four Lessee a monthly statement sworn to by a person designated by the Permittee as having sufficient knowledge to provide such statement showing all of the Terminal Four Gross Receipts for the preceding month (the "Monthly Sworn Statement of Gross Receipts"). Each of the said statements shall also show the cumulative Terminal Four 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 and the Terminal Four Lessee, the Permittee shall pay to the Terminal Four Lessee an amount equal to five percent (5%) applied to the Terminal Four 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 and the Terminal Four Lessee a statement setting forth the cumulative totals of the Terminal Four 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 the Permit, the Permittee shall render to the Port Authority and the Terminal Four Lessee a sworn statement certified, at the Permittee's expense, by a a person designated by the Permittee as having sufficient knowledge to provide such statement of all Terminal Four Gross Receipts during the period from the last preceding anniversary of the Effective Date up to and including the last day the Permit shall be in effect and the Permittee shall, at the time of rendering such statement to the Terminal Four Lessee pay to the Terminal Four Lessee the Terminal Four Percentage Fee due and unpaid as of the last day the Permit shall be in effect. Each of the statements called for hereunder shall separately list and state the Terminal Four Gross Receipts and the applicable Terminal Four Percentage Fee payable

thereon for each privilege (including without limitation each Authorized Service) provided by the Permittee hereunder at Terminal Four.

(b) (i) All statements to be submitted to the Port Authority pursuant to this Section and all payments made under this Permit, except for the Terminal Four Percentage Fee, 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.

(ii) All statements to be submitted to the Terminal Four Lessee hereunder and the Terminal Four Percentage Fee shall be made to the Terminal Four Lessee at Terminal Four, John F. Kennedy International Airport, Room 2300, Jamaica, New York 11430 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 and Terminal Four 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 (and Terminal Four 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 services or Routine and Non-routine Aircraft Maintenance services, there shall be excluded from Gross Receipts and Terminal Four 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 and Terminal Four 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 and Terminal Four Gross Receipts.

(f) Without limiting any other provisions of this Permit regarding Gross Receipts and Terminal Four 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 and Terminal Four 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 and Terminal Four 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 and Terminal Four 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 or Terminal Four 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, the Terminal Four 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 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 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 ("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 agreement, as well as agreements hereinafter entered into.

6. Permittee's Operations:

(a) The Permittee shall provide to the Port Authority, upon request of the Port Authority from time to time, such information and data in connection with the permission granted hereunder as the Port Authority may request and shall, if so requested by the Port Authority, make periodic reports thereof to the Port Authority utilizing such forms as may be adopted by the Port Authority for such purpose.

(b) The Permittee shall daily remove from the Airport by means of facilities provided by it all garbage, debris and other waste material (whether solid or liquid) arising out of or in connection with the permission granted hereunder, and any such not immediately removed shall be temporarily stored in a clean and sanitary condition, in suitable garbage and waste receptacles, the same to be made of metal and equipped with tight-fitting covers, and to be of a design safely and properly to contain whatever material may be placed therein; said receptacles being provided and maintained by the Permittee. The receptacles shall be kept covered except when filling or

emptying the same. The Permittee shall exercise extreme care in removing such garbage, debris and other waste materials from the Airport. The manner of such storage and removal shall be subject in all respects to the continual approval of the Port Authority. No facilities of the Port Authority shall be used for such removal unless with its prior consent in writing. No such garbage, debris or other waste materials shall be or be permitted to be thrown, discharged or disposed into or upon the waters at or bounding the Airport.

(c) The Permittee shall at all times that areas of the Airport are being used for the privileges permitted hereunder, maintain said areas in a clean and orderly condition and appearance. The Permittee shall promptly wipe up any oil, gasoline, grease, lubricants and other inflammable liquids and substances and any liquids and substances having a corrosive or detrimental effect on the paving or other surface of the ramps or other areas upon which it performs the privileges authorized by this Permit resulting from its operations hereunder. The Permittee shall repair, replace, repave or rebuild, or at the Port Authority's election, the Permittee shall pay to the Port Authority the cost to the Port Authority of repairing, replacing, repaving or rebuilding, all or any part of the ramps or other areas upon which it performs the privileges authorized by this Permit which may be damaged or destroyed by such oil, gasoline, grease, lubricants or other liquids or substances or by any other act or omission of the Permittee or its employees, agents or contractors except for reasonable wear and tear arising out of its operations thereon.

