

**NONAIRLINE TERMINAL SPACE OR USE PERMIT
OF COVENANT AVIATION SECURITY, LLC
AT SAN FRANCISCO INTERNATIONAL AIRPORT**

(All Terminals)

by and between

Covenant Aviation Security, LLC,
as Permittee,

and

**CITY AND COUNTY OF SAN FRANCISCO,
ACTING BY AND THROUGH ITS AIRPORT COMMISSION**

**John L. Martin
Airport Director**

February 1, 2011

Permit No. 4055

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(ALL Terminals)**

PERMIT SUMMARY

For the convenience of Permittee and City (as such terms are defined below), this Permit Summary (this “**Summary**”) summarizes certain terms of this Permit (as defined below). This Summary is not intended to be a detailed or complete description of this Permit, and reference must be made to the other Sections below for the particulars of this Permit. In the event of any inconsistency between the terms of this Summary and any other provision of this Permit, such other provision shall prevail. Capitalized terms used elsewhere in this Permit and not defined elsewhere shall have the meanings given them in this Summary.

Reference Date: February 1, 2011

Permittee: Covenant Aviation Security, LLC,
an Illinois Limited Liability Company

Permittee’s Notice Address: 480 Quandrangler Dr., Suite C,
Bollingbrook, IL 60440
Att’n: Director of Contract Administration
Fax No. (630) 771-1199
Tel. No. (630) 771-0800

City: The City and County of San Francisco, a municipal corporation,
acting by and through its Airport Commission

City’s Notice Address: San Francisco International Airport
Building 100, International Terminal
North Shoulder Building, 5th Floor
P.O. Box 8097
San Francisco, CA 94128
Att’n: Airport Director
Fax No. (650) 821-5005
Tel. No. (650) 821-5000

Premises: Approximately 10,800 square feet of Category II space exclusive space
 (§ 1) located in Terminal I, Terminal II, Terminal III, and the International Terminal all as more particularly described on the attached Drawings Numbers T12BCOVN, T12BSCOV, T12CCOVN, T11COV, T33COV, T33COV1, T32COVPT, I3GCOVN BAG3COVN, I3ACOVN, BAA3COVN, and T22COV attached to the Permit:

Drawing No.	Dated	Room No.	Category	Sq. Ft.
T12BCOVN		B.2.061	II	473
T12BCOVN		B.2.004	II	159
T12CCOVN		C.2.006	II	167
T12CCOVN		C.2.053	II	1190
T11COV		T1.1.067	II	327
T33COV		T3.3.007	II	2182
T33COV		T3.3.008A-C	II	667
T33COV		T3.3.008D-F	II	409
T33COV		T3.3.009	II	2545
T33COV1		T3.3.048	II	632
I3GCOVN		I.3.080B	II	347
BAG3COVN		G.3.051B	II	410
I3ACOVN		I.3.136C	II	255
BAA3COVN		A.3.049D	II	719
T22COV		T2.1.176	II	341

Permitted Use: Administrative and Operational Office
 (§ 3)

Permit Fee: The product of the number of square feet comprising the Premises and the
 (§ 4) average rental rate negotiated consistent with the U.S. Transportation Security Administration GS 09B-02006 at \$128.50, in effect from February 1, 2011 to October 31, 2012 for such space plus a surcharge of \$1.79 for tenant improvements installed by the City for Room T2.1.176, the Premises. For reference only, based on the rate of \$128.50 exclusive use space and the surcharge for Room No. T2.1.16 the annual Permit Fee equals \$1,388,400.16 or \$115,700.01 per month.

Commencement Date: The later of February 1, 2011, and the date on which the conditions
 (§ 2.1) precedent in Section 2.1 [Commencement Date] are satisfied.


Deposit Amount: The higher of \$231,400.20 and two (2) months of Permit Fees
 (§ 9) (Negotiated rate carry forward from original Permit No. 3625)

Initial Permittee Audrey Deane
Representative: Phone No. (650) 581-4110
(§ 3.6)

Other
Agreements: Permit No. 4085
Exhibits: A - Premises Description

Such exhibit is hereby incorporated herein and made a part hereof.

Initials of Authorized Representative of City

 _____

Initials of Authorized Representative of Permittee

 _____

**NONAIRLINE TERMINAL SPACE OR USE PERMIT
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(All Terminals)**

THIS NONAIRLINE TERMINAL SPACE OR USE PERMIT (this “**Permit**”), dated as of the Reference Date, is entered into by and between Permittee, and the City and County of San Francisco, a municipal corporation (“**City**”), acting by and through its Airport Commission (“**Commission**”), which, in turn, acts by and through its Airport Director. This Permit is made with reference to the following facts:

A. City owns the San Francisco International Airport (the “**Airport**”) located in the County of San Mateo, State of California, which Airport is operated by and through City’s Airport Commission (“**Commission**”), the chief executive officer of which is the Airport Director (“**Director**”). The Airport’s “Terminal Building Complex” is currently comprised of Terminal 1, Terminal 2, Terminal 3, and an International Terminal Building together with connecting concourses, piers, boarding areas and extensions thereof, and satellite buildings now or hereafter constructed. . Permittee acknowledges that, from time to time, the Airport undergoes certain construction and renovation projects. Unless otherwise specified, the term “**Airport**” or “**Terminal Building Complex**” as used herein shall mean the Airport or the Terminal Building Complex, respectively, as the same may be expanded, contracted, improved, modified, renovated, or changed in any way.

B. Permittee desires to use space at the Airport, and Director has determined that such use of space, on the terms and conditions of this Permit, would be desirable for the Airport.

Accordingly, Permittee and City agree as follows:

1. PERMIT

1.1 Permittee’s Right to Use Premises. City, acting by and through Director, grants to Permittee a revocable, personal privilege to use the Premises for the Permitted Use subject to the terms and conditions hereinafter set forth. As described below, this Permit may be revoked by Director at any time, without cause. This Permit gives Permittee a license only. Nothing in this Permit shall be construed as granting or creating any franchise rights pursuant to any federal, state or local laws.

1.2 Rights of Ingress and Egress. Permittee shall have the non-exclusive rights of ingress and egress across Airport property to conduct its permitted operations hereunder provided that such ingress and egress activity: (a) shall not impede or interfere unduly with the operation of Airport by City or the use of the Airport by its tenants, passengers, or employees; (b) shall be subject to Airport Rules and Regulations, as amended from time to time (as amended, the “**Airport Rules**”), including those pertaining to badge, permitting, and other security requirements, and the

requirements of this Permit; (c) shall be in or on hallways, roads, and other areas designated by Director from time to time; and (d) may be suspended or revoked by Director. Permittee shall not place or install any equipment or personal property in any Airport property outside of the Premises, without the express prior consent of Director. In no event will Permittee engage in any activity on the Airport outside the Premises for the recruitment or solicitation of business. For purposes of this Permit relating to Permittee's responsibilities, the term the "**Premises**" shall mean the area(s) shown on *Exhibit A*, where (a) the exact boundaries are deemed to be three (3) inches inside each wall separating the Premises from the adjacent premises or the external wall, and (b) with respect to the facade and/or wall on the front of the Premises, separating the Premises from the building's common areas, the exact boundary is deemed to be the external face of the facade and/or wall.

1.3 Remeasurement of Premises. At any time and from time to time, Director may cause City to conduct a space audit pursuant to which City remeasures the Premises using the Airport's then-current measurement specifications. Following such measurement and notice to Permittee, the Premises description and the Permit Fee shall be deemed adjusted per such measurement.

1.4 Changes to Airport. Permittee acknowledges and agrees that (a) City shall have the right at all times to change, alter, expand, and contract the Airport; (b) City has made no representations, warranties, or covenants to Permittee regarding the design, construction, pedestrian traffic, or views of the Airport or the Premises. Without limiting the generality of the foregoing, Permittee acknowledges and agrees that the Airport (i) is currently undergoing, and may from time to time hereafter undergo, renovation, construction, and other Airport modifications; and (ii) may from time to time adopt rules and regulations relating to security and other operational concerns that may affect Permittee's business. Although City will use reasonable efforts to minimize the effect of the Master Plan Expansion and other Airport changes on Permittee's business, Permittee acknowledges that such activity may have some effect on Permittee's operations.

2. COMMENCEMENT DATE; REVOCATION

2.1 Commencement Date. This Permit shall be effective, and the "**Commencement Date**" shall be deemed to occur, on the later of the date specified in the Summary and the date on which all of the following conditions precedent are satisfied, in Director's sole discretion:

(a) Director shall have received certificates evidencing that Permittee shall have obtained all insurance required by this Permit;

(b) Director shall have received the Deposit (as defined below), as required by this Permit; and

(c) Director shall have received two (2) duplicate originals of this Permit, fully-executed by Permittee and City.

2.2 Revocation; Termination. This Permit shall continue in force until revoked or mutually terminated as hereinafter provided.

(a) This Permit is revocable at any time, in the sole and absolute discretion of Director. Such revocation shall be accomplished by giving reasonable prior written notice thereto to Permittee, but in no event shall more than thirty (30) days notice be required. Notwithstanding the foregoing, Director may also terminate the Permit upon the occurrence of an Event of Default (as defined below) without such notice.

(b) Permittee may terminate this Permit by giving thirty (30) days prior written notice to Director.

3. USE AND OPERATIONS

3.1 Permitted Use. Permittee shall use the Premises for the Permitted Use and for no other purpose. Under no circumstances will Permittee operate or enter any restricted Airport area, including the airfield area, except as may be permitted pursuant to another permit between City and Permittee.

3.2 No Exclusivity. Permittee acknowledges and agrees that Permittee has no exclusive rights to conduct the business of the Permitted Use and that City may arrange with others for similar activities at the Airport.

3.3 Prohibited Activities. Without limiting any other provision herein, Permittee shall not, without the prior written consent of Director: (a) cause or permit anything to be done, in or about the Premises, or bring or keep anything thereon which might (i) increase in any way the rate of fire insurance on the Airport; (ii) create a nuisance; (iii) in any way obstruct or interfere with the rights of others on the Airport or injure or annoy them; (b) commit or suffer to be committed any waste upon the Premises; (c) use, or allow the Premises to be used, for any improper, immoral, unlawful or objectionable purpose; (d) place any loads upon the floor, walls or ceiling which endanger the structure or obstruct the sidewalk, passageways, stairways or escalators, in front of, within, or adjacent to the building; or (e) do or permit to be done anything in any way tending to injure the reputation of City or appearance of the Airport.

3.4 Inspections; Audit of Operations. Director may cause the Premises and Permittee's operations hereunder to be inspected at any time. At any time and from time to time, City may conduct an audit of Permittee's operations at the Airport to confirm that such operations comply with the requirements set forth herein. Permittee shall cooperate with such audit. In the event such audit shows that Permittee is not complying with such requirements, without limiting City's ability to call a default hereunder, City may require that Permittee reimburse City for the costs of such audit. Permittee shall promptly remedy any noncompliance shown in any such audit.

3.5 No Advertising or Promotions. Permittee shall have no right to conduct any advertising or promotional activities on the Airport. Without limiting the generality of the foregoing, in no event will any advertising of cigarette or tobacco products be permitted.

3.6 Representative of Permittee. Permittee shall at all times retain on the Airport at least one qualified representative authorized to represent and act for it in matters pertaining to its operation, and shall keep Director informed in writing of the identity of each such person. The initial person so designated is the Initial Permittee Representative.

3.7 Prevention of Trespass. Permittee shall use reasonable precautions to prevent unauthorized persons from gaining access to restricted flight and public aircraft operational areas and all other nonpublic areas around the Premises.

3.8 Fuel System. Permittee acknowledges that City has granted, or may in the future grant, to a party the sole and exclusive right to operate a fuel system on the Airport. In such event, Permittee acknowledges and agrees that, to the extent it desires to receive distribution of jet fuel on Airport premises, it must receive such distribution from such party, on the terms and conditions established by such party. In no event will Permittee have any right to operate a competing fuel system at the Airport.

4. PERMIT FEE AND OTHER CHARGES

4.1 Permit Fee. On the Commencement Date, and on the first day of each calendar month thereafter, Permittee shall pay to City, as a fee for its use of the Premises in advance, the Permit Fee. If the Commencement Date occurs on a date other than the first day of a calendar month, then the monthly Permit Fee shall be prorated based on a 30-day month. If the Permit Fee is based on the Airport's rates and charges, Permittee acknowledges and agrees that the Permit Fee is subject to adjustment from time to time based on changes to the Airport's rates and charges.

4.2 Other Charges and Fees. Without limiting restrictions on Permittee's operations hereunder, Permittee shall pay all other charges or fees occasioned by Permittee's operation or activities on or about the Airport, including utility charges and fees, and other charges for common use facilities as set forth on the applicable schedule of rates and charges. As used below, the term "**Permit Fees**" shall mean collectively the Permit Fee, all such other charges or fees, and all other amounts payable by Permittee hereunder.

4.3 Payment Details. All payments hereunder shall be paid at the office of Director, or at such other place as City may from time to time designate in writing. All Permit Fees shall be paid in lawful money of the United States, free from all claims, demands, setoffs, or counterclaims of any kind. Any Permit Fees not paid when due shall be subject to a service charge equal to the lesser of the rate of one and one-half percent (1 ½%) per month, and the maximum rate permitted by law. Acceptance of any service charge shall not constitute a waiver of Permittee's default on the overdue amount or prevent City from exercising any of the other rights and remedies available to City.

4.4 Prepay Permit Fees. Notwithstanding anything to the contrary herein, in the event Permittee shall fail to pay any amount, including Permit Fees, when due hereunder, Director shall have the right to require Permittee to pay estimated Permit Fees and all other amounts due hereunder in advance of the month during which the same shall accrue. Such right shall be exercised by a notice from Director to Permittee, which notice may be given any time after such default by Permittee, regardless of whether the same is cured by Permittee.

4.5 Accounting. Permittee shall maintain for a period of five (5) years after the revocation or termination of this Permit, or, in the event of a claim by City, until such claim of City for payments hereunder shall have been fully ascertained, fixed and paid, separate and accurate daily records of Permittee's operations hereunder. All such books and records shall be kept in

accordance with generally accepted accounting principles, consistently applied, showing in detail all business done or transacted in, on, about or from or pertaining to the Airport. Upon Director's written request, Permittee shall make available immediately to City and/or its auditors any and all books, records and accounts pertaining to its operations under this Permit.

5. ASSIGNMENT

5.1 No Assignment. Permittee shall not assign, encumber, or otherwise transfer, whether voluntary or involuntary or by operation of law, the Premises, this Permit, or any right hereunder, without Director's prior written consent, which consent may be granted or denied in Director's sole and absolute discretion (the term "**Transfer**" shall mean any such assignment, encumbrance, or transfer). Director's consent to one Transfer shall not be deemed a consent to subsequent Transfers. Any Transfer made without Director's consent shall constitute a default hereunder and shall be voidable at Director's election.

5.2 Changes in Permittee. The merger of Permittee with any other entity or the transfer of any controlling ownership interest in Permittee, or the assignment or transfer of a substantial portion of the assets of Permittee, whether or not located on the Premises, shall constitute a "**Transfer.**" Without limiting the generality of the foregoing, if Permittee is a partnership, a withdrawal or change, voluntary, involuntary or by operation of law of the partner or partners owning fifty-one percent (51%) or more of the partnership, or the dissolution of the partnership, or the sale or transfer of at least fifty-one percent (51%) of the value of the assets of the partnership, shall be deemed a Transfer. If Permittee is a corporation or limited liability company, any dissolution, merger, consolidation or other reorganization of Permittee, or the sale or other transfer of a controlling percentage of the capital stock or membership interests of Permittee, or the sale or transfer of at least fifty-one percent (51%) of the value of the assets of Permittee, shall be deemed a Transfer. The phrase "controlling percentage" means the ownership of, and the right to vote, stock or interests possessing at least fifty-one percent (51%) of the total combined voting power of all classes of Permittee's capital stock or interests issued, outstanding and entitled to vote for the election of directors. Without limiting the restrictions on asset transfers, this paragraph shall not apply to stock or limited liability company interest transfers of corporations or limited liability companies the stock or interests of which is traded through an exchange or over the counter.

5.3 No Release. In no event will Director's consent to a Transfer be deemed to be a release of Permittee as primary obligor hereunder.

6. COMPLIANCE WITH LAWS

6.1 General Obligation. At all times, Permittee shall cause the Premises and its operations hereunder to comply with all present and future federal, state and local laws, rules, regulations, and ordinances, as the same may be amended from time to time, whether foreseen or unforeseen, ordinary as well as extraordinary, including those relating to (a) health and safety; (b) disabled access, including the Americans with Disabilities Act, 42 U.S.C.S. Sections 12101 et. seq. and Title 24 of the California Code of Regulations, and (c) Hazardous Materials (as defined below) (collectively "**Laws**"), and the Airport's Tenant Improvement Guide, as amended from time to time (as amended, the "**Airport's TI Guide**"). City and each City Entity (as defined below) shall have no and Permittee waives any liability for any diminution or deprivation of Permittee's

rights hereunder pursuant to this Section 6. As used herein, the term “**City Entity**” shall mean City, Commission, its members, all officers, agents, and employees of each of them, and their successors and assigns.

6.2 Obligation If Premises Are in Building. Notwithstanding the foregoing, this Section 6 shall not impose on Permittee any liability to make any structural alterations to the roof, foundation, bearing and exterior walls and subflooring; or heating, ventilating, air conditioning, plumbing, electrical, fire protection, life safety, security and other mechanical, electrical and communications systems of the building (collectively “**Building Systems**”), except to the extent the same is (x) installed by Permittee pursuant to Section 11 [Utilities], or otherwise, or (y) necessitated by Permittee’s Alterations or by any act or omission of Permittee or any contractor, employee, agent, licensee or invitee of Permittee (a “**Permittee Entity**”).

7. **WAIVER; INDEMNITY; INSURANCE**

7.1 Waiver. Permittee, on behalf of itself and its successors and assigns, waives its rights to recover from and forever releases and discharges City and all City Entities and their respective heirs, successors, personal representatives and assigns, from any and all Losses whether direct or indirect, known or unknown, foreseen or unforeseen, that may arise on account of or in any way be connected with (a) the physical and environmental condition of the Premises or any law or regulation applicable thereto, including all Environmental Laws; (b) any damage suffered or sustained by Permittee or any person whatsoever may at any time be using or occupying or visiting the Premises or the Airport; or (c) any act or omission (whether negligent, non-negligent, or otherwise) of Permittee or any Permittee Entity, whether or not such Losses shall be caused in part by any act, omission, or negligence of any of City or any City Entity except if solely caused by the sole gross negligence or willful misconduct of City. In connection with the foregoing waiver, Permittee expressly waives the benefits of Section 1542 of the California Civil Code, which provides as follows: “A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR EXPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN TO HIM MUST HAVE MATERIALLY AFFECTED THE SETTLEMENT WITH THE DEBTOR.”

7.2 Indemnity. In addition to, and not in limitation of the foregoing, Permittee shall forever indemnify, defend, hold and save City and each City Entity free and harmless of, from and against any and all Losses caused in whole or in part by (a) any act or omission of Permittee or any Permittee Entity, (b) Permittee’s operations at the Airport, whether or not Losses shall be caused in part by any act, omission or negligence of City or any City Entity, or (c) any default by Permittee or any Permittee Entity hereunder. The foregoing indemnity shall not extend to any Loss caused solely by the sole gross negligence or willful misconduct of City.

7.3 Losses . For purposes hereof “**Losses**” shall mean any and all losses, liabilities, judgments, suits, claims, damages, costs and expenses (including reasonable attorneys’ fees, investigation costs, remediation costs, and court costs), of any kind or nature.

7.4 Notice. Without limiting the foregoing waiver and indemnity, each party hereto shall give to the other prompt and timely written notice of any Loss coming to its knowledge which

in any way, directly or indirectly, contingently or otherwise, affects or might affect either, and each shall have the right to participate in the defense of the same to the extent of its own interest.

7.5 Insurance. Permittee shall procure and maintain the following insurance:

(a) Workers Compensation Insurance with Employer's Liability limits not less than \$1,000,000 each accident, together with adequate provision for Social Security and Unemployment Compensation.

(b) Commercial General Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products Liability and Completed Operations Coverages, covering Permittee's operations at and around the Airport.

