Torres Rojas, Genara FOI #12833

From: mschott@eospartners.com
Sent: Friday, December 02, 2011 4:07 PM
To: Duffy, Daniel
Cc: Torres Rojas, Genara; Van Duyne, Sheree
Subject: Freedom of Information Online Request Form

Information:

First Name: Michael
Last Name: Schott
Company: 320 Park Ave
Mailing Address 1: 9th Floor
Mailing Address 2:
City: New York
State: NY
Zip Code: 10022
Email Address: mschott@eospartners.com
Phone: 212-593-4046
Required copies of the records: Yes

List of specific record(s):
I would like to obtain American Airlines lease of Terminal 9 at JFK Airport. Also, if it is not included in the lease agreement, I would like to obtain the current rate American Airlines is paying for their lease of JFKs facilities. Thank you.

THE PORT AUTHORITY OF NY & NJ

FOI Administrator

June 7, 2013

Mr. Michael Schott
320 Park Avenue, 9th Floor
New York, NY 10022

Re: Freedom of Information Reference No. 12833

Dear Mr. Schott:

This is a response to your December 2, /2011 request, which has been processed under the Port Authority's Freedom of Information Code (the "Code", copy attached) for a copy of American Airlines lease for Terminal 9 at JFK, including the current rate American Airlines is paying for their lease of JFK's facilities.

Material responsive to your request and available under the Code can be found on the Port Authority's website at http://www.panynj.gov/corporate-information/foi/12833-LPA-1.pdf, http://www.panynj.gov/corporate-information/foi/12833-LPA-2.pdf, http://www.panynj.gov/corporate-information/foi/12833-LPA-3.pdf, http://www.panynj.gov/corporate-information/foi/12833-LPA-4.pdf, http://www.panynj.gov/corporate-information/foi/12833-LPA-5.pdf, http://www.panynj.gov/corporate-information/foi/12833-LPA-6.pdf, and http://www.panynj.gov/corporate-information/foi/12833-LPA-7.pdf. Paper copies of the available records are available upon request.

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

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

Very truly yours,

Daniel D. Duffy
FOI Administrator

Attachment

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

AMENDED AND RESTATED
LEASE AYB-085R

JOHN F. KENNEDY INTERNATIONAL AIRPORT

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

AND

AMERICAN AIRLINES, INC.
(The Lessee)

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

Unit Terminal
LEASE AYB-085R

AMERICAN AIRLINES, INC. BUILDINGS 56 AND 57 – TERMINALS 8 AND 9

FULLY EXECUTED LEASE AMENDED AND RESTATED

AMERICAN AIRLINES, INC.
LEASE AYB-085R

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

Port Authority Lease No. AYB-085R

AMENDED AND RESTATED AGREEMENT OF LEASE

THIS AMENDED AND RESTATED AGREEMENT OF LEASE, made as of the 22ND day of December, 2000 (which date is hereinafter called the "Effective Date") by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority"), a body corporate and politic, established by Compact between the States of New Jersey and New York with the consent of the Congress of the United States of America, and having an office at One World Trade Center, in the Borough of Manhattan, City, County and State of New York, and AMERICAN AIRLINES, INC. (hereinafter called the "Lessee"), a corporation of the State of Delaware with an office and place of business at MD 5317, 4333 Amon Carter Blvd., Fort Worth, Texas 76155 whose representative is its Vice President, Corporate Real Estate.

WITNESSETH, That:

WHEREAS, pursuant to Lease AYB-085 the Port Authority leased to the Lessee and the Lessee hired and took from the Port Authority certain premises at John F. Kennedy International Airport as described in Lease AYB-085; and

WHEREAS, the Port Authority and the Lessee desire to amend and supplement Lease AYB-085 as hereinafter set forth;

NOW, THEREFORE, for and in consideration of the rents, covenants and mutual agreements hereinafter contained, the Port Authority and the Lessee hereby agree effective as of the dates hereinafter set forth that Lease AYB-085 shall be amended and supplemented as set forth in Section 2B(p) and Section 59(j) below and that from and after the Effective Date Lease AYB-085 shall be amended and supplemented to read as set forth in and in accordance with this Amended and Restated Agreement of Lease as follows:

Section 1. <u>Letting</u>

(a) Without limiting or affecting the letting of the Lease AYB-085 Premises by the Port Authority to the Lessee and the hiring and taking thereof by the Lessee from the Port Authority under Lease AYB-085, the Port Authority hereby acknowledges that it has heretofore let to the Lessee the Lease AYB-085 Premises pursuant to Lease AYB-085 and hereby agrees and restates that it continues to let the Lease AYB-085 Premises to the Lessee pursuant to the same letting thereof which commenced under Lease AYB-085 (without creating a new estate or other new interest in the Lease AYB-085 Premises) pursuant to and in accordance with the Lease and the Lessee hereby acknowledges that it has heretofore hired and taken the Lease AYB-085 Premises from the Port Authority pursuant to Lease AYB-085 and hereby agrees and restates that it continues to hire and take from the Port Authority the Lease AYB-085 Premises pursuant to and in accordance with the Lease.

(b) Effective at 12:01 o'clock A.M. on the Effective Date in addition to the Lease AYB-085 Premises heretofore let to the Lessee under the Lease, the letting of which shall continue in full force and effect, the Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority upon all the terms, provisions, conditions and agreements of this Lease at the Airport in the County of Queens, City and State of New York the land shown in stippled-diagonal hatching on the exhibit attached hereto, hereby made a part hereof and marked "Exhibit 1.1" (which exhibit is hereinafter called "Exhibit 1.1" and which land is hereinafter referred to as the "Additional Premises"), together with the fixtures, improvements and other property of the Port Authority located or to be located therein, thereunder or thereon, and all structures, improvements, additions, buildings and facilities, located, constructed or installed or to be located, constructed or installed therein, thereunder or thereon, all of the foregoing to be and become a part of the Premises let under this Lease, subject to all of the terms, provisions, covenants and conditions of this Lease, for and during the balance of the term of the letting under this Lease subject to earlier termination as provided in this Lease.

(c) (1) Effective at 12:01 o'clock A.M. on the Effective Date (which date and hour are hereinafter in this paragraph collectively called the "Surrender Date") the Lessee has granted, bargained, sold, surrendered and yielded up and does by these presents grant, bargain, sell, surrender and yield up unto the Port Authority, its successors and assigns, forever, those portions of the Lease AYB-085 Premises shown in crosshatching on Exhibit 1.1 (such portions of the Premises being hereinafter called the "Surrendered Premises") and the term of years with respect thereto under the Lease yet to come and has given, granted, surrendered and by these presents does give, grant and surrender to the Port Authority, its successors and assigns, all the rights, rights of renewal, licenses, privileges and options of the Lessee granted by the Lease with respect to the Surrendered Premises, all to the intent and purpose that the said term under the Lease and the said rights of renewal, licenses, privileges and options may be wholly merged, extinguished and determined on the Surrender Date, with the same force and effect as if the said term were in and by the provisions of the Lease originally fixed to expire on the the Surrender Date, but the Lease and the letting thereunder shall continue in full force and effect as to the

remainder of the Premises under the Lease and in accordance with all the terms and provisions thereof.

TO HAVE AND TO HOLD the same unto the Port Authority, its successors and assigns forever.

(2) The Lessee hereby covenants on behalf of itself, its successors and assigns that (a) it has not done or suffered and will not do or suffer anything whereby the Surrendered Premises or the Lessee's leasehold therein, has been or shall be encumbered as of the the Surrender Date in any way whatsoever; (b) the Lessee is and will remain until the Surrender Date the sole and absolute owner of the leasehold estate in the Surrendered Premises and of the rights, rights of renewal, licenses, privileges and options granted by the Lease with respect thereto and that the same are and will remain until the Surrender Date free and clear of all liens and encumbrances of whatsoever nature; and (c) the Lessee has full right and power to make this Agreement.

(3) All promises, covenants, agreements and obligations of the Lessee with respect to the Surrendered Premises which under the provisions thereof would have matured upon the date originally fixed in the Lease for the expiration of the term thereof, or upon the termination of the Lease prior to the said date, or within a stated period after expiration or termination shall, notwithstanding such provisions, mature upon the Surrender Date and shall survive the execution and delivery of this Amended and Restated Agreement of Lease.

(4) The Lessee has released and discharged and does by these presents release and discharge the Port Authority from any and all obligations of every kind, past, present or future on the part of the Port Authority to be performed under the Lease with respect to the Surrendered Premises. The Port Authority does by these presents release and discharge the Lessee from any and all obligations on the part of the Lessee to be performed under the Lease with respect to the Surrendered Premises for that portion of the term subsequent to the Surrender Date; it being understood that nothing herein contained shall release, relieve or discharge the Lessee from any liability for rentals or for other charges that may be due or become due to the Port Authority for any period or periods prior to the Surrender Date, or for breach of any other obligation on the Lessee's part to be performed under the Lease for or during such period or periods or maturing pursuant to the foregoing paragraph, nor shall anything herein be deemed to release the Lessee from any liability for rentals or other charges that may be due or become due to the Port Authority for any other portion of the Premises or for breach of any other obligation on the Lessee's part to be performed under the Lease.

(d) Except to the extent required for the performance of any of the obligations of the Lessee hereunder nothing contained in this Agreement shall grant to the Lessee any rights whatsoever in the air space above the Premises in excess of the height elevation limitations

described in the exhibit attached hereto, hereby made a part hereof and marked "Exhibit 1.2".

(e) The parties acknowledge that the Premises constitute non-residential real property.

(f) The parties acknowledge and agree that prior to the Effective Date the Lease shall read as set forth in Lease AYB-085, including without limitation as amended and supplemented by this Amended and Restated Agreement of Lease pursuant to Sections 2B and 59 hereof effective as of the dates set forth therein and that from and after the Effective Date the Lease shall be amended and supplemented to read as set forth in this Amended and Restated Agreement of Lease. Further, it is hereby understood and agreed that, except as set forth in Sections 2B and 59 hereof, neither this Amended and Restated Agreement of Lease nor the execution thereof by the parties hereto shall affect or otherwise alter or change or be deemed to have affected or otherwise altered or changed any of the terms, covenants, provisions and agreements of Lease AYB-085 or the effectiveness thereof prior to the Effective Date nor have relieved or released the Lessee from any of its obligations under Lease AYB-085 and all the provisions, terms, covenants and conditions of Lease AYB-085 as amended and supplemented by this Amended and Restated Agreement of Lease shall remain in full force and effect.

(g) The Port Authority has not made and continues not to make any representation as to title to any of the trade fixtures or other property in the Lease AYB-085 Premises including, without limitation, passenger loading bridges and baggage conveyor systems and carrousels, or as to the right of the Lessee to possess or use the same. The matter of title and related issues as to the foregoing specified items have been and may be presently in dispute, claims having been asserted as to one or more of said items by United Airlines, Inc. and Northwest Airlines, Inc. and the Port Authority shall have no liability or obligation to the Lessee with respect to such or other claims or potential claims, the resolution thereof or subject property. Use or possession thereof by the Lessee shall be at the risk of the Lessee and the Lessee shall indemnify and save harmless the Port Authority from any claim or liability arising as a result of such use or possession. The obligations of the Lessee and the rights and discretion of the Port Authority under the Lease shall not be diminished or otherwise affected by reason of any such claim whatsoever or the result of any prosecution thereof by any claimant.

(h) The parties hereto acknowledge on January 1, 1993, Persons other than the Lessee were in use and occupancy of portions of the Lease AYB-085 Premises (such Persons being hereinafter called the "Subusers"). The Lessee hereby acknowledges that it agreed to take such portions of the Lease AYB-085 Premises as encumbered by the occupancy and use of the Subusers. It is agreed that the Lessee is the landlord of the Subusers and has and shall continue to have all the rights, responsibilities, obligations, and liabilities with respect thereto. Further, the Port Authority has heretofore pursuant to Lease AYB-085 assigned to the Lessee and hereby restates its assignment to the Lessee all of its rights, if any, as landlord of the Subusers, including

without limitation the right to terminate the rights of the Subusers with respect to the Premises and to eject or otherwise remove the Subusers from the Premises.

(i) It is recognized that the Lessee has entered into various agreements with subtenants, licensees and other Persons covering the occupancy of the space or providing for the furnishing of services in the Premises pursuant to the provisions of the Surrendered Lease and Lease AYB-085 and that the Port Authority has approved or consented to the same, all of the foregoing as to which Port Authority approval or consent has been given and which consents continue in full force and effect, being hereinafter called the "Lessee's Use Agreements". The Port Authority has no objection to the continuance in effect under the Lease of all of the Lessee's Use Agreements.

Section 2. Construction by the Lessee

It is hereby agreed that all the terms and conditions of Section 2 of Lease AYB-085 are hereby incorporated by reference and shall have the same force and effect as if set forth in this Amended and Restated Agreement of Lease in full, provided, however, it is hereby agreed and understood that from and after the Effective Date as defined in this Amended and Restated Agreement that notwithstanding the foregoing and the terms and conditions of said Section 2 the Lessee shall have no obligation or right to perform the construction work as defined in said Section 2 but that all the terms and conditions of said Section 2, including without limitation those pertaining to indemnification, assumption of risks and insurance, shall remain in full force and effect with respect to the construction work which has been performed by the Lessee prior to the Effective Date. Further, it is hereby understood and agreed that all of the terms and conditions of said Section 2, including without limitation the defined terms therein, shall be read, construed and interpreted in accordance with Lease AYB-085.

Section 2A. Additional Construction by the Lessee

It is hereby agreed that all the terms and conditions of Section 2A of Lease AYB-085 are hereby incorporated by reference and shall have the same force and effect as if set forth in this Amended and Restated Agreement of Lease in full, provided, however, it is hereby agreed and understood that from and after the Effective Date as defined in this Amended and Restated Agreement that notwithstanding the foregoing and the terms and conditions of said Section 2A the Lessee shall have no obligation or right to perform the additional construction work as defined in said Section 2A but that all the terms and conditions of said Section 2A, including without limitation those pertaining to indemnification, assumption of risks and insurance, shall remain in full force and effect with respect to the additional construction work which has been performed by the Lessee prior to the Effective Date. Further, it is hereby understood and agreed that all of the terms and conditions of said Section 2A, including without limitation the defined terms therein, shall be read, construed and interpreted in accordance with Lease AYB-085.

Section 2B. Redevelopment of the Premises and Performance of the ACO Work by the Lessee

(a) Lessee's Comprehensive Plan for the Redevelopment Work

(1) The Lessee shall, prior to its submission to the Port Authority of the plans and specifications for the Redevelopment Work, as hereinafter provided for and defined, submit to the Port Authority for its consent, the Lessee's comprehensive plan for the redevelopment of the Premises, including but not limited to renderings, layouts, locations, models, estimated commencement, milestone and completion dates, staging plans and preliminary functional plans for both the Passenger Terminal Work and Off-Premises Work as hereinafter defined; said comprehensive plan as approved by the Port Authority shall constitute the Lessee's "Comprehensive Plan" hereunder. The Lessee shall keep the Comprehensive Plan up to date and shall submit to the Port Authority for its approval all amendments, supplements or modifications thereto, which amendments, supplements or modifications shall not become effective until the same have been approved by the Port Authority.

(2) Without limiting the foregoing, the Lessee agrees that said Comprehensive Plan shall include the construction on and under the Premises of:

(i) A three (3) level main passenger terminal building (hereinafter called the "Main Terminal") and a two (2) level remote passenger terminal building (hereinafter called the "Remote Terminal") consisting of approximately 1.9 million total square feet of floor space for both buildings and all associated and related areas and facilities, including but not limited to, stairwells, stairways, escalators, elevators, and United States government inspection areas (as described in Section 74 hereof entitled "Federal Inspection");

(ii) Not less than fifty-five (55) aircraft loading and unloading gate positions of which at least thirty-five (35) are to accommodate wide-body aircraft and of which at least two (2) are to accommodate narrowbody aircraft, together with all associated and related areas and facilities including without limitation passenger boarding gate lounges;

(iii) All appropriate work for the construction of general utility and mechanical equipment rooms and spaces and crawl spaces within the Main Terminal and the Remote Terminal;

(iv) All appropriate work for the construction of the Concession Areas to be made available for consumer services as more fully described and set forth in Sections 79 through 89 hereof including without limitation the construction and installation of utility lines which are to serve the said Concession Areas;

(v) The construction and installation of all appropriate utility lines, pipes, mains, drains, cables, manholes, wires, conduits and other facilities required in connection with or relating to the mechanical, utility, water, electrical, storm sewer, sanitary sewer, gas, communications, security, fire alarm, fire protection and other systems and facilities and including all necessary relocations, and all work necessary or required to tie the foregoing into existing access stubs, including but not limited to, all necessary valves, pipes, materials, lift stations, pumps and other equipment and accessories necessary to the use and operation of the heating, cooling, electrical, water, communications, and other utility systems which are to serve the Premises;

(vi) Subject to and in accordance with paragraph (q) of this Section, the construction and installation of additions and modifications to and the relocation of the underground fuel system including but not limited to additions and modifications to and relocation of the Distribution Portion of the System and of the Airline Terminal Portion of the System located within the Premises (as such terms are defined in Section 4.021 of the General Airport Agreement) and underground pipelines, fuel mains and stubs necessary or required to tie into the Distribution Portion of the System at the Airport to accommodate and serve the Premises and all aircraft gate positions located or to be located at the Premises together with all relocations, additions and modifications to the Distribution Portion of the System at the Airport;

(vii) (aa) To the extent permitted by KIAC, all work necessary or required to construct lateral mains to tie into the Central Terminal Area ring supply lines for hot water for heating and domestic use purposes only and chilled water for air conditioning purposes only, in accordance with the requirements and specifications as set forth in Section 41 hereof entitled "Hot Water and Chilled Water Requirements", provided, however, if KIAC does not so permit such work to be performed by the Lessee, such work shall be performed by KIAC or KIAC's contractors, as determined by KIAC, at the sole cost and expense of the Lessee;

(bb) The work specified in subparagraph (2)(vii)(aa) above, upon completion, will become a part of the Thermal Distribution System at the Airport and will become the property of the Port Authority or its designee and will not be part of the Premises;

(viii) All upper level and lower level roadways and all other necessary or appropriate ground and elevated roadways, ramps, sidewalks, vehicular service areas, vehicular staging areas and pedestrian circulation areas, together with all related and associated areas and facilities (the foregoing being herein sometimes called the "Premises Circulation Facilities");

(ix) All necessary or appropriate aircraft ramp and apron areas;

(x) All grading and paving of ground areas and appropriate landscaping together with all related and associated work including without limitation decorative paving of selected areas and landscaping and irrigation of unpaved areas;

(xi) The demolition of Building Nos. 56 and 57 and all other demolition and removal associated with the Redevelopment Work in accordance with applicable law, including without limitation all applicable Environmental Requirements, the foregoing to include without limitation all appropriate, required or necessary removal of all asbestos, lead and other Hazardous Substances and the handling, transporting and off-Airport disposal thereof (including, if required, disposal of asbestos in an off-Airport long-term asbestos-only disposal facility);

(xii) All taxiway access stubs, taxilanes and associated and related areas and facilities;

(xiii) The repair, restoration and reinstallation of all of the art fence entitled "Traveling by Air" located or formerly located on the Premises and the commissioning and installation of such additional art fencing at such locations identified by the Port Authority and in accordance with specifications to be provided by the Port Authority, and the installation of all necessary or required blast fences and other fencing including functional decorative fencing at locations identified by the Port Authority;

(xiv) All necessary or required work to conform to Port Authority frontage control requirements;

(xv) All necessary or required work to conform to Port Authority requirements for access to public parking areas including static and dynamic sign systems and traffic lights and other traffic control devices and systems as specified and required by the Port Authority;

(xvi) All necessary and required work to replace or relocate existing taxi dispatch booths (including without limitation telephones and radio transceiver and transponder receiving devices and other vehicle tracking and monitoring devices) and bus shelters at such locations as may be determined by the Port Authority with taxi dispatch booths and bus shelters of equal quality, features and amenities and to provide such additional like taxi dispatch booths and bus shelters as may be required to adequately serve the Premises;

(xvii) All of the following work required by or in connection with

the AirTrain:

(aa) All external Premises Circulation Facilities except for any elevated pedestrian connector; and

(bb) All interior vertical circulation areas, facilities and systems, including without limitation, escalators, elevators, stairs and passageways; and

(cc) All work to connect, extend, integrate, support and accept the AirTrain elevated pedestrian connector constructed by the Port Authority in consultation with the Lessee as provided in Section 62(f) hereof to the Main Terminal, including without limitation making the connection and integration water tight;

(xiii) All necessary and required work to provide canopies over all pedestrian waiting and crossing areas on the Premises, including without limitation, all ground transportation waiting, loading and unloading areas;

(xix) All necessary and required work to accommodate counter spaces for Ground Transportation Operators for use in accordance with Section 71 hereof entitled "Ground Transportation Services" at such locations as may be specified by the Port Authority as may reasonably be required for use as Consolidated Counters; and

(xx) All other appropriate or necessary work in connection with the foregoing clauses, including without limitation thereto, all borings, surveys, route marker signs, obstruction lights and material inspections and testing and also including all other tie-ins, temporary and otherwise, to utility lines and roadway access stubs.

All of the foregoing work set forth in this paragraph (a)(2) shall be constructed by the Lessee on the Premises and off the Premises where required and when constructed on the Premises shall be and become a part of the Premises under the Lease. All of the foregoing work and any other work which the Lessee includes in its comprehensive plan and which is consented to by the Port Authority and is to be constructed by the Lessee on the Premises (and off the Premises where required) is sometimes herein collectively referred to as the "Passenger Terminal Work."

(3) In addition to all the hereinabove mentioned, the Lessee shall include as part of the comprehensive plan submitted in accordance with paragraph (a)(1) hereof the construction of the following work which construction, however, shall not be part of the Premises under this Agreement. Said work shall include:

(i) New roadways and new Airport roads and all associated and related extensions, widenings, relocations and rehabilitation of existing Airport roads on the area shown in the shaded area on the exhibit attached hereto, hereby make a part hereof and marked "Exhibit 2B.1" (which exhibit is hereinafter called "Exhibit 2B.1" and which area is hereinafter called "Area 1") to provide recirculation roadways to the existing parking lot and the proposed new Parking Garage (as defined in Section 90 hereof) and to widen the turning radius in the area shown in stipple on Exhibit 2B.1 and to connect to certain portions of the Premises Circulation Facilities, all of the foregoing to include, without limitation, all necessary or appropriate, ramps, sidewalks and other areas and facilities related to or associated therewith, such as but not limited to, all appropriate ground lighting, lines, pipes, drains, wires, cables, manholes and conduits and other facilities and structures, all landscaping improvements and the maintenance of temporary roads and signage; all of the foregoing being sometimes hereinafter collectively called the "Off-Premises Roads";

(ii) Relocation to a location as the Port Authority may reasonably designate of all or any utility lines, pipes, mains, drains, manholes, wires, cables, conduits and other facilities located on or under the Premises or Area 1 where the Redevelopment Work is or is to be performed or for which currently or in the future the operation, maintenance, replacement or repair thereof are or maybe affected by the Redevelopment Work or the performance thereof and are required to provide utility services to the other Central Terminal Area facilities, the foregoing to include without limitation mechanical, utility, water, electrical, storm sewer, sanitary sewer, gas, communications, security, fire alarm, fire protection and other systems and facilities including, but not limited to, all necessary valves, pipes, materials, lift stations, pumps and other equipment and accessories, provided, however, it is understood that the obligations of the Lessee under this subparagraph (3)(ii) shall terminate on the Redevelopment Work Completion Date;

(iii) The construction and installation of all appropriate utility lines, pipes, mains, drains, manholes, wires, cables, conduits, and other facilities located off the Premises required in connection with or relating to the mechanical, utility, water, electrical, storm sewer, sanitary sewer, gas, communications, security, fire alarm, fire protection, and other systems and facilities necessary to tie the Passenger Terminal Work and the Off-Premises Work into the service lines specified in subparagraph (ii) above, including, but not limited to, all necessary pipes, valves, materials, lift stations, pumps and other equipment and accessories located on, under or off the Premises;

(iv) Subject to and in accordance with paragraph (q) of this Section, the construction and installation of additions and modifications to and relocations of the underground fuel system, including but not limited to additions and modifications to

and relocations of the Distribution Portion of the System and the Airline Terminal Portion of the System located outside the Premises, if any, (as such terms are defined in Section 4.021 of the General Airport Agreement) and underground pipelines, fuel mains, and stubs necessary or required to tie into the Distribution Portion of the System at the Airport to accommodate and serve the Premises and all aircraft gate positions located or to be located at the Premises and the construction and installation of such additions and modifications to and relocations of the Distribution Portion of the System necessary or required by any changes to the Airline Terminal Portion of the System or the Distribution Portion of the System made by the Lessee, including but not limited to, transfer pumps, filter vessels and control systems associated with fuel lines T-403-1, T-403-2, T-403-3, T-408-1, T-408-2 and T-408-3;

(v) All appropriate, necessary or required demolition and removal work in accordance with applicable law, including without limitation, all applicable Environmental Requirements, the foregoing to include without limitation all appropriate, necessary or required removal of all asbestos, lead and other Hazardous Substances and the handling, transporting and off-Airport disposal thereof (including, if required, disposal of asbestos in an off-Airport long-term asbestos-only disposal facility);

(vi) All necessary or appropriate work in other areas of the Airport outside of the Premises directly impacted by the Redevelopment Work and required to be constructed in connection with other portions of the Redevelopment Work;

(xvii) All necessary or required work to conform to Port Authority frontage control requirements;

(xviii) All necessary or required work to conform to Port Authority requirements for access to public parking areas including static and dynamic sign systems and traffic lights and other traffic control devices and systems as specified and required by the Port Authority;

(ix) All necessary and required work to replace or relocate existing bus shelters at such locations as may be determined by the Port Authority with bus shelters of equal quality, features and amenities and to provide such additional like bus shelters as may be required to adequately serve the Premises;

(x) All grading and paving of ground areas and appropriate landscaping together with all related and associated work, including without limitation decorative paving of selected areas and landscaping and irrigation of the unpaved areas described in clause (i) above;

(xi) All necessary and required work to provide canopies over all pedestrian waiting and crossing areas constructed off of the Premises as part of the Redevelopment Work as hereinafter defined, including without limitation, all ground transportation waiting, loading and unloading areas;

(xii) The repair, restoration and reinstallation of all of the art fence, if any, entitled "Traveling by Air" located or formerly located on areas adjoining the Premises and the commissioning and installation of such additional art fencing at such locations off the Premises as identified by the Port Authority and in accordance with specifications to be provided by the Port Authority, and the installation of all necessary or required blast fences and other fencing including functional decorative fencing at locations identified by the Port Authority;

(xiii) All necessary or appropriate work for the construction of aircraft taxiways and taxiway access stubs as shown in honeycomb markings on the exhibit attached hereto, hereby made a part hereof and marked "Exhibit 2B.2" and related equipment and accessories, including without limitation, signage, pavement markings, edge lights and lead-in lights; and

(xiv) All other appropriate or necessary work in connection with the foregoing clauses, including without limitation thereto, all borings, surveys, route marker signs, obstruction lights and material inspections and testing and also including all other tie-ins, temporary and otherwise, to utility lines and roadway access stubs.

All of the foregoing in this paragraph (a)(3) shall be constructed by the Lessee off the Premises and shall not be or become a part of the Premises under the Lease. All of the foregoing work, the Distribution Portion Work and the Satellite Portion Work (as such terms are defined in paragraph (q) of this Section) and any other work which the Lessee includes in its comprehensive plan and which is consented to by the Port Authority and is to be constructed by the Lessee off the Premises is hereinafter collectively referred to as the "Off-Premises Work".

(b) Obligation to Pay for the Performance of the Section 2B Work

(1) The Lessee agrees that the performance of the design and construction of the Passenger Terminal Work as described in paragraph (a)(2) and the performance of the design and construction of the Off-Premises Work as described in paragraph(a)(3) above, including without limitation any work that may also be ACO Work, shall be at the Lessee's sole cost and expense and shall be subject to and performed in accordance with all the terms, provisions and conditions of this Lease, such design and construction of both the Passenger Terminal Work and the Off-Premises Work shall, without limiting any other term or provision of this Lease, also be in conformance with design criteria as contained in the Port

Authority Tenant Construction Review Manual as the same may be amended from time to time (such design and construction of the Passenger Terminal Work and the Off-Premises Work being sometimes hereinafter collectively referred to as the "Redevelopment Work").

(2) The Lessee agrees that the performance of the design and construction of that portion of the ACO Work that is not a part of the Redevelopment Work, the foregoing to include without limitation that work which is solely remediation work such as but not limited to the work covered by alteration applications nos. Y-7100.04 and Y-7100.05, shall be at the Lessee's sole cost and expense and shall be subject to and performed in accordance with all the terms, provisions and conditions of this Lease and shall, without limiting any other term or provision of this Lease, also be in conformance with design criteria as contained in the Port Authority Tenant Construction Review Manual as the same may be amended from time to time (such design and construction of such portion of the ACO Work being hereinafter called the "Remediation Work" and the Remediation Work and the Redevelopment Work being hereinafter collectively referred to as the "Section 2B Work").