(d) A principal purpose of the Port Authority in granting the permission under this Permit is to have available at the Airport, the privileges which the Permittee is permitted to render hereunder. The Permittee agrees that it will conduct a first-class operation and will furnish all fixtures, equipment, personnel (including licensed personnel as necessary), supplies, materials and other facilities and replacements necessary or proper therefor, and keep the same in a first-class operating condition at all times.

(e) The Permittee shall immediately comply with all orders, directives and procedures as may be issued by the General Manager of the Airport covering the operations of the Permittee under this Permit at any time and from time to time. The Port Authority may, at any time and from time to time, without prior notice or cause, withdraw or modify any designation, approval, substitution or redesignation given by it hereunder.

(f) In the event of any injury or death to any person (other than employees of the Permittee) at the Airport when caused by the Permittee's operations, or damage to any property (other than the Permittee's property) at the Airport when caused by the Permittee's operations, the Permittee shall immediately notify the Port Authority and promptly thereafter furnish to the Port Authority copies of all reports given to the Permittee's insurance carrier.

(g) The operations of the Permittee, its employees, invitees and those doing business with it shall be conducted in an orderly and proper manner and so as not to annoy, disturb or be offensive to others at the Airport. The Permittee shall provide and its employees shall wear or carry badges or other suitable means of identification and the employees shall wear appropriate uniforms. The badges, means of identification and uniforms shall be subject to the written approval of the General Manager of the Airport. The Port Authority shall have the right to object

to the Permittee as to the demeanor, conduct and appearance of the Permittee's employees, invitees and those doing business with it, whereupon the Permittee will take all steps necessary to remove the cause of the objection.

(h) The Permittee shall promptly repair or replace any property of the Port Authority damaged by the Permittee's operations at the Airport.

7. Indemnity:

(a) The Permittee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives, from and against (and shall reimburse the Port Authority for the Port Authority's costs and expenses including legal costs and expenses incurred in connection with the defense of) all claims and demands of third Persons including but not limited to claims and demands for death or personal injuries, or for property damages, arising out of any default of the Permittee in performing or observing any term or provision of this Permit, or out of the operations of the Permittee hereunder, or out of any of the acts or omissions of the Permittee, its officers, employees or Persons who are doing business with the Permittee arising out of or in connection with the activities permitted hereunder, or arising out of the acts or omissions of the Permittee, its officers or employees at the Airport, including claims and demands of the City against the Port Authority for indemnification arising by operation of law or through agreement of the Port Authority with the said City.

(b) Without limiting any other term or provision hereof, the Permittee agrees to indemnify and hold harmless the Port Authority, its Commissioners, officers, employees, agents and representatives of and from any loss, liability, expense, suit or claim for damages in connection with any actual or alleged infringement of any patent, trademark or copyright, or arising from any alleged or actual unfair competition or other similar claim arising out of the operations of the Permittee under or in any wise connected with this Permit.

(c) Without limiting any other term or provision hereof, the Permittee shall indemnify the Port Authority and hold it harmless against all claims and demands of third Persons for damage to any aircraft cargo or baggage or any other property handled or delivered pursuant to the permission granted by this Permit.

(d) If so directed, the Permittee shall at its own expense defend any suit based upon any such claim or demand set forth in paragraphs (a), (b) and (c) above (even if such claim or demand is groundless, false or fraudulent), and in handling such it shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority.

8. Liability Insurance:

(a) The Permittee, in its own name as insured and including the Port Authority as an additional insured, shall maintain and pay the premiums during the effective period of the Permit on a policy or policies of Commercial General Liability Insurance, including premises-operations and products-completed operations and covering bodily-injury liability, including death, and property damage liability, none of the foregoing to contain care, custody or control exclusions, and providing for coverage in the minimum limit set forth in Item 9 on the first page of this Permit, and Commercial Automobile Liability Insurance covering owned, non-owned and hired vehicles and including automatic coverage for newly acquired vehicles and providing for coverage in the minimum limit set forth in Item 9 on the first page of this Permit. Without limiting the foregoing, the Permittee shall maintain Workers' Compensation and Employers Liability Insurance in accordance with the Permittee's statutory obligations under the applicable State Workers' Compensation Law for those employees of the Permittee employed in operations conducted pursuant to this Permit at or from the Airport. In the event the Permittee maintains the foregoing insurance in limits greater than aforesaid, the Port Authority shall be included therein as an additional insured, except for the Workers' Compensation and Employers Liability Insurance policies, to the full extent of all such insurance in accordance with all terms and provisions of this Permit.