(c) Business Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including owned, non-owned and hired automobile coverages, as applicable.

(d) Property insurance on improvements, fixtures, and equipment insuring against the perils of fire, lightning, extended coverage perils, vandalism, and malicious mischief in the Premises in an amount equal to the full replacement value of tenant improvements, fixtures, and equipment.

7.6 Form of Policies. All insurance required by Permittee hereunder shall be pursuant to policies in form and substance and issued by companies satisfactory to City and City's City Attorney. City may, upon reasonable notice and reasonable grounds increase or change the required insurance hereunder, in which event Permittee shall obtain such required insurance. Without limiting the generality of the foregoing, all General Liability Insurance shall be endorsed to provide the following:

(a) Name as additional insured the City and County of San Francisco, the Airport Commission and its members, and all of the officers, agents, and employees of each of them (collectively "**Additional Insureds**");

(b) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Permit, and that insurance applies separately to each insured against whom claim is made or suit is brought. No other insurance effected by City will be called upon to contribute to a loss covered hereby.

(c) Severability of Interests (Cross Liability): The term "the insured" is used severally and not collectively, and the insurance afforded under the liability coverages applies separately to each insured against whom claim is made or suit is brought, but the inclusion herein of more than one insured shall not operate to increase the limits of the company's liability.

All policies shall provide that the insurance company shall give thirty (30) days prior written notice to City of cancellation, non-renewal or reduction in coverage or limits, delivered to City at City's Notice Address.

7.7 Delivery of Policies or Certificates. On or before the Commencement Date, Permittee shall provide to Director copies of its insurance policies or certificates thereof evidencing the above insurance.

7.8 Subrogation. Notwithstanding anything to the contrary herein, Permittee waives any right of recovery against City for any loss or damage to the extent the same is covered by Permittee's insurance. Permittee shall obtain from its insurer, if possible, a waiver of subrogation the insurer may have against City or any City Entity in connection with any Loss covered by Permittee's property insurance policy.

8. ALTERATIONS

8.1 Improvements. Subject to the provisions of Section 8.2 below, Permittee at its own expense may construct, place or erect on the Premises any improvements, including the initial improvements described on *Exhibit B* (the "**Initial Improvements**"), make any alterations, additions, or improvements thereto, and install all fixtures and equipment therein (collectively "**Alterations**") which it may consider necessary or useful in connection with or related to Permittee's business, including Permittee's trade fixtures, specialty equipment, furnishings, finishes, or other necessary improvements to Premises and thereafter, to alter, modify or enlarge the same. Without limiting the generality of the foregoing, on the Commencement Date, Permittee shall take possession of the Premises and cause the Initial Improvements to be installed at its own cost.

8.2 City's Approval Rights. Permittee shall not make or suffer to be made any Alterations without Director's prior written consent. Permittee shall cause all such Alterations to be performed in a workmanlike manner, in compliance with the requirements of the Airport's TI Guide and all applicable Laws. Without limiting the generality of the foregoing, all Alterations shall conform to Commission's established architectural design scheme for the Airport, and may require the approval of the Airport's Design Review Committee. Prior to the construction of any Alterations, Permittee shall submit detailed plans and specifications to the Director for approval. Permittee shall include with its plans and specifications schematic renderings of the common area, materials, and a color board(s). All decisions by the Airport's Design Review Committee shall be made subject to the approval of the Airport Commission. Director's approval rights will extend to and include architectural and aesthetic matters and City reserves the right to reject any designs submitted and to require Permittee to resubmit designs until they meet Director's approval. In the event of disapproval by City of any portion of the plans and specifications, Permittee will promptly submit necessary modifications and revisions thereof. No changes or alterations will be made in said plans or specifications after approval by Director. City agrees to act within a reasonable period of time upon such plans and specifications and upon requests for approval of changes or alterations in said plans or specifications. One copy of plans for all proposed Alterations will, within fifteen (15) days after approval thereof by Director be signed by Permittee and deposited with City as an official record thereof. All Alterations shall be effected through the use of contractors approved by Director who shall furnish to Director upon demand such completion bonds and labor and material bonds as Director may require so as to assure completion of the Alterations on a lien-free basis. Without limiting the requirements set forth above, Permittee acknowledges and agrees that Permittee may be required to obtain approvals for any desired Alterations from the Airport's Quality Control Department.

8.3 Notice and Permits. Permittee shall give written notice to Director not less than seven (7) days prior to the commencement of any Alterations work in order that City may post appropriate notices of non-responsibility, and agrees that such notices may remain posted until the acceptance of such work by City. Permittee shall obtain, and pay all fees for all permits required by the City or other legal jurisdictions, for improvements that it is required to construct or install, and it shall furnish copies of all such permits to City prior to the commencement of any work.

8.4 Title to Alterations. Except as provided herein, on revocation or termination of this Permit, all Alterations made by Permittee, including all structural construction, foundation, roof, HVAC, plumbing, electricity and similar equipment shall vest in City. Title to all Alterations of such a nature as cannot be removed without substantial damage to the building, including all carpeting, decorations, finishings, and counters, shall vest in City on the revocation or termination of this Permit. All other equipment of such nature as to constitute trade fixtures shall remain the property of Permittee. On the revocation or termination of this Permit, Permittee may remove said trade fixtures or Director may require that Permittee remove same at Permittee's expense. Prior to the Commencement Date, Permittee shall submit to Director a proposed list of such trade fixtures; said list may be subsequently amended during the term of this Permit to reflect any changes in said trade fixtures. Permittee agrees and understands that fixture is defined as a thing affixed to premises that is bolted, nailed, screwed, cemented and/or plastered. For the purpose of this Permit, fixtures shall include slat wall, counters and the like, attached to the physical structure of the premises in any matter whatsoever. On the revocation or termination of this Permit, all fixtures, other than those deemed trade fixtures by City, shall become the property of City. Permittee shall be liable to City for City's costs for storing, removing and disposing of any alterations of Permittee's personal property, and of restoration of the Premises.

8.5 Effect of Alterations on Airport. If and to the extent that Permittee's activities or proposed Alterations trigger an obligation or requirement on the part of City to make changes to the Airport premises (including ADA requirements), Permittee shall indemnify, defend, and hold harmless City from and against any and all Losses (as defined below) arising out of such activities or Alterations.

9. DEPOSIT

9.1 Form of Deposit. Within ten (10) days after the Reference Date, Permittee will deliver to Director a security deposit (the "**Deposit**") in the Deposit Amount. Such Deposit shall be in the form of (a) a surety bond payable to City, naming City as obligee, and otherwise in form satisfactory to City's City Attorney, and issued by a surety company satisfactory to Director, or (b) a letter of credit naming City as beneficiary, and otherwise in form satisfactory to City's City Attorney, issued by a bank satisfactory to Director. Such bond or letter of credit shall be renewed annually at Permittee's cost. Such bond or letter of credit shall be kept in full force and effect at all times to ensure the faithful performance by Permittee of all covenants, terms, and conditions of this Permit, including payment of Permit Fees. Permittee shall cause the surety company or bank issuing such bond or letter of credit to give Director notice in writing by registered mail at least forty-five (45) days prior to the expiration date of such bond or letter of credit of its intention not to renew said bond or letter of credit.

9.2 Use of Deposit. If Permittee fails to pay Permit Fees or otherwise defaults with respect to any provision of this Permit, City may use, apply or retain all or any portion of the Deposit for the payment of Permit Fees or other charge in default or for the payment of any other sum to which City may become obligated by reason of Permittee's default or to compensate City for any loss or damage which City may suffer thereby. If City so uses or applies all or any portion of the Deposit, Permittee, within ten (10) days after demand therefor, shall deposit other security acceptable to Director with City in an amount sufficient to restore the Deposit to the full amount thereof. In the event the surety company or bank declines to renew or elects to cancel the bond or letter of credit comprising the Deposit, Permittee shall, at least fifteen (15) days prior to the expiration or cancellation date thereof, replace such bond or letter of credit with another bond or letter of credit. If Permittee fails to do so, City may, without notice to Permittee, draw on the entirety of the Deposit and hold the proceeds thereof as security hereunder. City shall not be required to keep the Deposit separate from its general accounts. If Permittee performs all of Permittee's obligations hereunder, the Deposit, or so much thereof as has not theretofore been applied by City, shall be returned, without payment of interest or other increment for its use, to Permittee (or, at City's option, to the last assignee, if any, of Permittee's interest hereunder) upon the revocation or termination of this Permit and following Permittee's cessation of use of the Premises. No trust relationship is created herein between City and Permittee with respect to the Deposit.

9.3 Other Agreements. If Permittee defaults with respect to any provision of any other agreement between City and Permittee, including the Other Agreements, City may use, apply or retain all or any portion of the Deposit for payment of any sum owing to City or to which City may become obligated by reason of Permittee's default or to compensate City for any loss or damage which City may suffer thereby. Likewise, if Permittee defaults with respect to any provision under this Permit, City may use, apply, or retain all or any portion of any deposit provided under any other agreement between City and Permittee, including the Other Agreements, for payment of any sum owing to City or to which City may become obligated by reason of Permittee's default or to compensate City for any loss or damage which City may suffer thereby. In the event the Deposit or any other deposit is so used, Permittee shall deposit other security acceptable to Director with City in an amount sufficient to restore the Deposit to the full amount thereof.

10. MAINTENANCE AND REPAIR

10.1 As-Is Condition. PERMITTEE SPECIFICALLY ACKNOWLEDGES AND AGREES THAT CITY IS PERMITTING THE PREMISES TO PERMITTEE ON AN "AS IS WITH ALL FAULTS" BASIS AND THAT PERMITTEE IS NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM CITY OR ANY CITY ENTITY, AS TO ANY MATTERS CONCERNING THE PREMISES, INCLUDING: (i) the quality, nature, adequacy and physical condition and aspects of the Premises including landscaping, (ii) the quality, nature, adequacy, and physical condition of soils, geology and any groundwater, (iii) the existence, quality, nature, adequacy and physical condition of utilities serving the Premises, (iv) the development potential of the Premises, and the Premise's use, habitability, merchantability, or fitness, suitability, value or adequacy of the Premises for any particular purpose, (v) the zoning or other legal status of the Premises or any other public or private restrictions on use of the Premises, (vi) the compliance of the Premises or its operation with any applicable codes, laws, regulations, statutes, ordinances, covenants, conditions

and restrictions of any governmental or quasi-governmental entity or of any other person or entity, (vii) the presence of Hazardous Materials on, under or about the Premises or the adjoining or neighboring property, (viii) the quality of any labor and materials used in any improvements on the real property, (ix) the condition of title to the Premises, and (x) any agreements affecting the Premises.

10.2 Permittee's Maintenance Obligations. Permittee, at all times and at Permittee's sole cost and expense, shall keep the Premises and every part thereof in good condition and repair, and in compliance with applicable Laws, and the Airport's TI Guide, including the replacement of any facility of City used by Permittee which requires replacement by reason of Permittee's use. Permittee hereby waives all right to make repairs at the expense of City or in lieu thereof to vacate the Premises as provided by California Civil Code Section 1941 and 1942 or any other law, statute or ordinance now or hereafter in effect. Permittee shall be solely liable for the facade of the Premises separating the Premises from the terminal building common areas, including the external face thereof, all windows and display areas therein, and all finishes thereon. As provided below in Section 14.3 [City's Right to Perform], in the event Permittee fails to perform its maintenance and repair obligations hereunder, City shall have the right to do so, at Permittee's expense.

10.3 Trash Removal. Permittee shall at all time cause the Premises and the areas around the Premises to be clean and sightly, and free from trash. Permittee shall not store nor allow accumulation of trash or debris on the Premises, nor use City's trash containers without Director's prior consent. Permittee shall provide its own trash containers for its use.

11. UTILITIES

11.1 Services Provided. City shall provide in the Terminal Building Complex the following utility services: reasonable amounts of water, electricity, telephone, sewage outlets, heating, ventilation, and air conditioning, to a point determined by the Director. All extensions of the facilities requested by Permittee for said utility services from said points shall be at the sole cost and expense of Permittee. In the event of any change desired by Permittee as to said points of supply by City, the expense of making such changes or alterations shall be at the sole cost of Permittee.

11.2 Utility Costs. Permittee shall pay the whole cost for all utility services as invoiced to Permittee by City and for such other special services which it may require in the Premises, and Permittee hereby expressly waives the right to contest any utility rates.

11.3 Waiver of Damages. Permittee hereby expressly waives any and all claims for damages arising or resulting from failures or interruptions of utility services to the Premises, including electricity, gas, water, plumbing, sewage, telephone, communications, heat, ventilation, air conditioning, or for the failure or interruption of any public or passenger conveniences.

12. ADVERTISING AND SIGNAGE

Permittee may, at its own expense, install and operate necessary and appropriate identification signs on the Premises, subject to the approval of Director, including but not limited to, the approval of the number, size, height, location, color and general type and design. Such

approval shall be subject to revocation by Director at any time. Without express written consent of Director, Permittee shall not display any advertising, promotional, or informational pamphlets, circulars, brochures or similar materials. Without limiting the foregoing restrictions on advertising, in no event will there be permitted on the Premises any advertising of cigarettes or tobacco products.

13. TAXES, ASSESSMENTS AND LIENS

13.1 Taxes.

(a) Permittee recognizes and understands that this Permit may create a possessory interest subject to property taxation and that Permittee may be subject to the payment of property taxes levied on such interest. Permittee further recognizes and understands that any Transfer permitted under this Permit and any exercise of any option to renew or other extension of this Permit may constitute a change in ownership for purposes of property taxation and therefore may result in a revaluation of any possessory interest created hereunder. Permittee shall pay all taxes of any kind, including possessory interest taxes, that may be lawfully assessed on the real property interest hereby created and to pay all other taxes, excises, licenses, permit charges and assessments based on Permittee's usage of the Premises, all of which shall be paid when the same become due and payable and before delinquency.

(b) Permittee shall report any Transfer, or any renewal or extension hereof, to the County of San Mateo Assessor within sixty (60) days after such Transfer transaction, or renewal or extension. Permittee further agrees to provide such other information as may be requested by the City to enable the City to comply with any reporting requirements under applicable law with respect to possessory interests.

13.2 Other Liens. Permittee shall not permit or suffer any liens to be imposed upon the Airport or any part thereof, including without limitation, mechanics, materialmen's and tax liens, as a result of its activities without promptly discharging the same. Notwithstanding the foregoing, Permittee may in good faith contest any such lien if Permittee provides a bond in an amount and form acceptable to City in order to clear the record of any such liens. Permittee shall assume the defense of and indemnify and hold harmless City against any and all liens and charges of any and every nature and kind which may at any time be established against said premises and improvements, or any part thereof, as a consequence of any act or omission of Permittee or as a consequence of the existence of Permittee's interest under this Permit.

14. DEFAULT; REMEDIES

14.1 Event of Default. The occurrence of any one or more of the following events shall constitute a breach of this Permit and an "**Event of Default**" hereunder:

(a) Permittee shall fail duly and punctually to pay Permit Fees, or to make any other payment required hereunder, when due to City, and such failure shall continue beyond the date specified in a written notice of such breach or default from Director, which date shall be no earlier than the third (3rd) day after the effective date of such notice. Notwithstanding the foregoing, in the event there occurs two (2) defaults in the payment of Permit Fees or other

payment under this Permit, thereafter Permittee shall not be entitled to, and City shall have no obligation to give, notice of any further defaults in the payment of Permit Fees or other payment. In such event, there shall be deemed to occur an "Event of Default" immediately upon Permittee's failure to duly and punctually pay Permit Fees or other payment hereunder; or

(b) Permittee shall become insolvent, or shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy, or a petition or answer seeking an arrangement for its reorganization, or the readjustment of its indebtedness under the federal bankruptcy laws, or under any other law or statute of the United States or of any state thereof, or consent to the appointment of a receiver, trustee, or liquidator of any or substantially all of its property; or

(c) A petition under any part of the federal bankruptcy laws, or an action under any present or future insolvency law or statute, shall be filed against Permittee and shall not be dismissed within thirty (30) days after the filing thereof; or

(d) There shall occur a Transfer without the prior approval of the City; or

(e) Permittee shall abandon, desert, or vacate the Premises; or

(f) Any lien shall be filed against the Premises as a result of an act or omission of Permittee, and shall not be discharged or contested by Permittee in good faith by proper legal proceedings within twenty (20) days after receipt of notice by Permittee; or

(g) Permittee shall fail to provide the Deposit within ten (10) days after the Reference Date or shall fail to maintain in full such Deposit at all times thereafter, and such failure shall continue for a period of more than three (3) days after delivery by Director of written notice of such failure; or

(h) Permittee shall fail to obtain and maintain the insurance required hereunder, or provide copies of the policies or certificates to City as required herein; or

(i) Permittee shall fail to keep, perform and observe each and every other promise, covenant and agreement set forth in this Permit, and such failure shall continue for a period of more than three (3) days after delivery by Director of a written notice of such failure (the "**First Notice**"); or if satisfaction of such obligation requires activity over a period of time, if Permittee fails to commence the cure of such failure within three (3) days after receipt of the First Notice, or thereafter fails to diligently prosecute such cure, or fails to actually cause such cure within one hundred twenty (120) days after the giving of the First Notice; or

(j) There shall occur a default under any other agreement between Permittee and City, including the Other Agreements, if any, and such default is not cured as may be provided in such agreement; provided, however, that nothing herein shall be deemed to imply that Permittee shall be entitled to additional notice or cure rights with respect to such default other than as may be provided in such other agreement.

14.2 Remedies. Upon the occurrence and during the continuance of an Event of Default, City shall have the following rights and remedies in addition to all other rights and remedies available to City at law or in equity:

(a) City may elect to terminate this Permit; and

(b) City may elect to terminate any other agreement between Permittee and City, including the Other Agreements, if any.

Nothing herein shall be deemed to limit Director's right to revoke this Permit as provided in Section 2.2 [Revocation; Termination] of this Permit.

14.3 City's Right to Perform. All agreements and provisions to be performed by Permittee under any of the terms of this Permit shall be at its sole cost and expense and without any abatement of Permit Fees. If Permittee shall fail to pay any sum of money, other than Permit Fees, required to be paid by it hereunder, or shall fail to perform any other act on its part to be performed hereunder and such failure shall continue for ten (10) days after notice thereof by City, City may, but shall not be obligated to do so, and without waiving or releasing Permittee from any obligations of Permittee, make any such payment or perform any such other act on Permittee's part to be made or performed as provided in this Permit. All sums so paid by City and all necessary incidental costs shall be payable to City on demand.

14.4 Cumulative Rights. The exercise by City of any remedy provided in this Permit shall be cumulative and shall in no way affect any other remedy available to City under law or equity.

14.5 Prepayment. As provided in Section 4.4 [Prepay Permit Fees], if Permittee defaults in the payment of Permit Fees, City may require prepayment thereof. Such right shall be in addition to and not in lieu of any and all other rights hereunder, or at law or in equity.

14.6 Fines. If Permittee defaults under any of the Permit terms specified below, Director may elect to impose the fines described below on the basis of per violation per day:

<u>Violation</u>	<u>Section</u>	<u>Fine</u>
Failure to cause operations or Premises to comply with Laws	6	\$300
Construction or Alterations without Director's approval	8	\$300
Failure to maintain required insurance	7	\$300
Failure to obtain or maintain Deposit	9	\$300
Unauthorized advertising or signage	12	\$300
Failure to keep the Premises clean and sightly, and free from trash	10	\$300

Director's right to impose the foregoing fines shall be in addition to and not in lieu of any and all other rights hereunder, in the Airport Rules, or at law or in equity. City shall have no obligation to Permittee to impose fines on or otherwise take action against any other permittee or permittee at the Airport. THE PARTIES HAVE AGREED THAT A VIOLATION OF ANY OF THE ABOVE TERMS SHALL RESULT IN CITY INCURRING DAMAGES WHICH ARE IMPRACTICAL OR IMPOSSIBLE TO DETERMINE. THE PARTIES HAVE AGREED THAT THE ABOVE FINES ARE A REASONABLE APPROXIMATION OF SUCH DAMAGES.