(c) Plans and Specifications

(1) Prior to the commencement of the Redevelopment Work, the Lessee shall submit to the Port Authority for the Port Authority's approval complete plans and specifications and all required supporting information including, but not limited to, drawings, reports, calculations and computer printouts of analysis therefor and prior to the commencement of the Remediation Work, the Lessee shall submit to the Port Authority for the Port Authority's approval complete plans and specifications and all required supporting information including, but not limited to, drawings, reports, calculations and computer printouts of analysis therefor. The Port Authority may refuse to grant approval with respect to the plans and specifications if, in its opinion, any of the proposed Section 2B Work as set forth in said plans and specifications (all of which shall be in such detail as may reasonably permit the Port Authority to make a determination as to whether the requirements hereinafter referred to are met) shall:

(i) Be unsafe, unsound, hazardous or improper for the use and occupancy for which it is designed, or

(ii) Not comply with the Port Authority's requirements for harmony of external architecture of similar existing or future improvements at the Airport, or

(iii) Not comply with the Port Authority's requirements with respect to external and interior building materials and finishes of similar existing or future improvements at the Airport, or

(iv) Not provide for sufficient clearances for taxiways, runways and apron areas, or

(v) Be designed for use for purposes other than those authorized under the Agreement, or

(vi) Set forth ground elevations or heights other than those prescribed by the Port Authority, or

(vii) Not provide adequate and proper roadways and pedestrian circulation areas, or

(viii) Not comply with the building height limitations in connection with sight line requirements between the existing control tower and the Public Aircraft Facilities at the Airport, or

(ix) Not be at locations or not be oriented in accordance with the Comprehensive Plan, or

(x) Not comply with the provisions of the Basic Lease, including without limiting the generality thereof, the provisions of Section 21 of the Basic Lease providing that the Port Authority will conform to the enactments, ordinances, resolutions and regulations of the City of New York and its various departments, boards and bureaus in regard to the construction and maintenance of buildings and structures and in regard to health and fire protection which would be applicable if the Port Authority were a private corporation to the extent that the Port Authority finds it practicable so to do, or

(xi) Permit aircraft to overhang the boundary of the Premises, except when entering or leaving the Premises, or

(xii) Be in violation or contravention of any other provisions and terms of the Lease, or

(xiii) Not comply with all applicable governmental laws, ordinances, enactments, resolutions, rules and orders, or

(xiv) Not comply with all applicable requirements of the National Board of Fire Underwriters and the Fire Insurance Rating Organization of New York, or

(xv) Not comply with the Port Authority's requirements with

respect to landscaping, or

(xvi) Not comply with the Port Authority's requirements and standards with respect to noise, air pollution, water pollution or other types of pollution, or

(xvii) Not comply with the construction limitations set forth in Exhibit 1.1, or

(xviii) Without limiting any other term or provision hereof, not comply with the Americans With Disabilities Act of 1990 and all federal rules, regulations and guidelines pertaining thereto, or

(xix) Not comply with the Port Authority's standard design details, or

(xx) Not comply with the Port Authority's plans and policies with respect to ground transportation and traffic control and frontage control within the Central Terminal Area of the Airport, or

(xxi) Not be coordinated in design, functional planning, construction or scheduling or staging with other Port Authority or tenant construction in the Central Terminal Area at the Airport including without limitation the Parking Garage, or with the Lessee's staging of the Redevelopment Work hereunder or other ongoing Airport construction projects, including without limitation the construction of the AirTrain.

(2) In addition to and without limiting the foregoing, with respect to the portion of the Redevelopment Work representing the Off-Premises Work, the Lessee's design thereof and the said plans and specifications shall be subject to the complete prior written approval of the Port Authority and the Lessee shall make all changes and modifications to the said design, plans and specifications as may be required or recommended by the Port Authority.

(d) Performance of the Section 2B Work

All the Section 2B Work shall be done in accordance with the following terms and conditions:

(1) (i) The Lessee hereby assumes the risk of loss or damage to all of the Section 2B Work prior to the completion thereof and the risk of loss or damage to all property of the Port Authority and others and the risk of personal injury and death to all Persons arising out of or in connection with the performance of the Section 2B Work. In the event of such

loss or damage, the Lessee shall forthwith repair, replace and make good the Section 2B Work and the property of the Port Authority without cost or expense to the Port Authority. The Lessee shall itself and shall also require its contractors to indemnify and hold harmless the Port Authority, its Commissioners, officers, agents and employees from and against all claims and demands, just or unjust, of third Persons (including employees, officers, and agents of the Port Authority) arising or alleged to arise out of the performance of the Section 2B Work and for all expenses incurred by it and by them in the defense, settlement or satisfaction thereof, including without limitation thereto, claims and demands for death, for personal injury or for property damage, direct or consequential, all the foregoing to include without limitation all claims and demands arising out of or in connection with any Hazardous Substance and whether they arise from the acts or omissions of the Lessee, of any contractors of the Lessee, of the Port Authority, or of third Persons, or from acts of God or of the public enemy, or otherwise (including claims of the City of New York against the Port Authority pursuant to the provisions of the Basic Lease whereby the Port Authority has agreed to indemnify the City against claims), excepting only claims and demands which result solely from affirmative wilful acts done by the Port Authority, its Commissioners, officers, agents and employees with respect to the Section 2B Work, provided, however, that the Lessee shall not be required to indemnify the Port Authority where indemnity would be precluded pursuant to the provisions of Section 5-322.1 of the General Obligations Law of the State of New York.

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

(2) (i) Prior to engaging or retaining an architect or architects for the Section 2B Work, the name or names of said architect or architects shall be submitted to the Port Authority for its approval. The Port Authority shall have the right to disapprove any architect who may be unacceptable to it. All the Section 2B Work shall be done in accordance with plans and specifications to be submitted to and approved by the Port Authority prior to the commencement of the Section 2B Work. If the Lessee desires to proceed with the Section 2B Work, the Lessee shall redo and resubmit such plans and specifications until approval thereof by the Port Authority. All the Section 2B Work, including workmanship and materials, shall be of first class quality. The Lessee shall redo, replace or construct at its own cost and expense, any Section 2B Work not done in accordance with the approved plans and specifications, the terms, provisions and conditions of this Lease or any further requirements of the Port Authority.

(ii) The Lessee has advised the Port Authority that it intends to

expend not less than Eight Hundred Fifty Million Dollars and No Cents ($850,000,000.00) with respect to the Redevelopment Work and shall complete the Redevelopment Work no later than the day immediately preceding the seventh (7th) anniversary of the Effective Date.

(3) (i) Prior to entering into a contract for any part of the Section 2B Work, the Lessee shall submit to the Port Authority for its approval the names of the contractors to whom the Lessee proposes to award said contracts. The Port Authority shall have the right to disapprove any contractor who may be unacceptable to it. The Lessee shall include in all such contracts such provisions and conditions as may be reasonably required by the Port Authority. Without limiting the generality of the foregoing all of the Lessee's construction contracts shall provide as follows: "If (i) the Contractor fails to perform any of his obligations under the Contract, including his obligation to the Lessee to pay any claims lawfully made against him by any materialman, subcontractor or workman or other third Person which arises out of or in connection with the performance of the Contract or (ii) any claim (just or unjust) which arises out of or in connection with the Contract is made against the Lessee or (iii) any subcontractor under the Contract fails to pay any claims lawfully made against him by any materialman, subcontractor, workman or other third Persons which arise out of or in connection with the Contract or if in the Lessee's opinion any of the aforesaid contingencies is likely to arise, then the Lessee shall have the right, in its discretion, to withhold out of any payment (final or otherwise and even though such payments have already been certified as due) such sums as the Lessee may deem amply to protect it against delay or loss or to assume the payment of just claims of third Persons, and to apply such sums in such manner as the Lessee may deem proper to secure such protection or satisfy such claims. All sums so applied shall be deducted from the Contractor's compensation. Omission by the Lessee to withhold out of any payment, final or otherwise, a sum for any of the above contingencies, even though such contingency has occurred at the time of such payment, shall not be deemed to indicate that the Lessee does not intend to exercise its right with respect to such contingency. Neither the above provisions for rights of the Lessee to withhold and apply monies nor any exercise, or attempted exercise of, or omission to exercise such rights by the Lessee shall create any obligation of any kind to such materialmen, subcontractors, workmen or other third Persons. Until actual payment is made to the Contractor, his right to any amount to be paid under the Contract (even though such amount has already been certified as due) shall be subordinate to the rights of the Lessee under this provision."

(ii) The Lessee shall file with the Port Authority a copy of its contracts with its contractors prior to the start of the Section 2B Work and in addition shall comply with all the terms and provisions of paragraph (e) with respect to the Off-Premises Work.

(4) The Lessee shall furnish or require its architect to furnish a full time resident engineer during the construction period. The Lessee shall require certification by a licensed engineer of all pile driving data and of all controlled concrete work and such other certifications as may be requested by the Port Authority from time to time. The Lessee shall

submit all certifications and logs to the Port Authority's Resident Engineer.

(5) The Lessee agrees to be solely responsible for any plans and specifications used by it and for any loss or damages resulting from the use thereof, notwithstanding the same have been approved by the Port Authority and notwithstanding the incorporation therein of Port Authority recommendations or requirements. Notwithstanding the requirement for approval by the Port Authority of the contracts to be entered into by the Lessee or the incorporation therein of Port Authority requirements or recommendations, and notwithstanding any rights the Port Authority may have reserved to itself hereunder, the Port Authority shall have no liabilities or obligations of any kind to any contractors engaged by the Lessee or for any other matter in connection therewith and the Lessee hereby releases and discharges the Port Authority, its Commissioners, officers, representatives and employees of and from any and all liability, claims for damages or losses of any kind, whether legal or equitable, or from any action or cause of action arising or alleged to arise out of the performance of any of the Section 2B Work pursuant to the contracts between the Lessee and its contractors. Any warranties contained in any construction contract entered into by the Lessee for the performance of the Section 2B Work hereunder shall be for the benefit of the Port Authority as well as the Lessee, and the contract shall so provide.

(6) The Port Authority shall have the right, through its duly designated representatives, to inspect the Section 2B Work and the plans and specifications thereof, at any and all reasonable times during the progress thereof and from time to time, in its discretion, to take samples and perform testing in any part of the Section 2B Work.

(7) The Lessee agrees that it shall deliver to the Port Authority two (2) sets of "as built"drawings of the Section 2B Work on an electronic CADD data file on a CD Rom in a format to be designated by the Port Authority, all of which shall conform to the specifications of the Port Authority (the receipt of a copy of said specifications prior to the Effective Date being hereby acknowledged by the Lessee) , and all engineering reports, engineering analysis, boring logs, survey information and engineering design calculations and operation and maintenance manuals in a comprehensive, coordinated package. The Lessee shall, during the term of the Lease, keep said digital electronic files of drawings and said electronic CADD data files current showing thereon any changes or modifications which may be made. (No changes or modifications shall be made without prior Port Authority consent.)

(8) The Lessee shall, if requested by the Port Authority, take all reasonable measures to prevent erosion of the soil and the blowing of sand during the performance of the Section 2B Work, including but not limited to the fencing of the Premises or portions thereof or other areas and the covering of open areas with asphaltic emulsion or similar materials as the Port Authority may direct.

(9) (i) Without limiting the generality of any other term or condition of this Lease, title to any soil, dirt, sand or other material on the Premises or the Airport excavated by the Lessee during the course of the Section 2B Work (all the foregoing being hereinafter called the "Excavated Material") and not used at the Premises shall vest in the Lessee upon the excavation thereof and all such Excavated Material shall be delivered and deposited by the Lessee at the Lessee's sole cost and expense to any location off the Airport in accordance with the terms and conditions of this Lease, including without limitation this Section 2B(d)(9) and all applicable Environmental Requirements. The entire proceeds, if any, of the sale or other disposition of the Excavated Material shall belong to the Lessee.

(ii) (aa) In addition to subparagraph (9)(i) above and subject to the limitation set forth in subparagraph (9)(ii)(bb) below, in its performance of the Section 2B Work the Lessee shall perform at its cost and expense all appropriate, required and necessary work for the removal of all asbestos, lead, petroleum contamination and other Hazardous Substances from the Site including without limitation the groundwater thereunder, the foregoing to include without limitation the handling, transporting and off-Airport disposal thereof in accordance with applicable law, including without limitation, all applicable Environmental Requirements (including, if required, disposal of asbestos in a long-term disposal facility at the Lessee's sole cost and expense) and all in a manner satisfactory to the Port Authority, provided, however, the foregoing shall not require the Lessee to remove from the soil in the Site those chemicals set forth with respect to soil in the exhibit attached hereto, hereby made a part hereof and marked "Exhibit 2B.3" (hereinafter called "Exhibit 2B.3") to levels lower than the Approved Cleanup Criteria therefor for so long as the DEC shall continue its approval and acceptance of such Approved Cleanup Criteria for soil in, on and under the Site and shall not require the Lessee to remove from the ground water in, on and under the Site those chemicals set forth with respect to ground water in Exhibit 2B.3 to levels lower than the Approved Cleanup Criteria therefor for so long as the DEC shall continue its approval and acceptance of such Approved Cleanup Criteria for ground water in, on and under the Site and, provided, further, that in the use of any Approved Cleanup Criteria the Lessee shall comply with all requirements of all Governmental Authorities for the use thereof including without limitation those set forth in the letter dated June 28, 1996 from Steven Miller of the DEC to Marvin Kirshner of the Port Authority covering the DEC's conditional approval of the use of such Approved Cleanup Criteria in certain areas of the Airport, which letter is attached hereto as part of Exhibit 2B.3, and all the requirements of the DEC pursuant to the ACO.

(bb) It is hereby agreed that unless required by any Environmental Requirement, the Lessee shall not be required pursuant to subparagraph (9)(ii)(aa) above to remove a Hazardous Substance to the extent the presence of such Hazardous Substance in, on or under the Premises and/or the Site was the sole result of naturally occurring phenomena and such Hazardous Substance was not in whole or in part released, discharged or introduced into, on, under or about the Premises or the Site by human activity and was not in whole or in part

caused by or resulted from a release, discharge, or introduction into, on, under or about the Premises or the Site by human activity (any such naturally occurring Hazardous Substance being hereinafter called a "Naturally Occurring Hazardous Substance"), it being understood that the Lessee shall be required pursuant to said subparagraph (9)(ii)(aa) to remove any Naturally Occurring Hazardous Substance to the extent required by any Environmental Requirement.

(iii) Promptly upon final disposition of any Hazardous Substance from the Premises or the Airport in the performance of the Section 2B Work, the Lessee shall submit to the Port Authority a "Certification of Final Disposal" stating the type and amount of material disposed, the method of disposal and the owner and location of the disposal facility. The format of such certification shall follow the requirements, if any, of governmental agencies having jurisdiction as if the Port Authority were a private organization and the name of the Port Authority shall not appear on any certificate or other document as a generator or owner of such material.

(iv) In the event any Hazardous Substance is discovered in the performance of the Section 2B Work, the Lessee in reporting such Hazardous Substance shall direct such report to the attention of such individual at the subject governmental authority as the General Manager of the Airport shall require in order to assure consistency in the environmental management of the Airport.

(10) The Lessee shall pay or cause to be paid all claims lawfully made against it by its contractors, subcontractors, materialmen and workmen, and all claims lawfully made against it by other third Persons arising out of or in connection with or because of the performance of the Section 2B Work, and shall cause its contractors and subcontractors to pay all such claims lawfully made against them, provided, however, that nothing herein contained shall be construed to limit the right of the Lessee to contest any claim of a contractor, subcontractor, materialman, workman and/or other Person and no such claim shall be considered to be an obligation of the Lessee within the meaning of this Section unless and until the same shall have been finally adjudicated. The Lessee shall use its best efforts to resolve any such claims and shall keep the Port Authority fully informed of its actions with respect thereto. Nothing herein contained shall be deemed to constitute consent to the creation of any liens or claims against the Section 2B Work, the Premises, the Site or any other area of the Airport nor to create any rights in said third Persons against the Port Authority.

(11) (i) The Lessee in its own name as insured and including the Port Authority as an additional insured, including without limitation for both premises-operations and completed operations, shall procure and maintain Commercial General Liability Insurance, including but not limited to premises-operations, products liability, broad form property damage, completed operations for a minimum of three years after the later to occur of the ACO Work Completion Date or the Redevelopment Work Completion Date, explosion, collapse and

underground property damages, personal injury (including death) and independent contractors in not less than the minimum limit set forth below, and with a contractual liability endorsement covering the obligations assumed by the Lessee pursuant to subparagraphs (1) and (5) of this paragraph (d) and paragraphs (o) and (q) of this Section 2B and the obligations required of the Lessee's contractors pursuant to subparagraph (1) of this paragraph (d), and Commercial Automobile Liability Insurance covering owned, non-owned and hired vehicles in not less that the minimum limit set forth below, and Environmental Impairment Liability Insurance covering both gradual and sudden and accidental occurrences, on a claims-made basis, with a 1 year extended reporting period for the Section 2B Work and, instead of being included as an additional insured as aforesaid, including the Port Authority as an insured, as owner, and including without limitation, asbestos abatement, lead abatement, site specific to the Section 2B Work and which shall be site specific and include on-site and off-site clean-up and with a contractual liability endorsement covering the obligations assumed by the Lessee pursuant to paragraphs (d)(1), (o) and (q) of this Section 2B and the obligations assumed by the Lessee and its contractors pursuant to paragraph (d)(1) of this Section 2B with respect to Hazardous Substances, in not less than the limit set forth below, and such other insurance as the Port Authority may require in connection with the performance of the Section 2B Work. The Lessee may provide such insurance by requiring each contractor engaged by it for the Section 2B Work to procure and maintain such insurance including such contractual liability endorsement, said insurance, whether procured by the Lessee or by a contractor engaged by it as aforesaid, not to contain any care, custody or control exclusions, and not to contain any exclusion for bodily injury to or sickness, disease or death of any employee of the Lessee or of any of its contractors which would conflict with or in any way impair coverage under the contractual liability endorsement. In addition to the foregoing, the Lessee shall provide and maintain or shall require each contractor engaged by it for the Section 2B Work to provide and maintain property insurance coverage for the full value of such personal property and equipment, said policy of property and equipment insurance shall cover and insure against such hazards and risks as are customarily insured under such a policy and shall contain an endorsement waiving any rights of subrogation of the insurer against the Port Authority. The said policy or policies of insurance shall also provide or contain an endorsement providing that the protections afforded the Lessee thereunder with respect to any claim or action against the Lessee by a third person shall pertain and apply with like effect with respect to any claim or action against the Lessee by the Port Authority, and shall also provide or contain an endorsement providing that the protections afforded the Port Authority thereunder with respect to any claim or action against the Port Authority by the Lessee shall be the same as the protections afforded the Lessee thereunder with respect to any claim or action against the Lessee by a third person as if the Port Authority were the named insured thereunder, but such provision or endorsement shall not limit, vary or affect the protections afforded the Port Authority thereunder as an additional insured. In addition, each of the said policy or policies of insurance shall be endorsed to state they are primary in relation to any insurance carried or maintained by the Port Authority, including without limitation, any self-insurance, regardless of type. All the foregoing insurance requirements shall be in addition to all policies of insurance otherwise required by the

Lease.

	Minimum Limits
Commercial General Liability Combined single limit per occurrence for death, bodily injury and property damage liability:	$100,000,000.00
Commercial Automobile Liability (covering owned, non-owned and hired vehicles) Combined single limit per occurrence for death, bodily injury and property damage liability:	$25,000,000.00
Environmental Impairment Liability Combined single limit per occurrence for death, bodily injury and property for both gradual and sudden occurrences and both on-site and off-site cleanup:	$10,000,000.00

(ii) Without limiting the provisions hereof, in the event the Lessee maintains the foregoing insurance in limits greater than aforesaid, the Port Authority shall be included therein as an additional insured to the full extent of all such insurance in accordance with all the terms and provisions hereof.

(iii) The Lessee shall also procure and maintain in effect, or cause to be procured and maintained in effect, Workers' Compensation Insurance and Employer's Liability Insurance in accordance with and as required by law and including coverage for asbestos exposure.

(iv) The insurance required hereunder in this subparagraph (11) shall be maintained in effect during the performance of the Section 2B Work and a certified copy of each of the policies or a certificate or certificates evidencing the existence thereof, or binders, shall be delivered to the Port Authority at least fifteen (15) days prior to the commencement of the Section 2B Work or any portion thereof. In the event any binder is delivered, it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy, certificate and binder shall bear the endorsement of or be accompanied by evidence of payment of the premium thereof and, also, contain a valid provision or endorsement that the policy may not

be canceled, terminated, changed or modified without giving thirty (30) days' written advance notice thereof to the Port Authority and the City of New York. Each such copy and each such certificate with respect to the insurance required under this subparagraph (11) shall contain an additional endorsement providing that the insurance carrier shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port Authority. Any renewal policy or certificate shall be delivered to the Port Authority prior to the expiration of each expiring policy. The aforesaid policies of insurance shall be written by a company or companies approved by the Port Authority, the Port Authority agreeing not to withhold its approval unreasonably. If at any time any of the insurance policies shall be or become unsatisfactory to the Port Authority as to form or substance or if any of the carriers issuing such policies shall be or become unsatisfactory to the Port Authority, the Lessee shall promptly obtain a new and satisfactory policy in replacement, the Port Authority agreeing not to act unreasonably hereunder. If the Port Authority at any time so requests, a certified copy of each of the policies shall be delivered to the Port Authority.

(12) (i) The Lessee shall procure and maintain Builder's Risk (All Risk) Completed Value Insurance covering the Section 2B Work during the performance thereof including material delivered to the Premises or the construction site but not attached to the realty. Such insurance shall be in compliance with and subject to the applicable provisions of Section 11 of the Lease entitled "Insurance" and shall name the Port Authority, the City of New York and the Lessee and its contractors and subcontractors as Insureds as their interests may appear and such policy shall provide that the loss shall be adjusted with and payable to the Lessee. Such proceeds shall be used by the Lessee for the repair, replacement or rebuilding of the Section 2B Work and any excess shall be paid over to the Port Authority. The policies or certificates representing insurance covered by this subparagraph (12) shall be delivered by the Lessee to the Port Authority at least thirty (30) days prior to the commencement of construction of the Section 2B Work or any portion thereof, and each policy or certificate delivered shall bear the endorsement of or be accompanied by evidence of payment of the premium thereof and also contain a valid provision obligating the insurance company to furnish the Port Authority and the City of New York thirty (30) days' advance notice of the cancellation, termination, change or modification of the insurance evidenced by said policy or certificate. Renewal policies or certificates shall be delivered to the Port Authority at least thirty (30) days before the expiration of the insurance which such policies are to renew.

(ii) The insurance covered by this subparagraph (12) shall be written by companies approved by the Port Authority, the Port Authority covenanting and agreeing not to withhold its approval unreasonably. If at any time any of the insurance policies shall be or become unsatisfactory to the Port Authority as to the form or substance or if any of the

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

(13) The Lessee shall be under no obligation to reimburse the Port Authority for expenses incurred by the Port Authority in connection with its normal review and approval of the original plans and specifications submitted by the Lessee pursuant to this Section. The Lessee however agrees to pay to the Port Authority upon its demand the expenses incurred by the Port Authority in connection with any additional review for approval of any changes, modifications or revisions of the original plans and specifications which may be proposed by the Lessee for the Port Authority's approval. The expenses of the Port Authority for any such additional review and approval shall be computed on the basis of direct payroll time expended in connection therewith plus 100. Wherever in this Lease reference is made to "direct payroll time", costs computed thereunder shall include a pro-rata share of the cost to the Port Authority of providing employee benefits, including, but not limited to, pensions, hospitalization, medical and life insurance, vacations and holidays. Such computations shall be in accordance with the Port Authority's accounting principles as consistently applied prior to the Effective Date.

(14) The Lessee shall prior to the commencement of construction of the Section 2B Work and at all times during such construction submit to the Port Authority all engineering studies and environmental test results with respect to the Section 2B Work and samples of construction materials as may be required at any time and from time to time by the Port Authority.

(15) The Lessee shall at the time of submitting its comprehensive plan to the Port Authority as provided in paragraph (a) hereof submit to the Port Authority its forecasts of the number of people who will be working at various times during the term of the Lease at the Premises, the expected utility demands of the Premises, noise profiles and such other information as the Port Authority may require. The Lessee shall continue to submit its latest forecasts and such other information as may be required as aforesaid as the Port Authority shall from time to time and at any time request.

(16) If the Lessee desires to perform the Section 2B Work, it shall execute and submit for the Port Authority's approval a construction application or applications in the form prescribed by the Port Authority covering the Section 2B Work or portions thereof prior to the performance of the Section 2B Work. The Lessee shall comply with all the terms and provisions of the approved construction application. In the event of any inconsistency between the terms of any construction application and the terms of this Lease, the terms of this Lease shall prevail and control. No approval nor anything contained in any approval granted by the Port Authority in connection with the Section 2B Work shall constitute a determination or indication

by the Port Authority that the Lessee has complied with the applicable governmental laws, ordinances, enactments, resolutions, rules and orders, including but not limited those of the City of New York, which may pertain to the work to be performed.

(17) Nothing contained in this Lease shall grant or be deemed to grant any contractor, architect, supplier, subcontractor or any other Person engaged by the Lessee or any of its contractors in the performance of any part of the Section 2B Work any right of action or claim against the Port Authority, its Commissioners, officers, agents and employees with respect to any work any of them may do in connection with the Section 2B Work. Nothing contained herein shall create or be deemed to create any relationship between the Port Authority and any such contractor, architect, supplier, subcontractor or any other Person engaged by the Lessee or any of its contractors in the performance of any part of the Section 2B Work and the Port Authority shall not be responsible to any of the foregoing for any payments due or alleged to be due thereto for any work performed or materials purchased in connection with the Section 2B Work.

(18) (i) Without limiting any other terms, provisions and conditions of the Lease, the Lessee understands and agrees that it shall put into effect prior to the commencement of any of the Section 2B Work an affirmative action program and Minority Business Enterprise (MBE) program and Women-owned Business Enterprise (WBE) program in accordance with the provisions of Schedule E attached hereto and hereby made a part hereof (hereinafter "Schedule E"); as used in Schedule E the term "construction work" shall apply to the Section 2B Work. The provisions of said Schedule E shall be applicable to the Lessee's contractor or contractors and subcontractors at any tier of construction as well as to the Lessee itself and the Lessee shall include the provisions of said Schedule E within all of its construction contracts so as to make said provisions and undertakings the direct obligation of the construction contractor or contractors and subcontractors at any tier of construction. The Lessee shall and shall require its said contractor, contractors and subcontractors to furnish to the Port Authority such data, including but not limited to compliance reports relating to the operation and implementation of the affirmative action, MBE and WBE programs called for hereunder as the Port Authority may request at any time and from time to time regarding the affirmative action, MBE and WBE programs of the Lessee and its contractor, contractors, and subcontractors at any tier of construction, and the Lessee shall and shall also require that its contractor, contractors and subcontractors at any tier of construction make and put into effect such modifications and additions thereto as may be directed by the Port Authority pursuant to the provisions hereof and said Schedule E to effectuate the goals of affirmative action and MBE and WBE programs.

(ii) In addition to and without limiting any terms and provisions of this Lease, the Lessee shall provide in its contracts and all subcontracts covering the Section 2B Work or any portion thereof, that:

(aa) The contractor shall not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status, and shall undertake or continue existing programs of affirmative action to ensure that minority group persons are afforded equal employment opportunity without discrimination. Such programs shall include, but not be limited to, recruitment, employment, job assignment, promotion, upgrading, demotion, transfer, layoff, termination, rates of pay or other forms of compensation, and selections for training or retraining, including apprenticeships and on-the-job training;

(bb) At the request of either the Port Authority or the Lessee, the contractor shall request such employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding and which is involved in the performance of the contract with the Lessee to furnish a written statement that such employment agency, labor union or representative shall not discriminate because of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will cooperate in the implementation of the contractor's obligations hereunder;

(cc) The contractor will state, in all solicitations or advertisements for employees placed by or on behalf of the contractor in the performance of the contract, that all qualified applicants will be afforded equal employment opportunity without discrimination because of race, creed, color, national origin, sex, age, disability or marital status;

(dd) The contractor will include the provisions of subparagraphs (18)(aa) through (18)(cc) of this paragraph (d) in every subcontract or purchase order in such a manner that such provisions will be binding upon each subcontractor or vendor as to its work in connection with the contract;

(ee) "Contractor" as used herein shall include each contractor and subcontractor at any tier of construction.

(iii) The Lessee in the performance of the Section 2B Work shall commit itself to and use good faith efforts to implement an extensive program to utilize Local Business Enterprises in accordance with and as set forth the schedule attached hereto, hereby made a part hereof and marked "Schedule F".

(19) The Lessee shall not commence the Section 2B Work unless and until it has met with the General Manager of the Airport, and has given him at least 72 hours advance notice of its intention to perform the Section 2B Work. Scheduling of the Section 2B Work shall be coordinated with the General Manager of the Airport or his duly authorized

representative.

(20) In connection with the performance of the Section 2B Work the Lessee shall be responsible for identifying the location of all utilities and shall prior to the commencement of any of the Section 2B Work coordinate the Section 2B Work with the New York City and Long Island One Call toll free information service (1-800-272-4480) and ascertain the location of underground utilities, if any, at the Premises and off the Premises in the vicinity where any of the Section 2B Work is to be performed. The Lessee shall provide the Port Authority with the written evidence of such coordination.

(21) In the performance of the Section 2B Work the Lessee shall not employ any contractor nor shall the Lessee or any of its contractors employ any Persons or use or have any equipment or materials or allow any condition to exist if any such shall or, in the opinion of the Port Authority, may cause or be conducive to any labor troubles at the Airport which interfere, or in the opinion of the Port Authority are likely to interfere with the operations of others at the Airport or with the progress of other construction work thereat. The determinations of the Port Authority shall be conclusive to the Lessee. Upon notice from the Port Authority, the Lessee shall immediately remove such contractor or withdraw or cause its contractors to withdraw from the Airport, the Persons, equipment or materials specified in the notice and replace them with unobjectionable contractors, Persons, equipment and materials and the Lessee shall or shall cause its contractor to immediately rectify any condition specified in the notice. In the event of failure by the Lessee or any of its contractors to immediately comply with the requirements of this subparagraph (whether or not such failure is due to the Lessee's fault), the Port Authority shall have the right to suspend the Lessee's right to perform the Section 2B Work without prior notice; when the labor troubles shall be so settled that such interferences or the danger thereof no longer exists, the Port Authority, by notice to the Lessee, shall reinstate said right on all the same terms and conditions as before the suspension. "Labor troubles" shall mean and include strikes, boycotts, picketing, work-stoppages, slowdowns, complaints, disputes, controversies or any other type of labor trouble, regardless of the employer of the Person involved or their employment status, if any.