(b) Each policy of insurance, except for the Workers' Compensation and Employers Liability Insurance policies, shall also contain an ISO standard "separation of insureds" clause or a cross liability endorsement providing that the protections afforded the Permittee thereunder with respect to any claim or action against the Permittee by a third person shall pertain and apply with like effect with respect to any claim or action against the Permittee by the Port Authority and any claim or action against the Port Authority by the Permittee, as if the Port Authority were the named insured thereunder, but such clause or endorsement shall not limit, vary, change or affect the protections afforded the Port Authority thereunder as an additional insured. Each policy of insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Permittee under Section 7 of the Terms and Conditions of this Permit.

(c) All insurance coverages and policies required under this Section may be reviewed by the Port Authority for adequacy of terms, conditions and limits of coverage at any time and from time to time during the effective period of permission granted under this Permit. The Port Authority may, at any such time, require additions, deletions, amendments or modifications to the aforementioned insurance requirements, or may require such other and additional insurance, in such reasonable amounts, against such other insurable hazards, as the Port Authority may deem required and the Permittee shall promptly comply therewith.

(d) Each policy must be specifically endorsed to provide that the policy may not be cancelled, terminated, changed or modified without giving thirty (30) days' written advance notice thereof to the Port Authority. Each policy shall contain a provision or endorsement that the insurer "shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port Authority." The foregoing provisions or endorsements

shall be recited in each policy or certificate to be delivered pursuant to the following paragraph (e).

(e) A certified copy of each policy or a certificate or certificates of insurance evidencing the existence thereof, or binders, shall be delivered to the Port Authority upon execution and delivery of this Permit by the Permittee to the Port Authority. In the event any binder is delivered it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate of insurance. Any renewal policy shall be evidenced by a renewal certificate of insurance delivered to the Port Authority at least thirty (30) days prior to the expiration of each expiring policy, except for any policy expiring after the date of expiration of this Permit. The aforesaid insurance shall be written by a company or companies approved by the Port Authority. If at any time any insurance policy shall be or become unsatisfactory to the Port Authority as to form or substance or if any of the carriers issuing such policy shall be or become unsatisfactory to the Port Authority, the Permittee shall promptly obtain a new and satisfactory policy in replacement. If the Port Authority at any time so requests, a certified copy of each policy shall be delivered to or made available for inspection by the Port Authority.

(f) The foregoing insurance requirements shall not in any way be construed as a limitation on the nature or extent of the contractual obligations assumed by the Permittee under this Permit. The foregoing insurance requirements shall not constitute a representation or warranty as to the adequacy of the required coverage to protect the Permittee with respect to the obligations imposed on the Permittee by this Permit or any other agreement or by law.

9. Special Endorsements:

The Permittee hereby agrees to the terms and conditions of the endorsements attached hereto, hereby made a part hereof and marked "*Special Endorsements*". The terms and provisions of the Special Endorsements shall have the same force and effect and as if herein set forth in full.

10. No Waiver:

No failure by the Port Authority or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee shall be in writing, and all such notices given by the Port Authority or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee 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 or the Terminal Four Lessee under this Permit, including without limitation the Port Authority's rights set forth in Section 2 of these Terms and Conditions, or (ii) any obligations of the Permittee under this Permit. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Permit shall be payable instead at such legal maximum.

15. Non-discrimination:

(a) Without limiting the generality of any of the provisions of this Permit, the Permittee, for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby agree that (1) no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of any space at the Airport and the exercise of any privileges under this Permit, (2) that in the construction of any improvements on, over, or under any space at the Airport and the furnishing of any service thereon by the Permittee, no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, (3) that the Permittee shall use any space at the Airport and exercise any privileges under this Permit in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended, and any other present or future laws, rules, regulations, orders or directions of the United States of America with respect thereto which from time to time may be applicable to the Permittee's operations thereat, whether by reason of agreement between the Port Authority and the United States Government or otherwise.