15. CESSATION OF USE OF PREMISES

Upon the revocation or termination of this Permit, Permittee shall cease its use of the Premises and all Alterations, additions and improvements thereto, and shall cause the Premises to be in the same condition as when received, ordinary wear and tear and damage by fire, earthquake, act of God, or the elements excepted. Subject to City's right to require removal pursuant to Section 8 [Alterations] hereof, all Alterations and improvements installed in the Premises by Permittee (other than Permittee's trade fixtures), shall, without compensation to Permittee, then become City's property free and clear of all claims to or against them by Permittee or any third person. In the event that Permittee shall fail to remove its personal property, including trade fixtures, such personal property shall become City's property free and clear of all claims to or against them by Permittee or any third person. In such event, City shall not be responsible for any Losses related to such personal property, and City may sell or otherwise dispose of such personal property.

16. HAZARDOUS MATERIALS

16.1 Definitions. As used herein, the following terms shall have the meanings hereinafter set forth:

(a) "**Environmental Laws**" shall mean any federal, state, local or administrative law, rule, regulation, order or requirement relating to industrial hygiene, protection of human health and safety, environmental conditions or Hazardous Materials, whether now in effect or hereafter adopted, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Resources Conservation and Recovery Act of 1976 (42 U.S.C. Section 9601, et seq.), the Clean Water Act (33 U.S.C. Section 1251, et seq.), the Safe Drinking Water Act (14 U.S.C. Section 401, et seq.), the Hazardous Materials Transportation Act (49 U.S.C. Section 1801, et seq.), the Toxic Substance Control Act (15 U.S.C. Section 2601, et seq.), the California Hazardous Waste Control Law (California Health and Safety Code Section 25100, et seq.), the Porter-Cologne Water Quality Control Act (California Water Code Section 13000, et seq.), and the Safe Drinking Water and Toxic Enforcement Act of 1986 (California Health and Safety Code Section 25249.5, et seq.).

(b) "**Hazardous Materials**" shall mean any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment. "**Hazardous Material**" includes any material or substance identified, listed, or defined as a "hazardous waste," "hazardous substance," or "pollutant" or "contaminant" or term of similar import, or is otherwise regulated pursuant to Environmental Laws; any asbestos and

asbestos containing materials; petroleum, including crude oil or any fraction thereof, natural gas or natural gas liquids; and any materials listed in the Airport's TI Guide.

(c) **"Release"** when used with respect to Hazardous Materials shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into or any property or the environment.

(d) **"Pre-Existing Condition"** means the existence of any Hazardous Materials on the Premises immediately prior to the Commencement Date. Notwithstanding anything to the contrary herein, a "Pre-Existing Condition" shall not include the existence of any Hazardous Materials caused or contributed to by the act or omission of Permittee or any Permittee Entity at any time.

16.2 Permittee's Covenants. Neither Permittee nor any Permittee Entity shall cause any Hazardous Material to be brought upon, kept, used, stored, generated, treated, managed, or disposed of in, on or about the Airport, or transported to or from the Airport, without the prior written consent of Director, which Director shall not unreasonably withhold as long as Permittee demonstrates to Director's reasonable satisfaction that such Hazardous Material is necessary or useful to Permittee's business and will be used, kept, stored, and managed in a manner that complies with all Environmental Laws, the Airport's TI Guide, the Airport Rules, and all other Laws. At all times, Permittee shall ensure and certify that decontamination of the Premises and disposal of Hazardous Materials is in compliance with the foregoing. Any reuse of contaminated soil by Permittee shall be subject to this Section and considered a Release of Hazardous Materials caused by Permittee and not a Pre-Existing Condition, unless Director otherwise agrees in writing to a different interpretation.

16.3 Environmental Indemnity. Permittee shall indemnify, defend, and hold harmless City from and against any and all Losses resulting or arising from: (a) a breach by Permittee of its obligations contained in the preceding Section 16.2 [Permittee's Covenants]; (b) any Release of Hazardous Material from, in, on or about the Airport caused by the act or omission of Permittee or any Permittee Entity or otherwise arising from Permittee's operations hereunder; or (c) the existence of any Hazardous Materials on the Premises, except to the extent that Permittee can demonstrate that such Hazardous Materials constitutes a Pre-Existing Condition.

16.4 Environmental Audit. Upon reasonable notice, Director shall have the right but not the obligation to conduct or cause to be conducted by a firm acceptable to Director, an environmental audit or any other appropriate investigation of Permittee's operations for possible environmental contamination issues. Permittee shall pay all costs associated with said investigation in the event such investigation shall disclose any Hazardous Materials contamination as to which Permittee is liable hereunder.

16.5 Notice by Permittee. Permittee shall give City verbal and written notice of any unauthorized threatened Release of any Hazardous Material. Such report shall be made in conformance with those procedures established in the Airport's TI Guide and the Airport Rules. Permittee shall immediately notify City in writing of: (a) pre-existing condition of contamination; (b) any enforcement, clean-up, removal or other Government or regulatory action instituted, completed or threatened pursuant to any Environmental Laws; (c) any claim made or threatened by

any person against Permittee or the Premises relating to damage, contribution, cost recovery compensation, loss or injury resulting from or claimed to result from any Hazardous Materials on or about the Premises; and (d) any reports made to any environmental agency arising out of or in connection with any Hazardous Materials or pursuant to any Environmental Laws on or about the Premises. Permittee shall also supply to City as promptly as possible, and in any event within five (5) business days after Permittee first receives or sends the same, with copies of all claims, reports, complaints, notices or warnings of, any other communications related to asserted violations relating in any way to the Premises or Permittee's use thereof.

16.6 Closure Permit. Prior to the termination or revocation of this Permit, Director shall have the right to require Permittee to file with the City and application for a Closure Permit for decontamination of the site and investigation and removal of all Hazardous Materials in compliance with the Airport's TI Guide, the Airport's Rules, and all Laws. The Closure Permit may require a plan for long-term care and surveillance of any contamination allowed to remain at the Premises or Airport property and an acknowledgment of responsibility and indemnification for any and all Losses associated with any such contamination.

17. CITY AND OTHER GOVERNMENTAL PROVISIONS

17.1 Charter. The terms of this Permit shall be governed by and subject to the budget and fiscal provisions of the Charter of the City and County of San Francisco.

17.2 Tropical Hardwood and Virgin Redwood Ban. The City and County of San Francisco urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product. Except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environmental Code, Permittee shall not provide any items to the construction of Alterations, or otherwise in the performance of this Permit which are tropical hardwoods, tropical hardwood wood products, virgin redwood, or virgin redwood wood products. In the event Permittee fails to comply in good faith with any of the provisions of Chapter 8 of the San Francisco Environmental Code, Permittee shall be liable for liquidated damages for each violation in any amount equal to Permittee's net profit on the contract, or five percent (5%) of the total amount of the contract dollars, whichever is greater.

17.3 No Representations. Permittee acknowledges and agrees that neither City nor any person on behalf of City has made, and City hereby disclaims, any representations or warranties, express or implied, regarding the business venture proposed by Permittee at the Airport, including any statements relating to the potential success or profitability of such venture. Permittee represents and warrants that it has made an independent investigation of all aspects of the business venture contemplated by this Permit.

17.4 Limitation on Damages. Notwithstanding anything to the contrary herein, in no event will City or any City Entity be liable to Permittee or any Permittee Entity for any consequential, incidental, or special damages, or lost revenues or lost profits.

17.5 Sponsor's Assurance Agreement. This Permit shall be subordinate and subject to the terms of any "Sponsor's Assurance Agreement" or any like agreement heretofore or hereinafter entered into by City and any agency of the United States of America.

17.6 Federal Nondiscrimination Regulations. Permittee understands and acknowledges that City has given to the United States of America, acting by and through the Federal Aviation Administration, certain assurances with respect to nondiscrimination, which have been required by Title VI of the Civil Rights Act of 1964, as effectuated by Title 49 of the Code of Federal Regulations, Subtitle A-Office of the Secretary of Transportation, Part 21, as amended, as a condition precedent to the government making grants in aid to City for certain Airport programs and activities, and that City is required under said Regulations to include in every agreement or concession pursuant to which any person or persons other than City, operates or has the right to operate any facility on the Airport providing services to the public, the following covenant, to which Permittee agrees as follows: Permittee in its operation at and use of San Francisco International Airport, covenants that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities; (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and (3) that the grantee, licensee, permittee, etc., shall comply with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Subtitle A, Office of the Secretary of Transportation, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation Effectuations of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

17.7 Federal Affirmative Action Regulations. 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. 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. Permittee assures that it will require that its covered sub-organizations provide assurances to Permittee that they similarly will undertake affirmative action programs and that they will require assurances from their sub-organizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

17.8 Non-Discrimination in City Contracts and Benefits Ordinance.

(a) Covenant Not to Discriminate. In the performance of this agreement, Permittee agrees not to discriminate against any employee, City and County employee working with Permittee, applicant for employment with Permittee, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Permittee, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

(b) Subcontracts. Permittee shall include in all subcontracts relating to the Premises a non-discrimination clause applicable to such subcontractor in substantially the form of subsection (a) above. In addition, Permittee shall incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all subcontractors to comply with such provisions. Permittee's failure to comply with the obligations in this subsection shall constitute a material breach of this Permit.

(c) Non-Discrimination in Benefits. Permittee does not as of the date of this Permit and will not during the term of this Permit, in any of its operations in San Francisco, where the work is being performed for the City, or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(d) HRC Declaration. Permittee hereby represents that prior to execution of this Permit, (i) Permittee executed and submitted to the Human Rights Commission of the City and County of San Francisco (the "**HRC**") the Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits form (Form HRC-12B-101), with supporting documentation, and (ii) the HRC approved such form.

(e) Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the use of City property are incorporated in this Section by reference and made a part of this Permit as though fully set forth herein. Permittee shall comply fully with and be bound by all of the provisions that apply to this Permit under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Permittee understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Permit may be assessed against Permittee and/or deducted from any payments due Permittee.

17.9 Conflict of Interest. Through its execution of this Permit, Permittee acknowledges that it is familiar with the provisions of Section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et. seq. and Section 1090 et. seq. of the Government Code of the State of California and certifies that it knows of no facts in connection with this Permit which constitute a violation of said provisions. It further certifies that it will make a complete disclosure to Director, if necessary, of all facts within its reasonable knowledge bearing upon any possible interest, direct or indirect, which it believes a member of the Airport Commission or other officer or employee of City presently has or will have in this Permit or in its performance. Willful failure of Permittee to make such disclosure, if any, to City shall constitute grounds for termination of this Permit.

17.10 Declaration Regarding Airport Private Roads. Permittee hereby acknowledges and agrees that all roads existing at the date of execution hereof within the boundaries of the Airport, as shown on the current official Airport plan and as it may be revised, are the private property and private roads of the City and County of San Francisco, with the exception of that portion of the old Bayshore Highway which runs through the southern limits of the City of South San Francisco and through the northern portion of the Airport to the intersection with the North Airport Road as shown on said Airport Plan, and with the exception of that portion of the North Airport Road which runs from the off and on ramps of the State Bayshore Freeway to the intersection with said old Bayshore Highway as shown on said Airport Plan. It further acknowledges that any and all roads hereafter constructed or opened by City within the Airport boundaries will be the private property and road of City, unless otherwise designated by appropriate.

17.11 Drug-Free Workplace. Permittee acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, possession or use of a controlled substance is prohibited on City premises. Any violation of this prohibition by Permittee or any Permittee Entity shall constitute a default hereunder.

17.12 Compliance with Americans With Disabilities Act. Permittee acknowledges that, pursuant to the ADA, programs, services and other activities provided by a public entity, whether directly or through a contractor, must be accessible to the disabled public. Permittee shall provide the services specified in this Permit in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Permittee agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Permit and further agrees that any violation of this prohibition on the part of Permittee, its employees, agents or assigns shall constitute a material breach of this Permit.

17.13 Resource Conservation. Chapter 21A of the San Francisco Administrative Code is incorporated herein by reference. Failure by Permittee to comply with any of the requirements of Chapter 21A shall be deemed a material breach of this Permit. In the event Permittee fails to comply in good faith with any of the provisions of Chapter 21A, Permittee shall be liable for liquidated damages in an amount equal to Permittee's net profit under this Permit, or five percent (5%) of the total amount of this Permit, whichever is greater. Permittee acknowledges and agrees that the liquidated damages assessed shall be payable to the City and County upon demand and may be set off against any monies due to Permittee from any lease, agreement or permit with the City and County of San Francisco.

17.14 Pesticide Prohibition. Permittee shall comply with the provisions of Section 308 of Chapter 3 of the San Francisco Environment Code (the "**Pesticide Ordinance**") which (i) prohibit the use of certain pesticides on City property, (ii) require the posting of certain notices and the maintenance of certain records regarding pesticide usage and (iii) require Permittee to submit to the Airport Commission an integrated pest management ("**IPM**") plan that (a) lists, to the extent reasonably possible, the types and estimated quantities of pesticides that Permittee may need to apply to the Premises during the terms of this Permit, (b) describes the steps Permittee will take to meet the City's IPM Policy described in Section 300 of the Pesticide Ordinance and (c) identifies, by name, title, address and telephone number, an individual to act as the Permittee's primary IPM contact person with the City. In addition, Permittee shall comply with the requirements of Sections 303(a) and 303(b) of the Pesticide Ordinance.

17.15 First Source Hiring Ordinance. The City and County of San Francisco has adopted a First Source Hiring Ordinance (Board of Supervisors ordinance No. 264-98) that establishes specific requirements, procedures and monitoring for the hiring for entry level jobs of qualified, economically disadvantaged individuals (as defined by the Ordinance) by certain contractors and permittees doing business with the City. Within 30 days after the Airport Commission adopts a First Source Hiring Plan (“**Airport Plan**”) in accordance with the Ordinance, Permittee shall enter into a First Source Hiring Agreement with the Airport Commission. Such Agreement will require Permittee to make good faith efforts to meet targeted hiring goals of qualified, economically disadvantaged individuals for work on the subject permit. The Agreement will also require the Permittee to provide to the Airport Commission records necessary for the Airport Commission to monitor compliance with the Ordinance.

17.16 Minimum Compensation Ordinance. Permittee agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 12P are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at . Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12P. Consistent with the requirements of the MCO, Permittee agrees to all of the following:

(a) For each hour worked by a Covered Employee during a Pay Period on the property covered by this Agreement, Permittee shall provide to the Covered Employee no less than the Minimum Compensation, which includes a minimum hourly wage and compensated and uncompensated time off consistent with the requirements of the MCO. For the minimum hourly gross compensation portion of the MCO, the Contractor shall pay \$9.00 an hour through December 31, 2001. On January 1, 2002, Contractor shall increase the minimum hourly gross compensation to \$10.00 an hour; provided, however, that if Contractor is a Nonprofit Corporation or a public entity, it shall be required to pay the increased amount only if the City makes the finding required by Section 12P.3(a)(ii) of the San Francisco Administrative Code. If Contractor is required to increase the minimum gross hourly compensation to \$10.00 an hour, it shall provide the 2.5% annual increase required by the MCO for each of the next three years. For the minimum hourly gross compensation portion of the MCO, the Permittee shall pay \$9.00 an hour through December 31, 2001.

(b) Permittee shall not discharge, reduce in compensation, or otherwise discriminate against any employee for complaining to the City with regard to Permittee’s compliance or anticipated compliance with the requirements of the MCO, for opposing any practice proscribed by the MCO, for participating in proceedings related to the MCO, or for seeking to assert or enforce any rights under the MCO by any lawful means.

(c) Permittee understands and agrees that the failure to comply with the requirements of the MCO shall constitute a material breach by Permittee of the terms of this Agreement. The City, acting through the Contracting Department, shall determine whether such a breach has occurred.

(d) If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, Permittee fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Permittee fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City, acting through the Contracting Department, shall have the right to pursue the following rights or remedies and any rights or remedies available under applicable law:

(1) The right to charge Permittee an amount equal to the difference between the Minimum Compensation and any compensation actually provided to a Covered Employee, together with interest on such amount from the date payment was due at the maximum rate then permitted by law;

(2) The right to set off all or any portion of the amount described in Subsection (d)(1) of this Section against amounts due to Permittee under this Agreement;

(3) The right to terminate this Agreement in whole or in part;

(4) In the event of a breach by Permittee of the covenant referred to in Subsection (b) of this Section, the right to seek reinstatement of the employee or to obtain other appropriate equitable relief; and

(5) The right to bar Permittee from entering into future contracts with the City for three (3) years.

(6) Each of the rights provided in this Subsection (d) shall be exercisable individually or in combination with any other rights or remedies available to the City. Any amounts realized by the City pursuant to this subsection shall be paid to the Covered Employee who failed to receive the required Minimum Compensation.

(e) Permittee represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

(f) Permittee shall keep itself informed of the current requirements of the MCO, including increases to the hourly gross compensation due Covered Employees under the MCO, and shall provide prompt written notice to all Covered Employees of any increases in compensation, as well as any written communications received by the Permittee from the CITY, which communications are marked to indicate that they are to be distributed to Covered Employees.

(g) Permittee shall provide reports to the City in accordance with any reporting standards promulgated by the City under the MCO.

(h) The Permittee shall provide the City with access to pertinent records after receiving a written request from the City to do so and being provided at least five (5) business days to respond.

(i) The City may conduct random audits of Permittee. Random audits shall be (i) noticed in advance in writing; (ii) limited to ascertaining whether Covered Employees are paid at least the minimum compensation required by the MCO; (iii) accomplished through an examination of pertinent records at a mutually agreed upon time and location within ten (10) days of the written notice; and (iv) limited to one audit of Permittee every two years for the duration of this Agreement. Nothing in this Agreement is intended to preclude the City from investigating any report of an alleged violation of the MCO.

(j) **(Not Applicable—Permittee may not sublet any permitted space)**

Any sublease entered into by Permittee and another party shall require that party to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in the Section. Permittee shall notify the Department of Administrative Services when it enters into such a sublease and shall certify to the Department of Administrative Services that it has notified the sub-tenant of the obligations under the MCO and has imposed the requirements of the MCO on the sub-tenant through the provisions of the subcontract. It is Permittee's obligation to ensure that any sub-tenants of any tier under this Agreement comply with the requirements of the MCO. If any sub-tenant under this Agreement fails to comply, City may pursue any of the remedies set forth in this Section against Permittee.

(k) Any contract entered into by Permittee and another party to perform services on the property covered by this Lease shall require that party to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. Permittee shall notify the Department of Administrative Services when it enters into such a contract and shall certify to the Department of Administrative Services that it has notified the contractor of the obligations under the MCO and has imposed the requirements of the MCO on the contractor through the provisions of the subcontract. It is Permittee's obligation to ensure that any such contractors comply with the requirements of the MCO. If such a contractor fails to comply, City may pursue any of the remedies set forth in this Section against Permittee.

(l) Each Covered Employee is a third-party beneficiary with respect to the requirements of subsections (a) and (b) of this Section, and may pursue the following remedies in the event of a breach by Permittee of subsections (a) and (b), but only after the Covered Employee has provided the notice, participated in the administrative review hearing, and waited the 21-day period required by the MCO. Permittee understands and agrees that if the Covered Employee prevails in such action, the Covered Employee may be awarded: (1) an amount equal to the difference between the Minimum Compensation and any compensation actually provided to the Covered Employee, together with interest on such amount from the date payment was due at the maximum rate then permitted by law; (2) in the event of a breach by Permittee of subsections (a) or (b), the right to seek reinstatement or to obtain other appropriate equitable relief; and (3) in the event that the Covered Employee is the prevailing party in any legal action or proceeding against Permittee arising from this Agreement, the right to obtain all costs and expenses, including reasonable attorney's fees and disbursements, incurred by the Covered Employee. Permittee also understands that the MCO provides that if Permittee prevails in any such action, Permittee may be awarded costs and expenses, including reasonable attorney's fees and disbursements, from the Covered Employee if the court determines that the Covered Employee's action was frivolous, vexatious or otherwise an act of bad faith.

(m) If Permittee is exempt from the MCO when this Agreement is executed because the cumulative amount of agreements with this department for the fiscal year is less than \$25,000 (\$50,000 for nonprofits), but Permittee later enters into an agreement or agreements that cause Permittee to exceed that amount in a fiscal year, Permittee shall thereafter be required to comply with the MCO under this Agreement. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Permittee and this department to exceed \$25,000 (\$50,000 for nonprofits) in the fiscal year.