(e) Additional Requirements for Performance of the Off-Premises Work

In addition to and without limiting the terms and conditions set forth in paragraph (d) above, the Lessee hereby specifically agrees that notwithstanding the Port Authority's approval of any construction application the Lessee shall, as directed by the Port Authority, design and make such changes or modifications in the Off-Premises Work as may be required by the Port Authority, which changes and modifications will become a part of the construction application. Furthermore, the Off-Premises Work will be constructed in accordance with and subject to any conditions which may be imposed by the General Manager of the Airport.

(f) Provisional Approvals

The Lessee may wish to commence construction of portions of the Redevelopment Work prior to the approval by the Port Authority of its complete plans and specifications for the same as required in this Section and if the Lessee does it shall submit a written request to the Port Authority setting forth the work it proposes to then do. The Port Authority shall have full and complete discretion as to whether or not to permit the Lessee to proceed with said work. Further, the Lessee may wish to commence construction of portions of the Remediation Work prior to the approval by the Port Authority of its complete plans and specifications for the same as required in this Section and if the Lessee does it shall submit a written request to the Port Authority setting forth the work it proposes to then do. The Port Authority shall have full and complete discretion as to whether or not to permit the Lessee to proceed with said work. If the Port Authority has no objection to the Lessee's proceeding with the work, it shall do so by writing a letter to the Lessee to such effect. If the Lessee performs the work covered by said letter, it agrees all such work shall be performed subject to and in accordance with all of the provisions of the approval letter and subject to and in accordance with the following terms and conditions:

(1) The performance by the Lessee of the work covered by any request as aforesaid will be at its sole risk. Until the complete plans and specifications for the Redevelopment Work have been approved by the Port Authority or if the approval thereof calls for modifications or changes in the work undertaken by the Lessee under any approval granted by the Port Authority pursuant to this paragraph (f), the Lessee will, as directed by the Port Authority, at its sole cost and expense, either restore and rebuild the area affected to a condition of equal function, utility, efficiency and capacity as that existing prior to the commencement of any such work and as required and approved by the Port Authority or make such modifications and changes in any such work as may be required by the Port Authority. Until the complete plans and specifications for the Remediation Work have been approved by the Port Authority or if the approval thereof calls for modifications or changes in the work undertaken by the Lessee under any approval granted by the Port Authority pursuant to this paragraph (f), the Lessee will, as directed by the Port Authority, at its sole cost and expense make such modifications and changes in any such work as may be required by the Port Authority.

(2) Nothing contained in any approval hereunder shall constitute a determination or indication by the Port Authority that the Lessee has complied with the applicable governmental laws, ordinances, enactments, resolutions, rules and orders, including but not limited to those of the City of New York, which may pertain to the work to be performed.

(3) The approved work will be performed in accordance with and subject to the terms, conditions, indemnities and provisions of the Lease covering the Section 2B Work and the Redevelopment Work or the Remediation Work, as the case shall be, and with the

terms, conditions, indemnities and provisions of any construction application which the Port Authority may request the Lessee to submit even though such construction application may not have, at the time of the approval under this paragraph (f), been approved by the Port Authority.

(4) No work under any such approval shall affect or limit the obligations of the Lessee under all prior approvals with respect to its construction of the Section 2B Work.

(5) The Lessee shall comply with all requirements, stipulations and provisions as may be set forth in the letter of approval.

(6) In the event that the Lessee shall at any time during the construction of any portion of the Section 2B Work under the approval granted by the Port Authority pursuant to this paragraph (f) fail, in the opinion of the General Manager of the Airport, to comply with all of the provisions of the Lease with respect to such work, the construction application or the approval letter covering the same or be, in the opinion of the said General Manager of the Airport, in breach of any of the provisions of the Lease, the construction application or the approval letter covering the same, the Port Authority shall have the right, acting through said General Manager of the Airport, to cause the Lessee to cease all or such part of the Section 2B Work as is being performed in violation of the Lease, the construction application or the approval letter. Upon such written direction from the General Manager of the Airport the Lessee shall promptly cease construction of the portion of the Section 2B Work specified. The Lessee shall thereupon submit to the Port Authority for its written approval the Lessee's proposal for making modifications, corrections or changes in or to the Section 2B Work that has been or is to be performed so that the same will comply with the provisions of this Lease, the construction application and the approval letter covering the Section 2B Work. The Lessee shall not commence construction of the portion of the Section 2B Work that has been halted until such written approval has been received.

(7) It is hereby expressly understood and agreed that neither the Resident Engineer nor the field engineer(s) mentioned in paragraph (g) below has any authority to approve any plans and specifications of the Lessee with respect to the Section 2B Work, to approve the construction by the Lessee of any portion of the Section 2B Work or to agree to any variation by the Lessee from compliance with the terms of the Lease, or the construction application or the approval letter with respect to the Section 2B Work. Notwithstanding the foregoing, should the Resident Engineer or any field engineer give any directions or approvals with respect to the Lessee's performance of any portion of the Section 2B Work which are contrary to the provisions of the Lease, the construction application or the approval letter, said directions or approvals shall not affect the obligations of the Lessee as set forth herein nor release or relieve the Lessee from strict compliance therewith.

(8) It is hereby further understood and agreed that the Port Authority

has no duty or obligation of any kind whatsoever to inspect or police the performance of the Section 2B Work by the Lessee and the rights granted to the Port Authority hereunder shall not create or be deemed to create such a duty or obligation. Accordingly, the fact that the General Manager of the Airport has not exercised the Port Authority's right to require the Lessee to cease its construction of all or any part of the Section 2B Work shall not be or be deemed to be an agreement or acknowledgment on the part of the Port Authority that the Lessee has in fact performed such portion of the Section 2B Work in accordance with the terms of the Lease, the construction application or the approval letter nor shall such fact be or be deemed to be a waiver by the Port Authority from the requirement of strict compliance by the Lessee with the provisions of the Lease, the construction application and the approval letter with respect to such work.

(9) Without limiting the discretion of the Port Authority hereunder, the Port Authority hereby specifically advises the Lessee that even if the Port Authority hereafter in the exercise of its discretion wishes to grant approvals under this paragraph (f), it may be unable to do so, so as to permit the Lessee to continue work without interruption following its completion of the work covered by any prior approval hereunder. The Lessee hereby acknowledges that if it commences work pursuant to this paragraph (f) it shall do so with full knowledge that there may not be continuity by it in the performance of its Section 2B Work under the procedures of this paragraph (f).

(10) No prior approval of any work in connection with the Section 2B Work shall create or be deemed to create any obligation on the part of the Port Authority to permit subsequent work to be performed in connection therewith prior to the approval by the Port Authority of the Lessee's complete plans and specifications therefor. It is understood that no such prior approval shall release or relieve the Lessee from its obligation to submit complete plans and specifications for the Section 2B Work and to obtain the Port Authority's approval of the same as set forth in paragraphs (c) and (d) hereof. It is further understood that in the event the Lessee elects not to continue to seek further approval letter(s) pursuant to this paragraph (f), the Port Authority shall have the right to suspend the obligations of the Lessee to restore the area with respect to the Redevelopment Work and to make modifications and changes to the Section 2B Work as set forth in subparagraph (1) above until the Port Authority shall have approved the complete plans and specifications for the Section 2B Work in accordance with paragraph (c) hereof.

(g) <u>Commencement of Section 2B Work and Assignment of Port Authority Field Engineer</u>

The Lessee will give the General Manager of the Airport at least 72 hours advance notice prior to the commencement of construction. The Port Authority will assign to the Section 2B Work a full time field engineer or engineers during such time that any Section 2B Work is being performed pursuant to paragraph (f) hereof and may assign to the Section 2B Work

a full time field engineer or engineers during any time that no Section 2B Work is being performed pursuant to paragraph (f) hereof. The Lessee shall pay to the Port Authority for the services of said engineer or engineers, the sum of Seven Hundred Five Dollars and No Cents ($705.00) per engineer for each day or part thereof that the engineer or engineers are so assigned during the calendar year 2000; and the sum of Seven Hundred Twenty Dollars and No Cents ($720.00) per engineer for each day or part thereof that the engineer or engineers are so assigned during the calendar year 2001; and the sum of Seven Hundred Thirty-five Dollars and No Cents ($735.00) per engineer for each day or part thereof that the engineer or engineers are so assigned during the calendar year 2002; and the sum of Seven Hundred Fifty Dollars and No Cents ($750.00) per engineer for each day or part thereof that the engineer or engineers are so assigned during the calendar year 2003; and the sum of Seven Hundred Sixty-five Dollars and No Cents ($765.00) per engineer for each day or part thereof that the engineer or engineers are so assigned during the calendar year 2004; and the sum of Seven Hundred Eighty Dollars and No Cents ($780.00) per engineer for each day or part thereof that the engineer or engineers are so assigned during the calendar year 2005; and the sum of Seven Hundred Ninety-five Dollars and No Cents ($795.00) per engineer for each day or part thereof that the engineer or engineers are so assigned during the calendar year 2006; and for each and every calendar year thereafter, the rate that the Port Authority shall charge other Aircraft Operators at the Airport for the services of such engineer or engineers during such calendar year for each day or part thereof that the engineer or engineers are so assigned for such calendar year, provided, however, and notwithstanding the foregoing, in the event any such field engineer shall be so assigned for a half-day or less, then the rate the Lessee shall pay to the Port Authority for such day for such engineer shall be equal to one half of the applicable daily rate set forth above for such engineer. The Port Authority shall bill the Lessee for the services of said field engineer(s) not less frequently than once a month. Nothing contained herein shall affect any of the provisions of paragraph (n) hereof or the rights of the Port Authority thereunder.

(h) Additional Environmental Requirements

(1) The Section 2B Work shall be constructed in such a manner that there will be at all times a minimum of air pollution, water pollution or any other type of pollution and a minimum of noise emanating from, arising out of or resulting from the operation, use or maintenance of the Premises by the Lessee and from the operations of the Lessee under this Agreement. Accordingly, and in addition to all other obligations imposed on the Lessee under this Agreement and without diminishing, limiting, modifying or affecting any of the same, the Lessee shall be obligated to construct as part of the Section 2B Work hereunder such structures, fences, equipment, devices and other facilities as may be necessary or appropriate to accomplish the foregoing and each of the foregoing shall be and become a part of the Section 2B Work hereunder.

(2) Notwithstanding the provisions of subparagraph (1) above and in

addition thereto, the Port Authority hereby reserves the right from time to time and at any time during the term of the Lease to require the Lessee, subsequent to the completion of the Section 2B Work to design and construct at its sole cost and expense such further reasonable structures, fences, equipment, devices and other facilities as maybe necessary or appropriate to accomplish the objectives as set forth in the first sentence of subparagraph (1) hereof. All locations, the manner, type and method of construction and the size of any of the foregoing shall be determined by the Port Authority. The Lessee shall submit for Port Authority approval its plans and specifications covering the required work and upon receiving such approval shall proceed diligently to construct the same. All other provisions of this Section with respect to the Section 2B Work shall apply and pertain with like effect to any work which the Lessee is obligated to perform pursuant to this paragraph (h) and upon completion of each portion of such work it shall be and become a part of the Premises.

(i) Title to Section 2B Work

Except as set forth in paragraph (a)(2)(vii) hereof and paragraph (q)(2)(vi), title to all the Section 2B Work shall pass to the City as the same or any part thereof is erected, constructed or installed and the same except as set forth in paragraphs (a)(2)(vii), (a)(3) and (l) hereof shall be and become a part of the Premises hereunder if located on the Premises. The foregoing provisions of this paragraph (i) shall not affect the risks and obligations assumed by the Lessee hereunder nor release the Lessee from the performance of its rebuilding and restoration obligations set forth in this Section 2B.

(j) Continuing Operations

The Lessee acknowledges that it will be continuing its operations at the Premises under the Lease during the period of time it is performing the Section 2B Work hereunder. The Lessee further acknowledges that this may involve among other things inconvenience, noise, dust, interference and disturbance to the Lessee in its operations at the Premises as well as to its customers, patrons, invitees and employees and possibly other risks as well. The Lessee hereby expressly assumes all of the foregoing risks and agrees that there will be no reduction or abatement of any of the rentals, fees or charges payable by the Lessee under the Lease or otherwise on account of its performance of the Section 2B Work and that the performance of the Section 2B Work shall not constitute an eviction or constructive eviction of the Lessee nor be grounds for any abatement of rents, fees or charges payable by the Lessee under the Lease or otherwise nor give rise to or be the basis of any claim or demand by the Lessee against the Port Authority, its Commissioners, officers, employees or agents for damages, consequential or otherwise.

(k) Minimization of Disruption of and Coordination with Other Airport Operations, Activities and Construction:

(1) The Lessee acknowledges that the Port Authority as well as other users, lessees, tenants, airport patrons and invitees and others will be continuing their operations in the Central Terminal Area during the period of time the Lessee is performing the Section 2B Work hereunder and that this will involve among other things inconvenience, noise, dust, interference and disturbance to said operations and possibly other risks as well. The Lessee further acknowledges that the Section 2B Work hereunder will impact traffic flow and control on the roadways in the CTA as well as the terminal frontage roads in front of the Premises and the use thereof by customers, patrons, invitees and employees. The Lessee hereby expressly assumes all of the foregoing risks. Without limiting the foregoing, the Lessee shall and expressly hereby agrees to perform, and to require each of its contractors and subcontractors to perform, the Section 2B Work and each portion thereof in such a manner so as to minimize the impact and any disruption resulting therefrom on said operations and on traffic control and traffic flow in the CTA. The Lessee shall, without limiting any other term or provision hereof, communicate and cooperate (and require each of its contractors to communicate and cooperate) with the Port Authority and with each of the users, lessees, tenants, airport patrons, invitees and others in all aspects of the Section 2B Work, and the Lessee shall coordinate and work in harmony with all said Persons, including without limitation the users and occupants of the Premises and Port Authority contractors. The Lessee shall also communicate and cooperate (and require each of its contractors to communicate and cooperate) with all ground transportation operators and providers including all taxi, limousine and bus operators throughout the entire period of time of the performance of the Section 2B Work. The Lessee shall include in each of its contracts and subcontracts covering the Section 2B Work or any portion thereof the foregoing requirements for minimization of disruption and for contractor cooperation, communication and coordination.

(2) The Lessee shall perform and schedule and shall require each of its contractors and subcontractors to perform and schedule the Section 2B Work with a high degree of coordination with the Port Authority's plans and schedules for the construction of the AirTrain, the Parking Garage and the plans and schedules for utility work at the Airport and the Lessee shall at all times during the construction of the AirTrain, the Parking Garage and such utility work cooperate and communicate and shall require each of it contractors and subcontractors to cooperate and communicate with the Port Authority and the Port Authority's contractors, including without limitation, the Parking Garage Contractor(s), the contractor for the AirTrain and the contractor(s) performing such utility work. The Lessee shall include in each of its contracts and subcontracts covering the Section 2B Work or any portion thereof the foregoing requirements for contractor cooperation, communication and coordination.

(3) The Lessee acknowledges that the Section 2B Work may impact on the fuel distribution system at the Airport as well as other utilities on or adjoining the Airport and that the Section 2B Work may disrupt or interfere with or interrupt the operation and performance of such utilities. The Lessee hereby expressly assumes all of the risks from such disruption, interference and interruption. Without limiting the foregoing, the Lessee shall and expressly

hereby agrees to perform, and to require each of its contractors and subcontractors to perform, the Section 2B Work and each portion thereof in such a manner so as to minimize the disruption, interference and interruption resulting therefrom on said utilities. The Lessee shall, without limiting any other term or provision hereof, determine which utilities may be affected by the performance of the Section 2B Work and communicate and cooperate (and require each of its contractors to communicate and cooperate) with the Port Authority and with each of the users of such utilities in all aspects of the Section 2B Work, and the Lessee shall coordinate and work in harmony with all said Persons. The Lessee shall include in each of its contracts and subcontracts covering the Section 2B Work or any portion thereof the foregoing requirements for minimization of disruption, interference and interruption and for contractor cooperation, communication and coordination.

(4) Temporary Construction Program:

In order to ensure appropriate levels of service to the users, occupants, and Airport patrons and others using the Airport during the performance of the Section 2B Work, the Lessee, not less than sixty (60) days prior to the commencement of any portion of the Section 2B Work and the implementation of each construction stage, shall prepare and submit to the Port Authority for its prior approval a temporary construction program (including, but not limited to, drawings, sketches, schedules and narrative descriptions) which sets forth plans for the continuing provision of all patron services and landside operations at or adjacent to the Premises. Without limiting any other term or provision hereof, any temporary construction is and shall be subject to paragraph (n) below, including, but not limited to, certifications of the Lessee and the Lessee's licensed architect or engineer and the issuance of a certificate of completion therefor by the Port Authority.

(5) Without limiting any other term or provision hereof, the Lessee shall complete the design and perform the Section 2B Work in a manner consistent with roadway, frontage and utility improvements of the Port Authority at the Airport and with the construction of the AirTrain.

(6) In the performance of the Section 2BWork, the Lessee shall not exacerbate the environmental condition of the Premises or the Airport.

(l) Utility Lines

(1) The Port Authority shall have no responsibility for bringing to the Premises or the Site any utility service lines for the supply of cold water, electric power, and sanitary and storm sewers, or any other utility or service lines, except for the utility service lines that may be serving the Premises on the Effective Date. If the Lessee determines that it will require that additional utility service lines be brought to the Premises or that the capacity of one or more of the existing utility service lines serving the Premises be greater than the capacity which

existed on the Effective Date, the Lessee shall submit to the Port Authority for the Port Authority's approval a tenant alteration application covering the work to provide the additional utility service line capacity to the Premises (hereinafter called the "Off-Site Utility Service Line Work") which work when and if approved by the Port Authority shall be performed by the Lessee at the Lessee's sole cost and expense in accordance with all the terms and provisions of this Section, provided, however, that the Off-Site Utility Service Line Work shall not be or become a part of the Premises hereunder.

(2) The Lessee understands that there may be communications and utility lines and conduits located on or under the Premises which do not, and may not in the future, serve the Premises and are located on or under the Premises where the Redevelopment Work is or is to be performed or for which currently or in the future the operation, maintenance, replacement, repair are or maybe affected by the Redevelopment Work or the performance thereof. The Lessee agrees at its sole cost and expense, if directed by the Port Authority so to do, to relocate and reinstall such communications and utility lines and conduits on the Premises or off the Premises as directed by the Port Authority and to restore all affected areas (such work being hereinafter collectively called the "Relocation Work"), provided, however, it is understood that the obligations of the Lessee under this paragraph (l)(2) shall terminate on the Section 2B Work Completion Date. The Lessee shall perform the Relocation Work subject to and in accordance with all the terms and provisions of this Section and the Relocation Work shall be and become a part of the Redevelopment Work, it being understood, however, that the Relocation Work shall not be or become a part of the Premises hereunder.

(3) In the event KIAC does not permit the Lessee to relocate or perform any other work in connection with the TDS (including without limitation the lateral mains and heat exchangers) constituting a portion of the Redevelopment Work, such relocation and other work shall be performed by KIAC or KIAC's contractors, as determined by KIAC, at the sole cost and expense of the Lessee. Such work, upon completion, will become a part of the TDS at the Airport and will become the property of the Port Authority or of its designee and will not be a part of the Premises.

(m) Dewatering

Prior to the commencement of any of the Section 2B Work, the Lessee shall, at its sole cost and expense, obtain from the DEC and maintain in effect its own dewatering permit and its own New York State Pollution Discharge Elimination System (SPDES) construction permit or the DEC equivalent thereof in the Lessee's own name covering the Section 2B Work (which dewatering and construction permits are herein called "American's Permits") for the removal of groundwater and discharge elimination in connection with all or any of the Section 2B Work. Maximum flow from the dewatering systems shall not exceed permissible limits defined in American's Permits. The Lessee shall comply with all the terms and conditions of American's Permits and with any and all additional requirements of the DEC and notwithstanding anything in

American's Permits to the contrary, the use of American's Permits shall not violate or be the cause of the violation of any existing and future dewatering or SPDES permits at the Airport. In the event that the projected zone of influence of any planned dewatering system is found to extend into any area outside of the Premises or the Site, the Lessee shall notify the Port Authority by submitting to the Geotechnical Unit of the Port Authority the proposed dewatering design for review and approval.

(n) Completion of the Section 2B Work

(1) When the Redevelopment Work is substantially completed and ready for use, the Lessee shall advise the Port Authority to such effect and shall deliver to the Port Authority a certificate signed by an authorized officer of the Lessee and also signed by the Lessee's licensed architect or engineer certifying that the Redevelopment Work has been constructed in accordance with the approved plans and specifications and the provisions of the Lease and in compliance with all applicable laws, ordinances and governmental rules, regulations and orders. Thereafter the Redevelopment Work will be inspected by the Port Authority and if the same has been completed as certified by the Lessee and the Lessee's licensed architect or engineer, as aforesaid, a certificate to such effect shall be delivered to the Lessee, subject to the condition that all risks thereafter with respect to the construction and installation of the same and any liability therefor for negligence or other reason shall be borne by the Lessee. The Lessee shall not use or permit the use of the Redevelopment Work for the purposes set forth in the Lease until such certificate is received from the Port Authority, and the Lessee shall not use or permit the use of the Redevelopment Work or any portion thereof even if such certificate is received if the Port Authority states in any such certificate that the same cannot be used until other specified portions are completed.

(2) The term "Redevelopment Work Completion Date" for the purposes of the Lease shall mean the date appearing on the certificate issued by the Port Authority pursuant to subparagraph (1) of this paragraph (n) after the substantial completion of the Redevelopment Work.

(3) In addition to and without affecting the obligations of the Lessee under the preceding subparagraph (1), when an integral and material portion of the Redevelopment Work is substantially completed or is properly usable the Lessee may advise the Port Authority to such effect and may deliver to the Port Authority a certificate signed by an authorized officer of the Lessee and also signed by the Lessee's licensed architect or engineer certifying that such portion of the Redevelopment Work has been constructed in accordance with the approved plans and specifications and the provisions of the Lease and in compliance with all applicable laws, ordinances and governmental rules, regulations and orders, and specifying that such portion of the Redevelopment Work can be properly used even though the Redevelopment Work has not been completed and that the Lessee desires such use. The Port Authority may in its

sole discretion deliver a certificate to the Lessee with respect to each such portion of the Redevelopment Work permitting the Lessee to use such portion thereof for the purposes set forth in the Lease. In such event the Lessee may use such portion subject to the condition that all risks thereafter with respect to the construction and installation of the same and any liability therefor for negligence or other reason shall be borne by the Lessee, and subject to the risks as set forth in paragraph (f) hereof in the event that the Port Authority shall not have then approved the complete plans and specifications for the Redevelopment Work. Moreover, at any time prior to the issuance of the certificate required in subparagraph (1) above for the Redevelopment Work, the Lessee shall promptly upon receipt of a written notice from the Port Authority cease its use of such portion of the Redevelopment Work which it had been using pursuant to permission granted in this subparagraph (3).

(4) When the ACO Work is completed, the Lessee shall advise the Port Authority to such effect and shall deliver to the Port Authority a certificate signed by an authorized officer of the Lessee and also signed by the Lessee's licensed architect or engineer certifying that the ACO Work has been completed in accordance with the approved plans and specifications therefor and the provisions of the Lease and in compliance with all applicable laws, ordinances and governmental rules, regulations and orders, including without limitation, the ACO and that the Lessee has obtained a no further action letter from the DEC for the Premises and for the ACO Work. Thereafter the ACO Work will be inspected by the Port Authority and if the same has been completed as certified by the Lessee and the Lessee's licensed architect or engineer, as aforesaid, a certificate to such effect shall be delivered to the Lessee, subject to the condition that all risks thereafter with respect the ACO Work and any liability therefor shall be borne by the Lessee. The Lessee shall not shut down or remove any remediation system or Remediation Work until such certificate is received from the Port Authority.

(5) The term "ACO Work Completion Date" for the purposes of the Lease shall mean the date appearing on the certificate issued by the Port Authority pursuant to subparagraph (4) of this paragraph (n) after the completion of the ACO Work and the "Section 2B Work Completion Date" shall mean the later to occur of the Redevelopment Work Completion Date or the ACO Work Completion Date.

(6) In addition to and without affecting the obligations of the Lessee under the preceding subparagraph (4), when an integral and material portion of the Remediation Work is completed to the satisfaction of the Port Authority and the DEC and the Lessee desires to shut down and/or remove any of such portion of the Remediation Work the Lessee may advise the Port Authority to such effect and may deliver to the Port Authority a certificate signed by an authorized officer of the Lessee and also signed by the Lessee's licensed architect or engineer certifying that such portion of the Remediation Work has been completed in accordance with the approved plans and specifications and the provisions of the Lease and in compliance with all applicable laws, ordinances and governmental rules, regulations and orders,

including without limitation the ACO, and that the Lessee has received permission from the DEC to shut down and/or remove, as the case shall be, such portion of the Remediation Work and specifying that such portion of the Remediation Work can be properly shut down or removed even though the ACO Work has not been completed and that the Lessee desires that such portion of the Remediation Work be removed and/or shut down. The Port Authority may in its sole discretion deliver a certificate to the Lessee with respect to each such portion of the Remediation Work permitting the Lessee to shut down and/or remove such portion thereof. In such event the Lessee may shut down or remove such portion subject to the condition that all risks thereafter with respect to the performance, construction, installation, removal and shut down of the same and any liability therefor for negligence or other reason shall be borne by the Lessee, and subject to the risks as set forth in paragraph (f) hereof in the event that the Port Authority shall not have then approved the complete plans and specifications for the Remediation Work. Moreover, at any time prior to the issuance of the certificate required in subparagraph (4) above for the ACO Work, the Lessee shall promptly upon receipt of a written notice from the Port Authority reinstall and/or turnon, as such notice shall require, such portion of the Remediation Work.

(o) (1) Without limiting any other term, provision or condition contained in this Lease and in addition thereto and notwithstanding anything to the contrary in the ACO or any approval by the Port Authority, the Lessee on its own behalf and on behalf of its predecessors, successors, assigns and insurers agrees to assume all responsibility for and to forever remise, release, discharge, hold harmless, reimburse and indemnify the Port Authority, its Commissioners, officers, employees and representatives from and against, including without limitation reimbursing the Port Authority for its costs and expenses (including without limitation all legal costs and expenses including the costs and expenses of the Port Authority's own in-house legal staff) incurred in connection with the defense of, any and all past, present and future Liabilities whatsoever on account of, arising or alleged to arise out of, or in any way related to or in connection with, or caused by or resulting from, any Risk-based Clean-up, Environmental Requirement or Environmental Damages related to the Section 2B Work (all the foregoing to include without limitation the compliance with and/or violation of any such Environmental Requirement, the investigation, remediation, excavation, removal, clean-up, management, encapsulation, containment, abatement, treatment, monitoring, transportation, disposal, release, spill, deposit, emission, migration, seepage, leakage, discharge, handling, and storage of Hazardous Substances, the exacerbation of contamination, the cost of demolition and rebuilding of any improvements on the Premises and/or the Site, any increased construction costs and expenses, any construction delays, the performance of any dewatering or discharging by the Lessee and the use of American's Permits) or arising or alleged to arise out of, or in any way related to, a breach or default of the Lessee's obligations under this paragraph (o) or a breach or default of the Lessee's obligations under this Section 2B with respect to any Hazardous Substance or any Environmental Requirement including without limitation all costs and expenses (including without limitation, those of Port Authority's staff) in enforcing the provisions thereof, and whether any of the foregoing arise out of any Hazardous Substance on the Premises prior to or after the effective date

of the letting of the Premises to the Lessee under the Lease or on the Site prior to or after the effective date of the letting of the Premises to the Lessee under the Lease or out of the acts or omissions of the Lessee or of the Port Authority or of the contractors of the Lessee or of the Port Authority or of third Persons or out of the acts of God or the public enemy or otherwise, provided, however, if and only if an indemnity claim or demand is made by a third Person against the Port Authority and such claim or demand (i) is for indemnification by the Port Authority of the fault of such third Person, (ii) arises solely pursuant to a written agreement voluntarily entered into by the Port Authority with such third Person after the Effective Date (the "Voluntary Agreement"), and (iii) other than the Voluntary Agreement there is no past, existing or future obligation whatsoever whether arising at or pursuant to law, equity, contract, contribution, litigation or otherwise for the Port Authority to in part or in whole so indemnify such third Person for such claim or demand, then and only if such claim and demand meets all the criteria set forth in the foregoing items (i), (ii) and (iii) the Lessee shall not be obligated pursuant to this paragraph (o) to indemnify the Port Authority for such claim or demand. If so directed, the Lessee shall at its own expense defend any suit based upon the foregoing and in handling such it shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port Authority.

(2) Nothing contained in nor not contained in this paragraph (o) shall nor shall be deemed to limit the generality thereof, except, however, it is hereby agreed that the Lessee shall not be required to indemnify the Port Authority pursuant to this paragraph (o) where such indemnity is precluded by statute.

(p) It is hereby agreed and understood that effective as of September 24, 1998 Lease AYB-085 shall be and be deemed to have been amended and supplemented to include this Section 2B and all the terms, provisions, covenants and conditions of this Section 2B shall and shall be deemed to be a part of Lease AYB-085 from and after September 24, 1998.

(q) (1) The following terms when used in this paragraph (q) shall have the respective meanings given below:

(i) "Abandoned Fuel Lines" shall mean any portion of the System which is taken out of service as part of the Fuel Lines Work and is abandoned in place or is abandoned and removed from the Airport as a part of the Fuel Lines Work.

(ii) "Acceptance Date" shall mean with respect to each portion of the Distribution Portion Work, the date appearing on the certificate delivered to the Lessee by the Port Authority pursuant to sub-paragraph (3) of this paragraph (q) covering such portion of the Distribution Portion Work and shall mean with respect to each portion of the

Satellite Portion Work, the date appearing on the certificate delivered to the Lessee by the Port Authority pursuant to sub-paragraph (3) of this paragraph (q) covering such portion of the Satellite Portion Work.

(iii) "Affected Distribution Lines" shall mean the Premises Distribution Lines and the Non-Premises Distribution Lines.