(b) The Permittee shall include the provisions of paragraph (a) of this Section in every agreement or concession it may make pursuant to which any Person or Persons, other than the Permittee, operates any facility at the Airport providing services to the public and shall also include therein a provision granting the Port Authority a right to take such action as the United States may direct to enforce such provisions.

(c) The Permittee's noncompliance with the provisions of this Section shall constitute a material breach of this Permit. Without limiting any other term or provision hereof or any other rights or remedies of the Port Authority hereunder or at law or equity, in the event of the breach by the Permittee of any of the above non-discrimination provisions, the Port Authority may take any appropriate action to enforce compliance or by giving twenty-four (24) hours' notice, may revoke this Permit and the permission hereunder; or may pursue such other remedies as may be provided by law; and as to any or all of the foregoing, the Port Authority may take such action as the United States may direct.

(d) Without limiting any other term or provision hereof, the Permittee shall indemnify and hold harmless the Port Authority from any claims and demands of third Persons, including the United States of America, resulting from the Permittee's noncompliance with any of the provisions of this Section and the Permittee shall reimburse the Port Authority for any loss or expense incurred by reason of such noncompliance.

(e) Nothing contained in this Section shall grant or shall be deemed to grant to the Permittee the right to transfer or assign this Permit, to make any agreement or concession of the type mentioned in paragraph (b) hereof, or any right to perform any construction on any space at the Airport, or any right to use or occupy any space at the Airport.

16. Affirmative Action:

The Permittee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Permittee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Permittee assures that it will require that its covered suborganizations provide assurances to the Permittee that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

17. Rules and Regulations:

(a) The Permittee shall observe and obey (and compel its officers, employees, guests, invitees, and those doing business with it, to observe and obey) the rules and regulations and procedures of the Port Authority now in effect, and such further reasonable rules and regulations and procedures which may from time to time during the effective period of this Permit, be promulgated by the Port Authority for reasons of safety, health, preservation of property or maintenance of a good and orderly appearance of the Airport or for the safe and efficient operation of the Airport. The Port Authority agrees that, except in cases of emergency, it shall give notice to the Permittee of every rule and regulation hereafter adopted by it at least five (5) days before the Permittee shall be required to comply therewith.

(b) The Permittee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of the

New York Board of Fire Underwriters and the New York Fire Insurance Exchange, and any other body or organization exercising similar functions which may pertain or apply to the Permittee's operations hereunder. If by reason of the Permittee's failure to comply with the provisions of this Section, any fire insurance, extended coverage or rental insurance rate on the Airport or any part thereof, or upon the contents of any building thereon, shall at any time be higher than it otherwise would be, then the Permittee shall on demand pay the Port Authority that part of all fire insurance premiums paid or payable by the Port Authority which shall have been charged because of such violation by the Permittee.

18. Prohibited Acts

(a) The Permittee shall not do or permit to be done any act which

(i) will invalidate or be in conflict with any fire insurance policies covering the Airport or any part thereof or upon the contents of any building thereon, or

(ii) will increase the rate of any fire insurance, extended coverage or rental insurance on the Airport or any part thereof or upon the contents of any building thereon, or

(iii) in the opinion of the Port Authority will constitute a hazardous condition, so as to increase the risks normally attendant upon the operations contemplated by this Permit, or

(iv) may cause or produce upon the Airport any unusual noxious or objectionable smokes, gases, vapors or odors, or

(v) may interfere with the effectiveness or accessibility of any drainage and sewerage system, water system, communications system, fire protection system, sprinkler system, alarm system, fire hydrant and hose, if any, installed or located or to be installed or located in or on the Airport, or

(vi) shall constitute a nuisance or injury in or on the Airport or which may result in the creation, commission or maintenance of a nuisance or injury in or on the Airport.

For the purpose of this paragraph (a), "Airport" includes all structures located thereon.