17.17 Airport Intellectual Property. Pursuant to Resolution No. 01-0118, adopted by the Airport Commission on April 18, 2001, the Airport Commission affirmed that it will not tolerate the unauthorized use of its intellectual property, including the SFO logo, CADD designs, and copyrighted publications. All proposers, bidders, contractors, tenants, permittees, and others doing business with or at the Airport (including subcontractors and subtenants) may not use the Airport intellectual property, or any intellectual property confusingly similar to the Airport intellectual property, without the Airport Director's prior consent.

18. GENERAL PROVISIONS

18.1 Notices. Except as otherwise specifically provided in this Permit, any notice, demand, or other correspondence given under this Permit shall be in writing and given by delivering the notice in person or by commercial courier, or by sending it by first-class mail, certified mail, return receipt requested, or overnight courier, return receipt requested, with postage prepaid, to: (a) Permittee at Permittee's Notice Address; or (b) City at City's Notice Address; or (c) such other address as either Permittee or City may designate as its new address for such purpose by notice given to the other in accordance with this Section. Any notice hereunder shall be deemed to have been given and received and effective two (2) days after the date when it is mailed, if sent by first-class, certified mail, one day after the date when it is mailed if sent by overnight courier, or upon the date personal delivery is made. For convenience of the parties, copies of notices may also be given by facsimile to the number set forth in the Summary or such other number as may be provided from time to time; however, neither party may give official or binding notice by facsimile.

18.2 No Implied Waiver. No failure by either party to insist upon the strict performance of any obligation of the other party under this Permit or to exercise any right, power or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or of such term, covenant or condition. No express written waiver of any default or the performance of any provision hereof shall affect any other default or performance, or cover any other period of time, other than the default, performance or period of time specified in such express waiver.

18.3 Entire Agreement. The parties intend that this Permit (including all of the attached exhibits, which are made a part of this Permit) shall be the final expression of their agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous written or oral agreements or understandings. The parties further intend that this Permit shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts hereof and changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Permit.

18.4 Amendments. Except as specifically provided herein, neither this Permit nor any term or provisions hereof may be changed, waived, discharged or terminated, except by a written instrument signed by the party against which the enforcement of the change, waiver, discharge or termination is sought.

18.5 Interpretation of Permit. The captions preceding the articles and sections of this Permit and in the table of contents have been inserted for convenience of reference only and such captions shall in no way define or limit the scope or intent of any provision of this Permit. This Permit has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein and shall be interpreted to achieve the intents and purposes of the parties, without any presumption against the party responsible for drafting any part of this Permit. Provisions in this Permit relating to number of days shall be calendar days. Use of the word "**including**" shall mean "including, without limitation." References to statutes, sections, ordinances or regulations are to be construed as including all statutory, ordinance, or regulatory provisions consolidating, amending, replacing, succeeding or supplementing the statute, section, ordinance or regulation.

18.6 Successors and Assigns. Subject to the provisions of Section 5 [Assignment], the terms, covenants and conditions contained in this Permit shall bind and inure to the benefit of Permittee and City and, except as otherwise provided herein, their personal representatives and successors and assigns.

18.7 No Third-Party Beneficiaries. There are no third-party beneficiaries to this Permit.

18.8 No Joint Venture. It is expressly agreed that City is not, in any way or for any purpose, a partner of Permittee in the conduct of Permittee's business or a member of a joint enterprise with Permittee, and does not assume any responsibility for Permittee's conduct or performance of this Permit.

18.9 Severability. If any provision of this Permit or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Permit, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Permit shall be valid and be enforceable to the full extent permitted by law.

18.10 Governing Law. This Permit shall be construed and enforced in accordance with the laws of the State of California.

18.11 Attorneys Fees. In the event that either City or Permittee fails to perform any of its obligations under this Permit or in the event a dispute arises concerning the meaning or interpretation of any provision of this Permit, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder (whether or not such action is prosecuted to judgment), including, without limitation, court costs and reasonable attorneys fees. For purposes of this Permit, reasonable fees of attorneys of City's Office of the City Attorney shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney services were rendered who practice

in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney.

18.12 Cumulative Remedies. All rights and remedies of either party hereto set forth in this Permit shall be cumulative, except as may otherwise be provided herein.

18.13 Time of Essence. Time is of the essence with respect to all provisions of this Permit in which a definite time for performance is specified.

18.14 Reservations by City. City may (a) at any time, upon reasonable advance written or oral notice, enter the Premises to show the Premises to prospective permittees or other interested parties, to post notices of non-responsibility, to remeasure the Premises, to repair any part of the Premises or adjoining areas, to install equipment for adjoining areas, and for any other lawful purpose; (b) without advance notice, enter the Premises to conduct an environmental audit, operational audit, or general inspection, or in an emergency. City shall use reasonable efforts to minimize disruption in Permittee's use of the Premises. City reserves the right to grant easements or crossings in, over, upon and under the Premises, and nothing herein contained shall be construed as limiting the powers of City to lease, permit, convey or otherwise transfer or encumber the Premises for any purpose whatsoever not inconsistent or incompatible with the rights or privileges granted to Permittee by this Permit. City also reserves the right to construct, reconstruct, install, maintain, repair, remove, renew, operate and use from time to time, other pipelines, conduits, power lines, telephone lines, sewer drains, roads and roadways or other structures across, over or under the Premises and any rights of way or easements and/or pipelines used by Permittee. Permittee shall be responsible for sufficiently identifying, locating and ensuring protection of its appurtenances and connecting subsurface pipelines, telecommunications equipment, utility equipment and pipes, and any other subsurface items from damage caused by any such construction within the Premises and any rights of way or easements. If Director determines that any such activity is for public safety, public need, public convenience, or other use, Permittee shall, at City's request and at Permittee's expense, relocate, rearrange, and protect such appurtenances, pipelines, and equipment. Notwithstanding anything to the contrary in this Permittee, City reserves and retains all of the following rights relating to the Premises: (a) Any and all water and water rights, including (i) any and all surface water and surface water rights, including riparian rights and appropriative water rights to surface streams and the underflow of streams, and (ii) any and all groundwater and subterranean water rights, including, the right to export percolating groundwater for use by City or its water customers; and (b) Any and all minerals and mineral rights of every kind and character now known to exist or hereafter discovered in the Premises, including oil and gas and rights thereof, together with the sole, exclusive, and perpetual right to explore for, remove, and dispose of those minerals by any means or methods suitable to City or its successors and assigns, in such manner as not to damage permanently the surface of the Premises or to unreasonably interfere with the permitted use thereof by Permittee, without Permittee's prior written consent. In addition, City reserves all rights in and with respect to the Premises not inconsistent with the Permitted Use, including the right of City, at all reasonable times and, if reasonably practicable, following advance notice to Permittee, to enter and to permit the City, the County of San Mateo, the County Water District, other governmental bodies, public or private utilities and other persons to enter upon the Premises for the purposes of installing, using, operating, maintaining, renewing, relocating and replacing such underground wells and water, oil, gas, steam, storm sewer, sanitary sewer and other pipelines, and telephone, electric, power and

other lines, conduits, and facilities, and flood access and maintenance rights of way and equipment, as City may deem desirable in connection with the development or use of, or remediation of Hazardous Materials in, on, or under, the Premises or any other property in the neighborhood of the Premises, where owned by City or not. No such wells, pipelines, lines conduits, facilities or right of way shall interfere with the use or stability of any building or improvement on the Premises. Permittee hereby waives any claims for damages for any injury or inconvenience to or interference with Permittee's business on the Premises, any loss of occupancy or quiet enjoyment of the Premises or any other loss occasioned by City's exercise of its rights hereunder.

18.15 Survival of Indemnities. Revocation or termination of this Permit shall not affect the right of either party to enforce any and all indemnities and representations and warranties given or made to the other party under this Permit, nor shall it effect any provision of this Permit that expressly states it shall survive termination hereof. Each party hereto specifically acknowledges and agrees that, with respect to each of the indemnities contained in this Permit, the indemnitor has an immediate and independent obligation to defend the indemnitees from any claim which actually or potentially falls within the indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to the indemnitor by the indemnitee.

18.16 Joint and Several Liability. The liabilities hereunder of the entities and/or person(s) comprising Permittee shall be joint and several.

18.17 Authority. If Permittee signs as a corporation, a limited liability company, or a partnership, each of the persons executing this Permit on behalf of Permittee does hereby covenant and warrant that Permittee is a duly authorized and existing entity, that Permittee has and is duly qualified to do business in California, that Permittee has full right and authority to enter into this Permit, and that each and all of the persons signing on behalf of Permittee are authorized to do so. Upon City's request, Permittee shall provide City evidence reasonably satisfactory to City confirming the foregoing representations and warranties.

18.18 Counterparts. This Permit may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

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TR:mfw

4/28/09

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IN WITNESS WHEREOF, the parties have executed this Permit as of the Reference Date.

PERMITTEE: Covenant Aviation Security, LLC
an Illinois Limited Liability Company

[Signatories also to initial Summary]

By: Audrey Deane
Name: Audrey Deane
Title: Sr Director

CITY: CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation,
acting by and through its Airport Commission

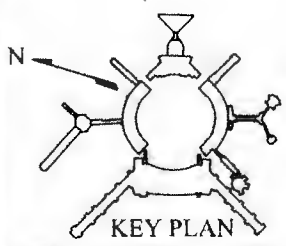
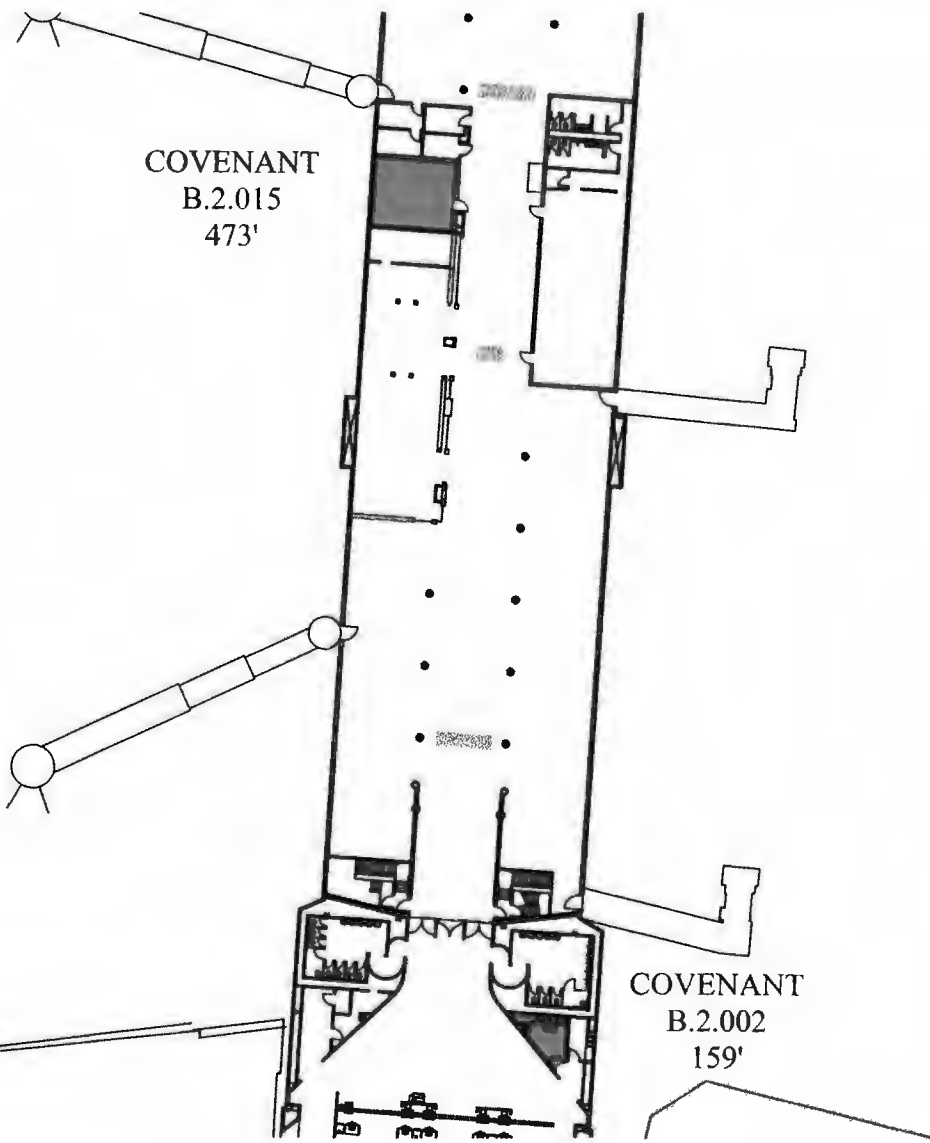
[Signatories also to initial Summary]

John L. Martin
John L. Martin
Airport Director

APPROVED AS TO FORM:
DENNIS J. HERRERA,
City Attorney

By David Suono Sull
Deputy City Attorney

EXHIBIT A
Description of Premises



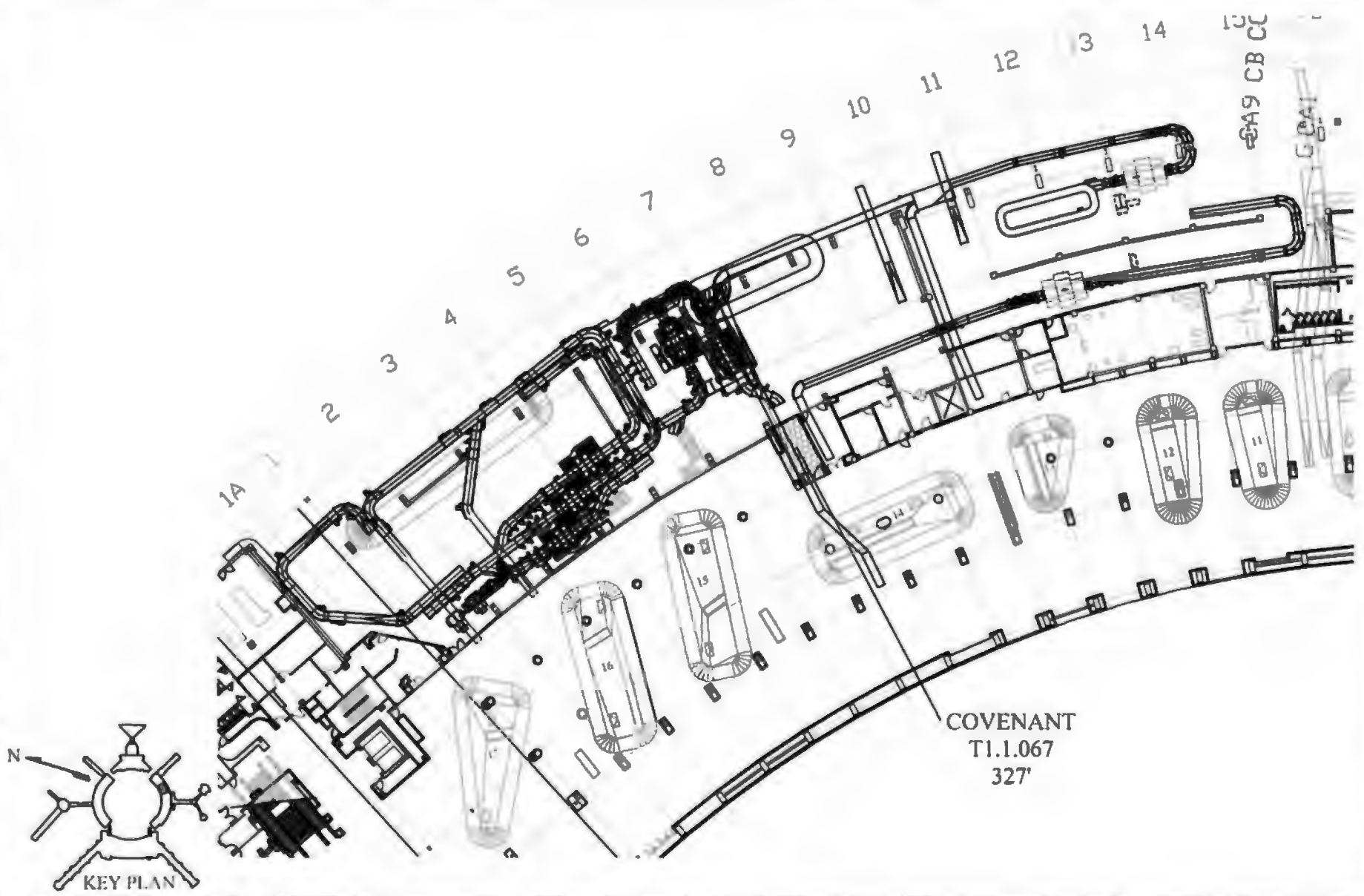
TENANT LOCATION PERMIT DRAWING

LOCATION: TERMINAL 1, 2ND FLOOR, BOARDING AREA B
 COVENANT AVIATION SECURITY, LLC.

LOCATION	TENANT	CAT	AREA	CONTRACT	EFF DATE
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B.2.015	COVENANT	2	473'	P4055	

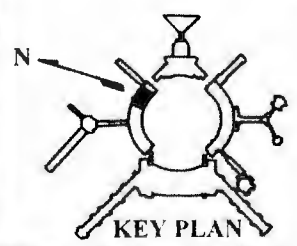
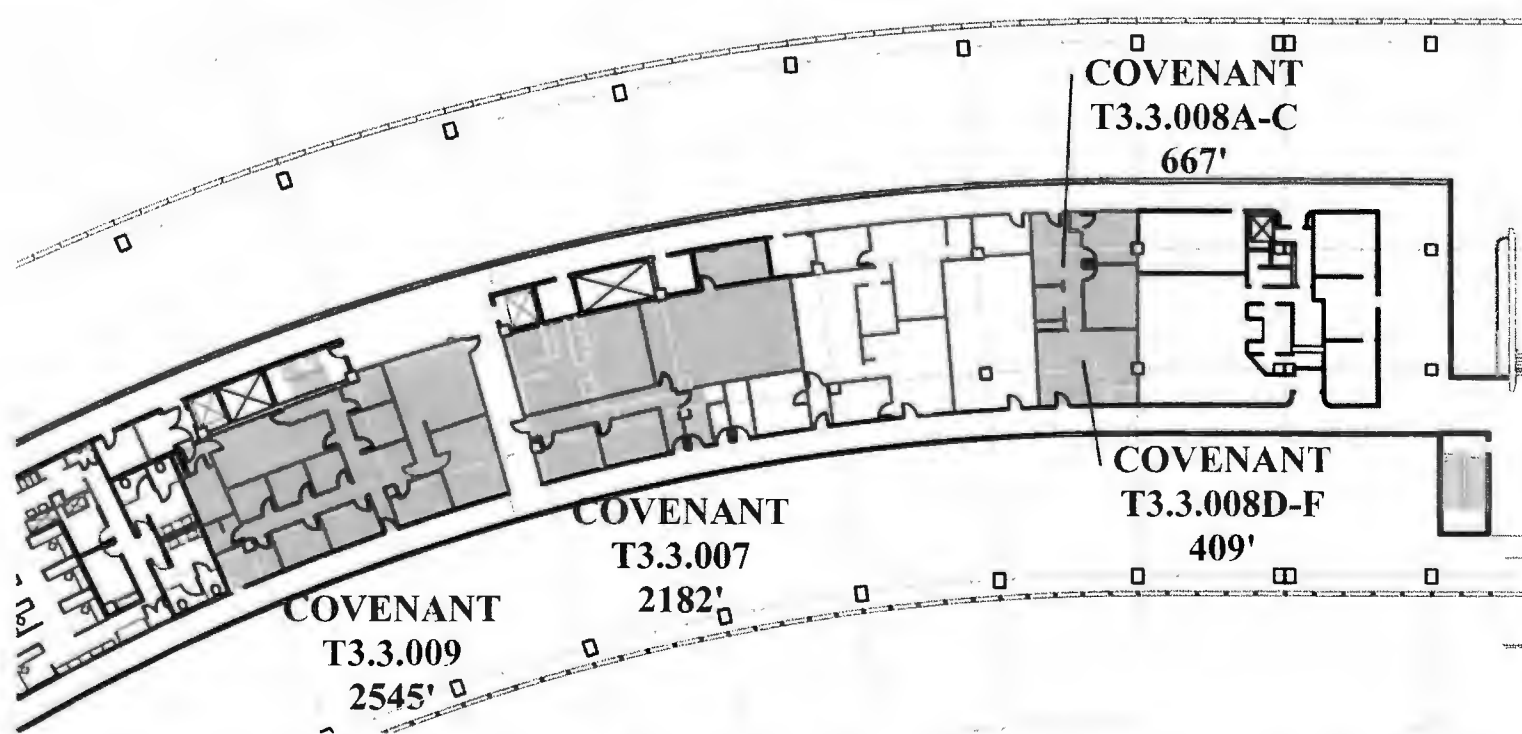
CITY & COUNTY OF SAN FRANCISCO DWG: T12BCOVN
 AIRPORTS COMMISSION SCALE: 1/8"=1'-0"
 SAN FRANCISCO INTERNATIONAL AIRPORT DATE: 05/22/2012