(iv) "Airport Fueling Agreements" shall mean the General Airport Agreement (which agreement is one of several general airport agreements which have been entered into by the Port Authority with other Aircraft Operators at the Airport and is together with the other general airport agreements commonly known as the "Dewey Leases"), the other Dewey Leases and any other agreements covering aircraft fueling at the Airport which are contemplated by the Dewey Leases, it being understood and agreed that the term "Dewey Leases" shall continue to include such leases upon the expiration thereof as the same may continue to be operative.

(v) "Airline Terminal Portion Work" shall mean the New Isolation Valves, all portions of the Fuel Lines Work located on the demand side of the New Isolation Valves such as but not limited to underground pipe lines, hydrant boxes and related facilities and appurtenances (except for hydrant valves), and all other Fuel Lines Work that is performed on the Premises and that is not Distribution Portion Work.

(vi) "Distribution Portion Work" shall mean (x) that portion of the Fuel Lines Work which is performed on that portion of the Distribution Portion of the System (as such terms are defined in Section 4.021 of the General Airport Agreement) that shall not become a portion of the Redesignated Airline Terminal Portion of the System, (y) the New Non-Premises Distribution Lines (as defined in subparagraph (2) hereof), and (z) all hydrant valves installed as part of the Fuel Lines Work.

(vii) "Fuel Line Risks" shall mean any and all risks, costs, expenses, damages, responsibilities and liabilities arising out of, in connection with or resulting from the Fuel Lines Work, the New System Components, the Inert Fuel Lines or the Abandoned Fuel Lines, including but not limited to, each Warranty, all Defects (as such terms are defined in subparagraph (x) hereof), the failure to have, or the inclusion of (whether proper or improper), any maintenance, repair, replacement, operation or other costs or expenses incurred in connection with the New System Components, the Abandoned Lines or the Inert Fuel Lines included in the System Costs, or the failure or refusal of the Users or any of them to pay any such costs or expenses, or the failure to obtain the agreement or approval of the Other Users for the Fuel Lines Work, including without limitation the payment of the costs thereof and its design.

(viii) "Fuel Lines Work" shall have the meaning set forth in subparagraph (2) hereof.

(ix) "Inert Fuel Lines" shall mean the Distribution Portion of Premises Distribution Lines 403-3 and 408-3 (as shown on the exhibit attached hereto, hereby made a part hereof and marked "Exhibit 2B.4" (which exhibit is herein referred to as "Exhibit 2B.4") which as part of the Fuel Lines Work are capped, rendered inert and taken out of service but are not abandoned.

(x) "New Isolation Valves" shall mean all of the isolation valves to be constructed and installed by the Lessee in proposed Isolation Valve Vault IW-C6 as shown on Exhibit 2B.4 with respect to Premises Distribution Lines 403-1, 403-2, 408-1 and 408-2 as shown on Exhibit 2B.4 as part of the Fuel Lines Work.

(xi) "New System Components" shall collectively mean the Airline Terminal Portion Work, the Distribution Portion Work and the Satellite Portion Work.

(xii) "Non-Premises Distribution Lines" shall mean all of those distribution fuel lines identified on Exhibit 2B.4 as Line 401-1, Line 401-2, Line 401-3, Line 409-01, Line 409-02 and Line 409-03 as such Lines recommence at the dike wall of the Satellite Portion of the System (as such terms are defined in Section 4.021 of the General Airport Agreement) and their related facilities and appurtenances.

(xiii) "Other Users" shall mean all Users except for the Lessee.

(xiv) "Permitted Modification" shall mean a modification, relocation, alteration, addition, replacement or capital improvement made to the System by any Person, provided, however, that (i) the costs and expenses of such modification, relocation, alteration, addition, replacement or capital improvement are not includable or included in Systems Costs by reason that one or more persons have agreed to pay for such costs and expenses (which person may be one of the Users and if so such agreement to pay such costs and expenses has not been made by such person pursuant to the Airport Fueling Agreements) or was performed by or on behalf of the Port Authority and is not "An Additional Facility Improvement" (as such term is defined in Section 4.021 of the General Airport Agreement) and/or the Port Authority has not proposed to the Lessee or the other Basic Aircraft Operators (as such term is used in Section 12.14 of the General Airport Agreement) that such modification, relocation, alteration, addition, replacement or capital improvement be made to the Distribution Portion of the System pursuant to Section 4.021 K. of the General Airport Agreement and/or is any other work which is not included or includable in System Costs pursuant to the Dewey Leases and (ii) such modification, relocation, alteration, addition, replacement or capital improvement shall have been

approved or performed by the Port Authority.

(xv) "Premises Distribution Line" shall mean any of and "Premises Distribution Lines" shall mean all of those distribution fuel lines identified as Line 403-1, Line 403-2, Line 403-3, Line 408-01, Line 408-02 and Line 408-03 on Exhibit 2B.4 as such Lines recommence at the dike wall of the Satellite Portion of the System and their related facilities and appurtenances.

(xvi) "Redesignation Date" shall mean with respect to each Premises Distribution Line the date that the Lessee shall first commence any of the Fuel Lines Work with respect to such Premises Distribution Line.

(xvii) "Redesignated Airline Terminal Portion of the System" shall mean all portions of Premises Distribution Lines 403-1, 403-2, 408-1 and 408-2 existing prior to the commencement of the Fuel Lines Work and located on the demand side of the place where New Isolation Valves are to be installed and all portions of Premises Distribution Lines 403-3 and 408-3 located on the demand side of the points identified as the "Distribution Line End Points" on Exhibit 2B.4 where the caps are to be installed on such Lines as part of the Fuel Lines Work but the Redesignated Airline Terminal Portion of the System shall not include such caps.

(xviii) "Satellite Portion Work" shall mean that portion of the Fuel Lines Work, if any, that is performed at the Satellite Portion of the System.

(xix) "System Operator" shall mean Ogden New York Services, Inc., the Port Authority's independent contractor presently operating the System, or any other Person who shall operate, repair or maintain the System pursuant to the Dewey Leases.

(xx) "System Costs" shall mean all costs and expenses incurred in connection with the System, including without limitation capital, operation, maintenance and repair costs and expenses, paid or to be paid for collectively by the Users pursuant to the Airport Fueling Agreements (including without limitation Sections 4.02 and 4.021 of the Dewey Leases).

(xxi) "System License" shall mean the Major Petroleum Facility License issued by the New York State Department of Environmental Conservation bearing license number 2-2380 covering the bulk storage area (as such term is used in the General Airport Agreement), and each and every successor or extension to or replacement of such license and any other license, registration or permit covering or with respect to the bulk storage area, the Satellite Portion or the Distribution Portion required by any Environmental Requirement.

(xxii) "Users" shall mean any Persons who use the System or are obligated (whether by agreement or otherwise) to pay any System Costs.

(2) As part of the Lessee's Redevelopment Work, the Lessee has advised the Port Authority that it desires to relocate and abandon portions of the Affected Distribution Lines located on the Premises as well as make certain replacements and modifications to the Satellite Portion of the System and other portions of the Distribution Portion of the System as shall be required, necessary or desirable for such relocation and abandonment (any work performed on the System and any replacements and abandonment of the System to be performed by the Lessee as part of the Redevelopment Work and which may be approved by the Port Authority pursuant to this Section and as the same may be approved by the Port Authority being herein referred to as the "Fuel Lines Work"). The proposed relocation and abandonment work includes among other items the construction of new replacement distribution fuel lines in connection with the Lessee's proposed construction of a new sewer line in the vicinity of proposed Isolation Valve Vault IW-C6 and in connection with the Lessee's proposed construction of a tunnel (which new distribution fuel lines which exclusively serve the Premises and their related facilities and appurtenances are herein called the "New Premises Fuel Lines" and which new distribution fuel lines which do not serve the Premises and their related facilities and appurtenances are herein called the "New Non-Premises Distribution Lines"), the capping, abandonment and removal of certain portions of the Affected Distribution Lines, and the construction of a new isolation valve vault in the location shown on Exhibit 2B.4 and identified as "Isolation Valve Vault IW-C6". All Fuel Lines Work performed by the Lessee shall be performed subject to and in accordance the following additional terms and conditions:

(i) All Fuel Lines Work shall be performed at the sole cost and expense of the Lessee and the Lessee agrees none of such costs and expenses shall become part of System Costs. The Lessee further agrees that if any costs and expenses for the repair, operation, replacement, maintenance or use of the Distribution Portion Work, the Satellite Portion Work or the Inert Fuel Lines for any reason whatsoever are not included or includable in, or not allowed to become a part of, System Costs, that the Lessee shall bear and pay for any and all such costs and expenses. In addition, all of the Distribution Portion of the System which is taken out of service and abandoned as part of the Fuel Lines Work shall be removed from the Airport by the Lessee as a part of the Fuel Lines Work.

(ii) The Fuel Lines Work shall be performed in accordance with all the terms and conditions of this Lease and of the General Airport Agreement.

(iii) In addition to and without limiting the obligations set forth in paragraph (k)(3) of this Section, any portion of the Fuel Lines Work performed by the System Operator shall be performed by the System Operator on behalf of the Lessee and at

the Lessee's sole cost and expense. The Lessee shall assure that the costs and expenses of all Fuel Lines Work are separately allocated and billed to the Lessee by each of its contractors, including without limitation, by the System Operator, and in no event are any such costs and expenses to be allocated or billed as, or to become a part of, System Costs. Further, the Lessee shall communicate and cooperate (and require each of its contractors to communicate and cooperate) with the System Operator in all aspects of the Fuel Lines Work and shall coordinate the performance of the Fuel Lines Work with the System Operator. The Lessee shall include in each of its contracts and subcontracts covering the Fuel Lines Work or any portion thereof the foregoing requirements for cooperation, communication, coordination, allocation and billing.

(iv) In addition to and without limiting the obligations set forth in paragraph (k) of this Section, the Lessee shall in the performance of the Fuel Lines Work and in fulfillment of its obligations pursuant to subparagraph (xi) hereof, minimize to the greatest extent possible any disruption, interruption, delay or interference in the operation, performance, maintenance, repair or use of the System. To that end, prior to the Lessee's commencement of the Fuel Lines Work or any portion thereof, the Lessee shall submit to the Port Authority for the Port Authority's approval a plan to accomplish the foregoing and shall revise and update such plan as desirable or required throughout the performance of the Fuel Lines Work. Such plan shall include without limitation the sequencing and scheduling of all shut downs of any portion of the System such as but not limited to the sequencing and scheduling of all work to tie-in any portion of the Fuel Lines Work to the System and flushing and testing the Fuel Lines Work, and shall provide that only one of the Affected Distribution Lines shall be out of service at the same time and that no section of the System shall be taken or kept out of service during peak travel periods. Further, such plan shall include actions and procedures to be undertaken and followed in the event of any unscheduled or unexpected shut down or disruption of or interference with the operation or use of the of the System. The Lessee understands and agrees that no approval of the Port Authority shall relieve or release the Lessee from its obligations under this paragraph (q). The Port Authority shall have the right from time to time to require the Lessee to make changes to the plan and the Lessee shall comply therewith and with any and all such required changes.

(v) All Fuel Lines Work shall comply in all respects with the System License and all other Environmental Requirements and the Lessee shall take all actions to ensure such compliance. Further, if required or permitted by the New York State Department of Environmental Conservation or any other applicable Governmental Authority, the Lessee shall register, license and/or permit the Airline Terminal Portion of the System in accordance with Environmental Requirements in the name of the Lessee as the owner thereof and the System Operator as the operator thereof.

(vi) Notwithstanding paragraph (i) of this Section, title to the Airline Terminal Portion Work shall remain in the Lessee as the same or any part thereof is erected, constructed or installed and upon such erection, construction or installation the same shall be and become a part of the Airline Terminal Portion of the System for the purposes of this Agreement and the Airport Fueling Agreements including without limitation the Lessee assuming all risks, costs, expenses, responsibilities and liabilities in connection therewith and the same shall be and become a Tank (as such term is defined in Section 65 hereof entitled "Fuel Storage Tanks") and all the terms and conditions of Section 65 shall apply thereto.

(vii) Notwithstanding any terms or conditions in the Airport Fueling Agreements to the contrary, effective as of the Redesignation Date with respect to each Premises Distribution Line, that portion of such Premises Distribution Line constituting a portion of the Redesignated Airline Terminal Portion of the System shall be and become for the purposes of this Agreement and of the Airport Fueling Agreements a part of the Airline Terminal Portion of the System and a Tank and all the terms and conditions of Section 65 hereof shall apply thereto. Without limiting the generality of any other term or provision of this Agreement, from and after the Redesignation Date for each such Redesignated Airline Terminal Portion of the System, such Redesignated Airline Terminal Portion of the System shall no longer be or be deem to be a part of the Distribution Portion of the System and the Lessee shall take title to the same in its "as is" condition and shall release and relieve the Port Authority and Other Users from and shall assume all risks, costs, expenses, responsibilities and liabilities in connection with such Redesignated Airline Terminal Portion of the System.

(viii) Title to all the Distribution Portion Work and the Satellite Portion Work shall pass to the City of New York as the same or any portion thereof is erected, constructed and installed and effective upon the Acceptance Date of each portion of the Distribution Portion Work, such Distribution Portion Work shall be and become for the purposes of this Agreement and of the Airport Fueling Agreements a part of the Distribution Portion of the System and effective upon the Acceptance Date of each portion of the Satellite Portion Work, such Satellite Portion Work shall be and become for the purposes of this Agreement and of the Airport Fueling Agreements a part of the Satellite Portion of the System.

(ix) The Lessee shall take all actions to maintain and protect all manufacturer, contractor and vendor warranties (express and implied) of any New System Components.

(x) The Lessee hereby agrees as the lessee hereunder, as the lessee under the General Airport Agreement and as a User, that it shall not object to, challenge or make

any claim or demand (including without limitation one for or concerning arbitration), whether under this Agreement, the General Airport Agreement or any other Airport Fueling Agreement or otherwise, with respect to, on account of or arising out of any Permitted Modification, including without limitation, (aa) the failure of the Port Authority to have entered into any written agreement with, or to have obtained consents or approvals from, one or more Users in connection with any Permitted Modification or (bb) the inclusion or the failure to be included in the System Costs any maintenance, repair, replacement, operational or other costs and expenses with respect to a Permitted Modification.

(xi) Notwithstanding any other term or provision of this Agreement or any review by the Port Authority of the plans and specifications for the Fuel Lines Work or any comment of the Port Authority on or failure of the Port Authority to comment on the design, performance or installation of the Fuel Lines Work, or any inspection or approval by the Port Authority or by the System Operator of the Fuel Lines Work, or any terms or conditions of any Port Authority approval covering the Fuel Lines Work, or the existence of any patent or trade name, or any other facts or circumstances which could or could be construed to affect or relieve the Lessee from its obligations under this paragraph (q)(2)(xi), the Lessee unconditionally guarantees, warrants and represents to the Port Authority and the Other Users that:

(aa) the Fuel Lines Work shall be performed in accordance with and subject to all the terms and conditions of this Agreement and the General Airport Agreement,

(bb) the New System Components shall comply with all industry standards and Environmental Requirements applicable thereto and shall at all times be fully fit to perform all the functions and purposes for which they were designed and as required by and set forth in the General Airport Agreement,

(cc) the New System Components and the System shall at all times meet or exceed all aspects of the System as it existed prior to the commencement of the Fuel Lines Work, including without limitation, in capacity, integrity, functional capability, efficiency and operation,

(dd) the Fuel Lines Work shall not be included or includable in System Costs,

(ee) the New System Components shall not increase the costs and expenses to operate, maintain, repair or use the Distribution Portion or the Satellite Portion, or any portion thereof or increase the System Costs,

(ff) the New System Components shall at all times throughout their expected useful life operate free from any defects, deficiencies or failures of any kind, including without limitation, any leaks or any defects, deficiencies or failures in design, workmanship, construction or materials,

(gg) neither the Fuel Lines Work nor the New System Components shall violate any Environmental Requirement or cause or result in any Environmental Damages, and

(hh) the New System Components, including without limitation, the cathodic protection system to be installed by the Lessee as part of the Airline Terminal Portion Work, shall be designed to be and shall be fully integrated into and compatible with the Distribution Portion and the Satellite Portion of the System (each of the foregoing described in (aa), (bb), (cc), (dd), (ee), (ff), (gg) and (hh) and the warranties described in paragraph (d)(5) of this Section being herein called a "Warranty").

Upon the Lessee's receipt at any time and from time to time of notice from the Port Authority or any Governmental Authority or other Person that a Warranty has been breached or not complied with or in the event the Lessee becomes aware of or receives any other notice (constructive or otherwise) of a breach of or noncompliance with a Warranty (any such breach or noncompliance being herein called a "Defect"), the Lessee shall in accordance with all the terms and conditions of this Agreement including without limitation Section 33 hereof and at its sole cost and expense, repair, modify or replace such Defect or do whatever else shall be required to correct such Defect, including without limitation, removing, relocating and replacing all or a part of the New System Components and all necessary and required work to accomplish the foregoing and none of such costs and expenses shall be or become System Costs. The foregoing warranty, representation and guarantee shall not be a limitation on any expressed or implied warranty or guaranty otherwise available to the Port Authority or the Other Users or any of them, under this Agreement, any of the contracts for the Fuel Lines Work, law, equity or otherwise or a limitation on any other rights or remedies which the Port Authority and/or any Other Users may have in connection with the Fuel Lines Work, the System or the New System Components whether pursuant to the Airport Fueling Agreements, this Agreement, at law or equity, or otherwise.

(xii) Without limiting any other term or condition of this Agreement and in addition to the terms and conditions set forth elsewhere in this Lease, the Lessee hereby relieves and releases the Port Authority and the Other Users from and assumes all the Fuel Line Risks.

(xiii) (aa) Without limiting any other term or provision hereof and in addition thereto, the Lessee shall release, hold harmless and indemnify the Other Users and each of them and the Port Authority and its Commissioners, officers and employees and representatives from and against, including without limitation, reimbursing the Other Users and the Port Authority for their costs and expenses (including without limitation all legal costs and expenses including the costs and expenses of the Port Authority's own in-house legal staff), incurred in connection with the defense, settlement or satisfaction of all claims and demands, just or unjust, arising or alleged to arise out of the Fuel Lines Work, the New System Components, the Abandoned Fuel Lines, the Inert Fuel Lines, the Fuel Line Risks, each Warranty, any Defects, or any breach by the Lessee of any term or provision of this paragraph (q), or any breach of the General Airport Agreement with respect to this paragraph (q), including without limitation, for death, personal injury or property damage, whether pursuant to contract, permit, lease, law, equity or otherwise, whether direct or consequential, and whether they arise from the acts or omissions of the Lessee or of any contractors of the Lessee, or of the Port Authority or any contractor of the Port Authority or of third persons, or of the Other Users or any of them, or from acts of God or a public enemy or otherwise (including claims of the City of New York against the Port Authority pursuant to the provisions of the Basic Lease whereby the Port Authority has agreed to indemnify the City against claims), provided, however, that the Lessee shall not be required to indemnify the Port Authority pursuant to this paragraph (q)(2)(xii) where indemnity would be precluded pursuant to provisions of any statute.

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

(xiv) The terms and conditions set forth in subparagraphs (i), (xi), (xii) and (xiii) of this paragraph (q) shall inure to the benefit of the Other Users.

(xv) The Port Authority's acceptance of the Fuel Lines Work in part or in whole whether as set forth in subparagraph (3) of this paragraph (q), in paragraph (n) of this Section or otherwise, shall not in part or in whole, release or relieve the Lessee from its obligations under this paragraph (q) or otherwise. Moreover, neither the enumeration in this paragraph (q) nor the enumeration elsewhere in this Agreement of particular risks assumed by the Lessee or of particular claims for which it is responsible shall be deemed (x) to limit the effect of the provisions of this paragraph (q) or of any other Section of this

Agreement relating to such risks or claims, (y) to imply that the Lessee assumes or is responsible for risks or claims only of the type enumerated in this paragraph (q) or in any other portion of this Agreement, or (z) to limit the risks which the Lessee would assume or the claims or demands for which it would be responsible in the absence of such enumeration.

(3) In addition to and without affecting the obligations of the Lessee pursuant to paragraph (n) of this Section, when an integral and material portion of the Distribution Portion Work and/or the Satellite Portion Work is fully operational, has been successfully tested and properly flushed and is ready to be placed in service, the Lessee shall so advise the Port Authority and shall deliver to the Port Authority a certificate signed by an authorized officer of the Lessee and also signed by the Lessee's licensed architect or engineer certifying that such portion of the Fuel Lines Work has been constructed, inspected and tested in accordance with approved plans and specifications, the provisions of the Lease and the General Airport Agreement and in compliance with all applicable laws, ordinances and governmental rules, regulations and orders, including without limitation the System License, and specifying the portion of the Distribution Portion Work and/or the Satellite Portion that has been so completed, inspected and tested. The Port Authority may in its sole discretion deliver a certificate to the Lessee with respect to such portion of the Distribution Portion Work and/or Satellite Portion Work stating that such portion may be placed in operation for the purposes set forth in the General Airport Agreement and subject to and in accordance with all the terms and conditions of this Lease and the General Airport Agreement and subject to the risks set forth in paragraph (f) hereof in the event that the Port Authority has not approved the plans and specifications for the Redevelopment Work and/or for the Remediation Work.

Section 3. Term

(a) The following terms when used in this Agreement shall have the respective meanings given below:

(1) "Airport Lease" shall mean either (i) the Basic Lease, as the same may have been supplemented, amended and extended or (ii) a New Airport Lease, as the same may have been supplemented, amended and extended, whichever shall be in full force and effect.

(2) "Airport Lease Extension Agreement" shall mean each agreement fully and duly executed by the Port Authority and the City of New York in a form satisfactory to the Port Authority and the City of New York and which has been fully and duly authorized by the Board of Commissioners of the Port Authority and with the approval of the authorized officials and entities of the City of New York and which supplements and amends the Basic Lease whereby the term of the letting of the Airport to the Port Authority (including the Premises) continues without interruption and is extended to a date subsequent to December 31, 2015 or which is a New Airport

Agreement relating to such risks or claims, (y) to imply that the Lessee assumes or is responsible for risks or claims only of the type enumerated in this paragraph (q) or in any other portion of this Agreement, or (z) to limit the risks which the Lessee would assume or the claims or demands for which it would be responsible in the absence of such enumeration.

(3) In addition to and without affecting the obligations of the Lessee pursuant to paragraph (n) of this Section, when an integral and material portion of the Distribution Portion Work and/or the Satellite Portion Work is fully operational, has been successfully tested and properly flushed and is ready to be placed in service, the Lessee shall so advise the Port Authority and shall deliver to the Port Authority a certificate signed by an authorized officer of the Lessee and also signed by the Lessee's licensed architect or engineer certifying that such portion of the Fuel Lines Work has been constructed, inspected and tested in accordance with approved plans and specifications, the provisions of the Lease and the General Airport Agreement and in compliance with all applicable laws, ordinances and governmental rules, regulations and orders, including without limitation the System License, and specifying the portion of the Distribution Portion Work and/or the Satellite Portion that has been so completed, inspected and tested. The Port Authority may in its sole discretion deliver a certificate to the Lessee with respect to such portion of the Distribution Portion Work and/or Satellite Portion Work stating that such portion may be placed in operation for the purposes set forth in the General Airport Agreement and subject to and in accordance with all the terms and conditions of this Lease and the General Airport Agreement and subject to the risks set forth in paragraph (f) hereof in the event that the Port Authority has not approved the plans and specifications for the Redevelopment Work and/or for the Remediation Work.

Section 3. Term

(a) The following terms when used in this Agreement shall have the respective meanings given below:

(1) "Airport Lease" shall mean either (i) the Basic Lease, as the same may have been supplemented, amended and extended or (ii) a New Airport Lease, as the same may have been supplemented, amended and extended, whichever shall be in full force and effect.

(2) "Airport Lease Extension Agreement" shall mean each agreement fully and duly executed by the Port Authority and the City of New York in a form satisfactory to the Port Authority and the City of New York and which has been fully and duly authorized by the Board of Commissioners of the Port Authority and with the approval of the authorized officials and entities of the City of New York and which supplements and amends the Basic Lease whereby the term of the letting of the Airport to the Port Authority (including the Premises) continues without interruption and is extended to a date subsequent to December 31, 2015 or which is a New Airport

Lease pursuant to which the Port Authority's letting of the Airport (including the Premises) continues without interruption or which supplements and amends the Airport Lease whereby the term of the letting to the Airport (including the Premises) to the Port Authority continues without interruption and is extended to a date subsequent to December 31, 2015.

(3) "Applicable Airport Lease Extension Agreement" shall have the meaning set forth in paragraph (d)(1) below and at any particular date shall mean the most recent Airport Lease Extension Agreement that the City of New York and the Port Authority have entered into and which is in full force and effect as of such particular date.

(4) "Current Lease" shall mean as of any particular date, this Lease as the same may have been amended, supplemented and extended as of such date.

(5) "Current Lease Expiration Date" shall mean as of the Effective Date, December 27, 2015 and shall mean as of any other date subsequent to the Effective Date, the date that the term of the letting under the Current Lease in effect as of such date shall expire by the express written terms and provisions thereof, provided, however, in no event shall there be any Current Lease Expiration Date which would occur after the Final Lease Extension Date.

(6) "Fee Transfer Agreement" shall mean an agreement fully and duly executed by the Port Authority and the City of New York in a form satisfactory to the Port Authority and the City of New York and which has been fully and duly authorized by the Board of Commissioners of the Port Authority and with the approval of the authorized officials and entities of the City of New York and which transfers the title to and ownership of the fee in the Airport and the Premises to the Port Authority.

(7) "Fee Transfer Date" shall mean a date prior to the Final Lease Extension Date and on which the closing of the transfer of title to and ownership of the fee in the Airport and the Premises to the Port Authority pursuant to a Fee Transfer Agreement shall have occurred.

(8) "Final Lease Extension Date" shall mean the earlier to occur of (i) the day immediately preceding the thirtieth (30th) anniversary of the Redevelopment Work Completion Date or (ii) the day immediately preceding the thirty-sixth (36th) anniversary of the Effective Date.

(9) "New Airport Lease" shall mean an agreement fully and duly executed by the Port Authority and the City of New York in a form satisfactory to the Port Authority and the City of New York and which has been fully and duly authorized by the Board of Commissioners of the Port Authority and with the approval of the authorized officials and entities of the City of New York and pursuant to which the Port Authority continues as the lessee of the Airport without interruption but is not an amendment, supplement or extension of the Basic Lease.

(10) "Paragraph (c) Extension Supplement" shall have the meaning set forth in paragraph (c)(3) of this Section.

(11) "Paragraph (d) Extension Supplement" shall have the meaning set forth in paragraph (d)(3) of this Section.

(12) "Permitted Tenancy" shall have the meaning set forth in paragraph (f) of this Section.

(b) The term of the letting under this Lease, as the same shall have commenced under Lease AYB-085, shall expire on December 27, 2015 unless sooner terminated in accordance with the terms and provisions of this Lease.

(c) (1) Without limiting paragraph (b) above or Section 26 hereof entitled "Surrender" or Section 28 hereof entitled "Effect of Basic Lease" or Section 31 hereof entitled "Limitation of Rights and Privileges Granted" or any other term, provision, covenant and condition of this Agreement and subject to the terms and provisions of paragraphs (e) and (f) of this Section, in the event and only in the event there shall be a Fee Transfer Date, the Port Authority hereby agrees but only as set forth in paragraph (c)(3) of this Section and subject to all of the terms and conditions set forth in this paragraph (c) and paragraphs (e) and (f) of this Section, to extend the term of the letting under the Current Lease then in effect from the Current Lease Expiration Date set forth in said Current Lease to the Final Lease Extension Date, which Final Lease Extension Date shall be set forth in a Paragraph (c) Extension Supplement as hereinafter set forth, provided, however, in no event shall the term of the letting under the Current Lease be extended pursuant to this paragraph (c) unless all the terms and conditions set forth in paragraphs (c)(2), (c)(3), (e) and (f) of this Section have been complied with and all of the following additional terms and conditions shall also have been complied with:

(A) Both immediately and at all times prior to the Fee Transfer Date and both immediately and at all times prior to the date of the Port Authority's execution and delivery of the Paragraph (c) Extension Supplement:

(aa) the term of the letting under the Current Lease shall be in full force and effect or, if the Current Lease Expiration Date shall have occurred and the Lessee shall continue to use, occupy or possess the Premises under a Permitted Tenancy, such Permitted Tenancy shall be in full force and effect;

(bb) neither the Lessee nor the Port Authority shall be in receipt of, or have served or given, any valid notice of termination of the letting under the Current Lease and if the Current Lease Expiration Date shall have occurred and the Lessee shall continue to use, occupy or possess the Premises under a

Permitted Tenancy then, in addition to the foregoing, neither the Lessee nor the Port Authority shall be in receipt of, or have served or given, any valid notice of termination of such Permitted Tenancy;

(cc) the Lessee shall be in full compliance with all of the terms, provisions, covenants and conditions of the Current Lease on its part to be kept, performed and observed and if the Current Lease Expiration Date shall have occurred and the Lessee shall continue to use, occupy or possess the Premises under a Permitted Tenancy, the Lessee shall additionally be in full compliance with the terms, provisions, covenants and conditions of such Permitted Tenancy set forth in paragraphs (e) and (f) hereof, on its part to be kept, performed and observed; and further the Lessee shall not be in default or breach of any of the foregoing or, to the extent the Lessee has been granted a period to cure such default or breach by paragraph (a) of Section 20 hereof entitled "Termination by the Port Authority" prior to such default or breach giving rise to the right of the Port Authority to terminate the term of the letting, the Lessee shall be in the process of curing such default or breach in compliance with the terms and conditions of said paragraph (a) and the Port Authority shall have not given or served a notice of termination on the Lessee, provided, however, no Paragraph (c) Extension Supplement shall or shall be deemed to be a waiver of any rights or remedies of the Port Authority, including without limitation, any of it rights of termination, in the event that the Lessee does not cure such default or breach as required by the terms and conditions of the Current Lease;

(dd) there shall not have occurred any event of termination under any term or provision of the Current Lease, including without limitation Section 18 entitled "Condemnation", Section 20 entitled "Termination by the Port Authority", Section 52 entitled "Lessee's Financial Condition-Limitation of Lease Term-Triggering Events" and Section 54 entitled "Right of Termination-Securities Ownership";

(ee) there shall not have occurred any assignment of the Current Lease under Section 53 hereof entitled "Assignment to a Trust" or any Changes in Landlord Rights;

(ff) the term of the Current Lease and the letting thereunder shall not be on a month-to-month periodical basis pursuant to Section 52 or Section 53 hereof;

(gg) the use, occupancy and possession of the Premises by the Lessee and the use, occupancy and possession of the Airport and the Premises by the Port Authority shall have been continuous and without interruption from the Effective Date; and

(hh) none of the Triggering Events listed in Exhibit 52.1 shall have occurred.