(b) The Permittee shall not dispose of, release or discharge nor permit anyone to dispose of, release or discharge any Hazardous Substance on the Airport except that the Permittee may release or discharge de-icing fluids utilized in the Permittee's ordinary course of business in the performance of any of the privileges granted hereunder so long as such release or discharge is not a violation of the terms and conditions of Sections 17 or 19 hereof. In addition to and without limiting Section 19 hereof, any Hazardous Substance disposed of, released or discharged by the Permittee (or permitted by the Permittee to be disposed of, released or discharged) on the Airport shall upon notice by the Port Authority to the Permittee and subject to the provisions of Sections 17 and 19 hereof and to all Environmental Requirements, be completely removed and/or remediated by the Permittee at its sole cost and expense, provided, however, the forgoing shall not apply to releases and discharges which are in compliance with

the terms and conditions of Sections 17 and 19 hereof of de-icing fluids utilized in the Permittee's ordinary course of business in the performance of any of the privileges granted hereunder and the obligation of the Permittee to remove and remediate such de-icing fluids shall be as required by the terms and conditions of Sections 17 and 19 hereof. The obligations of the Permittee pursuant to this paragraph shall survive the expiration, revocation, cancellation or termination of this Permit.

(c) The Permittee shall not dispose of nor permit anyone to dispose of any waste materials (whether liquid or solid) by means of any toilets, sanitary sewers or storm sewers.

(d) (i) The Permittee shall not employ any persons or use any labor, or use or have any equipment, or permit any condition to exist, which shall or may cause or be conducive to any labor complaints, troubles, disputes or controversies at the Airport which interfere or are likely to interfere with the operation of the Airport or any part thereof by the Port Authority or with the operations of the lessees, licensees, permittees or other users of the Airport or with the operations of the Permittee under this Permit.

(ii) The Permittee shall immediately give notice to the Port Authority (to be followed by written notice and reports) of any and all impending or existing labor complaints, troubles, disputes or controversies and the progress thereof. The Permittee shall use its best efforts to resolve any such complaints, troubles, disputes or controversies.

(iii) The Permittee acknowledges that it is familiar with the general and local conditions prevailing at the Airport and with the all pertinent matters and circumstances which may in any way affect performance of the privileges granted under this Permit.

(e) The Permittee shall not solicit business on the public areas of the Airport and the use, at any time, of hand or standard megaphones, loudspeakers or any electric, electronic or other amplifying device is hereby expressly prohibited.

(f) The Permittee shall not install any fixtures or make any alterations, additions, improvements or repairs to any property of the Port Authority except with the prior written approval of the Port Authority.

(g) No signs, posters or similar devices shall be erected, displayed or maintained at the Airport without the written approval of the General Manager of the Airport; and any not approved by such General Manager or not removed by the Permittee upon the termination, revocation, expiration or cancellation of this Permit may be removed by the Port Authority at the expense of the Permittee.

(h) The Permittee shall not operate any engine or any item of automotive equipment in any enclosed space at the Airport unless such space is adequately ventilated.

(i) The Permittee shall not use any cleaning materials having a harmful or corrosive effect on any part of the Airport.

(j) The Permittee shall not fuel or defuel any equipment in any enclosed space at the Airport without the prior approval of the General Manager of the Airport except in accordance with Port Authority rules and regulations.

(k) The Permittee shall not start or operate any engine or any item of automotive equipment in any enclosed space at the Airport unless such space is adequately ventilated and unless such engine is equipped with a proper spark-arresting device.

19. Law Compliance:

(a) The Permittee shall procure all licenses, certificates, permits or other authorization from all governmental authorities, if any, having jurisdiction over the Permittee's operations at the Airport which may be necessary for the Permittee's operations thereat.

(b) The Permittee shall pay all taxes, license, certification, permit and examination fees and excises which may be assessed, levied, exacted or imposed on its property or operations at the Airport or on the Gross Receipts, Terminal Four Gross Receipts or income therefrom, and shall make all applications, reports and returns required in connection therewith.

(c) The Permittee shall promptly observe, comply with and execute the provisions of any and all present and future governmental laws, rules, regulations, requirements, orders and directions which may pertain or apply to the Permittee's operations at the Airport.

(d) The Permittee's obligations to comply with governmental requirements are provided herein for the purpose of assuring proper safeguards for the protection of Persons and property at the Airport and are not to be construed as a submission by the Port Authority to the application to itself of such requirements or any of them.