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TENANT LOCATION PERMIT DRAWING		LOCATION	TENANT	CAT	AREA	CONTRACT	EFF DATE
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LOCATION: TERMINAL 1 - 1ST FLOOR							
COVENANT AVIATION SECURITY, LLC.							
CITY & COUNTY OF SAN FRANCISCO	DWG: T11COV						
AIRPORTS COMMISSION	SCALE: 1"=10'-0"						
SAN FRANCISCO INTERNATIONAL AIRPORT	DATE: 04/24/2009						

108 109 110 111 112 113 115

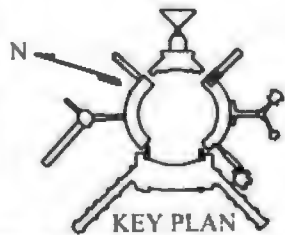
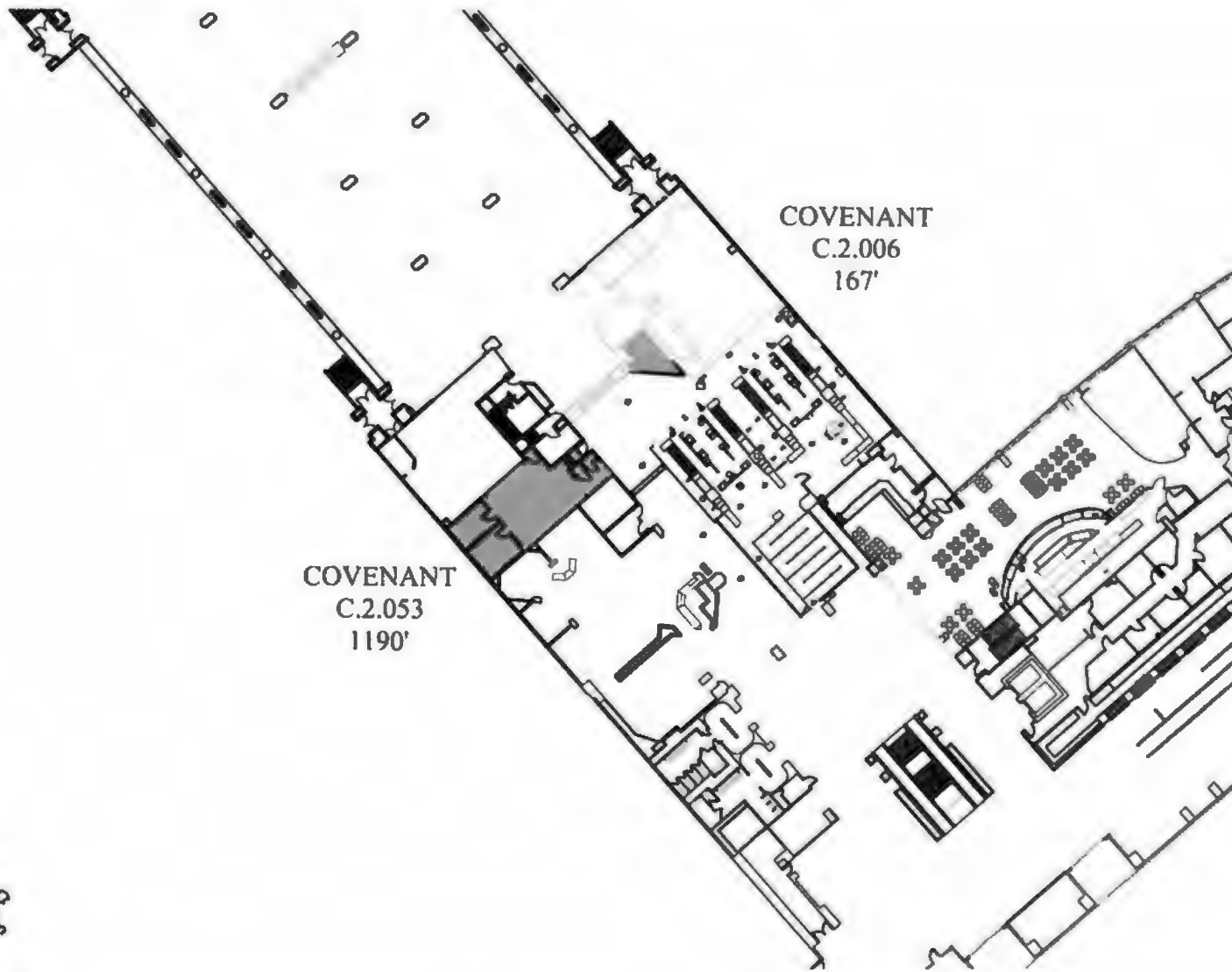


TENANT LOCATION PERMIT DRAWING

		LOCATION	TENANT	CAT	AREA	CONTRACT	EFF DATE
LOCATION: TERMINAL 3, MEZZANINE		T3.3.007	COVENANT	2	2182'	P4055	
COVENANT AVIATION SECURITY, LLC.		T3.3.008A-C	COVENANT	2	667'	P4055	
CITY & COUNTY OF SAN FRANCISCO	DWG: T33COV	T3.3.008D-F	COVENANT	2	409'	P4055	
AIRPORTS COMMISSION	SCALE: 1/8" = 1'-0"	T3.3.009	COVENANT	2	2545'	P4055	
SAN FRANCISCO INTERNATIONAL AIRPORT	DATE: 04/23/2009						

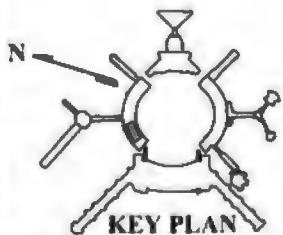
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TENANT LOCATION PERMIT DRAWING		LOCATION	TENANT	CAT	AREA	CONTRACT	EFF DATE
LOCATION: TERMINAL I, 2ND FLOOR, BOARDING AREA C		C.2.006	COVENANT	2	167'	P4055	
COVENANT AVIATION SECURITY, LLC.		C.2.053	COVENANT	2	1190'	P4055	
CITY & COUNTY OF SAN FRANCISCO	DWG: T12CCOVN						
AIRPORTS COMMISSION	SCALE: 1"=50'						
SAN FRANCISCO INTERNATIONAL AIRPORT	DATE: 04/24/2009						

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TENANT LOCATION PERMIT DRAWING

**COVENANT
T3.3.048
632'**

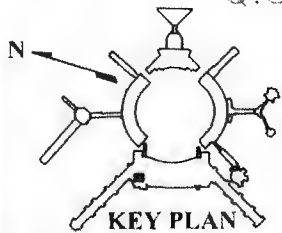
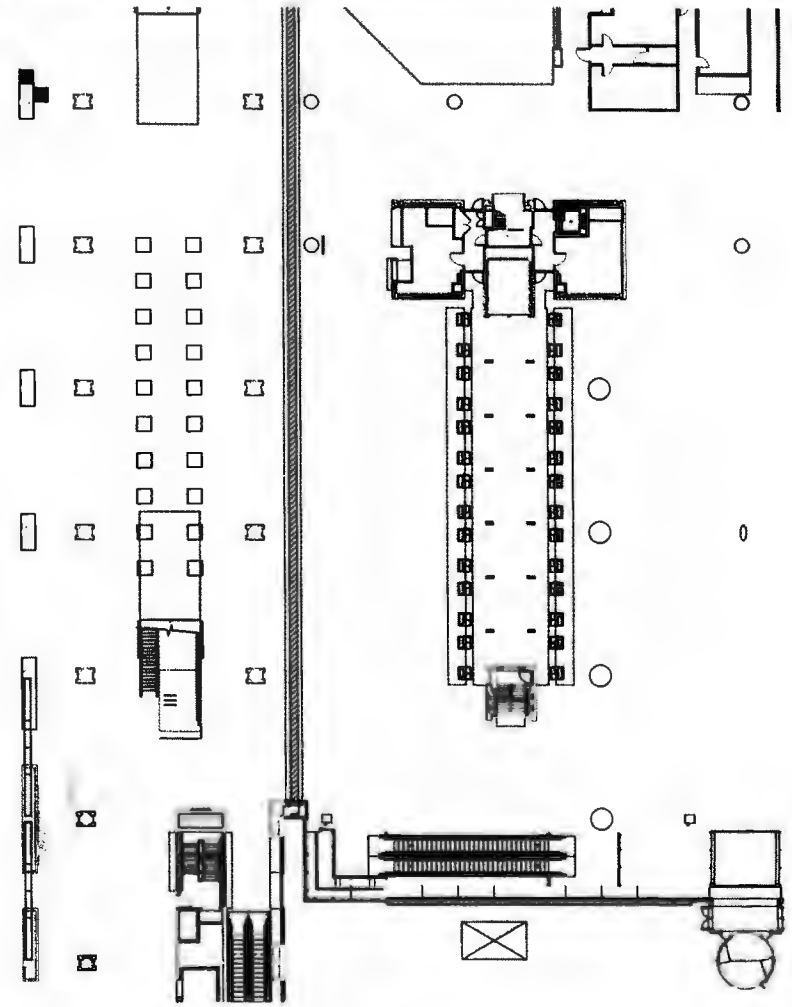
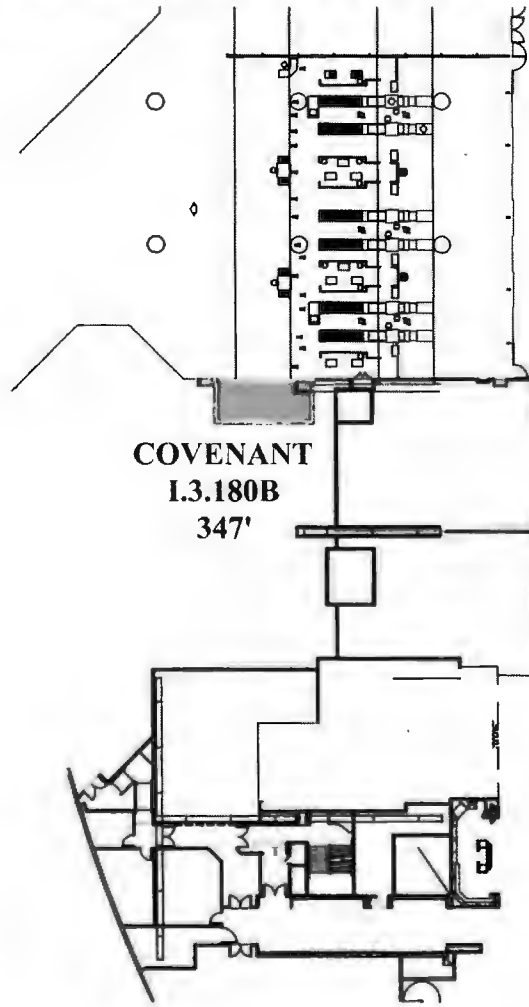
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TENANT LOCATION PERMIT DRAWING		LOCATION	TENANT	CAT	AREA	CONTRACT	EFF DATE
LOCATION: TERMINAL 3, MEZZANINE		T3.3.048	COVENANT	2	632'	P3625	11/01/2007
COVENANT AVIATION SECURITY, LLC.							
CITY & COUNTY OF SAN FRANCISCO	DWG: T33COV1						
AIRPORTS COMMISSION	SCALE: 1/4"=1'-0"						
SAN FRANCISCO INTERNATIONAL AIRPORT	DATE: 10/23/2007						

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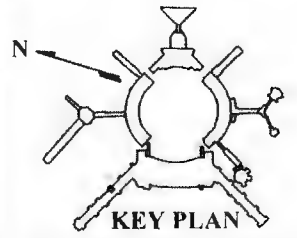
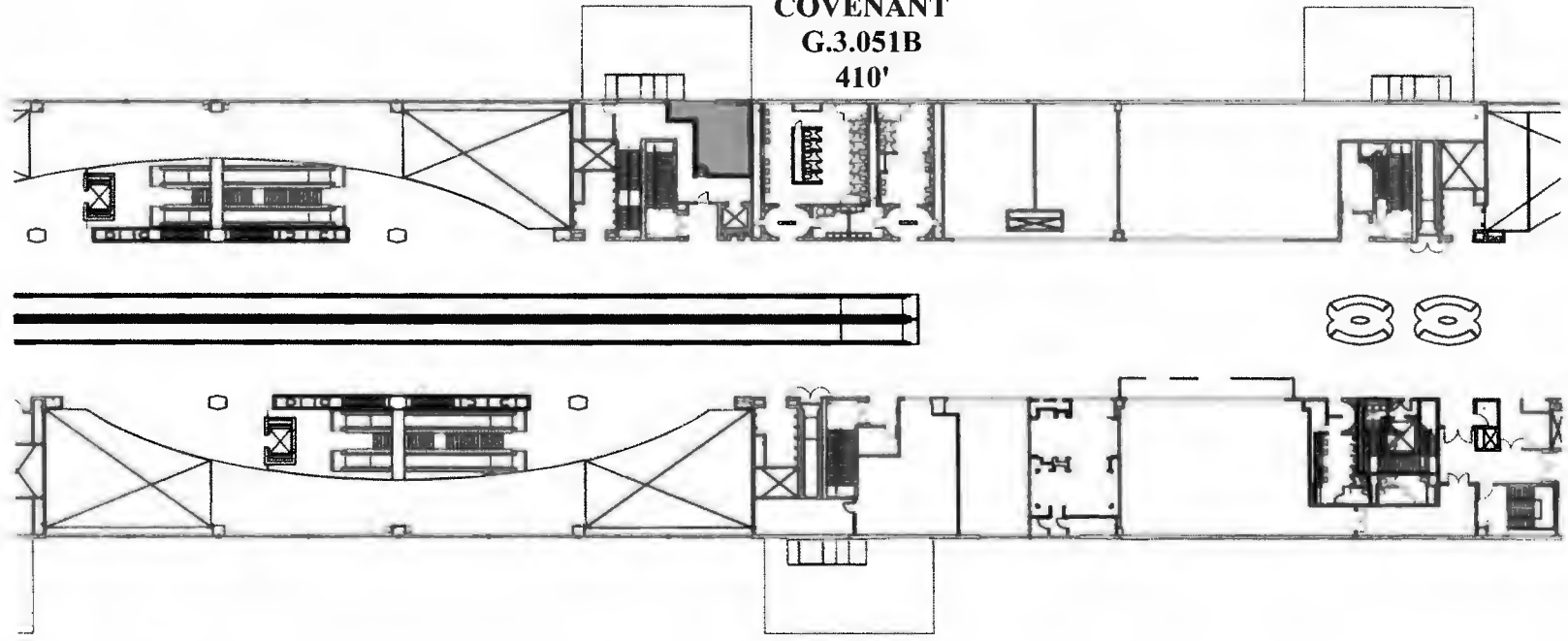
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TENANT LOCATION PERMIT DRAWING

TENANT LOCATION PERMIT DRAWING		LOCATION	TENANT	CAT	AREA	CONTRACT	EFF DATE
			I.3.080B	COVENANT	2	347'	P4055
LOCATION: INTERNATIONAL TERMINAL, 3RD FLOOR, BOARDING AREA G							
COVENANT AVIATION SECURITY, LLC.							
CITY & COUNTY OF SAN FRANCISCO	DWG: I3GCOVN						
AIRPORTS COMMISSION	SCALE: 1/8" = 1'-0"						
SAN FRANCISCO INTERNATIONAL AIRPORT	DATE: 04/24/2009						

**COVENANT
G.3.051B
410'**

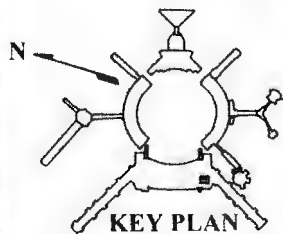
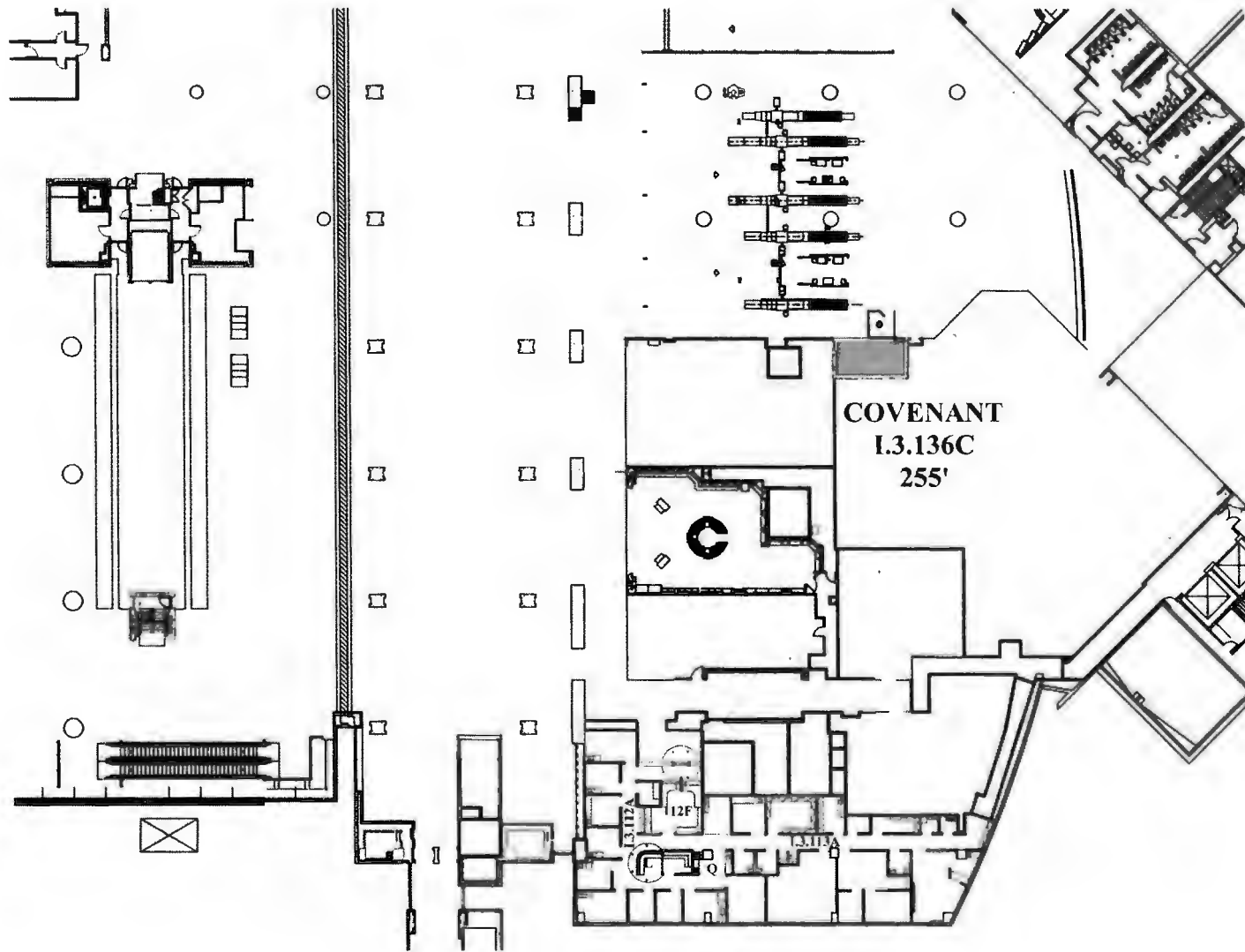