(B) All of the Required Conditions shall have occurred; and

(C) The Lessee shall have submitted to the Port Authority such written representations, warranties and certifications, as may have been requested by the Port Authority as to each of the matters set forth in subparagraphs (A)(aa) through (A)(hh) and subparagraph (B) above.

(D) Such extension shall be permitted under, and shall not be in violation of, the Fee Transfer Agreement and the Fee Transfer Date and shall be in compliance with all applicable terms and conditions thereof.

(2) The Port Authority shall have no obligation whatsoever to the Lessee or to any other Person or entity to extend the term of the letting under the Current Lease or to enter into any Paragraph (c) Extension Supplement pursuant to this paragraph (c) unless and until a Fee Transfer Agreement is fully entered into and is in full force and effect, the Fee Transfer Date shall have occurred and all the other terms and conditions of this paragraph (c) shall have been complied with and unless such extension of the letting of the Premises to the Lessee and the resulting "Paragraph (c) Extension Supplement" would not be contrary to, inconsistent or conflict with, or violative of the terms and provisions of paragraphs (e) or (f) of this Section. Further, in any event when the Current Lease has expired by its express written terms whether on the occurrence of the Current Lease Expiration Date or otherwise and whether or not there is a Permitted Tenancy, the Port Authority shall have no obligation whatsoever to the Lessee or to any other Person or entity to not terminate, any use, occupancy, possession, tenancy or letting of the Premises by the Lessee which may occur after such expiration or to accept or not accept any rentals from the Lessee, it being understood and agreed however that the rights of the Port Authority to terminate any Permitted Tenancy shall be as set forth in the Current Lease.

(3) In the event (i) there is both a Fee Transfer Agreement and a Fee

Transfer Date, and (ii) all of the terms and conditions set forth in paragraphs (c)(1) and (c)(2) of this Section have been complied with, and only in such event, the Final Lease Extension Date shall be set forth in a supplement to the Current Lease prepared by the Port Authority and sent to the Lessee for execution by it; which supplement shall extend the term of the letting thereunder to the Final Lease Extension Date and shall include such other additional terms and provisions as the Port Authority may determine appropriate, it being understood that said proposed supplement shall not change the location or size of the Premises or the rentals hereunder, provided, however, notwithstanding the foregoing said proposed supplement may require the Lessee to pay to the Port Authority any or all of the Port Authority's increased costs under or arising out of or resulting from the Fee Transfer Agreement, the Fee Transfer Date or any Permitted Tenancy (but the Lessee shall not be obligated to have paid the Port Authority more that once for the same such increased costs under or arising out of or resulting from any Permitted Tenancy) directly or proportionately attributable or related to the Premises hereunder, the Current Lease (as the same may be supplemented by the Paragraph (c) Extension Supplement, if any, arising from the Fee Transfer Agreement and the Fee Transfer Date) or the Lessee, provided, further, however, the Port Authority has advised the Lessee that it is the intention of the Port Authority that with respect to such increased costs of the Port Authority under or arising out of or resulting from the Fee Transfer Agreement, the Fee Transfer Date or any Permitted Tenancy that all Aircraft Operators at the Airport which are similarly situated will be treated in a similar manner. Within thirty (30) days after the Port Authority has sent said proposed supplement to the Lessee, the Lessee shall properly execute and return the said proposed supplement to the Port Authority for its execution and delivery. In the event the Lessee fails so to properly execute and return the said proposed supplement to the Port Authority then the Port Authority shall have no further or other obligation with respect to any proposed extension of the letting under the Current Lease under this paragraph (c) or with respect to any other extension of the letting of the Premises to the Lessee or any other letting of the Premises to the Lessee and there shall be no extension of the term of the letting of the Premises to the Lessee pursuant to this paragraph (c) or otherwise to the Final Lease Extension Date or to any other date, and the respective rights and obligations of the parties regarding the Lessee's use, occupancy and possession of the Premises after December 27, 2015 or later Current Lease Expiration Date, if any, shall be as set forth in and subject to paragraphs (e) and (f) hereof. If the said supplement is fully executed and delivered by both the Port Authority and the Lessee, upon such execution and delivery the same shall be the "Paragraph (c) Extension Supplement" as such term is used herein and the Port Authority shall have no further obligation whatsoever to extend the term of the letting hereunder or otherwise.

(d) (1) Without limiting paragraphs (b) or (c) above or Section 26 hereof entitled "Surrender" or Section 28 hereof entitled "Effect of Basic Lease" or Section 31 hereof entitled "Limitation of Rights and Privileges Granted" or any other term, provision, covenant and condition of this Agreement and subject to the terms and provisions of paragraphs (e) and (f) of this Section, in the event that all of the following shall be the case and only in such event:

(i) there shall have been no preceding Fee Transfer Date,

(ii) an Airport Lease Extension Agreement meeting all the requirements set forth in paragraph (a)(2) of this Section shall have been entered into (each such new Airport Lease Extension Agreement being herein also sometimes referred to as an "Applicable Airport Lease Extension Agreement"), and

(iii) the Current Lease shall have not been extended to or beyond the Final Lease Extension Date,

then and only then the Port Authority hereby agrees but only as set forth in paragraph (d)(3) of this Section and subject to all the terms and conditions in this paragraph (d) and paragraphs (e) and (f) of this Section, to extend the term of the letting under the Current Lease then in effect from the Current Lease Expiration Date set forth in said Current Lease to the earlier to occur of the Final Lease Extension Date or the day immediately preceding the expiration date of the Airport Lease set forth in said Applicable Airport Lease Extension Agreement, which new Current Lease Expiration Date shall be set forth in a Paragraph (d) Extension Supplement as hereinafter set forth, provided, however, in no event shall the term of the letting under the Current Lease be extended pursuant to this paragraph (d) unless all of the terms and conditions set forth in paragraphs (d)(2), (d)(3), (e) and (f) of this Section have been complied with and all of the following additional terms and conditions shall also have been complied with:

(A) Both immediately and at all times prior to the effective date of the Applicable Airport Lease Extension Agreement and both immediately and at all times prior to the date of the Port Authority's execution and delivery of the Paragraph (d) Extension Supplement arising from said Applicable Airport Lease Extension Agreement:

(aa) the term of the letting under the Current Lease shall be in full force and effect or if the Current Lease Expiration Date shall have occurred and the Lessee shall continue to use, occupy or possess the Premises under a Permitted Tenancy, such Permitted Tenancy shall be in full force and effect;

(bb) neither the Lessee nor the Port Authority shall be in receipt of, or have served or given, any valid notice of termination of the letting under the Current Lease and if the Current Lease Expiration Date shall have occurred and the Lessee shall continue to use, occupy or possess the Premises under a Permitted Tenancy then, in addition to the foregoing, neither the Lessee nor the Port Authority shall be in receipt of, or have served or given, any valid notice of termination of such Permitted Tenancy;

(cc) the Port Authority shall not be in receipt of, nor have given or served, any valid notice of termination of the Port Authority's tenancy, possession, use, occupancy or other interest or estate in the Airport, including without limitation the Premises, whether under the Airport Lease, any hold over or other tenancy, occupancy or use or otherwise;

(dd) the Lessee shall be in full compliance with all of the terms, provisions, covenants and conditions of the Current Lease on its part to be kept, performed and observed and if the Current Lease Expiration Date shall have occurred and the Lessee shall continue to use, occupy or possess the Premises under a Permitted Tenancy, the Lessee shall additionally be in full compliance with the terms, provisions, covenants and conditions of such Permitted Tenancy set forth in paragraphs (e) and (f) hereof, on its part to be kept, performed and observed; and further the Lessee shall not be in default or breach of any of the foregoing or, to the extent the Lessee has been granted a period to cure such default or breach by paragraph (a) of Section 20 hereof entitled "Termination by the Port Authority" prior to such default or breach giving rise to the right of the Port Authority to terminate the term of the letting, the Lessee shall be in the process of curing such default or breach in compliance with the terms and conditions of said paragraph (a) and the Port Authority shall have not given or served a notice of termination on the Lessee, provided, however, no Paragraph (d) Extension Supplement shall or shall be deemed to be a waiver of any rights or remedies of the Port Authority, including without limitation, any of it rights of termination, in the event that the Lessee does not cure such default or breach as required by the terms and conditions of the Current Lease;

(ee) there shall not have occurred any event of termination under any term or provision of the Current Lease, including without limitation Section 18 entitled "Condemnation", Section 20 entitled "Termination by the Port Authority", Section 52 entitled "Lessee's Financial Condition-Limitation of Lease Term-Triggering Events" and Section 54 entitled "Right of Termination-Securities Ownership";

(ff) there shall not have occurred any assignment of the Current Lease under Section 53 hereof entitled "Assignment to a Trust" or any Changes in Landlord Rights;

(gg) the use, occupancy and possession of the Premises by the Lessee and the use, occupancy and possession of the Airport and the Premises by the Port Authority shall have been continuous and without interruption from the Effective Date;

(hh) the term of the Current Lease and the letting thereunder shall not be on a month-to-month periodical basis pursuant to Section 52 or Section 53 hereof; and

(ii) none of the Triggering Events listed in Exhibit 52.1 shall have occurred.

(B) All of the Required Conditions shall have occurred; and

(C) The Lessee shall have submitted to the Port Authority such written representations, warranties and certifications, as may have been requested by the Port Authority as to each of the matters set forth in subparagraphs (A)(aa) through (A)(ii) and subparagraph (B) above.

(2) The Port Authority shall have no obligation whatsoever to the Lessee or to any other Person or entity to extend the term of the letting under the Current Lease or to enter into any Paragraph (d) Extension Supplement pursuant to this paragraph (d) unless and until the Applicable Airport Lease Extension Agreement extending the Airport Lease beyond December 27, 2015 or beyond the Current Lease Expiration Date set forth in such Current Lease is fully entered into and is in full force and effect and all the other terms and conditions of this paragraph (d) have been complied with and unless such extension of the letting of the Premises to the Lessee and the resulting "Paragraph (d) Extension Supplement" would not be contrary to, inconsistent or conflict with or violative of the terms and provisions of paragraphs (e) or (f) or of this Section. Further, in any event when the Current Lease has expired by its express written terms whether on the occurrence of the Current Lease Expiration Date or otherwise and whether or not there is a Permitted Tenancy, the Port Authority shall have no obligation whatsoever to the Lessee or to any other Person or entity to not terminate, any use, occupancy, possession, tenancy or letting of the Premises by the Lessee which may occur after such expiration or to accept or not accept any rentals from the Lessee, it being understood and agreed however that the rights of the Port Authority to terminate any Permitted Tenancy shall be as set forth in the Current Lease.

(3) (i) In the event there is both (i) an Applicable Airport Lease Extension Agreement, as aforesaid in subparagraph (d)(1) above which complies with all of the requirements for an Airport Lease Extension Agreement set forth in paragraph (a)(2) above,

extending the Airport Lease beyond the day immediately following the Current Lease Expiration Date set forth in the Current Lease then in effect and (ii) all of the terms and conditions set forth in paragraphs (d)(1) and (d)(2) of this Section have been complied with, and only in such event, the new expiration date of the term of the letting under the Current Lease shall be set forth in a supplement to the Current Lease prepared by the Port Authority and sent to the Lessee for execution by it; which supplement shall extend the term of the letting thereunder to the earlier to occur of the Final Lease Extension Date or the day immediately preceding the expiration date of the Airport Lease set forth in said Applicable Airport Lease Extension Agreement giving rise to such extension of the letting hereunder and shall include such other additional terms and provisions as the Port Authority may determine appropriate, it being understood that said proposed supplement shall not change the location or size of the Premises or the rentals hereunder, provided, however, notwithstanding the foregoing said proposed supplement may require the Lessee to pay to the Port Authority any or all of the Port Authority's increased costs under or arising out of or resulting from said Applicable Airport Lease Extension Agreement or from any Permitted Tenancy (but the Lessee shall not be obligated to have paid the Port Authority more that once for the same such increased costs under or arising out of or resulting from any Permitted Tenancy) directly or proportionately attributable or related to the Premises hereunder, the Current Lease (as the same may be supplemented by the Paragraph (d) Extension Supplement, if any, arising from said Applicable Airport Lease Extension Agreement), or the Lessee, provided, further, however, the Port Authority has advised the Lessee that it is the intention of the Port Authority that with respect to such increased costs of the Port Authority under or arising out of or resulting from said Applicable Airport Lease Extension Agreement or from any Permitted Tenancy, that all Aircraft Operators at the Airport which are similarly situated will be treated in a similar manner.

(ii) Within thirty (30) days after the Port Authority has sent to the Lessee the said proposed supplement referred to in subparagraph (i) above, the Lessee shall properly execute and return the said proposed supplement to the Port Authority for its execution and delivery. In the event the Lessee fails so to properly execute and return the said proposed supplement to the Port Authority then the Port Authority shall have no further or other obligation with respect to any proposed extension of the letting under the Current Lease under this paragraph (d) or with respect to any other extension of the letting of the Premises to the Lessee or any other letting of the Premises to the Lessee and there shall be no extension of the term of the letting of the Premises to the Lessee pursuant to this paragraph (d) or otherwise to the Final Lease Extension Date or to any other date, and the respective rights and obligations of the parties regarding the Lessee's use, occupancy and possession of the Premises after December 27, 2015 or later Current Lease Expiration Date, if any, shall be as set forth in and subject to paragraphs (e) and (f) hereof.

(iii) If the said supplement is fully and duly executed and delivered by both the Port Authority and the Lessee, upon such execution and delivery the same shall be a "Paragraph (d) Extension Supplement" and the expiration of the term of the letting hereunder set forth in said Paragraph (d) Extension Supplement shall be and become the Current Lease Expiration

Date until a subsequent Paragraph (d) Extension Supplement, if any, is executed as provided for and in accordance with this paragraph (d) extending the term of the letting hereunder beyond said Current Lease Expiration Date, provided, however, when and if the term of the Current Lease is extended to the Final Lease Extension Date, then the Paragraph (d) Extension Supplement containing such Final Lease Extension Date shall be the final Paragraph (d) Extension Supplement and the Port Authority shall have no further obligation whatsoever to extend the term of the letting under the Current Lease or to enter into any other Paragraph (d) Extension Supplement.

(e) (1) The Port Authority shall have no obligation whatsoever to the Lessee or to any other Person or entity to extend the Basic Lease and the term of the letting thereunder beyond December 31, 2015 or to any other date, or to enter into any New Airport Lease or to extend the term of the letting thereunder, or to enter into any Airport Lease Extension Agreement, or to become the owner of the fee in the Airport or in the Premises, or to enter into, complete or effect a Fee Transfer Agreement, a Fee Transfer Date or any other agreement of lease or other transaction, sale or other transfer which would continue, create or transfer any use, occupancy, possession, tenancy, estate, interest or right of the Port Authority in or with respect to the Airport or the Premises after the expiration of the Airport Lease or for the Port Authority to continue or create any occupancy, use, possession, tenancy, estate, interests or rights of the Port Authority or any other Person or entity in or with respect to the Airport or the Premises after the expiration the Airport Lease, and nothing in this Lease shall impose or be deemed to impose any obligation, duty, responsibility or liability whatsoever on the Port Authority to extend the Basic Lease and the term of the letting thereunder beyond December 31, 2015 or to any other date, or to enter into any New Airport Lease or to extend the term of the letting thereunder, or to enter into any Airport Lease Extension Agreement, or to become the owner of the fee in the Airport or in the Premises, or to enter into, complete or effect a Fee Transfer Agreement, a Fee Transfer Date or any other agreement of lease or other transaction, sale or other transfer which would continue, create or transfer any use, occupancy, possession, tenancy, estate, interest or right of the Port Authority in or with respect to the Airport or the Premises after the expiration of the Airport Lease or for the Port Authority to continue or create any occupancy, use, possession, tenancy, estate, interests or rights of the Port Authority or any other Person or entity in or with respect to the Airport or the Premises after the expiration the Airport Lease, or to enter into, hold or continue any discussions or negotiations with the City of New York or any other Person or entity with respect thereto. The Port Authority shall have full, complete and sole right and discretion to discuss, negotiate and to enter into or not discuss, negotiate or enter into any agreement with the City of New York or any other Person or entity for any extension of the term of the Basic Lease or for any New Airport Lease or for any Airport Lease Extension Agreement or for any Fee Transfer Agreement or for any Fee Transfer Date or for any other agreement of lease or other transaction, sale or transfer which would continue, create or transfer any use, occupancy, possession, tenancy, estate, interest or right of the Port Authority in or with respect to the Airport or the Premises after the expiration of the Airport Lease or for the Port Authority to continue or create any occupancy, use, possession, tenancy, estate, interests or rights of the Port Authority or any other Person or entity in or with respect to the Airport

or the Premises after the expiration the Airport Lease, and as to any and all of the terms and conditions of any such extensions or other agreements, and neither this Section nor paragraphs (c), (d) or (f) of this Section 3 nor anything contained therein shall or shall be deemed to impair, limit or affect the said right and discretion of the Port Authority or to grant to the Lessee or any other Person or entity any right, claim or remedy hereunder or otherwise with respect to the Basic Lease, any New Airport Lease, any Airport Lease Extension Agreement, or any extension or non-extension of the term thereof, or with respect to any Fee Transfer Agreement or any Fee Transfer Date or any other agreement of lease or other transaction, sale or other transfer which would continue, create or transfer any use, occupancy, possession, tenancy, estate, interest or right in or with respect to the Airport or the Premises in or of the Port Authority after the expiration of the Airport Lease, or for the Port Authority to continue or create any occupancy, use, possession, tenancy, estate, interests or rights of the Port Authority or any other Person or entity in or with respect to the Airport or the Premises after the expiration or termination of the Airport Lease. The Lessee hereby expressly understands, acknowledges, agrees and accepts that the Port Authority hereby makes no promises, representations, assurances, agreements or commitments of any kind whatsoever that it will undertake or enter into any discussions, negotiations, or agreements with the City of New York or any other Person or entity with respect to any extension of the Airport Lease, any New Airport Lease, any Airport Lease Extension Agreement, any Fee Transfer Agreement or any Fee Transfer Date or any other agreement of lease or other transaction, sale or other transfer which would continue, create or transfer any use, occupancy, possession, tenancy, estate, interest or right of the Port Authority in or with respect to the Airport or the Premises after the expiration of the Airport Lease or for the Port Authority to continue or create any occupancy, use, possession, tenancy, estate, interests or rights of the Port Authority or any other Person or entity in or with respect to the Airport or the Premises after the expiration the Airport Lease.

(2) (i) Without limiting or affecting any of the terms and conditions of Section 26 hereof entitled "Surrender", Section 28 hereof entitled "Effect of Basic Lease" or Section 31 hereof entitled "Limitation of Rights and Privileges Granted", the Lessee covenants and agrees as follows: The Current Lease and the letting of the Premises to the Lessee shall be subject, subordinate and subservient to the Airport Lease and the Fee Transfer Agreement and the Fee Transfer Date, as the case shall be, and to the tenancy, estate, interests and rights of the Port Authority in or with respect to the Airport or under the Airport Lease including any and all Airport Lease Extension Agreements and to any and all terms and provisions thereof which affect or may affect the terms and provisions of the Current Lease and subject to the Port Authority's right and election to or not to continue or defend any use, occupancy, possession, tenancy, estate, interest or right of the Port Authority in or with respect to the Airport. Without limiting the generality of the foregoing, the Lessee's use, occupancy and possession of, and the Lessee's rights, interests, tenancy and estate in and with respect to, the Premises, including without limitation any Permitted Tenancy, shall at all times be and remain subordinate, subservient and subject to the Port Authority's use, occupancy, possession, rights, interests, tenancy and estate in and with respect to the Premises and the Airport.

(ii) In addition, the Lessee covenants and agrees that no act or omission of the Lessee shall serve to defeat or deny, be adverse to, or be inconsistent or interfere with, the Port Authority's use, occupancy, possession, claims, rights, interests, tenancy or estate in or with respect to the Airport or any portion thereof, including without limitation the Premises, or the landlord tenant relationship between the Port Authority (as landlord) and the Lessee (as tenant). Further, the Lessee covenants and agrees that it shall not do anything or take any action (including without limitation entering into any agreement, concurrent or other lease, contract, memorandum or other writing or instrument for or with respect to the Premises or the Airport with the City of New York or any other Person or entity) the intent, effect or result of which would defeat or deny, be adverse to, or be inconsistent or interfere with, the Port Authority's use, occupancy, possession, claims, rights, interests, tenancy or estate in or with respect to the Airport or any portion thereof, including without limitation the Premises. Without limiting the foregoing, for such period as the Port Authority shall use, occupy or possess, or shall have any right, interest or estate in or with respect to or shall have any claim to the use, occupancy or possession of, the Airport or the Premises, the Lessee shall not attorn to, or become the tenant of, any Person or entity (other than the Port Authority) and the Lessee at all such times as it shall use, occupy or possess the Premises shall do so as the tenant of the Port Authority and not of the City of New York or of any other Person or entity (other than the Port Authority) and all payments of rentals payable under the Current Lease, including without limitation during any Permitted Tenancy, and payments for use and occupancy of the Premises shall be payable and paid by the Lessee to the Port Authority and to no other Person or entity. Without limiting any of the foregoing, no act or omission of the Lessee (including without limitation the Lessee entering into any agreement, concurrent or other lease, contract, memorandum or other writing or instrument for or with respect to the Premises or the Airport with the City of New York or any other Person or entity) shall result in or have the effect of resulting in the Lessee having any use, occupancy, possession, tenancy, estate, right, claim or interest in the Premises or the Airport (i) which would be superior, equal or adverse to that of the Port Authority or (ii) which would become effective prior to the time that the Port Authority shall have surrendered, delivered or transferred its possession, use and/or occupancy of the Airport and the Premises or prior to the time that all of the Port Authority's claims, interests, rights, tenancy and estate in and with respect to, and its possession, use and/or occupancy of, the Airport and the Premises shall have been extinguished or (iii) which would result or effect an attornment by the Lessee to the City or to any other Person or entity (other than the Port Authority). Further, the Lessee covenants and agrees that it shall not do anything or take any action (including without limitation entering into any agreement, concurrent or other lease, contract, memorandum or other writing or instrument for or with respect to the Premises or the Airport with the City of New York or any other Person or entity) the intent, effect or result of which would be the Lessee having any use, occupancy, possession, tenancy, estate, right, claim or interest in the Premises or the Airport (i) which would be superior, equal or adverse to that of the Port Authority or (ii) which would become effective prior to the time that the Port Authority shall have surrendered, delivered or transferred its possession, use and/or occupancy of the Airport and the Premises or prior to the time that all of the Port Authority's claims, interests, rights, tenancy and estate in and with respect to, and its possession, use and/or occupancy of, the

Airport and the Premises shall have been extinguished or (iii) which would result or effect an attornment by the Lessee to the City or to any other Person or entity (other than the Port Authority).

(iii) The Lessee shall execute such documents and instruments, make such representations, certifications and warranties and provide such other cooperation, as may be requested by the Port Authority, to effectuate and complete such proposed Fee Transfer Agreement and Fee Transfer Date.

(3) It is expressly understood and agreed that the Port Authority shall have no obligation hereunder or otherwise to make any payment to the Lessee, including without limitation any payment of the Lessee's Unamortized Redevelopment Investment, in the event for any reason there is no extension of the term of the letting hereunder beyond December 27, 2015 or if there is no Permitted Tenancy thereafter or, if there is any extension of the term of the letting hereunder beyond December 27, 2015, there is no extension of the term of the letting under the Current Lease to the Final Lease Extension Date or no Permitted Tenancy after any Current Lease Expiration Date and that nothing in this Section including without limitation paragraphs (c) and (d) hereof nor anything contained therein nor any action taken or not taken under this Section or as a result thereof shall or shall be deemed to impose any such obligation on the Port Authority or to constitute any agreement, duty, responsibility or liability of the Port Authority for any such payment.

(4) Nothing in this Section 3, nor the operation thereof, nor any rights granted thereby, nor any action taken or not taken thereunder, shall or shall be deemed to release or relieve the Lessee from any liability or obligation to the Port Authority under this Lease or otherwise or to waive, impair, alter, limit or restrict any of the rights or remedies of the Port Authority in law or in equity under this Lease or otherwise. Without limiting the generality of the foregoing, the Lessee understands and agrees that nothing in this Section shall or shall be deemed to have to waived, impaired, altered, limited or restricted the Lessee's obligations under Section 26 hereof entitled "Surrender"or Section 28 hereof entitled "Effect of Basic Lease"or to have granted to the Lessee any rights whatsoever whether under this Lease, the Current Lease or otherwise which would be contrary to, a breach of, or conflict or be inconsistent with, the terms and conditions of said Sections or with the Basic Lease or the Airport Lease. Without limiting the generality of the foregoing, in the event the Lessee or any Person or other entity claiming by, through or under the Lessee is in use, occupancy or possession of the Premises or any portion thereof in violation of any the foregoing or any other term or condition of the Current Lease, the Port Authority, in addition to and without limiting any of its other rights and remedies, may recover from the Lessee any and all damages whatsoever resulting from or in connection therewith, including without limitation, direct, indirect and consequential damages and those which may be unforeseen.

(5) In no event shall the Current Lease, or the letting thereunder, or any

Permitted Tenancy, be or be deemed to be by the provisions of this Agreement or by operation of law or otherwise an assignment thereof or of the Airport Lease in whole or in part. It is the express intention of the parties hereto that unless there shall have been a Fee Transfer Date, the Lessee's right hereunder to possess, occupy and use the Premises shall (subject to any and all rights of termination by the Port Authority) in any and all events expire, unless sooner terminated by the Port Authority, not later than the day preceding the expiration of the Port Authority's rights of possession, occupancy and/or use with respect to the Premises and, accordingly, until all of the Port Authority's rights of possession, use and/or occupancy with respect to the Premises shall have been terminated, the Port Authority shall and shall be deemed to have and to have retained a reversionary interest of at least one day prior to the date that the Lessee's right of possession, occupancy and/or use of the Premises shall have expired or shall have been terminated and any tenancy, possession, use or occupancy of the Premises by the Lessee shall be subject and subordinate to such reversionary interest of the Port Authority.

(6) The Lessee understands and agrees that the terms and conditions of paragraphs (c), (d) and paragraph (f) hereof shall be in all respects subject to, subordinate, and subservient to the terms and conditions of this paragraph (e) and, in the event that any of the terms and conditions of paragraphs (c), (d) or paragraph (f) are inconsistent or conflict with, or are contrary to, or violate any of the terms and conditions of this paragraph (e) or Sections 26 or 28 hereof whether expressly or by the operation thereof pursuant to law, equity or otherwise, that the terms and conditions of this paragraph (e) and Sections 26 and 28 hereof shall in all respects be controlling, determinative and effective.

(7) Without limiting the generality of the terms and conditions of Section 13 hereof entitled "Indemnity and Liability Insurance", the Lessee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives, from and against (and shall reimburse the Port Authority for the Port Authority's costs and expenses including legal expenses, whether those of the Port Authority's Law Department or otherwise, incurred in connection with the defense of) all claims and demands whatsoever including without limitation direct, indirect, consequential or unforeseen damages, of third persons resulting from or in connection with any of the terms and conditions of this Section 3 or any Permitted Tenancy or any of the rights granted to the Lessee by this Section or the exercise thereof or any breach of or default under the Basic Lease by the Port Authority on account thereof, including without limitation, any use, occupancy or possession of the Premises by the Lessee upon the expiration or termination of the Basic Lease or any Airport Lease or any Permitted Tenancy, the foregoing to include without limitation all claims and demands of the City of New York or any other Person or entity claiming on behalf of, by, under or through the City, for indemnification or otherwise, arising by operation of law or through agreement of the Port Authority with the said City. If so directed, the Lessee shall at its own expense defend any suit based upon any such claim or demand (even if such claim or demand is groundless, false or fraudulent), and in handling such it shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any

defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority.