(e) The Port Authority has agreed by a provision in the City Lease with the City covering the Airport to conform to the enactments, ordinances, resolutions and regulations of the City and of its various departments, boards and bureaus in regard to the construction and maintenance of buildings and structures and in regard to health and fire protection, to the extent that the Port Authority finds it practicable so to do. The Permittee shall, within forty-eight (48) hours after its receipt of any notice of violation, warning notice, summons, or other legal process for the enforcement of any such enactment, ordinance, resolution or regulation, deliver the same to the Port Authority for examination and determination of the applicability of the agreement of lease provision thereto. Unless otherwise directed in writing by the Port Authority, the Permittee shall conform to such enactments, ordinances, resolutions and regulations insofar as they relate to the operations of the Permittee at the Airport. In the event of compliance with any such enactment, ordinance, resolution or regulation on the part of the Permittee, acting in good faith, commenced after such delivery to the Port Authority but prior to the receipt by the Permittee of a written direction from the Port Authority, such compliance shall not constitute a breach of this Permit, although the Port Authority thereafter notifies the Permittee to refrain from such compliance. Nothing herein contained shall release or discharge the Permittee from compliance with any other provision hereof respecting governmental requirements.

20. Trademarks and Patent Infringement:

The Permittee represents that it is the owner of or fully authorized to use or sell any and all services, processes, machines, articles, marks, names or slogans used or sold by it in its operations under or in any wise connected with this Permit.

21. Inspection:

The Port Authority shall have the right at any time and as often as it may consider it necessary to inspect the Permittee's machines and other equipment, any services being rendered, any merchandise being sold or held for sale by the Permittee, and any activities or operations of the Permittee hereunder. Upon request of the Port Authority, the Permittee shall operate or demonstrate any machines or equipment owned by or in the possession of the Permittee on the Airport or to be placed or brought on the Airport, and shall demonstrate any process or other activity being carried on by the Permittee hereunder. Upon notification by the Port Authority of any deficiency in any machine or piece of equipment, the Permittee shall immediately make good the deficiency or withdraw the machine or piece of equipment from service, and provide a satisfactory substitute.

22. Federal Aid:

(a) The Permittee shall

(i) furnish good, prompt and efficient service hereunder, adequate to meet all demands therefor at the Airport;

(ii) furnish said service on a fair, equal and non-discriminatory basis to all users thereof; and

(iii) charge fair, reasonable and non-discriminatory prices for each unit of sale or service, provided that the Permittee may make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

As used in the above subsections "service" shall include furnishing of parts, materials and supplies (including sale thereof).

(b) The Port Authority has applied for and received a grant or grants of money from the Administrator of the Federal Aviation Administration pursuant to the Airport and Airways Development Act of 1970, as the same has been amended and supplemented, and under prior federal statutes which said Act superseded and the Port Authority may in the future apply for and receive further such grants. In connection therewith the Port Authority has undertaken and may in the future undertake certain obligations respecting its operation of the Airport and the activities of its contractors, lessees and permittees thereon. The performance by the Permittee of the promises and obligations contained in this Permit is therefore a special consideration and inducement to the issuance of this Permit by the Port Authority, and the Permittee further agrees that if the Administrator of the Federal Aviation Administration or any other governmental

officer or body having jurisdiction over the enforcement of the obligations of the Port Authority in connection with Federal Airport Aid, shall make any orders, recommendations or suggestions respecting the performance by the Permittee of its obligations under this Permit, the Permittee will promptly comply therewith at the time or times, when and to the extent that the Port Authority may direct.

23. Capacity and Competition:

(a) The Permittee shall refrain from entering into continuing contracts or arrangements with any third Person for furnishing services covered hereunder when such contracts or arrangements will have the effect of utilizing to an unreasonable extent the Permittee's capacity for rendering such services. A reasonable amount of capacity shall be reserved by the Permittee for the purpose of rendering services hereunder to those who are not parties to continuing contracts with the Permittee.

(b) The Permittee shall not enter into any agreement or understanding, express or implied, binding or non-binding, with any other Person who may furnish services at the Airport similar to those furnished hereunder which will have the effect of (i) fixing rates and charges to be paid by users of the services; (ii) lessening or preventing competition between the Permittee and such other furnishers of services; or (iii) tending to create a monopoly on the Airport in connection with the furnishing of such services.