TENANT LOCATION PERMIT DRAWING

LOCATION	TENANT	CAT	AREA	CONTRACT	EFF DATE
G.3.051B	COVENANT	2	410'	P4055	
LOCATION: INTERNATIONAL TERMINAL, BOARDING AREA G, 3RD FLOOR					
COVENANT AVIATION SECURITY, LLC.					
CITY & COUNTY OF SAN FRANCISCO		DWG: BAG3COVN			
AIRPORTS COMMISSION		SCALE: 1/8" = 1'-0"			
SAN FRANCISCO INTERNATIONAL AIRPORT		DATE: 04/24/2009			

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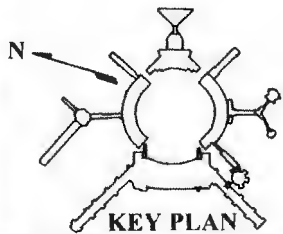
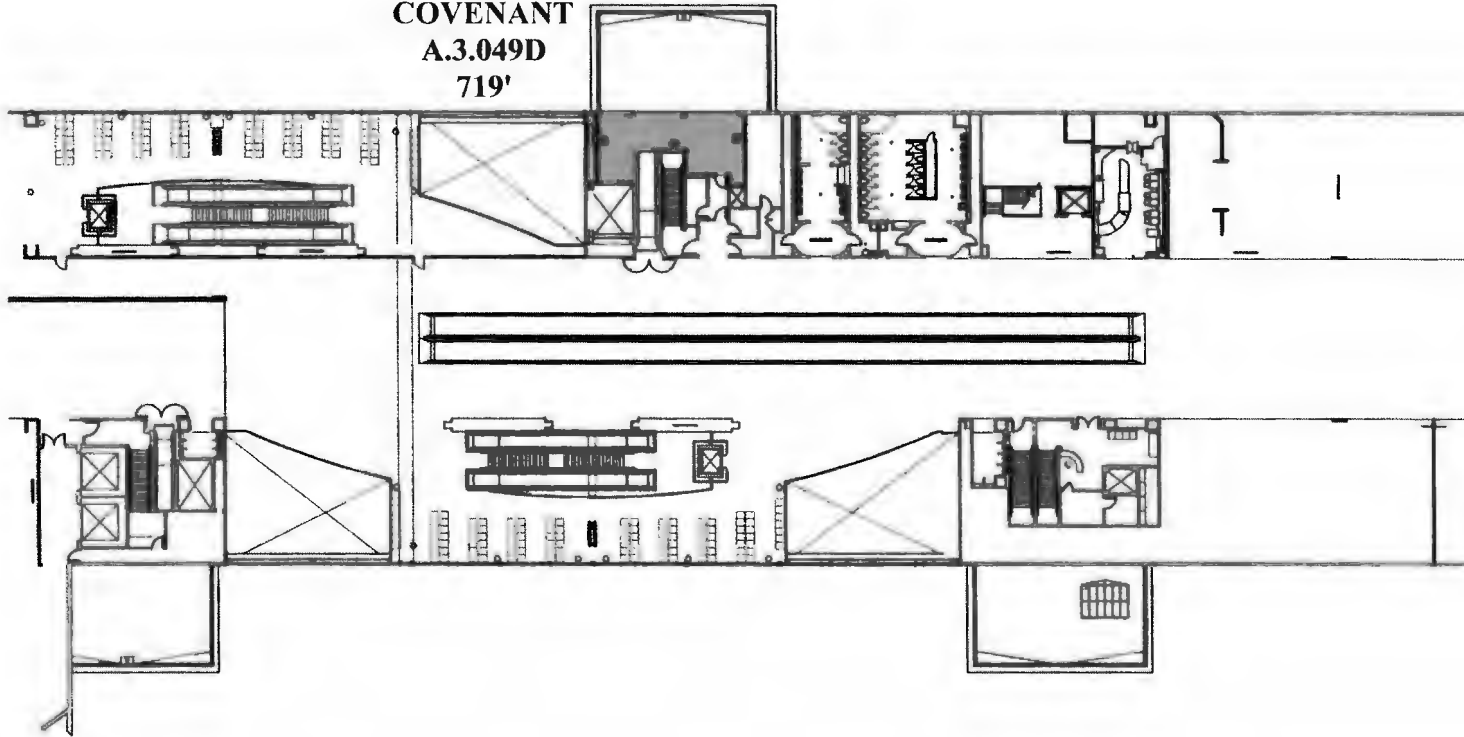


TENANT LOCATION PERMIT DRAWING

TENANT LOCATION PERMIT DRAWING		LOCATION	TENANT	CAT	AREA	CONTRACT	EFF DATE
			I.3.136C	COVENANT	2	255'	P4055
LOCATION: INTERNATIONAL TERMINAL, 3RD FLOOR, BOARDING AREA A							
COVENANT AVIATION SECURITY, LLC.							
CITY & COUNTY OF SAN FRANCISCO	DWG: I3ACOVN						
AIRPORTS COMMISSION	SCALE: 1/8" = 1'-0"						
SAN FRANCISCO INTERNATIONAL AIRPORT	DATE: 04/24/2009						

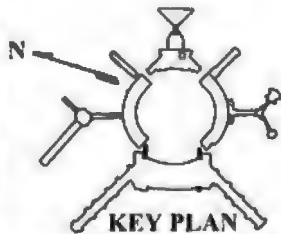
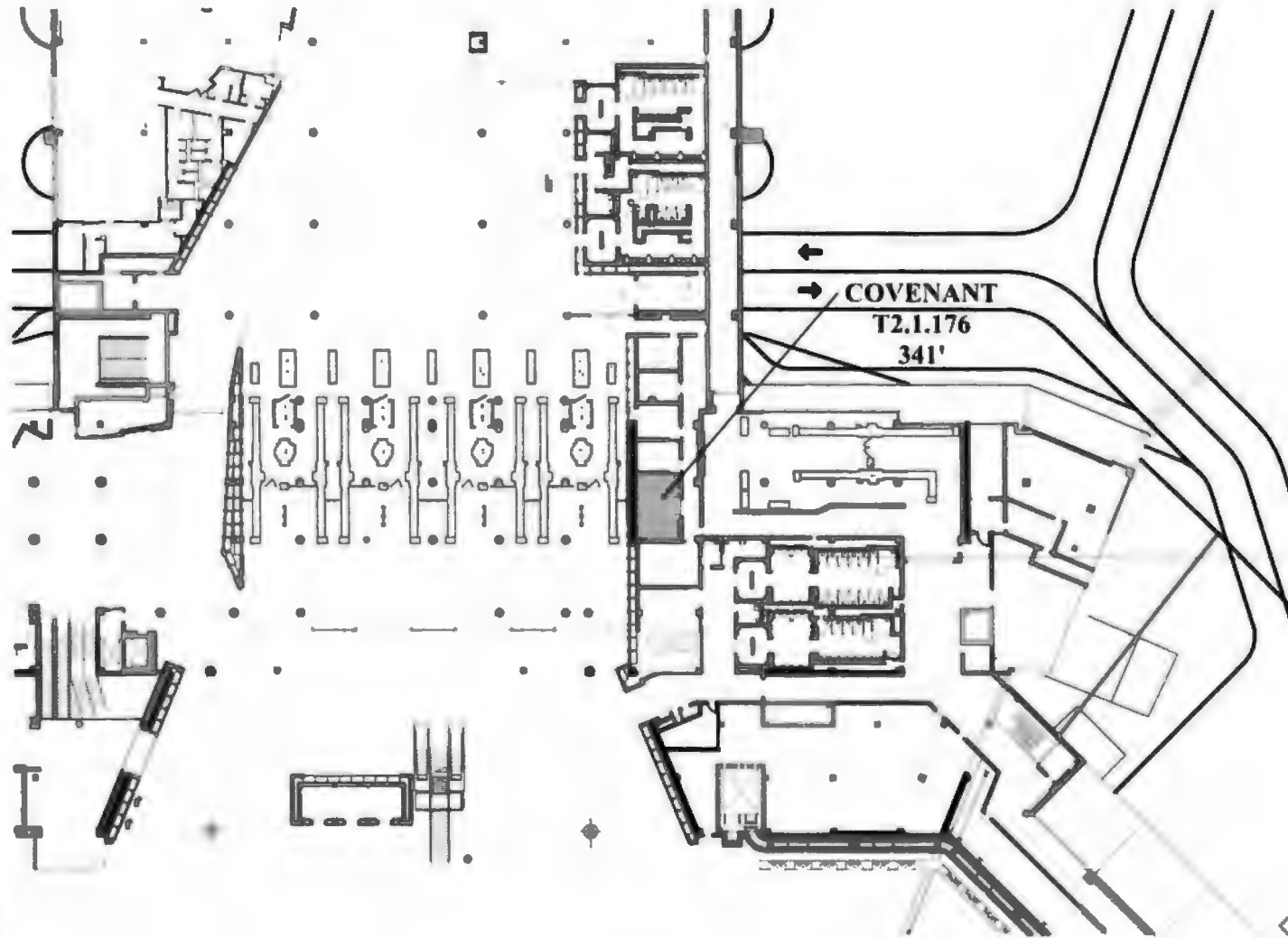
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**COVENANT
A.3.049D
719'**



TENANT LOCATION PERMIT DRAWING		LOCATION	TENANT	CAT	AREA	CONTRACT	EFF DATE
		A.3.049D	COVENANT	2	719'	P4055	
LOCATION: INTERNATIONAL TERMINAL, BOARDING AREA A, 3RD FLOOR							
COVENANT AVIATION SECURITY, LLC.							
CITY & COUNTY OF SAN FRANCISCO	DWG: BAA3COVN						
AIRPORTS COMMISSION	SCALE: 1/8" = 1'-0"						
SAN FRANCISCO INTERNATIONAL AIRPORT	DATE: 04/24/2009						

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TENANT LOCATION PERMIT DRAWING		LOCATION	TENANT	CAT	AREA	CONTRACT	EFF DATE
LOCATION: TERMINAL 2 - LEVEL 2		T2.1.176	COVENANT	3	341'	P4055	
COVENANT							
CITY & COUNTY OF SAN FRANCISCO		DWG: T22COV					
AIRPORT'S COMMISSION		SCALE: 1"=100'-0"					
SAN FRANCISCO INTERNATIONAL AIRPORT		DATE: 02/01/2011					

**FIRST AMENDMENT TO AIRPORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
NONAIRLINE NONTERMINAL SPACE OR USE PERMIT NO. 4055
FOR
COVENANT AVIATION SECURITY, LLC
AT
SAN FRANCISCO INTERNATIONAL AIRPORT**

THIS FIRST AMENDMENT TO NONAIRLINE NONTERMINAL SPACE OR USE PERMIT NO. 4055 (this "**Amendment**"), dated as of November 1, 2012, is entered into by and between the City and County of San Francisco, acting by and through its Airport Commission (the "**City**"), and Covenant Aviation Security, LLC (the "**Permittee**").

RECITALS

A. By Permit No. 4055, executed the 1st day of February, 2011 (the "Permit"), the City permitted to Permittee certain premises in Terminal 1, Terminal 2, Terminal 3, and the International Terminal, comprised of approximately 10,800 square feet of exclusive space, (the "Premises"); and

B. The City and Permittee now desire to amend the Permit to remove a total of 2,201 square feet of exclusive space adjacent to the checkpoints in Boarding Areas B and C in Terminal 1, Boarding Areas A and G in the International Terminal, and office space on the Mezzanine Level of Terminal 3; and

C. Adjust the Deposit Amount from two months of Permit Fees under the negotiated rate to six months of Permit Fees; and

D. As used in the Permit, the term "Permit" shall mean Space Permit No. 4055, as amended hereby. Capitalized terms not otherwise defined herein shall have the meanings given them in the Permit.

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants set forth herein, and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereby agree to amend the Permit as follows:

1. Effective Date. The "Effective Date" of this First Amendment shall be December 1, 2011, for the removal of 47 square feet of exclusive space in Boarding Area C; and November 1, 2012 for the removal of a total of 2,136 square feet of exclusive use space in Boarding Areas B and C in Terminal 1, Boarding Areas A and G in the International Terminal, and the Mezzanine Level of Terminal 3.

2. Amendment. The Permit is hereby amended as follows:

(a) Premises. From and after the Effective Date of November 1, 2011, the Premises shall consist of the following:

Effective 12/1/2011 – 10/31/2012	10,753 square feet
---	--------------------

Effective 12/01/2011 – 10/31/2012	
Room No.	Square Feet
A.3.049D	719
B.2.015	460
C.2.006	167
C.2.053	834
G.3.051B	410
T1.1.067	327
T2.1.176	341
T3.3.007	2,182
T3.3.009	2,545
T3.3.048	632
TOTAL	8,617

(b) Exhibits. From and after the Effective Date of November 1, 2012, Exhibit A shall be modified such that Drawing No. T12BCOVN dated May 22, 2012 is replaced by Drawing No. T12B COVN dated October 23, 2012; Drawing T12CCOVN dated April 24, 2009 is replaced by Drawing No. T12CCOVN dated September 23, 2011; and T33COV dated April 23, 2009 is replaced by Drawing No. T33COV dated October 11, 2012.

As amended hereby, each and every one of the terms, conditions, and covenants in the Permit entered into on February 1, 2011 shall remain in full force and effect, and is incorporated herein by this reference, as though fully set forth.

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IN WITNESS WHEREOF, the parties hereto have executed this Amendment, in duplicate by their duly authorized officers, as of the date last set forth below.

PERMITTEE:

Covenant Aviation Security, LLC,
a Illinois limited liability company

CITY AND COUNTY OF SAN FRANCISCO:

a municipal corporation,
acting by and through its Airport Commission

By: Audrey Deane
Authorized Officer

By: John E. Martin
Airport Director

Title: Director Business Service

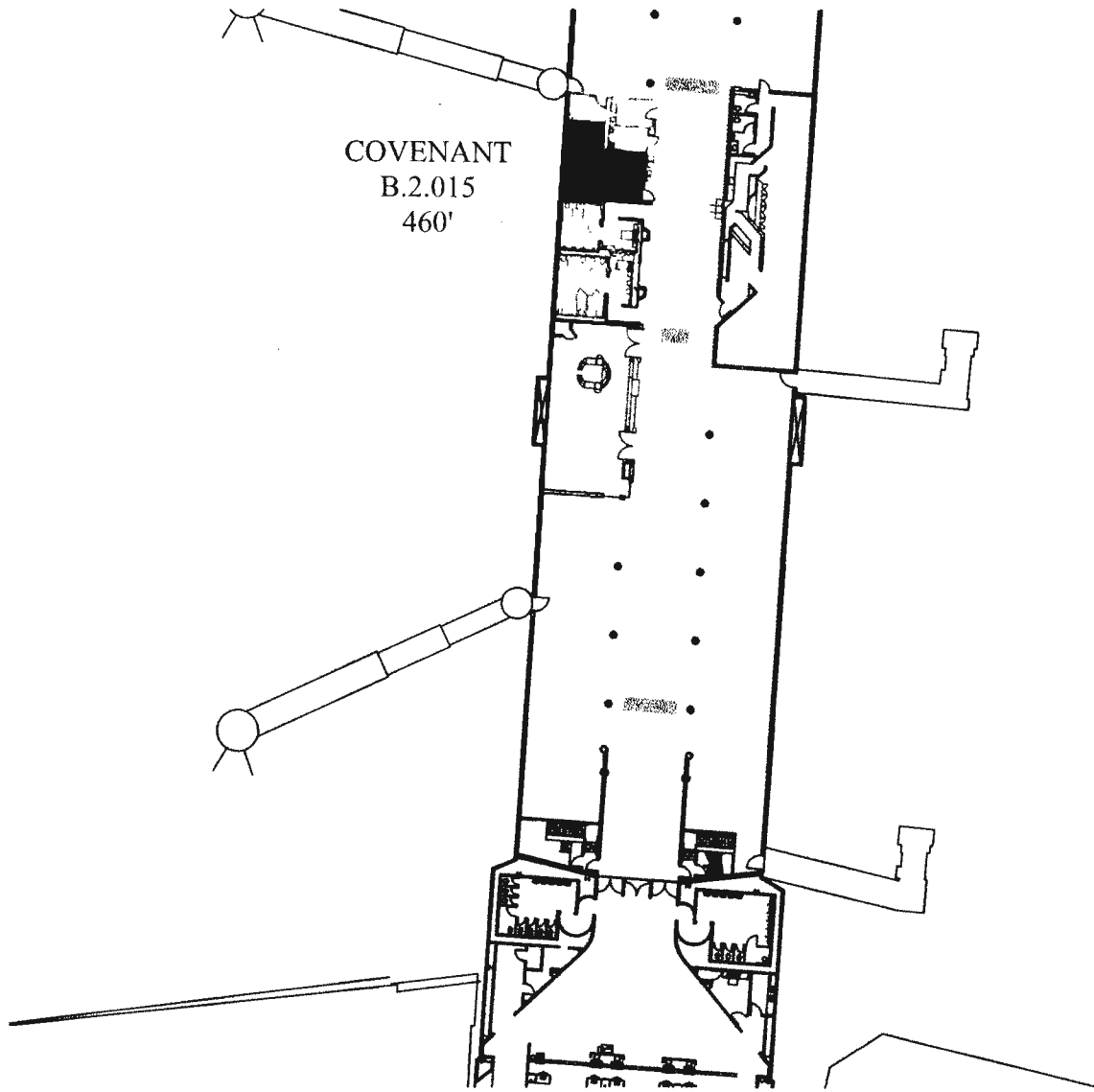
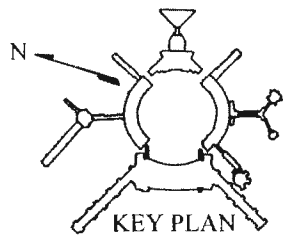
Dated: 10/31/2012

Dated: 11-7-12

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

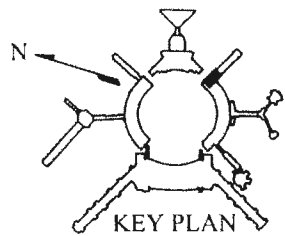
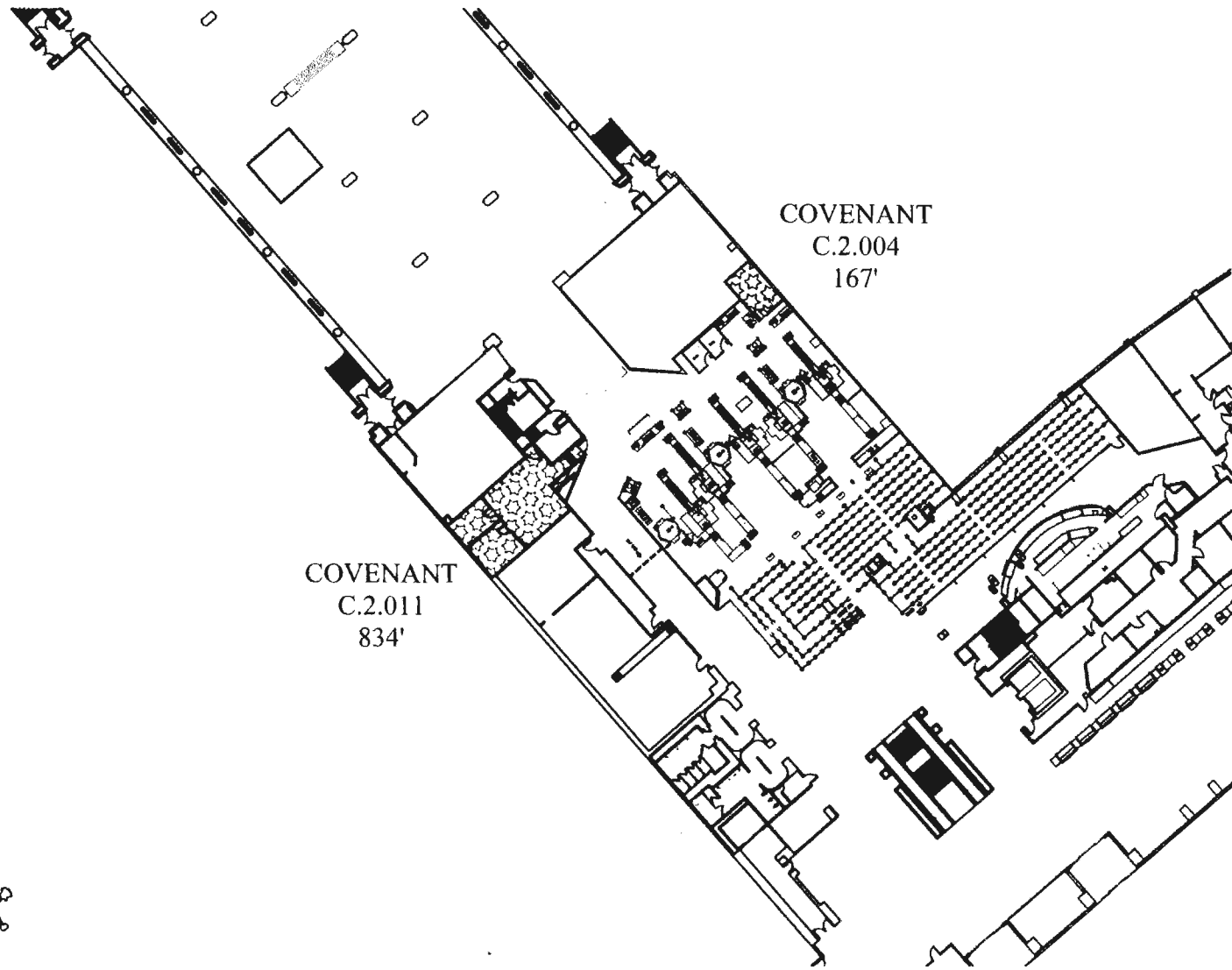
By: David Senow Sewell
Deputy City Attorney