(f) (1) In the event that the Current Lease Expiration Date shall have occurred and the Port Authority shall continue without interruption the use, occupancy and possession of the Airport, including without limitation the Premises, with the permission of the City (it being understood and agreed that for the purpose of the foregoing no occupancy, use or possession of any portion of the Airport by, under or through the Lessee shall or shall be deemed to be any use, occupancy or possession of the Airport, including the Premises, by the Port Authority), then for so long as the Port Authority's use, occupancy and/or possession of the Airport with the permission of the City (the foregoing to exclude as aforesaid any use, occupancy and/or possession of any portion of the Airport by, through or under the Lessee) shall continue without interruption and without a Fee Transfer Date or a Paragraph (d) Extension Supplement, the Lessee's continued and uninterrupted use, occupancy and possession of the Premises, subject to the terms and provisions of paragraph (f)(2) below, shall for the purposes of this Section be a "Permitted Tenancy", provided, however, all the terms and provisions of paragraph (f)(2) below shall have been satisfied and further that such use, occupancy such Permitted Tenancy shall be subject to the following terms and conditions:

(aa) No Permitted Tenancy shall continue beyond, and shall in all events end upon, the earliest to occur of (i) the Final Lease Expiration Date or (ii) one day prior to the earlier to occur of the surrender or delivery by the Port Authority of its use, occupancy or possession of the Airport; it being understood and agreed that no occupancy, use or possession of any portion of the Airport by, under or through the Lessee shall or shall be deemed to be any use, occupancy or possession of the Airport, including the Premises, by the Port Authority for the purpose of the foregoing or (iii) one day prior to the date that all of the rights of the Port Authority to use, occupy or possess the Airport shall have been terminated or (iv) the effective date of a Paragraph (c) Extension Supplement or any Paragraph (d) Extension Supplement, provided, however, no Permitted Tenancy shall in any event continue after the 30th day after the Port Authority shall have delivered to the Lessee a proposed paragraph (c) extension supplement pursuant to paragraph (c) of this Section or after the 30th day after the Port Authority shall have delivered to the Lessee a proposed paragraph (d) extension supplement pursuant to paragraph (d) of this Section, and

(bb) All the terms and conditions of the Current Lease, including without limitation all the terms and conditions of this Section, shall apply and pertain to any Permitted Tenancy except that in addition to the rentals set forth in Section 4 hereof or elsewhere in the Current Lease the Lessee shall pay to the Port Authority a further additional rental equal to all of the Port Authority's increased costs under, arising out of, or resulting

from, the Port Authority's use, occupancy and/or possession of the Airport during the time that any Permitted Tenancy shall be in effect which are directly or proportionately attributable or related to the Premises, the Current Lease, the Lessee or the Permitted Tenancy, which additional rental shall be in such amount as shall be billed by the Port Authority to the Lessee and shall be paid by the Lessee to the Port Authority within ten (10) days of receipt of the bill therefor, provided, however, the Port Authority has advised the Lessee that it is the intention of the Port Authority that with respect to such increased costs of the Port Authority, that all Aircraft Operators at the Airport which are similarly situated will be treated in a similar manner.

(2) In no event shall there be any Permitted Tenancy unless on, and at all times prior to, the Current Lease Expiration Date all of the following terms and conditions shall have been complied with:

(aa) the term of the letting under the Current Lease be in full force and effect;

(bb) neither the Lessee nor the Port Authority shall be in receipt of, or have served or given, any valid notice of termination of the letting under the Current Lease;

(cc) the Port Authority shall not be in receipt of, nor have given or served, any valid notice of termination of the Port Authority's tenancy, possession, use, occupancy or other interest or estate in the Airport, including without limitation the Premises, whether under the Airport Lease, any hold over or other tenancy, occupancy or use or otherwise;

(dd) neither the City nor any other Person or entity claiming on behalf of, by or under the City shall have commenced any action or proceeding in a court of competent jurisdiction against the Port Authority or the Lessee or the interest or estate of the Port Authority or the Lessee for the use, occupancy or possession of the Premises or the Airport or other relief or damages in connection with possession of the Premises or the Airport, whether by way of an action for ejectment, eviction, summary proceedings or otherwise, provided, however, that where such action or proceeding shall have so commenced and the same is resolved or decided so that all of the terms and conditions set forth in this paragraph (f) are fully satisfied, including without limitation the continued, uninterrupted possession of the Airport by the Port Authority with the permission of the City and the continued, uninterrupted possession of the Premises by the Lessee, then said commencement of such action or proceeding shall not prevent the Permitted Tenancy;

(ee) the Lessee shall be in full compliance with all of the terms, provisions, covenants and conditions of the Current Lease on its part to be kept, performed and observed on the Current Lease Expiration Date; and further the Lessee shall not be in default or breach of any of the foregoing or, to the extent the Lessee has been granted a period to cure such default or breach by paragraph (a) of Section 20 hereof entitled

"Termination by the Port Authority" prior to such default or breach giving rise to the right of the Port Authority to terminate the term of the letting, the Lessee shall be in the process of curing such default or breach in compliance with the terms and conditions of said paragraph (a) and the Port Authority shall have not given or served a notice of termination on the Lessee, provided, however, no Permitted Tenancy shall or shall be deemed to be a waiver of any rights or remedies of the Port Authority, including without limitation, any of it rights of termination, in the event that the Lessee does not cure such default or breach as required by the terms and conditions of the Current Lease;

(ff) there shall not have occurred any event of termination under any term or provision of the Current Lease, including without limitation Section 18 entitled "Condemnation", Section 20 entitled "Termination by the Port Authority", Section 52 entitled "Lessee's Financial Condition-Limitation of Lease Term-Triggering Events" and Section 54 entitled "Right of Termination-Securities Ownership";

(gg) there shall not have occurred any assignment of the Current Lease under Section 53 hereof entitled "Assignment to a Trust" or any Changes in Landlord Rights;

(hh) the use, occupancy and possession of the Premises by the Lessee and the use, occupancy and possession of the Airport and the Premises by the Port Authority shall have been continuous and without interruption from the Effective Date;

(ii) the term of the Current Lease and the letting thereunder shall not be on a month-to-month periodical basis pursuant to Section 52 or Section 53 hereof;

(jj) none of the Triggering Events listed in Exhibit 52.1 shall have occurred;

(kk) there shall have been no preceding Fee Transfer Date,

(ll) the Current Lease shall have not been extended to or beyond the Final Lease Extension Date,

(mm) All of the Required Conditions shall have occurred; and

(nn) The Lessee shall have submitted to the Port Authority such written representations, warranties and certifications, as may have been requested by the Port Authority as to each of the matters set forth in subparagraphs (aa) through (mm) above.

(3) Notwithstanding subparagraph (1) of this paragraph (f), nothing in this paragraph shall or shall be deemed to grant any rights in the Lessee to cause or be the reason for the Port Authority to be in breach of the Airport Lease or of any of the Port Authority's covenants or obligations to the City or to any other Person with respect to the use, occupancy or possession of the Premises by, through or under the Port Authority or by, through or under the Lessee and the

Lessee hereby expressly covenants and agrees that at no time shall the Lessee's use, occupancy or possession of the Premises cause or result in any breach of the Airport Lease or of any of the covenants or obligations of the Port Authority to the City or any other Person or entity or be the basis upon which any claim or demand is made against the Port Authority by the City or any other Person or entity. Further, nothing in this paragraph shall or shall be deemed to have created any obligation whatsoever in the Port Authority to continue in or defend any use, occupancy or possession of the Airport or the Premises by the Port Authority, the Lessee or other Person or entity after any Current Lease Expiration Date and the terms and conditions of this paragraph (f) shall be in all respects subject to, subordinate, and subservient to the terms and conditions of paragraph (e) of this Section, including without limitation, that any Permitted Tenancy shall be in all respects subject to, subordinate, and subservient to the Port Authority's use, occupancy, possession, rights, interests, tenancy and estate in and with respect to the Premises and the Airport.

(4) It is hereby agreed that no Permitted Tenancy shall or shall be deemed to be a hold over tenancy and nothing in this paragraph shall or shall be deemed to have created any obligation in the Port Authority or any right or interest in the Lessee or to any other Person or entity for the Lessee to be or become a hold over tenant of or under the Port Authority, provided, however, that all the terms and conditions of the Current Lease with respect to month-to-month periodical tenancies, including without limitation Sections 52 and 53 thereof, shall remain and be in full force and effect during the term of any Permitted Tenancy.

(g) Without limiting any other term or provision hereof, all the terms and provisions of this Section and the obligations of the Lessee thereunder shall survive the expiration or earlier termination of the letting under this Lease or shall survive any under any Current Lease and the expiration or earlier termination of any Permitted Tenancy

Section 4. Rental

Without affecting the rentals or the payment thereof under the Lease prior to the Effective Date, it is hereby agreed that from and after the Effective Date the rentals payable by the Lessee to the Port Authority under the Lease shall be as follows:

I. Definitions:

For the purposes of the Lease the following terms shall have the respective meanings given below:

(a) "Adjustment Period" shall mean as the context requires the twelve-month period commencing on January 1, 2001 and expiring on December 31, 2001, and each of the succeeding twelve-month periods thereafter occurring during the term of the letting under the Lease commencing on each January 1 and in the event the Lease expires or is terminated on other than the last day of an Adjustment Period then in such event "Adjustment Period" shall mean the actual number of days during such Adjustment Period that the Lease was in effect.

(b) "Area IA and IB Building Rental" shall mean the rental payable by the Lessee to the Port Authority for the Building No. 57 Area IA and the Building No. 57 Area IB pursuant to and calculated in accordance with the terms of paragraph (b) of Subdivision II this Section.

(c) "Area I Building Area" shall mean the Building No. 57 Area IA, the Building No. 57 Area IB and the Building No. 57 Area IC.

(d) "Area I Building Rental" shall mean the rental payable by the Lessee to the Port Authority for the Area I Building Area pursuant to and calculated in accordance with the terms of paragraph (c) of Subdivision II this Section.

(e) "Area II Building Area" shall mean the interior space (as described in Subdivision IV below) as shown in diagonal hatching and the pedestrian connector as shown in stipple diagonal hatching on pages 4 and 5 of the exhibit attached hereto, hereby made a part hereof and marked "Exhibit 4.1" (which exhibit is herein called "Exhibit 4.1").

(f) "Area II Building Rental" shall mean the rental payable by the Lessee to the Port Authority for the Area II Building Area pursuant to and calculated in accordance with the terms of paragraph (d) of Subdivision II of this Section.

(g) "Base Terminal Rental Rate" shall mean the rental rate calculating in accordance with and pursuant to paragraph (e)(1) below.

(h) "Building No. 57 Area IA" shall mean the interior space (as described in Subdivision IV below) designated by the letter "A", and more specifically including Area 3-A, Area 4-A, Area 7-A, Area 9-A, Area 14-A, Area 15-A, Area 16-A, Area 21-A, Area 26-A and Area 29-A as shown on pages 1 through 3 of Exhibit 4.1 hereof.

(i) "Building No. 57 Area IB" shall mean the interior space (as described in Subdivision IV below) designated by the letter "B", and more specifically including Area 1-B, Area 2-B, Area 11-B, Area 12-B, Area 13-B, Area 18-B, Area 23-B, Area 25-B, Area 27-B and Area 28-B, as shown on pages 1 through 3 of Exhibit 4.1 hereof.

(j) "Building No. 57 Area IC" shall mean the interior space (as described in Subdivision IV below) designated by the letter "C", and more specifically including Area 5-C, Area 6-C, Area 8-C, Area 10-C, Area 17-C, Area 19-C, Area 20-C, Area 22-C, Area 24-C, Area 30-C and Area 31-C, as shown on pages 1 through 3 of Exhibit 4.1 hereof.

(k) "Building Rentals" shall collectively mean the Area I Building Rental

and the Area II Building Rental.

(l) "Building Rental End Date" shall mean the first day of the month after which all of the Required Conditions shall have first occurred.

(m) "CPI" or "Consumer Price Index" shall mean the Consumer Price Index for all Urban Consumers, New York-Northern New Jersey, Long Island, NY-NJ-CT (All Items, unadjusted 1982-84=100) published by the Bureau of Labor Statistics of the United States Department of Labor.

(n) "CPI Percentage Increase" shall mean the annual percentage increase, if any, in the CPI yielded by dividing the amount of the increase, if any, in the CPI for one Reference Month as compared to the CPI for the immediately preceding Reference Month, by the CPI for the earlier of the two Reference Months; as determined by the Port Authority.

(o) "Ground Rental" shall mean the rental payable by the Lessee to the Port Authority pursuant to and calculated in accordance with the terms of paragraph (a) of Subdivision II of this Section.

(p) "Reference Month" shall mean the month of December 1999 (the first Reference Month) and each succeeding month of December occurring during the remainder of the term of the letting under the Lease.

(q) "Rentals" shall collectively mean the Ground Rental, the Area IA and IB Building Rental, the Area I Building Rental and the Area II Building Rental.

(r) "Terminal Rental Adjustment Period" shall mean as the context requires the twelve-month period commencing on the first anniversary of the Terminal Rental Commencement Date and expiring on the day immediately preceding the second anniversary of the Terminal Rental Commencement Date, and each of the succeeding twelve-month periods thereafter occurring during the term of the letting under the Lease commencing on each anniversary of the Terminal Rental Commencement Date, provided, however, in the event the Terminal Rental Commencement Date is other than the first day of a calendar month, the "Terminal Rental Adjustment Period" shall mean as the context requires the twelve-month period commencing on the first day of the month in which the first anniversary of the Terminal Rental Commencement Date shall occur and expiring on the last of the month immediately preceding the month in which the second anniversary of the Terminal Rental Commencement Date shall occur, and each of the succeeding twelve-month periods thereafter occurring during the term of the letting under the Lease commencing on the first day of the month in which each succeeding anniversary date of the Terminal Rental Commencement Date shall occur, and provided, further, in the event the

Lease expires or is terminated on other than the last day of a Terminal Rental Adjustment Period then in such event "Terminal Rental Adjustment Period" shall mean the actual number of days during such Terminal Rental Adjustment Period that the Lease was in effect.

(s) "Terminal Rental" shall mean the rental payable by the Lessee to the Port Authority pursuant to and calculated in accordance with the terms of paragraph (e) of Subdivision II of this Section.

(t) "Terminal Rental Commencement Date" shall mean the earlier to occur of the 31st anniversary of the Effective Date or the 25th anniversary of the Redevelopment Work Completion Date.

(u) "Terminal Rental CPI Percentage Increase" shall mean the annual percentage increase, if any, in the CPI yielded by dividing the amount of the increase, if any, in the CPI for one Terminal Rental Reference Month as compared to the CPI for the immediately preceding Terminal Rental Reference Month, by the CPI for the earlier of the two Terminal Rental Reference Months; as determined by the Port Authority.

(v) "Terminal Rental Rate" shall mean the rental rate calculated by the Port Authority in accordance with the terms of paragraph (e) of Subdivision II of this Section.

(w) "Terminal Rental Reference Month" shall mean the month in which the Terminal Rental Commencement Date shall occur (the first Terminal Rental Reference Month) and each succeeding month in which an anniversary of the Terminal Rental Commencement Date shall occur during the remainder of the term of the letting under the Lease.

II. Rental:

(a) (1) Effective as of the Effective Date, the Lessee shall pay to the Port Authority a rental for the ground area shown in stipple and stipple diagonal hatching on Exhibit 1.1 (the "Ground Rental") at the rate of (Ex. 2.a.) per annum for the portion of the term of the letting from the Effective Date to December 31, 2000, both dates inclusive, which Ground Rental shall thereafter be adjusted on an annual basis as hereinafter set forth during the term of the letting under the Lease.

(2) The Port Authority shall ascertain the CPI for the first Reference Month and for each succeeding Reference Month after the same has been published, and the Port Authority shall also determine each CPI Percentage Increase.

(3) (i) Effective on January 1, 2001, the Ground Rental shall be increased as follows: the Ground Rental set forth in paragraph (a)(1) above, shall be multiplied (x) by a percentage composed of ½ of the CPI Percentage Increase as calculated using the two immediately preceding Reference Months (that is December 1999 and December 2000) plus 100% and (y) by 104%; and the greater of the amounts so obtained from the foregoing calculations set forth in clauses (x) and (y) shall be and become the Ground Rental in effect for the Adjustment Period commencing on January 1, 2001.

(ii) Effective on January 1, 2002 and on the first day of each Adjustment Period occurring during the remainder of the term of the letting under the Lease, the Ground Rental shall be further increased for each Adjustment Period as follows: the amount of the Ground Rental set forth in paragraph (a)(1) above as the same may have been last adjusted under this paragraph (a), shall be multiplied (x) by a percentage composed of ½ of the CPI Percentage Increase calculated using the two Reference Months immediately preceding the first day of the subject Adjustment Period plus 100% and (y) by 104%; and the greater of the amounts so obtained from the foregoing calculations set forth in clauses (x) and (y) shall be and become the Ground Rental in effect for the Adjustment Period.

(b) For the portion of the term of the letting from the Effective Date to December 31, 2002, both dates inclusive, the Lessee shall pay to the Port Authority a rental for the Building No. 57 Area IA and the Building No. 57 Area IB (the "Area IA and IB Building Rental") at the rate of (Ex. 2.a.) per annum.

(c) (1) Effective on January 1, 2003, the Lessee shall pay to the Port Authority a rental for the Area I Building Area (the "Area I Building Rental") at a rate per annum equal to the product obtained by multiplying 367,025 square feet by the Base Terminal Rental Rate in effect for the Adjustment Period commencing on January 1, 2003, which Area I Building Rental shall thereafter be adjusted on an annual basis as hereinafter set forth during portion of the term of the letting under the Lease ending on the day immediately preceding the Building Rental End Date. From and after the Building Rental End Date, if any, there shall be no Area I Building Rental payable under the Lease.

(2) The Port Authority shall ascertain the CPI for the first Reference Month and for each succeeding Reference Month after the same has been published, and the Port Authority shall also determine each CPI Percentage Increase.

(3) (i) Effective on January 1, 2004, the Area I Building Rental shall be increased as follows: the Area I Building Rental set forth in paragraph (c)(1) above, shall be multiplied by a percentage composed of ½ of the CPI Percentage Increase as

calculated using the two immediately preceding Reference Months (that is December 2002 and December 2003) plus 100%; and the amount so obtained from the foregoing calculation shall be and become the Area I Building Rental in effect for the Adjustment Period commencing on January 1, 2004.

(ii) Effective on January 1, 2005, and on the first day of each Adjustment Period occurring during the remainder of the portion of the term of the letting under the Lease ending on the day immediately preceding Building Rental End Date, the Area I Building Rental shall be further increased for each Adjustment Period as follows: the amount of the Area I Building Rental set forth in paragraph (c)(1) above as the same may have been last adjusted under this paragraph (c), shall be multiplied by a percentage composed of ½ of the CPI Percentage Increase calculated using the two Reference Months immediately preceding the first day of the subject Adjustment Period plus 100%; and the amount so obtained from the foregoing calculation shall be and become the Area I Building Rental in effect for the Adjustment Period.

(d) (1) Effective as of the Effective Date, the Lessee shall pay to the Port Authority a rental for the Area II Building Area (the "Area II Building Rental") at the rate of (Ex. 2.a.) per annum for the portion of the term of the letting from the Effective Date to December 31, 2000, both dates inclusive, which Area II Building Rental shall thereafter be adjusted on an annual basis as hereinafter set forth during the portion of the term of the letting under the Lease ending on the day immediately preceding the Building Rental End Date. From and after the Building Rental End Date, if any, there shall be no Area I Building Rental payable under the Lease.

(2) The Port Authority shall ascertain the CPI for the first Reference Month and for each succeeding Reference Month after the same has been published, and the Port Authority shall also determine each CPI Percentage Increase.

(3) (i) Effective on January 1, 2001, the Area II Building Rental shall be increased as follows: the Area II Building Rental set forth in paragraph (d)(1) above, shall be multiplied by a percentage composed of ½ of the CPI Percentage Increase as calculated using the two immediately preceding Reference Months (that is December 1999 and December 2000) plus 100%; and the amount so obtained from the foregoing calculation shall be and become the Area II Building Rental in effect for the Adjustment Period commencing on January 1, 2001.

(ii) Effective on January 1, 2002, and on the first day of each Adjustment Period occurring during the remainder of the portion of the term of the letting under the Lease ending on the day immediately preceding the Building Rental End

Date, the Area II Building Rental shall be further increased for each Adjustment Period as follows: the amount of the Area II Building Rental set forth in paragraph (d)(1) above as the same may have been last adjusted under this paragraph (d), shall be multiplied by a percentage composed of ½ of the CPI Percentage Increase calculated using the two Reference Months immediately preceding the first day of the subject Adjustment Period plus 100%; and the amount so obtained from the foregoing calculation shall be and become the Area II Building Rental in effect for the Adjustment Period.

(e) From and after the Terminal Rental Commencement Date, the Lessee shall pay to the Port Authority a rental for all the interior portions of the Premises (the "Terminal Rental") as follows:

(1) (i) Effective on January 1, 2001, the amount of (Ex. 2.a.) (which amount it is hereby agreed is the annual per square foot rental for the Area II Building Area on the Effective Date and is hereinafter called the "Base Terminal Rental Rate") shall be increased as follows: the Base Terminal Rental Rate of shall be multiplied by a percentage composed of ½ of the CPI Percentage Increase as calculated using the two immediately preceding Reference Months (that is December 1999 and December 2000) plus 100%; and the amount so obtained from the foregoing calculation shall be and become the Base Terminal Rental Rate for the Adjustment Period commencing on January 1, 2001.

(ii) Effective on January 1, 2002, and on the first day of each Adjustment Period occurring during the remainder of the term of the letting under the Lease up to and including the Terminal Rental Commencement Date, the Base Terminal Rental Rate shall be further increased for each Adjustment Period as follows: the amount of the Base Terminal Rental Rate set forth in paragraph (e)(1)(i) above as the same may have been last adjusted under this paragraph (e)(1), shall be multiplied by a percentage composed of ½ of the CPI Percentage Increase calculated using the two Reference Months immediately preceding the first day of the subject Adjustment Period plus 100%; and the amount so obtained from the foregoing calculation shall be and become the Base Terminal Rental Rate for the Adjustment Period.

(2) The Port Authority shall determine the Terminal Rental Rate in effect on the Terminal Rental Commencement Date, which Terminal Rental Rate shall be equal to the product obtained by multiplying the number of square feet of interior space in the Premises on the Terminal Rental Commencement Date calculated on the basis set forth in Subdivision VI below, by the Base Terminal Rental Rate in effect during the Adjustment Period during which the Terminal Rental Commencement Date shall occur.

(3) (i) Effective on the Terminal Rental Commencement

Date, the Lessee shall pay to the Port Authority a Terminal Rental for the portion of the term of the letting under the Lease from the Terminal Rental Commencement Date to the last day of the month immediately preceding the month in which the first anniversary of the Terminal Rental Commencement Date occurs, both dates inclusive, at an annual rate equal to the product obtained by multiplying the Terminal Rental Rate in effect on the Terminal Rental Commencement Date by 33.33%, which Terminal Rental shall thereafter be adjusted on an annual basis as hereinafter set forth during the remainder of the term of the letting under the Lease.

(ii) The Port Authority shall ascertain the CPI for the first Terminal Rental Reference Month and for each succeeding Terminal Rental Reference Month after the same has been published, and the Port Authority shall also determine each Terminal Rental CPI Percentage Increase.

(iii) Effective on first day of the Terminal Rental Adjustment Period in which the first anniversary of the Terminal Rental Commencement Date occurs, the Terminal Rental set forth in paragraph (e)(3)(i) above shall be increased as follows: (i) the Terminal Rental Rate determined in accordance with paragraph (e)(3)(i) above, shall be multiplied by a percentage composed of ½ of the Terminal Rental CPI Percentage Increase as calculated using the two immediately preceding Terminal Rental Reference Months plus 100%; and the amount so obtained from the foregoing calculation shall be and become the Terminal Rental Rate in effect for the Terminal Rental Adjustment Period commencing on the first day of the month in which the first anniversary of the Terminal Rental Commencement Date occurs; and (ii) for such Terminal Rental Adjustment Period the Lessee shall pay to the Port Authority an annual Terminal Rental equal to the product obtained by multiplying the Terminal Rental Rate for such Terminal Rental Adjustment Period by 33.33%.

(iv) Effective on the first day of the Terminal Rental Adjustment Period in which the second anniversary of the Terminal Rental Commencement Date occurs, the Terminal Rental set forth in paragraph (e)(3)(iii) above shall be increased as follows: (i) the Terminal Rental Rate determined in accordance with paragraph (e)(3)(iii) above shall be multiplied by a percentage composed of ½ of the Terminal Rental CPI Percentage Increase as calculated using the two immediately preceding Terminal Rental Reference Months plus 100%; and the amount so obtained from the foregoing calculation shall be and become the Terminal Rental Rate in effect for the Terminal Rental Adjustment Period commencing on the first day of the month in which the second anniversary of the Terminal Rental Commencement Date occurs; and (ii) for such Terminal Rental Adjustment Period the Lessee shall pay to the Port Authority an annual Terminal Rental equal to the product obtained by multiplying the Terminal Rental Rate for such Terminal Rental Adjustment Period by 66.67%.

(v) Effective on the first day of the Terminal Rental Adjustment Period in which the third anniversary of the Terminal Rental Commencement Date occurs, the Terminal Rental set forth in paragraph (e)(3)(iv) above shall be increased as follows: (i) the Terminal Rental Rate determined in accordance with paragraph (e)(3)(iv) above shall be multiplied by a percentage composed of ½ of the Terminal Rental CPI Percentage Increase as calculated using the two immediately preceding Terminal Rental Reference Months plus 100%; and the amount so obtained from the foregoing calculation shall be and become the Terminal Rental Rate in effect for the Terminal Rental Adjustment Period commencing on the first day of the month in which the third anniversary of the Terminal Rental Commencement Date occurs; and (ii) for such Terminal Rental Adjustment Period the Lessee shall pay to the Port Authority an annual Terminal Rental equal to the product obtained by multiplying the Terminal Rental Rate for such Terminal Rental Adjustment Period by 66.67%.

(vi) Effective on first day of the Terminal Rental Adjustment Period in which the fourth anniversary of the Terminal Rental Commencement Date occurs, the Terminal Rental set forth in paragraph (e)(3)(v) above shall be increased as follows: (i) the Terminal Rental Rate determined in accordance with paragraph (e)(3)(v) above shall be multiplied by a percentage composed of ½ of the Terminal Rental CPI Percentage Increase as calculated using the two immediately preceding Terminal Rental Reference Months plus 100%; and the amount so obtained from the foregoing calculation shall be and become the Terminal Rental Rate in effect for the Terminal Rental Adjustment Period commencing on the first day of the month in which the fourth anniversary of the Terminal Rental Commencement Date occurs; and (ii) for such Terminal Rental Adjustment Period the Lessee shall pay to the Port Authority an annual Terminal Rental equal to the Terminal Rental Rate for such Terminal Rental Adjustment Period.

(f) (i) In the event the CPI is not available for any Reference Month, the Lessee shall continue to pay the Rentals at the annual rate then in effect subject to retroactive adjustment based upon the adjustment to the Rentals for such Adjustment Period when the CPI for such Reference Month becomes available. The Lessee hereby agrees to pay to the Port Authority all Rentals due and owing to the Port Authority on the basis of such retroactive adjustments on demand.

(ii) In the event the CPI is not available for any Terminal Rental Reference Month, the Lessee shall continue to pay the Terminal Rental at the annual rate then in effect subject to retroactive adjustment based upon the adjustment to the Terminal Rental for such Terminal Rental Adjustment Period when the CPI for such Terminal Rental Reference Month becomes available. The Lessee hereby agrees to pay to the Port Authority all Terminal Rental due and owing to the Port Authority on the basis of such retroactive adjustments on demand.

(g) In the event of the change of basis or the discontinuance of the publication by the United States Department of Labor of the CPI, such other appropriate index or indexes shall be substituted as may be agreed by the parties hereto as properly reflecting changes in the value of the current United States money in a manner similar to that established in the said indexes used in the latest adjustment. In the event of the failure of the parties to so agree, the Port Authority may select and use such index or indexes as it deems appropriate, provided, however, that the foregoing shall not preclude the Lessee from contesting the Port Authority's selection.

(h) In no event shall any adjustment in the Rentals for any change in the CPI result in a decrease in the Rentals, and in no event shall any adjustment in the Terminal Rental for any change in the CPI result in a decrease in the Terminal Rental, and in no event shall any adjustment in the Base Terminal Rental Rate for any change in the CPI result in a decrease in the Base Terminal Rental Rate.

III. Time of Payment of Rental

The Rentals hereunder shall be payable by the Lessee in advance in equal monthly installments on the Effective Date and on the first day of each and every calendar month thereafter occurring during the balance of the term of the letting under the Lease and the Terminal Rental hereunder shall be payable by the Lessee in advance in equal monthly installments on the Terminal Rental Commencement Date and on the first day of each and every calendar month thereafter occurring during the balance of the term of the letting. If any annual rental established hereunder shall be for less than a whole calendar year each monthly installment payable during such year shall be equal to one-twelfth (1/12th) of said annual rental. If any installment of rental payable hereunder shall be for less than a full calendar month then the rental payment for the portion of the month for which such payment is due shall be the monthly installment prorated on a daily basis using the actual number of days in the said month.

IV. Abatement

Except as set forth in Subdivision V below, in the event that the Lessee shall at any time by the provisions of this Agreement expressly be entitled to abatement of the rentals for the Premises, said abatement shall be computed as follows (it being understood that there shall be no abatement of such rentals under the Lease for any portion of the Premises or any portion of the term except as specifically provided in this Subdivision IV and in Subdivision V and, without limiting the generality of the foregoing, it is hereby understood that there shall be no abatement of any rentals for any portion of the Premises due to demolition of all or any portion of the Area I Building Area or the Area II Building Area performed as part of the Redevelopment Work):

(a) Ground Rental Abatement

For each acre of land in the Premises the use of which is denied to the Lessee:

(1) For the portion of the term of the letting from the Effective Date through December 31, 2000, both dates inclusive, at the daily rate of $191.78; and

(2) For the portion of the term of the letting from January 1, 2001 through the remainder of the term of the letting at the daily rate of $191.78 as appropriately adjusted to reflect any and all adjustments in the Ground Rental pursuant to paragraph (a) of Subdivision II of this Section.

(b) Area IA and IB Building Rental Abatement

For each square foot of the 250,000 square feet of interior space in Building No. 57 Area IA and in Building No. 57 Area IB, the use of which is denied to the Lessee, for the portion of the term of the letting from the Effective Date through December 31, 2002, at the daily rate of $.038356, it being understood and agreed there shall be no abatement for any space in the Building No. 57 Area IC during such period.

(c) Area I Building Rental Abatement

For each square foot of the 367,025 square feet of interior space in the Area I Building Area, the use of which is denied to the Lessee:

(1) For the portion of the term of the letting under the Lease from January 1, 2003 to December 31, 2003, both dates inclusive, at a daily rate equal to the Base Terminal Rental Rate in effect for the Adjustment Period commencing on January 1, 2003, as the same may be reduced by the provisions of paragraph (c)(3) below; and

(2) For the portion of the term of the letting from January 1, 2004 and ending on the day immediately preceding the Building Rental End Date, at the daily rate set forth in paragraph (c)(1) above as appropriately adjusted to reflect any and all adjustments in the Area I Building Rental pursuant to paragraph (c) of Subdivision II of this Section, as the same may be reduced by the provisions of paragraph (c)(3) below.