24. Business Development and Records:

(a) In connection with the exercise of the privileges granted hereunder, the Permittee shall:

(i) Intentionally Omitted;

(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 performed at Terminal Four, the Authorized Service performed at the Airport at any location other than Terminal Four and all other services performed at the Airport at any location other than Terminal Four, 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, the Authorized Service performed at Terminal Four and all other services performed at the airport at any location other than Terminal Four;

(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 and/or Terminal Four Gross Receipts and which the Terminal Four Lessee, in its sole discretion, believes may be relevant for identification, determination or calculation of Terminal Four 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 and/or Terminal Four Gross Receipts and which the Terminal Four Lessee, in its sole discretion, believes may be relevant for identification, determination or calculation of Terminal Four 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) if the Permittee has performed any privilege or portion thereof at Terminal Four, then permit and/or cause to be permitted in ordinary business hours during the effective period of the 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 Terminal Four Lessee of all Books and Records within ten (10) days following any request by the Terminal Four Lessee from time to time and at any time to examine and audit any Books and Records;

(vii) permit the inspection by the officers, employees and representatives of the Port Authority and the Terminal Four Lessee of any equipment used by the Permittee, including but not limited to the equipment described in paragraph (a)(viii) below; and

(viii) 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 Terminal Four 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 Terminal Four Gross Receipts and to the Terminal Four Lessee of all Terminal Four 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)(viii) above then, in addition to all, and without limiting any other, rights and remedies of the Port Authority and the Terminal Four Lessee 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) the Port Authority or the Terminal Four Lessee may estimate the Terminal Four Gross Receipts on any basis that the Port Authority or the Terminal Four Lessee, 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 Terminal Four Lessee when billed; and/or

(iii) 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.

(iv) if any Books and Records are maintained outside of the Port of New York District, then the Terminal Four Lessee 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 Terminal Four Lessee within the Port of New York District for examination and audit pursuant to paragraph (a)(vi) hereof and/or (y) examine and audit any such Books and Records pursuant to paragraph (a)(vi) 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 Terminal Four Lessee when billed all travel costs and related expenses, as determined by the Terminal Four Lessee, for Terminal Four Lessee 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 Terminal Four Lessee when billed all costs and expenses of the Terminal Four Lessee, as determined by the Terminal Four Lessee, 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 Terminal Four Lessee 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 or the Terminal Four Lessee determines that unpaid amounts are due to the Port Authority or to the Terminal Four Lessee by the Permittee (the "*Audit Findings*"), the Permittee shall be obligated, and hereby agrees, to pay to the Port Authority and/or the Terminal Four Lessee 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 or by the Terminal Four Lessee. Such service charge (s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority or the Terminal Four Lessee 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) and 4(a)(iii). 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 hereunder and the foregoing auditing costs, expenses and amounts of the Terminal Four Lessee set forth in paragraphs (b), (c) and (d) above shall be deemed fees under this Permit payable to the Terminal Four Lessee with the same force and effect as the Terminal Four Percentage Fee and all other fees payable to the Terminal Four Lessee hereunder.

25. Rates and Charges:

The Permittee shall establish rates and discounts therefrom which are in compliance with Section 22 hereof (each such rate and discount is hereinafter called an "*Established Rate*"). Upon request by the Port Authority, the Permittee shall provide the Port Authority its rates and discounts therefrom for goods and services furnished hereunder. If the Permittee applies any rate in excess of the Established Rate therefor or extends a discount less than the Established Discount therefor, the amount by which the charge based on such actual rate or actual discount deviates from a charge based on the Established Rate shall constitute an overcharge which will, upon demand of the Port Authority or the Permittee's customer, be promptly refunded to the customer. If the Permittee applies any rate which is less than the Established Rate therefor or extends a discount which is in excess of the Established Rate therefor, the amount by which the charge based on such actual rate or actual discount deviates from a charge based on the Established Rate shall constitute an undercharge and an amount equivalent thereto shall be included in Gross Receipts and Terminal Four Gross Receipts hereunder and the Basic Percentage Fee and the Terminal Four 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 or Terminal Four Gross Receipts any such overcharge or undercharge shall constitute a breach of the Permittee's obligations hereunder and the Port Authority shall have all remedies consequent upon such breach which would otherwise be available to it at law, in equity or by reason of this Permit.