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TENANT LOCATION PERMIT DRAWING		LOCATION	TENANT	CAT	AREA	CONTRACT	EFF DATE
		B.2.015	COVENANT	2	460'	P4055	
LOCATION: TERMINAL 1, 2ND FLOOR, BOARDING AREA B							
COVENANT AVIATION SECURITY, LLC.							
CITY & COUNTY OF SAN FRANCISCO	DWG: T12BCOVN						
AIRPORTS COMMISSION	SCALE: 1"=50'						
SAN FRANCISCO INTERNATIONAL AIRPORT	DATE: 10/23/2012						

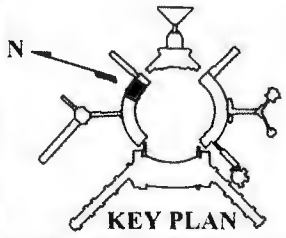
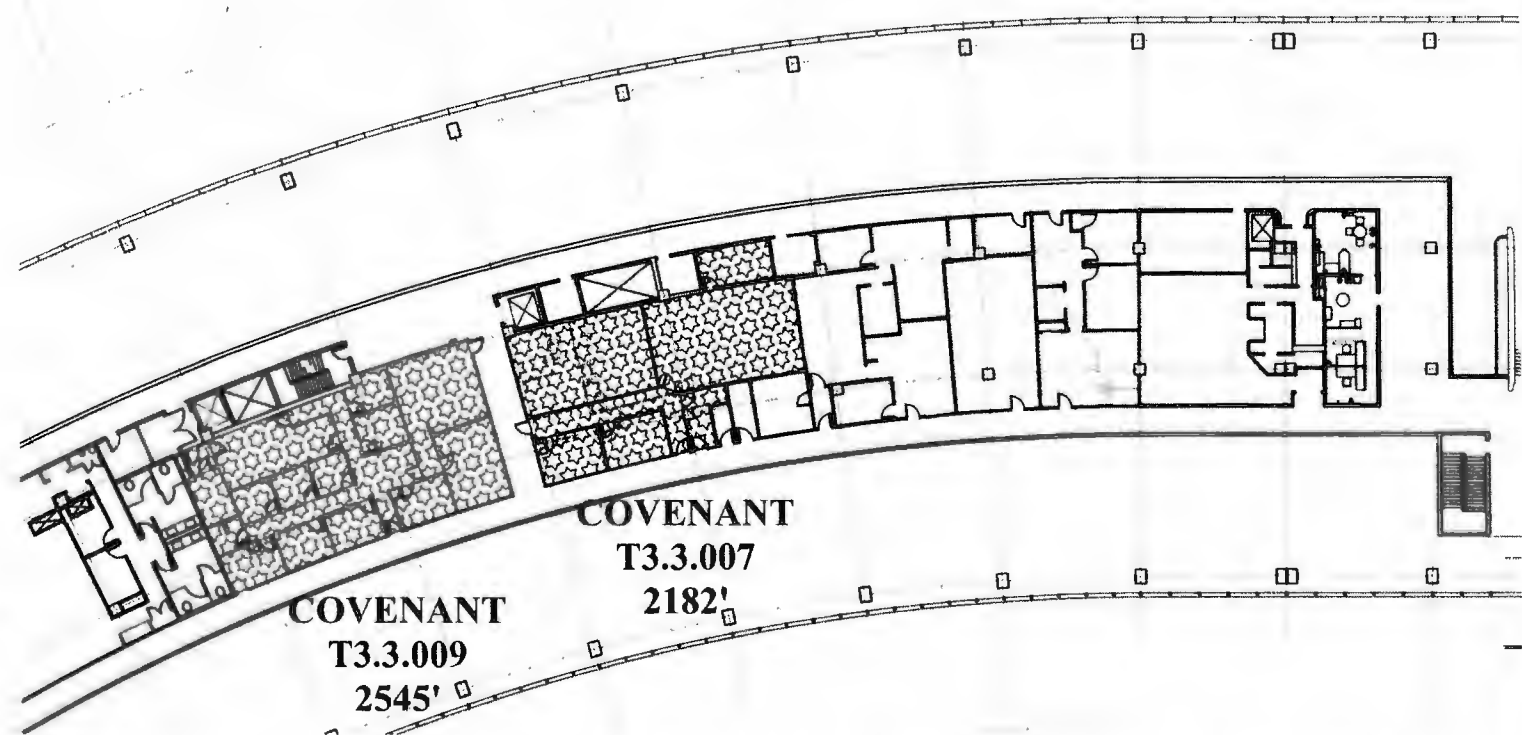
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TENANT LOCATION PERMIT DRAWING		LOCATION	TENANT	CAT	AREA	CONTRACT	EFF DATE
LOCATION: TERMINAL 1, 2ND FLOOR, BOARDING AREA C		C.2.004	COVENANT	2	167'	P4055	02/01/2011
COVENANT AVIATION SECURITY, LLC.		C.2.011	COVENANT	2	834'	P4055	02/01/2011
CITY & COUNTY OF SAN FRANCISCO	DWG: T12CCOVN						
AIRPORTS COMMISSION	SCALE: 1"=50'						
SAN FRANCISCO INTERNATIONAL AIRPORT	DATE: 09/23/2011						

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TENANT LOCATION PERMIT DRAWING		LOCATION	TENANT	CAT	AREA	CONTRACT	EFF DATE
LOCATION: TERMINAL 3, MEZZANINE		T3.3.007	COVENANT	2	2182'	P4055	02/01/2011
COVENANT AVIATION SECURITY, LLC.		T3.3.009	COVENANT	2	2545'	P4055	02/01/2011
CITY & COUNTY OF SAN FRANCISCO	DWG: T33COV						
AIRPORTS COMMISSION	SCALE: 1/8" = 1'-0"						
SAN FRANCISCO INTERNATIONAL AIRPORT	DATE: 10/11/2012						

**SECOND AMENDMENT TO AIRPORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
NONAIRLINE TERMINAL SPACE OR USE PERMIT NO. 4055
FOR
COVENANT AVIATION SECURITY, LLC
AT
SAN FRANCISCO INTERNATIONAL AIRPORT**

THIS SECOND AMENDMENT TO NONAIRLINE TERMINAL SPACE OR USE PERMIT NO. 4055 (this “**Amendment**”), dated as of January 11, 2013, is entered into by and between the City and County of San Francisco, acting by and through its Airport Commission (the “**City**”), and Covenant Aviation Security, LLC (the “**Permittee**”).

RECITALS

A. By Permit No. 4055, executed the 1st day of February, 2011, as amended by the First Amendment dated November 1, 2012 (as amended, the “**Permit**”), the City permitted to Permittee certain premises in Terminal 1, Terminal 2, Terminal 3, and the International Terminal, comprised of approximately 8,617 square feet of exclusive space, (the “**Premises**”); and

B. The City and Permittee now desire to amend the Permit to add 409 square feet of exclusive office space on the Mezzanine of Terminal 3 in Room T3.3.008F; and

C. As used in the Permit, the term “Permit” shall mean Space Permit No. 4055, as amended hereby. Capitalized terms not otherwise defined herein shall have the meanings given them in the Permit.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants set forth herein, and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereby agree to amend the Permit as follows:

1. Effective Date. The “Effective Date” of this Second Amendment shall be January 11, 2013.

2. Amendment. The Permit is hereby amended as follows:

(a) Premises. From and after the Effective Date of January 11,2013, the Premises shall consist of the following:

Effective January 1, 2013	
Room No.	Square Feet
A.3.049D	719
B.2.015	460
C.2.006	167

Effective January 1, 2013	
Room No.	Square Feet
C.2.053	834
G.3.051B	410
T1.1.067	327
T2.1.176	341
T3.3.007	2,182
T3.3.008F	409
T3.3.009	2,545
T3.3.048	632
TOTAL	9,026

(b) Exhibits. From and after the Effective Date of January 11, 2013, Exhibit A shall be modified such that Drawing No. T33COV2 dated December 27, 2012 is added.

As amended hereby, each and every one of the terms, conditions, and covenants in the Permit entered into on February 1, 2011 shall remain in full force and effect, and is incorporated herein by this reference, as though fully set forth.

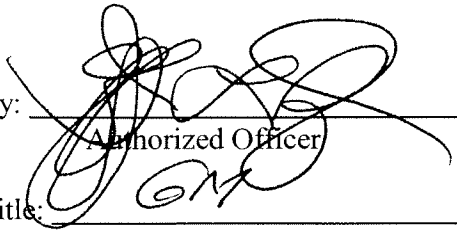
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IN WITNESS WHEREOF, the parties hereto have executed this Amendment, in duplicate by their duly authorized officers, as of the date last set forth below.

PERMITTEE:

Covenant Aviation Security, LLC,
a Illinois limited liability company


By:  _____
Authorized Officer

Title: _____

Dated: 1-03-2013

CITY AND COUNTY OF SAN FRANCISCO:

a municipal corporation,
acting by and through its Airport Commission

By:  _____
John L. Martin, *or LF for*
Airport Director

Dated: 1-24-13

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By:  _____
Deputy City Attorney

**THIRD AMENDMENT TO AIRPORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
NONAIRLINE TERMINAL SPACE OR USE PERMIT NO. 4055
FOR
COVENANT AVIATION SECURITY, LLC
AT
SAN FRANCISCO INTERNATIONAL AIRPORT**

THIS THIRD AMENDMENT TO NONAIRLINE TERMINAL SPACE OR USE PERMIT NO. 4055 (this “**Amendment**”), dated as of May 1, 2013, is entered into by and between the City and County of San Francisco, acting by and through its Airport Commission (the “**City**”), and Covenant Aviation Security, LLC (the “**Permittee**”).

RECITALS

A. By Permit No. 4055, executed the 1st day of February, 2011, as amended by the First Amendment dated November 1, 2012 and the Second Amendment dated January 11, 2013 (as amended, the “**Permit**”), the City permitted to Permittee certain premises in Terminal 1, Terminal 2, Terminal 3, and the International Terminal, comprised of approximately 9,026 square feet of exclusive space, (the “**Premises**”); and

B. The City and Permittee now desire to amend the Permit to add 667 square feet of exclusive office space on the Mezzanine of Terminal 3 in Room T3.3.008A-C; and

C. As used in the Permit, the term “Permit” shall mean Space Permit No. 4055, as amended hereby. Capitalized terms not otherwise defined herein shall have the meanings given them in the Permit.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants set forth herein, and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereby agree to amend the Permit as follows:

1. Effective Date. The “Effective Date” of this Third Amendment shall be May 1, 2013.
2. Amendment. The Permit is hereby amended as follows:
 - (a) Premises. From and after the Effective Date of May 1, 2013, the Premises shall consist of the following:

Effective May 1, 2013	
Room No.	Square Feet
A.3.049D	719
B.2.015	460
C.2.006	167

Effective May 1, 2013	
Room No.	Square Feet
C.2.053	834
G.3.051B	410
T1.1.067	327
T2.1.176	341
T3.3.007	2,182
T3.3.008A-C	667
T3.3.008D-F	409
T3.3.009	2,545
T3.3.048	632
TOTAL	9,693

(b) Exhibits. From and after the Effective Date of May 1, 2013, Exhibit A shall be modified such that Drawing No. T33COV2 dated March 28, 2013 is added.

As amended hereby, each and every one of the terms, conditions, and covenants in the Permit entered into on May 1, 2011 shall remain in full force and effect, and is incorporated herein by this reference, as though fully set forth.

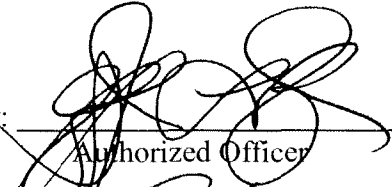
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IN WITNESS WHEREOF, the parties hereto have executed this Amendment, in duplicate by their duly authorized officers, as of the date last set forth below.

PERMITTEE:



Covenant Aviation Security, LLC,
a Illinois limited liability company

By: 
Authorized Officer
Title: GM

Dated: 4-8-2013

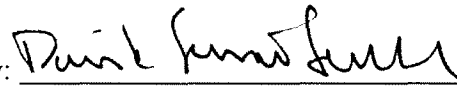
CITY AND COUNTY OF SAN FRANCISCO:

a municipal corporation,
acting by and through its Airport Commission

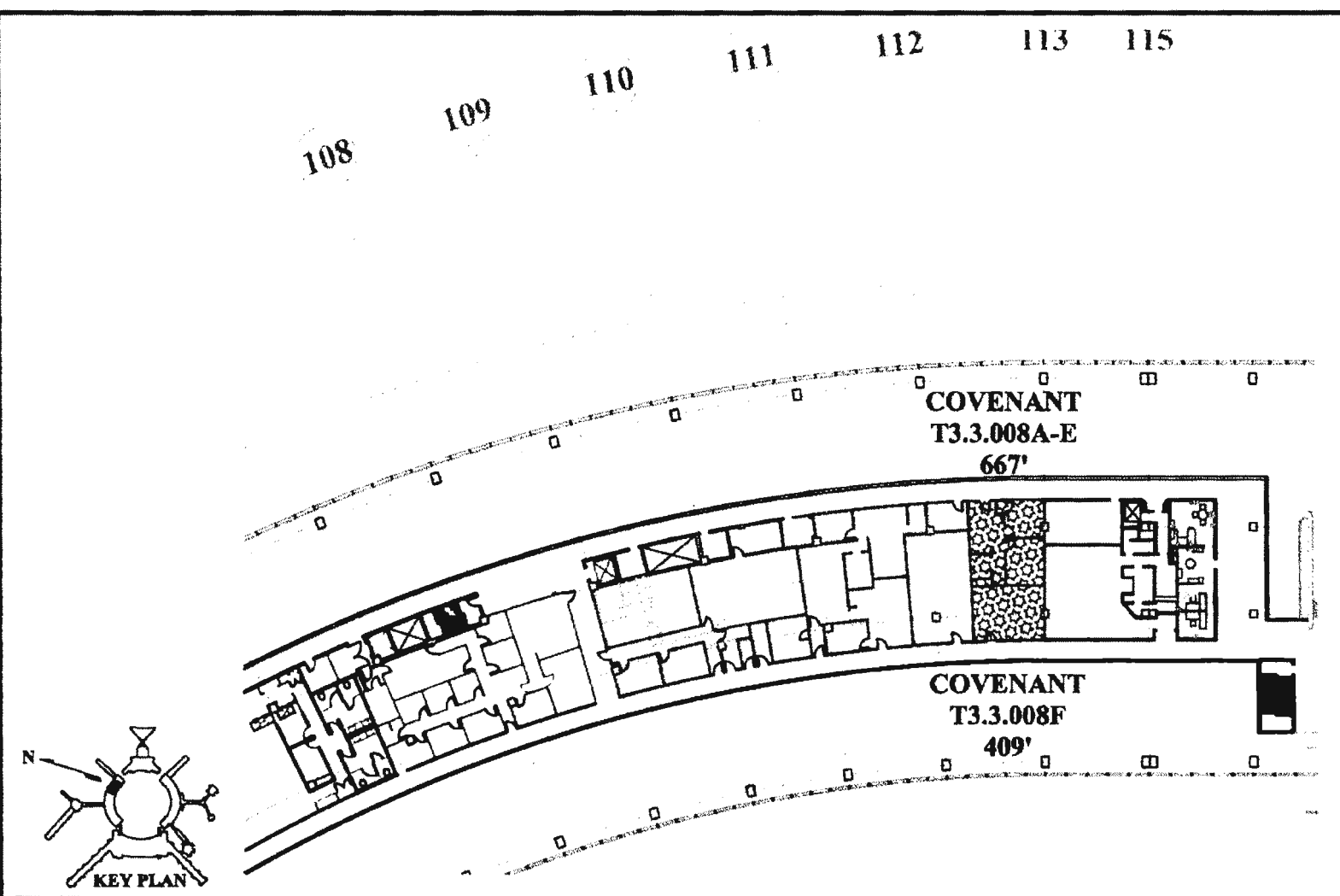
By: 
John L. Martin
Airport Director 

Dated: 4-26-13

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: 
Deputy City Attorney

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TENANT LOCATION PERMIT DRAWING		LOCATION	TENANT	CAT	AREA	CONTRACT	EFF DATE
LOCATION: TERMINAL 3, MEZZANINE		T3.3.008F	COVENANT	2	409'	P4055	01/01/2013
COVENANT AVIATION SECURITY, LLC.		T3.3.008A-E	COVENANT	2	667'	P4055	05/01/2013
CITY & COUNTY OF SAN FRANCISCO	DWG: T33COV2						
AIRPORTS COMMISSION	SCALE: 1/8"=1'-0"						
SAN FRANCISCO INTERNATIONAL AIRPORT	DATE: 03/28/2013						

**FOURTH AMENDMENT TO AIRPORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
NONAIRLINE TERMINAL SPACE OR USE PERMIT NO. 4055
FOR
COVENANT AVIATION SECURITY, LLC
AT
SAN FRANCISCO INTERNATIONAL AIRPORT**

THIS FOURTH AMENDMENT TO NONAIRLINE TERMINAL SPACE OR USE PERMIT NO. 4055 (this “**Amendment**”), dated as of February 1, 2014, is entered into by and between the City and County of San Francisco, acting by and through its Airport Commission (the “**City**”), and Covenant Aviation Security, LLC (the “**Permittee**”).

RECITALS

A. By Permit No. 4055, executed the 1st day of February, 2011, as amended by the First Amendment, dated November 1, 2012; the Second Amendment, dated January 11, 2013; and the Third Amendment, dated May 1, 2013 (as amended, the “**Permit**”), the City permitted to Permittee certain premises in Terminal 1, Terminal 2, Terminal 3, and the International Terminal, comprised of approximately 9,691 square feet of exclusive space, (the “**Premises**”); and

B. The City and Permittee now desire to amend the Permit to delete 834 square feet of exclusive space in Boarding Area C of Terminal 1, known as Room No. C.2.053; add 680 square feet of Category III exclusive use space in Boarding Area C of Terminal 1, known as Room No. T1.1.080; and

C. As used in the Permit, the term “Permit” shall mean Space Permit No. 4055, as amended hereby. Capitalized terms not otherwise defined herein shall have the meanings given them in the Permit.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants set forth herein, and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereby agree to amend the Permit as follows:

1. Effective Date. February 15, 2014.
2. Amendment. The Permit is hereby amended as follows:

(a) Premises. From and after the Effective Date of February 15, 2014, the Premises shall consist of the following:

Room No.	Square Feet
A.3.049D	719
B.2.015	460

Room No.	Square Feet
C.2.004	167
G.3.051B	410
T1.1.067	327
T1.1.080	680
T2.1.176	341
T3.3.007	2,182
T3.3.008A-C	667
T3.3.008F	409
T3.3.009	2,545
T3.3.048	630
Total	9,537

(b) Exhibits. From and after the Effective Date of February 1, 2014, Exhibit A shall be modified such that Drawing No. T11COV, dated April 24, 2009, shall be replaced by a new Drawing No. T11COV, dated January 30, 2014; and Drawing No. T12CCOVN, dated February 1, 2011, shall be replaced by a new Drawing No. T12CCOVN, dated January 30, 2014, all as are incorporated herein and attached hereto.