(3) At any time that the Lessee shall be entitled to an abatement of Building Rentals pursuant to paragraph (a)(1) of Subdivision V below, the abatement rates set forth in paragraphs (c)(1) and (c)(2) of this Subdivision IV shall be reduced by multiplying such rates by 66.67%; and at any time that the Lessee shall be entitled to an abatement of Building Rentals pursuant to paragraph (a)(2) of Subdivision V below, the abatement rates set forth in paragraphs (c)(1) and (c)(2) of this Subdivision IV shall be

reduced by multiplying such rates by 33.33%.

(4) From and after the Building Rental End Date there shall be no abatement of the Area I Building Rental.

(d) Area II Building Rental Abatement

For each square foot of the 306,467 square feet of interior space in the Area II Building Area, the use of which is denied to the Lessee:

(1) For the portion of the term of the letting from the Effective Date through December 31, 2000, both dates inclusive, at the daily rate of $.076712, as the same may be reduced by the provisions of paragraph (d)(3) below; and

(2) For the portion of the term of the letting from January 1, 2001 and ending on the day immediately preceding the Building Rental End Date, at the daily rate of $.076712 as appropriately adjusted to reflect any and all CPI adjustments pursuant to paragraph (d) of Subdivision II above, as the same may be reduced by the provisions of paragraph (d)(3) below.

(3) At any time that the Lessee shall be entitled to an abatement of Building Rentals pursuant to paragraph (a)(1) of Subdivision V below, the abatement rates set forth in paragraphs (d)(1) and (d)(2) of this Subdivision IV shall be reduced by multiplying such rates by 66.67%; and at any time that the Lessee shall be entitled to an abatement of Building Rentals pursuant to paragraph (a)(2) of Subdivision V below, the abatement rates set forth in paragraphs (d)(1) and (d)(2) of this Subdivision IV shall be reduced by multiplying such rates by 33.33%.

(4) From and after the Building Rental End Date there shall be no abatement of the Area II Building Rental.

(e) Terminal Rental Abatement

For each square foot of interior space in the Premises, the use of which is denied to the Lessee:

(i) For the portion of the term of the letting from the Terminal Rental Commencement Date and ending on the day immediately preceding the first Terminal Rental Adjustment Period, at a daily rate equal to the quotient obtained by dividing the Terminal Rental in effect for such portion of the term of the letting by the number of square feet in the interior portion of the Premises on the Terminal Rental

Commencement Date.

(ii) For each Terminal Rental Adjustment Period, at a daily rate equal to the quotient obtained by dividing the Terminal Rental in effect for such Terminal Rental Adjustment Period by the number of square feet in the interior portion of the Premises on the Terminal Rental Commencement Date.

V. Additional Building Rental Abatement:

(a) In addition to the abatement of rentals set forth in Subdivision IV above, the Building Rentals shall be partially abated up to and including the earlier to occur of the day immediately preceding Building Rental End Date or the day immediately preceding the tenth (10th) anniversary of the Effective Date, as follows:

(1) For the period commencing on the later to occur of (i) the second (2nd) anniversary of the Effective Date or (ii) the first day of the month after the month in which the Lessee shall have made a Redevelopment Work Investment totaling ((Ex. 2.a) to and including the later to occur of (i) the day immediately preceding the fourth (4th) anniversary of the Effective Date or (ii) the last day of the month during which the Lessee shall have made a Redevelopment Work Investment totaling (Ex. 2.a.) the Building Rentals set forth in paragraphs (c) and (d) of Subdivision II of this Section shall be partially abated by an amount equal to the product obtained by multiplying the same by 33.33%, and for such period the Building Rentals shall be abated by the amount of such product, provided, however, in no event shall the Lessee be entitled to an abatement of Building Rentals pursuant to this subparagraph (1) from and after the tenth (10th) anniversary of the Effective Date; and

(2) For the period commencing on the later to occur of (i) the fourth (4th) anniversary of the Effective Date or (ii) the first day of the month after the month in which the Lessee shall have made a Redevelopment Work Investment totaling to and including the earlier to occur of the day immediately preceding the Building Rental End Date, if any, or the day immediately preceding the tenth (10th) anniversary of the Effective Date, the Building Rentals set forth in paragraphs (c) and (d) of Subdivision II of this Section (and not as abated pursuant to subparagraph (1) of this Subdivision V) shall be partially abated by an amount equal to the product obtained by multiplying the same by 66.66%, and for such period the Building Rentals shall be abated by the amount of such product, provided, however, in no event shall the Lessee be entitled to an abatement of Building Rentals pursuant to this subparagraph (2) from and after the tenth (10th) anniversary of the Effective Date.

VI. For the purposes of this Section, all of the interior space shall be measured and the same shall be ascertained by measuring between the interior plaster surfaces of the exterior building walls, and no deductions will be made therefrom for columns, pilasters, projections, partitions, toilets, vertical shafts, elevator shafts, stairs, fire towers, vents, pipe shafts, meter closets, flues, stacks, structures or facilities of any kind or anything else located therein.

Section 5. Use of Premises

(a) The Lessee, in connection with its business of transportation by aircraft, may use the Premises for the following purposes and for activities reasonably required for such purposes and for such purposes and activities only:

(1) For the reservation of space and the sale of tickets for transportation on aircraft operated by the Lessee.

(2) For the reservation of space and the sale of tickets for transportation by other carriers but only as an incident to or in connection with transportation performed or to be performed by the Lessee or as an incident to or in connection with the cancellation of such transportation, or for the accommodation or convenience of the incoming or outbound passengers of the Lessee at the Airport. The occasional reservation of space and the sale of tickets for transportation by other carriers shall not be deemed to be prohibited by this provision.

(3) For the clearance, checking and rendering of service to passengers of the Lessee and for the furnishing of information service to such passengers and the general public.

(4) For providing rooms or space for the special handling of or the furnishing of special services to any of its passengers, guests, or invitees, subject to the provisions of Section 63 hereof entitled "Club Rooms".

(5) For the handling of baggage of passengers of the Lessee including baggage and parcels such passengers decide to send as air cargo.

(6) For the handling of unclaimed baggage and lost and found articles.

(7) For the conduct of operations, traffic, communications, reservations and administrative office functions and activities in connection with air transportation performed by the Lessee.

(8) For the preparation, packaging and storage of food, beverages and commissary supplies to be consumed on aircraft operated by the Lessee.

(9) For the storage of repair parts, supplies and other personal property owned or leased by the Lessee and for the performance of minor repairs to personal property of the Lessee.

(10) For the storage of such automotive fuel and lubricants as may be approved by the Port Authority.

(11) For the operation of a cafeteria for over-the-counter sales to officers and employees of the Lessee or of any Subsidiary of the Lessee and their families and to occasional business guests of such officers and employees (other than passengers of the Lessee), of food, beverages and other merchandise normally sold in such an establishment at no profit to the Lessee and either directly by the Lessee or through a Subsidiary thereof or by an independent contractor who has received a permit from the Port Authority so to do.

(12) For use as crew quarters to be used by personnel of the Lessee during layovers between flights and for the establishment of lounges for employees of the Lessee.

(13) For the loading and unloading of passengers, baggage, mail, air cargo and commissary supplies, provided that the use of the Premises for the unloading and loading of passengers and their baggage from ground transportation vehicles shall be subject to limitation and restriction, from time to time, as set forth in Section 62 hereof entitled "Future Airport Transportation Facilities and Operations Use of Portions of the Premises" and Section 49 hereof entitled "Restrictions on Use of Passenger Terminal Frontage Roadways-Use of Airport Taxi Dispatchers and Roadway Frontage Management".

(14) For the parking and storage of aircraft and ramp equipment operated by the Lessee.

(15) For the fueling and servicing of aircraft and ramp equipment operated by the Lessee and for the maintenance of ramp equipment operated by the Lessee.

(16) For the performance of aircraft maintenance, subject to the limitations imposed by paragraph (j) of Section 9 hereof entitled "Prohibited Acts".

(17) For the training of personnel employed or to be employed by the Lessee or other Persons engaged in commercial transportation by aircraft, provided, that unless consented to by the Port Authority, the Lessee shall not engage in the training of persons employed by others or to be employed by others if the training of such persons is in competition with any concessionaire, permittee or licensee of the Port Authority at the Airport (other than another Person engaged in the business of transportation by aircraft).

(18) For the temporary storage of baggage, mail and air cargo.

(19) For Federal Inspection Service(s) by federal agencies (if the United States Government makes the same available to the Lessee).

(20) For any other purpose or activity, in addition to those specified in this Section, for which the Premises are expressly authorized to be used by any other provision of this Agreement.

(b) The loading or unloading on the Premises of all aircraft used principally for cargo is expressly prohibited. Further, notwithstanding any other term or provision of this Lease, including without limitation, any reference to Handled Airlines, Requesting Airline, Accommodated Handled Airline, Accommodated Sublessee Airline or Associated or Affiliated Companies, it is understood and agreed that the Lessee is prohibited hereunder from performing any services for any other Aircraft Operator without the prior written consent of the Port Authority, which consent the Port Authority shall have no obligation whatsoever to give.

Section 6. Compliance with Governmental Requirements

(a) The Lessee shall promptly comply with, observe and execute all laws and ordinances and governmental rules, regulations, orders, requirements and similar items, including without limitation, all Environmental Requirements, now or at any time during the term of this Agreement which as a matter of law are applicable to or which affect (i) the Premises or the groundwater thereunder, (ii) the operations of the Lessee at the Premises or the Airport, (iii) the occupancy and use of the Premises and/or (iv) any Hazardous Substance which has migrated from or from under the Premises; it being expressly agreed and understood the foregoing obligations of the Lessee shall include without limitation the ACO and all the work required to be performed thereunder. The Lessee shall, in accordance with and subject to the provisions of Section 2B hereof entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee" or Section 33 hereof entitled "Other Construction of the Lessee", as the case shall be, make any and all structural and non-structural improvements, alterations or repairs of the Premises and perform all remediation, containment and clean-up of Hazardous Substances required in order to fully satisfy the compliance obligations set forth herein.

(b) The Lessee shall procure from all Governmental Authorities having jurisdiction over the operations of the Lessee hereunder all licenses, certificates, permits or other authorization which may be necessary for the conduct of such operations. "Governmental Authority" shall not be construed as intending to include The Port Authority of New York and New Jersey, the lessor under this Agreement.

(c) The obligation of the Lessee to comply with governmental requirements is provided herein for the purpose of assuring proper safeguards for the protection of persons and property on the Premises. Such provision is not to be construed as a submission by the Port

Authority to the application to itself of such requirements or any of them.

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

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

Section 7. Rules and Regulations

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

(b) The use by the Lessee and its officers, employees, guests, invitees,

sublessees, and those doing business with it, of the Public Aircraft Facilities and any and all other portions of the Airport which it may be entitled to use under this Lease (other than space leased to the Lessee for its exclusive use) shall be subject to the Rules and Regulations of the Port Authority in effect as of the Effective Date, and such reasonable future rules and regulations (including amendments and supplements to existing Rules and Regulations) as the Port Authority may from time to time promulgate in the public interest and in the interest of health, safety, noise, sanitation, good order and the economic and efficient operation of the Airport, including but not limited to, the number and type of aircraft which at any particular time may use the Public Aircraft Facilities and the time or times when such aircraft may use the Public Aircraft Facilities. Without limiting the foregoing, the Port Authority may take into account in adopting such Rules and Regulations the adequacy, capacity and suitability of (i) aircraft using the Airport, (ii) passenger handling facilities at the Airport including but not limited to the AirTrain, (iii) the Public Aircraft Facilities at the Airport, (iv) the roadways and (v) the parking facilities. In the event the Port Authority promulgates rules and regulations pursuant to this paragraph (b), the Port Authority may devise and implement reasonable procedures including but not limited to, allocations among Aircraft Operators at the Airport.

(c) Nothing contained in this Section shall authorize the Port Authority to promulgate rules or regulations or impose any conditions upon the Lessee which conflict with the safeguards granted to the Lessee pursuant to the provisions of Section 12.04 of the General Airport Agreement. The provisions of the preceding sentence shall apply and pertain only up to the expiration or earlier termination of the General Airport Agreement and thereafter shall be void and of no further force or effect.

(d) If a copy of the Rules and Regulations is not attached, then the Port Authority will notify the Lessee thereof either by delivery of a copy, or by making a copy available at the office of the Secretary of the Port Authority.

Section 8. Various Obligations of the Lessee

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

(b) The Lessee shall use its best efforts to conduct all its operations at the Premises in a safe and careful manner, following in all respects the best practices of the air transportation industry in the United States.

(c) The Port Authority shall have the right to object to the Lessee regarding the

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

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

(e) The Lessee shall remove from the Airport or otherwise dispose of in a manner approved by the General Manager of the Airport all garbage, debris and other waste materials (whether solid or liquid) arising out of its occupancy of the Premises or out of its operations. Any such which may be temporarily stored in the open, shall be kept in suitable garbage and waste receptacles, the same to be made of metal or other suitable material, and equipped with tightfitting covers, and to be of a design safely and properly to contain whatever material may be placed therein. The Lessee shall use extreme care when effecting removal of all such waste materials, and shall effect such removal at such times and by such means as first approved by the Port Authority. No such garbage, debris or other waste materials shall be or be permitted to be thrown, discharged or deposited into or upon the waters at or bounding the Airport.

(f) From time to time and as often as reasonably required by the Port Authority, the Lessee shall conduct pressure, water-flow, and other appropriate tests of the fire extinguishing system and apparatus, fire-alarm and smoke detection systems and any other fire protection systems which constitute a part of the Premises. The Lessee shall keep in proper functioning order all fire-fighting equipment, fire-alarm and smoke detection equipment on the Premises and the Lessee shall at all times maintain on the Premises adequate stocks of fresh, usable chemicals for use in such systems, equipment and apparatus. The Lessee shall notify the Port Authority prior to conducting such tests. If requested by the Port Authority, the Lessee shall furnish the Port Authority with a copy of written reports of such tests.

(g) It is the intention of the parties hereto that noise caused by aircraft engine operations shall be held to a minimum considering the nature of the Lessee's operations. To this end the Lessee will conduct its operations in such a manner as to keep the noise produced by aircraft engines to a minimum and where appropriate shall employ noise arresting and noise reducing devices that are suitable. Aircraft testing and aircraft run-ups will be conducted only in such areas as shall meet with the prior and continuing approval of the Port Authority. The obligations assumed by the Lessee under this paragraph (g) shall not diminish, limit, modify or affect all other obligations of the Lessee with respect to noise under this Agreement.

(h) In its use of the Premises, the Lessee shall use its best efforts to minimize jet or prop blast interference to aircraft operating on or to buildings and structures now located on or which in the future may be located on areas adjacent to the Premises. In the event the Port Authority determines at any time and from time to time that the Lessee has not so minimized the jet or prop blast interference, it may serve a notice on the Lessee to such effect and if the condition is not corrected to the satisfaction of the Port Authority within thirty (30) days after the service of said notice, the Lessee hereby covenants and agrees to erect and maintain at its own expense such structure or structures as may be necessary to minimize the said jet or prop blast interference, subject, however, to the prior written approval of the Port Authority as to the type, manner and method of construction. The obligations assumed by the Lessee under this paragraph shall not diminish, limit, modify or affect all other obligations of the Lessee with respect to interference under this Agreement.

(i) In addition to compliance by the Lessee with all laws, ordinances, governmental rules, regulations and orders now or at any time in effect during the term of the letting hereunder which as a matter of law are applicable to the operation, use or maintenance by the Lessee of the Premises or the operations of the Lessee under this Agreement (the foregoing not to be construed as a submission by the Port Authority to the application to itself of such requirements or any of them), the Lessee agrees that it shall exercise the highest degree of safety and care and shall conduct all its operations under this Lease and shall operate, use and maintain the Premises in accordance with the highest standards and in such manner that there will be at all times a minimum of air pollution, water pollution or any other type of pollution and a minimum of noise emanating from, arising out of or resulting from the operation, use or maintenance of the Premises by the Lessee and from the operations of the Lessee under this Agreement. The Port Authority hereby reserves the right from time to time and at any time during the term of this Lease to require the Lessee, and the Lessee agrees to design and construct at its sole cost and expense such reasonable structures, fences, equipment, devices and other facilities as may be necessary or appropriate to accomplish the objectives as set forth in the first sentence of this paragraph. All locations, the manner, type and method of construction and the size of any of the foregoing shall be determined by the Port Authority. The Lessee shall submit for Port Authority approval its plans and specifications covering the required work and upon receiving such approval shall proceed diligently to construct the same. The obligations assumed by the Lessee under this paragraph shall continue throughout the term of this Lease and shall not be limited, affected, impaired or in any manner modified by the fact that the Port Authority shall have approved any construction application and supporting plans, specifications and contracts covering construction work and notwithstanding the incorporation therein of the Port Authority's recommendations or requirements and notwithstanding that the Port Authority may have at any time during the term of the Lease consented to or approved any particular procedure or method of operation which the Lessee may have proposed or the Port Authority may have itself prescribed the use of any procedure or method. The agreement of the Lessee to assume the obligations under this paragraph is a special inducement and consideration to the Port Authority in entering into this Lease with the Lessee.

(j) The Lessee shall periodically inspect, clean out and maintain the oil separators serving the Premises which are located on the Premises and the oil separators located outside the Premises if they exclusively serve the Premises.

Section 9. Prohibited Acts

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

(b) The Lessee shall not create nor permit to be caused or created upon the Premises any obnoxious odors or smokes, or noxious gases or vapors. The creation of exhaust fumes by the operation of the Lessee's internal-combustion engines or aircraft engines of other types, so long as such engines are maintained and are being operated in a proper manner, shall not be a violation of this paragraph.

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

(d) The Lessee shall not do or permit to be done any act or thing upon the Premises (1) which will invalidate or conflict with any fire insurance, extended coverage or rental insurance policies covering the Premises or any part thereof, or the Airport, or any part thereof, or (2) which, in the opinion of the Port Authority, may constitute an extra-hazardous condition, so as to increase the risks normally attendant upon the operations contemplated by Section 5 hereof entitled "Use of Premises". The Lessee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of the National Board of Fire Underwriters and the Fire Insurance Rating Organization of New York, or of any other board or organization exercising or which may exercise similar functions, which may pertain or apply to the operations of the Lessee on the Premises, and the Lessee shall, subject to and in accordance with the provisions of Section 33 hereof entitled "Other Construction by the Lessee", make any and all structural and non-structural improvements, alterations or repairs of the Premises that may be required at any time hereafter by any such present or future rule, regulation, requirement, order or direction. If by reason of any failure on the part of the Lessee to comply with the provisions of this paragraph any fire insurance rate, extended coverage or rental insurance rate on the Premises or any part thereof, or on the Airport or any part thereof, shall at any time be higher than it would be if the Premises were properly used for the purposes permitted by Section 5 hereof entitled "Use of Premises", then the Lessee shall pay to the

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

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

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

(g) (1) The Lessee shall prevent access by persons or vehicles (unless duly authorized by the Port Authority) to the Public Landing Area from the Premises except for aircraft, which aircraft shall be equipped with radio receivers tuned to control tower frequencies and adequately manned in accordance with applicable Port Authority Rules and Regulations. Such aircraft may be towed by a motor vehicle equipped with a radio receiver tuned to the appropriate control tower frequency and adequately manned or such other means as may be approved by the Port Authority. The Lessee shall control access by its passengers and patrons from and to aircraft ramp, apron and parking areas on the Premises and shall maintain control of its passengers and patrons while they are upon said areas by proper measures to insure that the highest standards of safety are maintained.

(2) The Lessee shall furnish adequate security and guard service or such comparable means as approved by the Port Authority from time to time, on a 24 hour, seven day-a-week basis for the prevention of access to and control of persons on the aeronautical operations areas of the Premises and the prevention of access to the Public Landing Area.

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

(i) The Lessee shall not operate or cause to be operated aircraft engines in any portions of the Premises other than for the purpose of taxiing aircraft to and from the Premises or in connection with authorized aircraft maintenance on the Premises.

(j) The Lessee shall not perform any aircraft maintenance on the Premises except that

emergency aircraft maintenance and transit or turn around aircraft maintenance shall not be deemed to be prohibited by this provision.

(k) The Lessee shall not keep or store aviation fuel on the Premises except that fueling equipment may be operated on the Premises in accordance with the provisions of the General Airport Agreement covering the underground fuel system and with the Port Authority Rules and Regulations pertaining thereto.

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

(m) The Lessee shall not use or permit the use of any structural supporting member of the buildings or roofs or any part thereof for the storage of any material or equipment, or hoist, lift, move or support any material or equipment or other weight or load, by means of said trusses or structural supporting members, without prior approval of the Port Authority.

(n) The Lessee shall not use any cleaning materials having a harmful corrosive effect, on any part of the Premises.

(o) The Lessee shall not fuel or defuel any equipment in the enclosed portions of the Premises without prior approval of the General Manager of the Airport.

(p) The Lessee shall not dispose of, release or discharge nor permit anyone to dispose of, release or discharge any Hazardous Substance on the Premises or at the Airport.

(q) The Lessee shall not do or permit anything to be done which will interfere with the free access and passage of others to space adjacent to the Premises or in any streets, ways and walks adjacent or near the Premises.

(r) The Lessee agrees that it will not erect, construct or maintain or otherwise create or continue any obstacle or so park or store any aircraft or other object on the Premises so as to create any obstacle that will hamper or interfere with the free, orderly, unobstructed and uninterrupted passage of vehicles, aircraft or of the wings or other integral part of aircraft of any type, nature or description, while such vehicle is operating or aircraft is taxiing or being transported or towed along the Runways, taxiways and roads outside of and adjacent to the Premises.

Section 10. Care, Maintenance, Rebuilding and Repair by the Lessee

(a) The Lessee shall repair, replace, rebuild and paint all or any part of the Premises

which may be damaged or destroyed by the acts or omissions of the Lessee or by those of its officers or employees or of other persons on or at the Premises with the Lessee's consent and shall pay to the Port Authority the costs and expenses of the Port Authority to repair, replace, rebuild and paint all or any part of the Airport which may be damaged or destroyed by the acts or omissions of the Lessee or by those of its officers or employees or of other persons on or at the Premises with the Lessee's consent.

(b) The Lessee shall, throughout the term of this Lease, assume the entire responsibility and shall relieve the Port Authority from all responsibility for all repair, rebuilding and maintenance whatsoever in the Premises (and off the Premises as provided below), whether such repair, rebuilding or maintenance be ordinary or extraordinary, partial or entire, inside or outside, foreseen or unforeseen, structural or otherwise, and without limiting the generality of the foregoing, the Lessee shall:

(1) Keep at all times in a clean and orderly condition and appearance, the Premises and all the Lessee's fixtures, equipment and personal property which are located in any part of the Premises which is open to or visible by the general public;

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

(3) Take good care of the Premises and maintain the same at all times in good condition; perform all necessary preventive maintenance, including but not limited to painting (the exterior of the Premises and areas visible to the general public to be painted only in colors which have been approved by the Port Authority); and make all repairs and replacements, and do all rebuilding, inside and outside, ordinary and extraordinary, partial and entire, foreseen and unforeseen, structural or otherwise, which repairs, rebuilding and replacements by the Lessee shall be in quality and class not inferior to the original in materials and workmanship.

(4) Provide and maintain all obstruction lights and similar devices on the Premises, and provide and maintain all fire protection and safety equipment and all other equipment of every kind and nature required by any law, rule, ordinance, resolution or regulation of the type and nature described in Section 6 hereof entitled "Compliance with Governmental Requirements" and Section 7 hereof entitled "Rules and Regulations". The Lessee shall enter into and keep in effect throughout the term of the Lease a contract or contracts with a central station alarm company acceptable to the Port Authority to provide continuous and automatic surveillance of the fire protection system on the Premises. The Lessee shall insure that all fire alarm signals with respect to the Premises shall also be transmitted to the Airport's police emergency alarm board or to such other location on the Airport as the General Manager of the Airport may direct. The Lessee's obligations hereunder shall in no way create any obligation whatsoever on the part of the Port Authority;

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

(6) Be responsible for the maintenance and repair of all utility service lines, including but not limited to, service lines for the supply of water, electric power and telephone conduits and lines, sanitary sewers and storm sewers, located upon the Premises or located adjacent to the Premises and used by the Lessee exclusively;

(7) Be responsible for the maintenance and repair of any damage to the paving or other surface of the Premises caused by any oil, gasoline, grease, lubricants or other flammable liquids and substances having a corrosive or detrimental effect thereon;

(8) Be responsible for all paving, lighting, signage, storm drains, culverts, cables, supporting structures, cleaning and snow removal in connection with existing and future access roadways which are located off of the Premises and serve the Premises exclusively; and

(9) Be responsible for the maintenance and repair of the sanitary sewer between manholes S-2 and S-18, including without limitation, any lift station, pumps and other ancillary equipment.

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

(d) Notwithstanding the terms and conditions of Section 5 of this Lease entitled "Use of Premises", paragraph (d) of Section 8 of this Lease entitled "Various Obligations of the Lessee" and this Section, it is hereby agreed and understood that except as set forth in Section 2B hereof entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee", the Lessee shall have no right nor obligation to operate, control, maintain, rebuild or repair (i) the traffic signaling system located on the roadway frontage of the Premises and the roadways located off the Premises and which was installed by the Port Authority or by the Lessee as part of the

Redevelopment Work and generally consists of traffic lights and signals and associated wiring and control panels, or (ii) the variable message sign system located on the roadway frontage of the Premises and the roadways located off the Premises and which was installed by the Port Authority or by the Lessee as part of the Redevelopment Work and generally consists of message signs, lights, wiring and control panels (which traffic signaling system and variable message sign system are hereinafter collectively called the "Traffic Systems"), provided, however, the Lessee shall pay to the Port Authority as additional rent all costs and expenses to repair, replace and rebuild all or any portion of the Traffic Systems which may be damaged or destroyed by the acts or omissions of the Lessee or by those of its officers or employees or of other Persons on or at the Premises. Further, the Port Authority shall not have any obligation hereunder or otherwise to operate, maintain, control or continue the operation of the Traffic Systems and may at any time and from time to time discontinue the operation of any or all of the Traffic Systems and/or disable such Traffic Systems and/or remove them from the Premises and from the roadways located off of the Premises. The Port Authority shall have the right at its sole discretion to modify, replace and substitute the Traffic Systems with identical or different systems as the Port Authority shall elect and to operate and control the Traffic Systems, including without limitation, to determine the content of and to place messages on the variable message system and to determine the operating mode of the traffic signaling system.

(e) If the performance of any of the foregoing repair, maintenance, replacement, repainting or rebuilding obligations of the Lessee requires work to be performed near an active taxiway or taxilane or where safety of operations is involved, the Lessee agrees, unless otherwise permitted by the Port Authority in writing, that it will, at its own expense, post guards or take such other appropriate measures as may be directed by the General Manager of the Airport to insure the safety of the work performed thereat.

Section 11. Insurance

(a) The Lessee shall, during the term of this Agreement, insure and keep insured to the extent of 100% of the replacement value thereof, all buildings, structures, improvements, installations, facilities and fixtures now or in the future located on the Premises against all risks of physical loss or damage (including, but not limited to flood and earthquake risks), if available, and if not available, then against such hazards and risks as may now or in the future be included under the Standard Form of Fire Insurance Policy of the State of New York and also against damage or loss by windstorm, cyclone, tornado, hail, explosion, riot, civil commotion, aircraft, vehicles and smoke, under the Standard Form of Fire Insurance Policy of New York and the form of extended coverage endorsement prescribed as of the effective date of the said insurance by the rating organization having jurisdiction, and if the Port Authority so requests, also covering contamination hazards and risks and boiler and machinery hazards and risks in a separate insurance policy or policies or as an additional coverage endorsement to the aforesaid policies in the form as may now or in the future be prescribed as of the effective date of said insurance by the rating organization

having jurisdiction and/or the Superintendent of Insurance of the State of New York and the Lessee shall furthermore provide additional insurance covering any other peril of loss or damage that the Port Authority at any time during the term of this Agreement covers by carrier or self-insurance covered by appropriate reserves at other locations at the Airport upon written notice to the Lessee to such effect.

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

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

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

(e) The policies or certificates representing insurance covered by this Section shall, if not already delivered, shall be delivered by the Lessee to the Port Authority prior to the Effective Date and the policies or certificates representing the insurance covered by Section 2B(d)(12) hereof entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee" shall be delivered by the Lessee to the Port Authority prior to the commencement of any Section 2B Work and each policy or certificate delivered shall bear the endorsement of or be accompanied by evidence of payment of the premium thereon, and also, a valid provision obligating the insurance company to furnish the Port Authority and the City of New York ten (10) days' advance notice of the cancellation, termination, change or modification of the insurance evidenced by said policy or certificate. Renewal policies or certificates shall be delivered to the Port Authority at least ten (10) days before the expiration of the insurance which such policies are to renew.

(f) Regardless, however, of the Persons whose interests are insured, the proceeds of all policies covered by this Section shall be applied as provided in Section 12 hereof entitled "Damage to or Destruction of Premises"; and the word "insurance" and all other references to insurance in said Section 12 shall be construed to refer to the insurance which is the subject matter of this Section, and to refer to such insurance only.

(g) The insurance covered by this Section and by Section 2B(d)(12) hereof entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee" shall be written by companies approved by the Port Authority, the Port Authority covenanting and agreeing not to withhold its approval unreasonably. If at any time any of the insurance policies shall be or become unsatisfactory to the Port Authority as to form or substance or if any of the carriers issuing such policies shall be or become unsatisfactory to the Port Authority, the Lessee shall promptly obtain a new and satisfactory policy in replacement, the Port Authority covenanting and agreeing not to act unreasonably hereunder. If at any time the Port Authority so requests, a certified copy of each of said policies shall be made available by the Lessee to the Port Authority for inspection and reproduction at an office of the Lessee within the Port of New York District.