26. Other Agreements:

In the event the terms and provisions of any agreement entered into by the Permittee with any third Person in connection with the privileges granted hereunder are contrary to or conflict or are inconsistent with the terms and provisions of this Permit, the terms and provisions of this Permit shall be controlling, effective and determinative.

27. City Lease Provisions:

(a) The Permittee acknowledges that it has received a copy of, and is familiar with the contents of, the City Lease. The Permittee acknowledges that no greater rights or privileges are hereby granted to the Permittee than the Port Authority has the power to grant under the City Lease.

(b) In accordance with the provisions of the City Lease, the Port Authority and the Permittee hereby agree as follows:

(i) This Permit is subject and subordinate to the City Lease and to any interest superior to that of the Port Authority;

(ii) The Permittee shall not pay the fees or other sums under this Permit for more than one (1) month in advance (excluding security or other deposits required under this Permit);

(iii) With respect to this Permit, the Permittee on the termination of the City Lease will, at the option of the City, enter into a direct permit on identical terms with the City;

(iv) The Permittee shall indemnify the City, as third party beneficiary hereunder, with respect to all matters described in Section 31 of the City Lease that arise out of the Permittee's operations at the Airport, or arise out of the acts or omissions of the Permittee's officers, employees, agents, representatives, contractors, customers, business visitors and guests at the Airport with the Permittee's consent;

(v) The Permittee shall not use any portion of the Airport for any use other than as permitted under the City Lease;

(vi) The Permittee shall use the Airport in a manner consistent with the Port Authority's obligations under Section 28 of the City Lease;

(vii) The failure of the Permittee to comply with the foregoing provisions shall be an event of default under this Permit, which shall provide the Port Authority with the right to revoke this Permit and exercise any other rights that the Port Authority may have as the grantor of the permission hereunder; and

(viii) The City shall be named as an additional insured or loss payee, as applicable, under each policy of insurance procured by the Permittee pursuant to this Permit.

28. Counterclaims:

The Permittee specifically agrees that it shall not interpose any claims as counterclaims in any action for non-payment of fees or other amounts, which may be brought by the Port Authority unless such claims would be deemed waived if not so interposed.

29. Continued Exercise of Privilege After Expiration, Revocation or Termination:

(a) The Permittee acknowledges that the failure of the Permittee to cease to perform the Authorized Service at the Airport from the effective date of such expiration, revocation or termination will or may cause the Port Authority injury, damage or loss, and the Permittee hereby assumes the risk of such injury, damage or loss and hereby agrees that it shall be responsible for the same and shall pay the Port Authority for the same whether such are foreseen or unforeseen, special, direct, consequential or otherwise and the Permittee hereby expressly agrees to indemnify and hold the Port Authority harmless against any such injury,

damage or loss. The Permittee acknowledges that the Port Authority reserves all its legal and equitable rights and remedies in the event of such failure by the Permittee to cease performance of the Authorized Service.

(b) The Permittee hereby acknowledges and agrees that, subject to the foregoing, all terms and provisions of this Permit shall be and continue in full force and effect during any period following such expiration, revocation or termination. The term "Post-Termination Period", for purposes of this Permit, shall mean any period following the expiration, revocation or termination of the effective period of the permission granted under this Permit, as such effective period of permission may be extended from time to time.

30. Governing Law:

This agreement and any claim, dispute or controversy arising out of, under or related to this agreement shall be governed by, interpreted and construed in accordance with the laws of the State of New York, without regard to choice of law principles.

31. Miscellaneous:

(a) It is understood and agreed that the Port Authority shall not furnish, sell or supply to the Permittee any services or utilities in connection with this Permit.

(b) No Commissioner, Director, officer, agent or employee of either party shall be charged personally by the other party with any liability, or held liable to the other party, under any term or provision of this Permit, or because of the party's execution or attempted execution, or because of any breach thereof.

(c) The Section and paragraph headings, if any, in this Permit are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of any provision hereof.

(d) This Permit, including the attached Special Endorsements, constitutes the entire agreement of the Port Authority and the Permittee on the subject matter hereof. This Permit may not be changed, modified, discharged or extended, except by written instrument duly executed on behalf of the Port Authority and the Permittee or except by notice as specifically set forth in Sections 4 and 13 hereof. The Permittee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing herein.

Initialed:

OC
For the Port Authority

For the Permittee