(c) Full Force and Effect. As amended hereby, each and every one of the terms, conditions, and covenants in the Permit shall remain in full force and effect.

3. Permit. As used in the Permit, the term “Permit” shall mean the Permit as amended hereby.

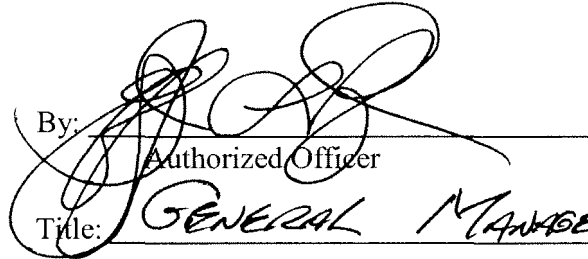
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IN WITNESS WHEREOF, the parties hereto have executed this Amendment, in duplicate by their duly authorized officers, as of the date last set forth below.

PERMITTEE:

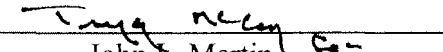
Covenant Aviation Security, LLC,
a Illinois limited liability company

By: 
Authorized Officer
Title: GENERAL MANAGER

Dated: 2-11-2014

CITY AND COUNTY OF SAN FRANCISCO:

a municipal corporation,
acting by and through its Airport Commission

By: 
John E. Martin
Airport Director

Dated: 3-14-14

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney


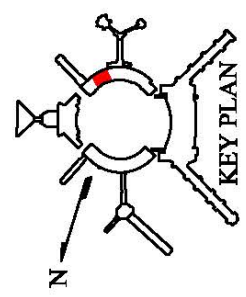
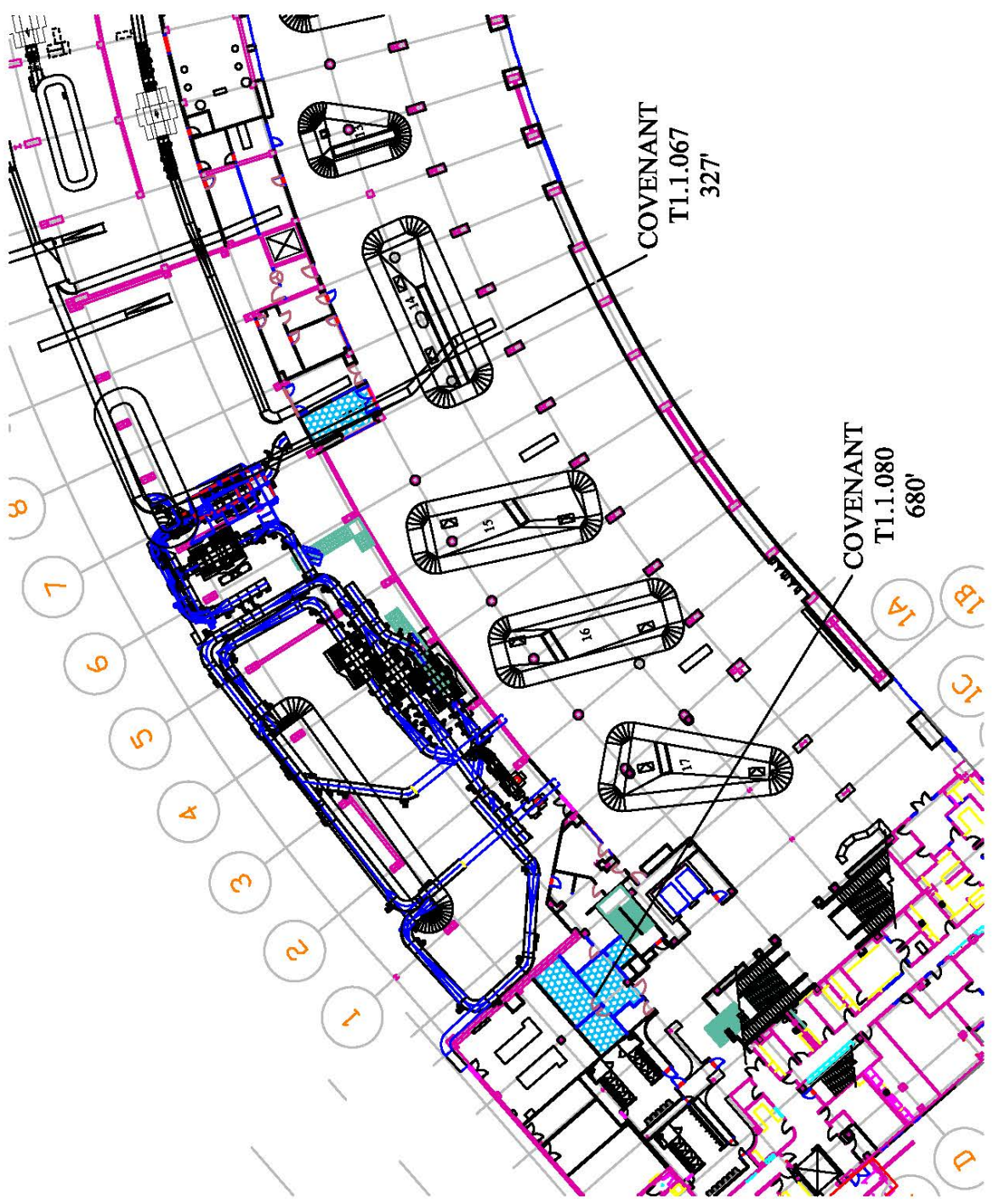
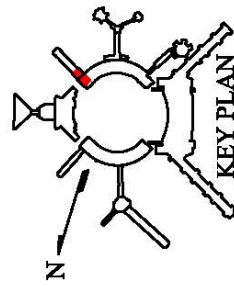
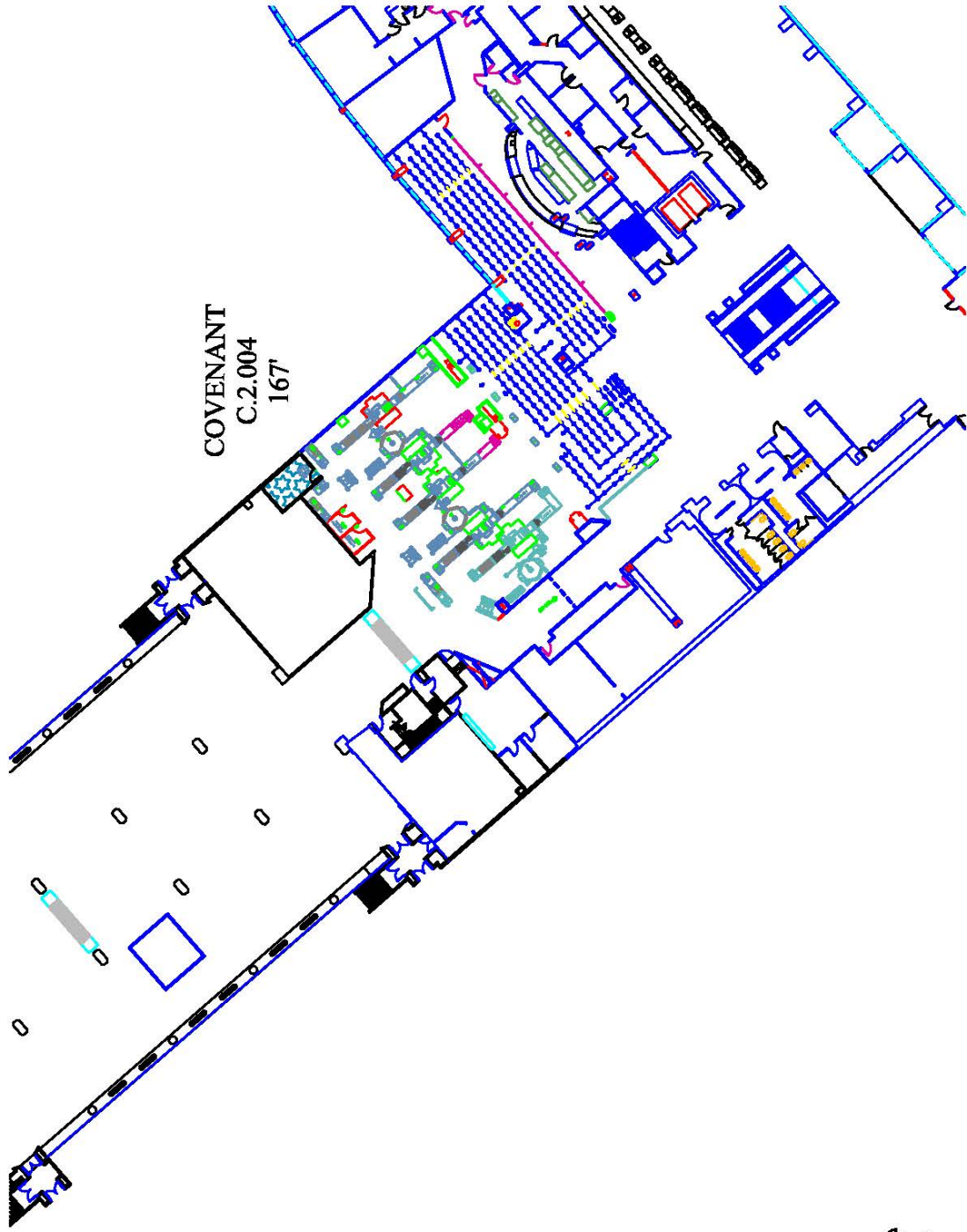
By: 
Deputy City Attorney

EXHIBIT A
Description of Premises

Space No.	Square Feet	Drawing No.	Dated
A.3.049D	719	BAA3COVN	April 24, 2009
B.2.015	460	T12BCOVN	October 23, 2012
C.2.004	167	T12CCOVN	January 30, 2014
G.3.051B	410	BAG3COVN	April 24, 2009
T1.1.067	327	T11COV	January 30, 2014
T1.1.080	680	T11COV	January 30, 2014
T2.1.176	341	T22COV	February 1, 2011
T3.3.007	2,182	T33COV	October 11, 2012
T3.3.008A-C	667	T33COV2	March 28, 2013
T3.3.008F	409	T33COV2	March 28, 2013
T3.3.009	2,545	T33COV	October 11, 2012
T3.3.048	630	T33COV1	October 23, 2007
Total Square Feet	9,537		



TENANT LOCATION PERMIT DRAWING		LOCATION	TENANT	CAT	AREA	CONTRACT	EFF DATE
		T1.1.067	COVENANT	2	327'	P4055	02/01/2011
		T1.1.080	COVENANT	3	680'	P 4055	02/01/2014
LOCATION: TERMINAL 1 - 1ST FLOOR							
COVENANT AVIATION SECURITY, LLC.							
CITY & COUNTY OF SAN FRANCISCO		DWG: T1ICOV					
AIRPORTS COMMISSION		SCALE: 1"=100'-0"					
SAN FRANCISCO INTERNATIONAL AIRPORT		DATE: 01/31/2014					



COVENANT
C.2.004
167

TENANT LOCATION PERMIT DRAWING		LOCATION	TENANT	CAT	AREA	CONTRACT	EFF DATE
		C.2.004	COVENANT	2	167'	P4055	02/01/2011
LOCATION: TERMINAL 1, 2ND FLOOR, BOARDING AREA C							
COVENANT AVIATION SECURITY, LLC.							
CITY & COUNTY OF SAN FRANCISCO	DWG: T12CCOVN						
AIRPORTS COMMISSION	SCALE: 1/8"=1'-0"						
SAN FRANCISCO INTERNATIONAL AIRPORT	DATE: 01/30/2014						

**FIFTH AMENDMENT TO AIRPORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
NONAIRLINE TERMINAL SPACE OR USE PERMIT NO. 4055
FOR
COVENANT AVIATION SECURITY, LLC
AT
SAN FRANCISCO INTERNATIONAL AIRPORT**

THIS FIFTH AMENDMENT TO NONAIRLINE TERMINAL SPACE OR USE PERMIT NO. 4055 (this “**Amendment**”), dated as of April 14, 2014, is entered into by and between the City and County of San Francisco, acting by and through its Airport Commission (the “**City**”), and Covenant Aviation Security, LLC (the “**Permittee**”).

RECITALS

A. By Permit No. 4055, executed the 1st day of February, 2011, as amended by the First Amendment, dated November 1, 2012; the Second Amendment, dated January 11, 2013; the Third Amendment, dated May 1, 2013; and the Fourth Amendment, dated February 1, 2014 (as amended, the “**Permit**”), the City permitted to Permittee certain premises in Terminal 1, Terminal 2, Terminal 3, and the International Terminal, comprised of approximately 9,537 square feet of exclusive space, (the “**Premises**”); and

B. City and Permittee agree to the temporary relocation of Permittee’s Exclusive Use Spaces from approximately 6,435 square feet on the Mezzanine Level of Terminal 3 to approximately 5,796 square feet on Mezzanine Level of Terminal 3 Hub to accommodate the construction of the United Airlines, Inc.’s Lounge (the “**Project**”); and

C. The Project is anticipated to be completed within nine (9) months at which time, Permittee shall return to its Exclusive Use Spaces on the Mezzanine Level of Terminal 3; and

D. There shall be no change in rent during this interim period; and

E. City and Permittee now desire to amend the Permit, as a procedural matter, to reflect the temporary relocation; and

F. As used in the Permit, the term “Permit” shall mean Space Permit No. 4055, as amended hereby. Capitalized terms not otherwise defined herein shall have the meanings given them in the Permit.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants set forth herein, and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereby agree to amend the Permit as follows:

1. Effective Date. April 15, 2014.

2. Amendment. The Permit is hereby amended as follows:

(a) Premises. From and after the Effective Date of April 15, 2014, the Premises shall consist of the following:

Room No.	Square Feet
A.3.049D	719
B.2.015	460
C.2.004	167
G.3.051B	410
T1.1.067	327
T1.1.080	680
T2.1.176	341
T3.3.013-46	5,795
Total	8,899

(b) Exhibits. From and after the Effective Date of April 15, 2014, Exhibit A shall be modified such that Drawing No. T33HCOV, dated April 1, 2014, is incorporated herein and attached hereto. Exhibit A shall be further modified such that Drawing No. T33COV, dated October 11, 2012, Drawing No. T33COV2, dated March 28, 2013, and Drawing No. T33COV1, dated October 23, 2007 are deleted.

(c) Full Force and Effect. As amended hereby, each and every one of the terms, conditions, and covenants in the Permit shall remain in full force and effect.

3. Permit. As used in the Permit, the term "Permit" shall mean the Permit as amended hereby.

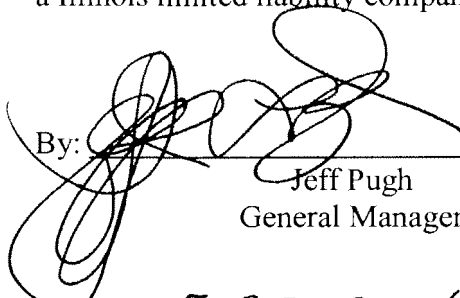
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IN WITNESS WHEREOF, the parties hereto have executed this Amendment, in duplicate by their duly authorized officers, as of the date last set forth below.

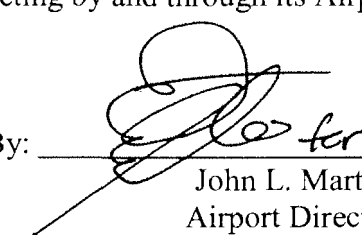
PERMITTEE:

Covenant Aviation Security, LLC,
a Illinois limited liability company

By:  _____
Jeff Pugh
General Manager
Dated: 5-27-2014

CITY AND COUNTY OF SAN FRANCISCO:

a municipal corporation,
acting by and through its Airport Commission

By:  _____
John L. Martin
Airport Director *6/12/14*
Dated: 6/12/14

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

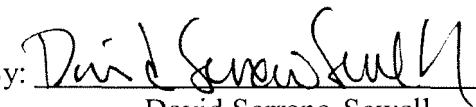
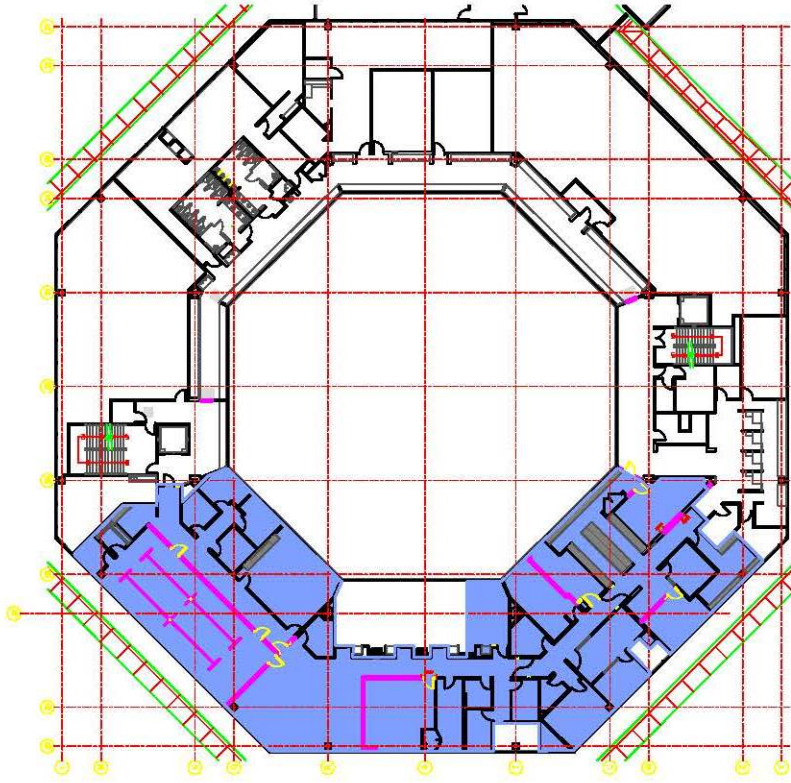
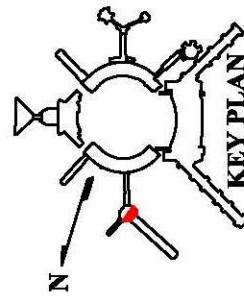
By:  _____
David Serrano-Sewell
Deputy City Attorney

EXHIBIT A
Description of Premises

Space No.	Square Feet	Drawing No.	Dated
A.3.049D	719	BAA3COVN	April 24, 2009
B.2.015	460	T12BCOVN	October 23, 2012
C.2.004	167	T12CCOVN	January 30, 2014
G.3.051B	410	BAG3COVN	April 24, 2009
T1.1.067	327	T11COV	January 30, 2014
T1.1.080	680	T11COV	January 30, 2014
T2.1.176	341	T22COV	February 1, 2011
T3.3.013-46	5,795	T33HCOV	April 1, 2014
Total Square Feet	8,899		



COVENANT
T3.3.013-46
5795'



TENANT LOCATION PERMIT DRAWING

LOCATION	TENANT	CAT	AREA	CONTRACT	EFF DATE
T3.3.013-46	COVENANT	2	5795'	P4055	04/15/2014
LOCATION: TERMINAL 3, MEZZANINE					
COVENANT AVIATION SECURITY, LLC.					
CITY & COUNTY OF SAN FRANCISCO		DWG: T33HCOV			
AIRPORTS COMMISSION		SCALE: 1/8"=1'-0"			
SAN FRANCISCO INTERNATIONAL AIRPORT		DATE: 04/01/2014			