Section 12. Damage to or Destruction of Premises

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

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

(c) Major Damage to or Destruction of the Premises. If the Premises, or any part thereof shall be destroyed or so damaged by fire, the elements, the public enemy or other casualty as to be untenantable or unusable for ninety (90) days, or if within ninety (90) days after such damage or destruction the Lessee notifies the Port Authority in writing that in its opinion said Premises will be untenantable or unusable for ninety (90) days then: The Lessee shall proceed with due diligence to make the necessary repairs or replacements to restore such Premises in accordance with the plans and specifications for the Premises as the same existed prior to such damage or destruction; or with the approval in writing of the Port Authority make such other repairs, replacements or changes as may be desired by the Lessee. If such destruction or damage was covered by insurance, the proceeds thereof shall be made available to and used by the Lessee for such restoration.

(d) The obligation of the Lessee to repair or replace shall be limited to the amount of the insurance proceeds provided the Lessee has carried insurance to the extent and in accordance with Section 11 hereof entitled "Insurance". Any excess of the proceeds of insurance over the costs of the restoration shall be retained by the Port Authority.

(e) The parties hereby stipulate that neither the provisions of Section 227 of the Real Property Law of New York nor those of any other similar statute shall extend or apply to this Agreement.

Section 13. Indemnity and Liability Insurance

(a) (1) The Lessee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives, from and against (and shall reimburse the Port Authority for the Port Authority's costs and expenses including legal expenses, whether those of the Port Authority's Law Department or otherwise, incurred in connection with the defense of) all claims and demands of third persons including, but not limited to, claims and demands for death or personal injuries, or for property damages, arising out of a breach or default of any term or provision of this Agreement, or out of the use or occupancy of the Premises by the Lessee or by others with its consent, or out of any other acts or omissions of the Lessee, its officers, employees, guests, representatives, customers, contractors, invitees or business visitors on the Premises, or arising out of the acts or omissions of the Lessee, its officers and employees elsewhere at the Airport (excepting only claims and demands arising from the sole negligence of the Port Authority), including claims and demands of the City of New York from which the Port Authority derives its rights in the Airport, for indemnification, arising by operation of law or through agreement of the Port Authority with the said City.

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

(b) (1) In addition to the obligations set forth in paragraph (a) of this Section and all other insurance required under this Agreement, the Lessee during the term of this Agreement in its own name as insured and including the Port Authority as an additional insured including without limitation for premises operations and completed operations, shall maintain and pay the premiums on a policy or policies of Commercial General Liability Insurance, including premises-operations, products, completed operations, liquor liability and covering bodily injury, including death, and property damage liability, broadened to include or equivalent separate policies covering aircraft liability, none of the foregoing to contain care, custody or control exclusions, and providing for coverage in the limits set forth below, and Commercial Automobile Liability Insurance covering owned, non-owned and hired vehicles in not less that the minimum limit set forth below, and Environmental Impairment Liability Insurance covering both gradual and sudden and accidental occurrences, on a claims-made basis, with a 1 year extended reporting period and, instead of being

included as an additional insured as aforesaid, including the Port Authority as an insured, as owner, and which shall be site specific and include on-site and off-site clean-up and with a contractual liability endorsement covering the obligations assumed by the Lessee pursuant to Section 59 hereof entitled "Environmental Obligations" and paragraph (e) of Section 65 hereof entitled "Storage Tanks", in not less than the limit set forth below (subject to a deductible or not more than Five Thousand Dollars and No Cents ($5,000.00) per claim). Each of the said policy or policies of insurance shall also provide or contain an endorsement providing that the protections afforded the Lessee thereunder with respect to any claim or action against the Lessee by a third Person shall pertain and apply with like effect with respect to any claim or action against the Lessee by the Port Authority and any claim or action against the Port Authority by the Lessee as though the Port Authority were a named insured but such endorsement shall not limit, vary, change, or affect the protection afforded the Port Authority thereunder as an additional insured. In addition, the said policy or policies of Commercial General Liability Insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Lessee under paragraph (a) hereof, Section 1 hereof entitled "Letting", Section 2B(q) hereof entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee", Section 3(e)(7) hereof entitled "Term", paragraph (b)(2) of Section 19 hereof entitled "Assignment and Sublease", Section 29 hereof entitled "Removal of Property", Section 30 hereof entitled "Brokerage", paragraph (j) of Section 41 hereof entitled "Hot Water and Chilled Water Requirements", Section 59 hereof entitled "Environmental Obligations", Section 65 hereof entitled "Storage Tanks", paragraph (d) of Section 66 hereof entitled "Non-Discrimination" and Section 84 hereof entitled "Duty-Free Shop".

	Minimum Limits
Commercial General Liability Combined single limit per occurrence for death, bodily injury and property damage liability:	$100,000,000.00
Commercial Automobile Liability (covering owned, non-owned and hired vehicles) Combined single limit per occurrence for death, bodily injury and property damage liability:	$25,000,000.00
Environmental Impairment Liability Combined single limit per occurrence for death, bodily injury and property damage liability for both gradual and sudden occurrences and	

both on-site and off-site cleanup: $10,000,000.00

(2) The Lessee shall also procure and maintain in effect, or cause to be procured and maintained in effect, Workers' Compensation Insurance and Employer's Liability Insurance in accordance with and as required by law and including coverage for asbestos exposure.

(3) Without limiting the provisions hereof, in the event the Lessee maintains the foregoing insurance in limits greater than aforesaid, the Port Authority shall be included therein as an additional insured to the full extent of all such insurance in accordance with the terms and provisions hereof.

(c) Notwithstanding the foregoing, it is specifically understood and agreed that the Port Authority shall have the right upon notice to the Lessee given from time to time and at any time to require the Lessee to increase any or all of the foregoing limits to commercially reasonable amounts and the Lessee shall promptly comply therewith and shall promptly submit a certificate or certificates evidencing the same to the Port Authority.

(d) As to the insurance required by the provisions of this Section and Section 2B(d)(11) hereof entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee", a certified copy of each of the policies or a certificate or certificates evidencing the existence thereof, or binders, shall be delivered to the Port Authority. As to insurance required by this Section, delivery shall be made before the Effective Date and as to insurance required by Section 2B(d)(11) hereof entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee", delivery shall be made at least fifteen (15) days prior to the commencement of any Section 2B Work. In the event any binder is delivered, it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy or certificate shall contain a valid provision or endorsement that the policy may not be cancelled, terminated, changed or modified without giving fifteen (15) days' written advance notice thereof to the Port Authority. Each such copy or certificate shall contain an additional endorsement providing that the insurance carrier shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port Authority. Any renewal policy shall be delivered to the Port Authority at least fifteen (15) days prior to the expiration of each expiring policy, except for any policy expiring after the date of expiration of the term of this Agreement. The aforesaid insurance shall be written by a company or companies approved by the Port Authority, the Port Authority agreeing not to withhold its approval unreasonably. If at any time any of the insurance policies shall be or become unsatisfactory to the Port Authority as to the form or substance or if any of the carriers issuing such policies shall be or become unsatisfactory to the Port Authority, the Lessee shall promptly obtain a new and satisfactory policy in replacement, the Port Authority covenanting and agreeing not to act unreasonably hereunder. If the Port

Authority at any time so requests, a certified copy of each of the policies shall be made available by the Lessee to the Port Authority for inspection and reproduction at an office of the Lessee within the Port of New York District.

Section 14. Signs

(a) Except with the prior written approval of the Port Authority, the Lessee shall not erect, maintain or display any signs or advertising at or on the exterior parts of the Premises or in the Premises so as to be visible from outside the Premises or at or on any other portion of the Airport outside the Premises. Interior signs affecting public safety and security shall be in accordance with established Port Authority standards.

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

Section 15. Obstruction Lights

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

Section 16. Additional Rent and Charges

If the Port Authority has paid any sum or has incurred any obligations or expenses (including without limitation payments to third Persons and internal Port Authority costs and expenses) which the Lessee has agreed to pay or reimburse the Port Authority for or if the Port Authority is required or elects to pay any sum or sums or incurs any obligations or expense (including without limitation payments to third Persons and internal Port Authority costs and expenses) by reason of the failure, neglect or refusal of the Lessee to perform or one or more of the conditions, covenants or agreements contained in this Agreement or as a result of an act or omission of the Lessee contrary to the said conditions, covenants and agreements, the Lessee agrees to pay the sum or sums so paid or the expense so incurred, including all interest, costs, damages and

penalties, and the same may be added to any installment of rent thereafter due hereunder, and each and every part of the same shall be and become additional rent, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the rent as set forth in Section 4 hereof entitled "Rental".

Section 17. Rights of Entry Reserved

(a) The Port Authority, by its officers, employees, agents, representatives and contractors shall have the right at all reasonable times to enter upon the Premises for the purpose of inspecting the same, for observing the performance by the Lessee of its obligations under this Agreement, and for the doing of any act or thing which the Port Authority may be obligated or have the right to do under this Agreement or otherwise.

(b) Without limiting the generality of the foregoing, the Port Authority, by its officers, employees, agents, representatives, and contractors, and furnishers of utilities and other services, shall have the right, for its own benefit, for the benefit of the Lessee, or for the benefit of others than the Lessee at the Airport, to maintain existing and future utility, mechanical, electrical and other systems and to enter upon the Premises at all reasonable times to make such repairs, replacements or alterations as may, in the opinion of the Port Authority, be deemed necessary or advisable and, from time to time, to construct or install over, in or under the Premises new systems or parts thereof, and to use the Premises for access to other parts of the Airport otherwise not conveniently accessible; provided, however, that in the exercise of such rights of access, repair, alteration or new construction the Port Authority shall not unreasonably interfere with the use and occupancy of the Premises by the Lessee.

(c) (1) Further, without limiting the generality of this Section, the Port Authority, by its officers, employees, agents, representatives and contractors and furnishers of service shall have the right, for its own benefit, for the benefit of the Lessee, or for the benefit of others than the Lessee at the Airport to maintain the portions of the Distribution Portion of the underground fuel system, the Traffic Systems and the Cogeneration Facility located under or on the Premises and to enter upon the Premises at all times to make such repairs, replacements or alterations to the Distribution Portion of the underground fuel system, the Traffic Systems and the Cogeneration Facility as may, in the opinion of the Port Authority, be deemed necessary or desirable and, from time to time to construct or install over, in or under the Premises additions or extensions to said Distribution Portion of the underground fuel system, the Traffic Systems and the Cogeneration Facility; provided, however, that in the exercise of such rights of access, repair, alteration or new construction the Port Authority shall not unreasonably interfere with the use and occupancy of the Premises by the Lessee pursuant to the provisions of this Agreement.

(2) Neither the Distribution Portion of the System, the AirTrain, the Traffic Systems or the Cogeneration Facility nor any part of any of the foregoing shall be or be deemed to

be a part of the Premises under the Lease.

(d) In the event that any property of the Lessee shall obstruct the access of the Port Authority, its employees, agents or contractors to any of the existing or future utility, mechanical, electrical and other systems, the foregoing to include without limitation the Distribution Portion of the System, the AirTrain, the Traffic Systems and the Cogeneration Facility, and thus shall interfere with the inspection, maintenance or repair of any such system, the Lessee shall move such property, as directed by the Port Authority, in order that the access may be had to the system or part thereof for its inspection, maintenance or repair, and, if the Lessee shall fail to so move such property after direction from the Port Authority to do so, the Port Authority may move it and the Lessee hereby agrees to pay the cost of such moving upon demand.

(e) Nothing in this Section shall or shall be construed to impose upon the Port Authority any obligations so to construct or maintain or to make repairs, replacements, alterations or additions, or shall create any liability for any failure so to do. The Lessee is and shall be in exclusive control and possession of the Premises and the Port Authority shall not in any event be liable for any injury or damage to any property or to any Person happening on or about the Premises nor for any injury or damage to the Premises nor to any property of the Lessee or of any other Person located in or thereon (other than those occasioned by the affirmative acts of the Port Authority, its employees, agents and representatives).

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

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

(h) The exercise of any or all of the foregoing rights by the Port Authority or others shall not be or be construed to be an eviction of the Lessee nor be made the grounds for any abatement of rental nor any claim or demand for damages, consequential or otherwise.

Section 18. Condemnation

(a) Definitions

(1) As used in this Section, the phrase, "Temporary Interest," when used with reference to real property, shall mean an interest in such real property entitling the owner of such interest to the possession of such property (whether or not such interest includes or is coextensive

with an interest of the Lessee therein under this Agreement), for an indefinite term or for a term terminable at will or at sufferance or for a term measured by a war or an emergency or other contingency or for a fixed term expiring prior to the expiration date of this Lease; and the phrase "Permanent Interest," when used with reference to real property, shall mean an interest in such real property entitling the owner of such interest to possession thereof, other than a Temporary Interest, including among others a fee simple and an interest for a term of years expiring on or after the expiration date of this Agreement.

(2) As used in this Section with reference to any Premises or facilities leased to the Lessee for its exclusive use or with reference to the Public Landing Area, the phrase a "Material Part" shall mean such a part of the said Premises or said Public Landing Area that the Lessee cannot continue to carry on its normal operations at the Airport without using such part.

(b) Condemnation or Taking of a Permanent Interest in All or Any Part of the Demised Premises or All or a Material Part of the Public Landing Area.

(1) Upon the acquisition by condemnation or the exercise of the power of eminent domain by any body having a superior power of eminent domain of a Permanent Interest in all or any part of the Premises or of a Permanent Interest in all or any part of the Public Landing Area (any such acquisition under this Section hereinafter referred to as a "Taking"), the Port Authority shall purchase from the Lessee, and the Lessee shall sell to the Port Authority, the Lessee's leasehold interest (excluding any personal property whatsoever) in the Premises except that in the event of a Taking of less than all of the said Premises, the Port Authority shall purchase and the Lessee shall sell only so much of the Lessee's leasehold interest in the Premises as are taken. The sole and entire consideration to be paid by the Port Authority to the Lessee shall be an amount equal to the Unamortized Redevelopment Investment, if any, of the Lessee in the Premises or, in the event of a Taking of less than all of the said Premises, an amount equal to the Unamortized Redevelopment Investment, if any, of the Lessee in so much of the Premises as are taken. However, the Port Authority shall purchase and the Lessee shall sell only if the consideration paid by the Port Authority therefor will constitute "unamortized Port Authority funds other than bond proceeds or Federal or State grants expended for capital improvements at the municipal air terminals," within the meaning of said phrase as used in Section 23, I, D of the Basic Lease or if an amount not less than such consideration can otherwise be retained by the Port Authority (and not be required to be paid to the City of New York) out of the damages or award in respect to such Taking without violation of any obligation of the Port Authority to the City of New York under the Basic Lease. Such purchase and sale shall take effect as of the date upon which such body having superior power of eminent domain obtains possession of any such Permanent Interest in the Premises or in the Public Landing Area, as the case may be, and in that event, the Lessee (except with respect to its personal property), shall not have any claim or right to claim or be entitled to any portion of the amount which may be awarded as damages or paid as a result of such Taking, and all rights to damages, if any, of the Lessee (except for damages to its personal property)

by reason thereof are hereby assigned to the Port Authority.

(2) If, however, the amount to be paid by the Port Authority (the Unamortized Redevelopment Investment, if any, of the Lessee in the Premises) for such leasehold interest will not constitute "unamortized Port Authority funds other than bond proceeds or Federal or State grants, expended for capital improvements at the municipal air terminals," within the meaning of said phrase as used in Section 23, I, D of the Basic Lease or if an amount not less than such consideration cannot otherwise be retained by the Port Authority (and not be required to be paid to the City of New York) out of the damages or award in respect to such Taking without violation of any obligation of the Port Authority to the City of New York under the Basic Lease, then the aforesaid agreement to purchase and sell said leasehold interest shall be null and void; and in any such event, the Lessee shall have the right to appear and file its claim for damages in the condemnation or eminent domain proceedings, to participate in any and all hearings, trials and appeals therein, and to receive such amount as it may lawfully be entitled to receive as damages or payment as a result of such Taking, because of its leasehold interest in the Premises, up to but not in excess of an amount equal to Unamortized Redevelopment Investment, if any, of the Lessee in the Premises. The Port Authority and the Lessee hereby agree that as full and final settlement of any sum that may be due as rent or otherwise for the balance of the term of this Lease, the Lessee will pay to the Port Authority the excess, if any, which the Lessee may be entitled to receive over the foregoing sum. If there be no excess, any sum that may be due as rent or otherwise for the balance of the term of this Lease shall abate.

(3) In the event of the Taking of all of the Premises and if the Lessee has no Unamortized Redevelopment Investment in the Premises at the time of the Taking, then the aforesaid agreement to purchase and sell said leasehold interest shall be null and void; and in that event, this Lease and all rights granted by this Lease to the Lessee to use or occupy the Premises for its exclusive use or for its use in common with others at the Airport and all rights, privileges, duties and obligations of the parties in connection therewith or arising thereunder shall terminate as of the date of the Taking, and in that event, the Lessee (except with respect to its personal property) shall not have any claim or right to claim or be entitled to any portion of the amount which may be awarded as damages or paid as a result of such Taking, and all rights to damages, if any, of the Lessee (except for damages to its personal property) by reason thereof are hereby assigned to the Port Authority.

(4) In the event that the Taking covers only a Material Part of the Premises, then the Lessee and the Port Authority shall each have an option exercisable by notice given within ten (10) days after the effective date of such Taking to terminate the letting hereunder with respect to the Premises not taken, as of the date of such Taking and such termination shall be effective as if the date of such Taking were the original date of expiration hereof. If the Port Authority exercises this option, it shall purchase from the Lessee the Lessee's leasehold interest (excluding any personal property whatsoever) in the Premises not taken for a consideration equal to the Unamortized

Redevelopment Investment, if any, of the Lessee in the Premises not taken. If the letting of the entire Premises is not terminated, the settlement or abatement of rentals after the date possession is taken by the body having a superior power of eminent domain shall be in accordance with Section 4 hereof entitled "Rental".

(c) Condemnation or Taking of a Permanent Interest in Less Than a Material Part of the Public Landing Area.

Upon the acquisition by condemnation or the exercise of the power of eminent domain by a body having a superior power of eminent domain of a Permanent Interest in less than a Material Part of the Public Landing Area, the Port Authority and the Lessee each shall have the right to appear and file claims for damages, to the extent of their respective interests, in the condemnation or eminent domain proceedings, to participate in any and all hearings, trials and appeals therein, and receive and retain such amount as they may lawfully be entitled to receive as damages or payment as a result of such Taking. However, if at the time of such Taking the Lessee has no Unamortized Redevelopment Investment, in the Premises, in that event, the Lessee (except with respect to its personal property) shall not have any claim or right to claim or be entitled to any portion of the amount which may be awarded as damages or paid as a result of such Taking, and all rights to damages, if any, of the Lessee (except for damages to its personal property) by reason thereof are hereby assigned to the Port Authority.

(d) Condemnation or Taking of a Temporary Interest in All or Any Part of the Demised Premises or All or a Material Part of the Public Landing Area.

(1) Upon the acquisition by condemnation or the exercise of the power of eminent domain by a body having a superior power of eminent domain of a Temporary Interest in all or any part of the Premises or of a Temporary Interest in all or a Material Part of the Public Landing Area, there shall be no abatement of any rental payable by the Lessee to the Port Authority under the provisions of this Agreement but the Lessee shall have the right to claim and in the event of an award therefor shall be entitled to retain the amount which may be awarded as damages or paid as a result of the condemnation or other Taking of such Temporary Interest, provided, that the Lessee shall be obligated to pay over to the Port Authority all such payments as may be made to the Lessee as damages or in satisfaction of such claim, after deduction of (a) reasonable expenses incurred by the Lessee in the prosecution of such claim; (b) an amount equal to the Unamortized Redevelopment Investment, if any, of the Lessee in the Unamortized Redevelopment Investment in the Premises as are taken, to the extent in either case that the same is to be amortized over the period of the Taking; and (c) the then present capitalized value of the Lessee's obligation for rentals thereafter payable during the period of the Taking in respect to the Premises, or, in the event of a Taking of less than all of the said Premises, in respect to the Premises so taken.

(2) In the event that the Taking covers a Material Part but less than all of the

Premises, then the Lessee and the Port Authority shall each have an option, exercisable by notice given within ten (10) days after the effective date of such Taking, to suspend the term of the letting of such of the Premises as are not so taken during the period of the Taking, and, in that event, the rentals for such Premises shall abate for the period of the suspension. If the Port Authority exercises this option, it shall purchase from the Lessee the Lessee's leasehold interest (excluding any personal property whatsoever) in the Premises not taken for the period of suspension for a consideration equal to the Unamortized Redevelopment Investment, if any, of the Lessee in such Premises which is to be amortized over the period of such suspension.

(e) Condemnation or Taking of a Temporary Interest in Less Than a Material Part of the Public Landing Area.

Upon the acquisition by condemnation or the exercise of the power of eminent domain by a body having a superior power of eminent domain of a Temporary Interest in less than a Material Part of the Public Landing Area, the Lessee shall not have any claim or right to claim or be entitled to any portion of the amount which may be awarded as damages or paid as a result of such condemnation or Taking, and all rights to damages, if any, of the Lessee, including consequential damages, by reason of such condemnation or Taking, are hereby assigned to the Port Authority.

Section 19. Assignment and Sublease

(a) The Lessee covenants and agrees that it will not sell, convey, transfer, mortgage, pledge or assign this Agreement or any part thereof, or any rights created thereby or the letting thereunder or any part thereof without the prior written consent of the Port Authority; provided, however, that this Agreement may be assigned in its entirety without such consent to any successor in interest of the Lessee which is or is to be a Scheduled Aircraft Operator, and with or into which the Lessee may merge or consolidate, or which may succeed to the assets of the Lessee or the major portion of its assets related to its air transportation system, but in any such event, such assignment shall not take effect before the assignee is actually engaged in the business of scheduled transportation by Aircraft, and provided, further, that such succeeding entity or purchaser executes and delivers to the Port Authority an instrument in a form satisfactory to the Port Authority assuming the obligations of the Lessee as if it were the original tenant hereunder.

(b) (1) The Lessee shall not sublet the Premises or any part thereof, without the prior written consent of the Port Authority, provided, however, that if any of the events set forth in Section 37(a) (1) hereof entitled "Termination by Lessee" shall occur, the Lessee may sublet the entire Premises or assign this Agreement with the consent of the Port Authority, which consent will not be unreasonably withheld if the sublessee or assignee is a Scheduled Aircraft Operator.

(2) (i) The Lessee hereby certifies, warrants and represents to the Port Authority that the Lessee is a wholly-owned subsidiary of AMR by virtue of the fact that AMR is

the absolute and unconditional owner of all of the issued and outstanding capital stock of the Lessee and, further, that American Eagle Airlines, Inc., a corporation of the State of Delaware (hereinafter called "American Eagle"), is a wholly-owned subsidiary of AMR by virtue of the fact that AMR is the absolute and unconditional owner of all of the issued and outstanding capital stock of American Eagle.

(ii) Notwithstanding any provision of this Lease and in addition thereto, and without the requirement for any permit, consent to sublease or other use agreement from the Port Authority and in reliance upon the certification, warranty and representation of the Lessee set forth in subparagraph (2)(i) above, the Port Authority hereby grants its consent to the use of the Premises by American Eagle, such use being without payment of the Port Authority fees for such use, in accordance with the terms and conditions of the Lease for so long as both the Lessee and American Eagle are wholly-owned subsidiaries of AMR by virtue of the fact that AMR is the absolute and unconditional owner of all the issued and outstanding capital stock of the Lessee and of American Eagle and to the Lessee performing ground handling for American Eagle in accordance with the terms and conditions of the Lease for so long as both the Lessee and American Eagle are wholly-owned subsidiaries of AMR by virtue of the fact that AMR is the absolute and unconditional owner of all the issued and outstanding capital stock of the Lessee and of American Eagle, such ground handling being without payment of the Port Authority fees therefor. In the event either the Lessee or American Eagle or both shall cease to be a wholly-owned subsidiary of AMR, the Lessee shall immediately so inform the Port Authority and thereafter a document or documents shall be prepared by the Port Authority and sent to the Lessee for execution by the Lessee and American Eagle which document(s) shall include, among other things, the right of American Eagle to continue to use the Premises and for the Lessee to perform ground handling for American Eagle on the terms and conditions of the Lease, and the joint and several obligation of the Lessee and American Eagle to pay to the Port Authority the then appropriate Port Authority fees therefor.

(iii) It is specifically understood and agreed that any sublease or other agreement or arrangement (hereinafter called the "American Eagle Arrangement") covering American Eagle's use and/or occupancy of the Premises shall be for a term expiring no later than the day before the expiration date of this Agreement and shall provide that the portion of the Premises to be used by American Eagle shall be used solely for the purposes set forth in Section 5 hereof. Each American Eagle Arrangement shall also provide, in accordance with Sections 52 and 53 hereof, that the term of the American Eagle Arrangement shall immediately terminate and American Eagle shall become a tenant at sufferance in the event of a termination of the term of the Lease and the Lessee becomes a holdover tenant on a month-to-month periodical tenancy pursuant to said Sections 52, 53 or otherwise.

(iv) Without limiting any rights or remedies of the Port Authority or obligations of American Eagle, the Lessee hereby assumes all risks and responsibilities for American Eagle's operations at the Airport including without limitation the payment of fees and charges payable by American Eagle to the Port Authority and the Lessee hereby agrees that all acts

and omissions of American Eagle at the Airport shall be and be deemed to be acts and omissions of the Lessee. Without limiting the generality of the foregoing or any other term or provision of this Agreement, the failure of American Eagle to comply with any agreement, term, covenant or condition of the Lease shall be and be deemed to be a failure of the Lessee to have complied with such agreement, term, covenant or condition and further the Lessee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives, from and against (and shall reimburse the Port Authority for the Port Authority's costs and expenses, whether those of the Port Authority's Law Department or otherwise, including legal expenses incurred in connection with the defense of) all claims and demands of third Persons including but not limited to claims and demands for death or personal injuries, or for property damages, arising out of a breach or default of any term or provision of this Agreement by American Eagle, or out of the use or occupancy of the Premises by American Eagle or by others with its consent, or out of any other acts or omissions of American Eagle, its officers, employees, guests, representatives, customers, contractors, invitees or business visitors on the Premises, or arising out of the acts or omissions of American Eagle, its officers and employees elsewhere at the Airport, including claims and demands of the City of New York, from which the Port Authority derives its rights in the Airport, for indemnification, arising by operation of law or through agreement of the Port Authority with the said City. If so directed, the Lessee shall at its own expense defend any suit based upon any such claim or demand (even if such suit, claim or demand is groundless, false or fraudulent), and in handling such it shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provision of any statutes respecting suits against the Port Authority.

(c) If without the prior written consent of the Port Authority, the Lessee assigns, sells, conveys, transfers, mortgages, pledges or sublets in violation of paragraphs (a) or (b) of this Section or if the Premises are occupied by anybody other than the Lessee, the Port Authority may collect rent from any assignee, sublessee or anyone who claims a right under this Agreement or letting or who occupies the Premises, and the Port Authority shall apply the net amount collected to the rental herein reserved; but no such collection shall be deemed a waiver by the Port Authority of the covenants contained in paragraphs (a) and (b) of this Section or an acceptance by the Port Authority of any such assignee, sublessee, claimant or occupant as Lessee, nor a release of the Lessee by the Port Authority from the further performance by the Lessee of the covenants contained herein.

(d) Neither the limited right of assignment provided in paragraph (a) hereof nor the exercise of said right by the Lessee shall be construed or deemed to release, relieve or discharge any succeeding assignee, successor or transferee of the Lessee or any other Person claiming any right, title or interest in this Agreement from the requirement of obtaining the prior written consent of the Port Authority in the event it wishes to sell, convey, transfer, mortgage, pledge, sublet or assign this Agreement or any part thereof, or any rights created thereby or the letting hereunder or any part

thereof, or any rights created thereby without such prior written consent of the Port Authority.

(e) The Port Authority shall not assign or otherwise transfer this Lease or any of its rights hereunder (i) to any private Person without written consent duly executed by the Lessee; or (ii) to the City of New York, unless the City of New York at the time of such assignment or transfer assumes the obligations of the Port Authority under this Lease.

(f) The Lessee shall not use or permit any Person to use the Premises or any portion thereof for any purpose other than the purposes stated in Section 5 hereof entitled "Use of Premises". Except as provided in this Agreement or otherwise permitted in writing by the Port Authority, the Lessee shall not permit the Premises to be used or occupied by any Person other than its own officers, employees, passengers, contractors and representatives.

Section 20. Termination by the Port Authority

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

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

(2) By order or decree of a court the Lessee shall be adjudged bankrupt or an order shall be made approving a petition filed by any of its creditors or by any of the stockholders of the Lessee, seeking its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any law or statute of the United States or any state thereof, provided that if any such judgment or order is stayed or vacated within sixty (60) days after the entry thereof, any notice of cancellation shall be and become null, void and of no effect; or

(3) By or pursuant to, or under authority of any legislative act, resolution or rule, or any order or decree of any court or governmental board, agency or officer having jurisdiction, a receiver, trustee, or liquidator shall take possession or control of all or substantially all of the property of the Lessee, and such possession or control shall continue in effect for a period of sixty (60) days; or

(4) The Lessee shall voluntarily abandon, desert or vacate the Premises or discontinue its operations at the Airport, or after exhausting or abandoning any right of further appeal, the Lessee because of an act or omission of the Lessee, shall be prevented for a period of thirty (30) days by action of any Governmental Agency other than the Port Authority having

jurisdiction thereof, from conducting its operations at the Airport; or

(5) Any lien is filed against the Premises because of any act or omission of the Lessee and shall not be discharged within thirty (30) days after the Lessee has received notice thereof; or

(6) Except as otherwise in paragraph (a) of Section 19 hereof entitled "Assignment and Sublease", the letting hereunder or the interest or estate of the Lessee under this Agreement shall be transferred directly by the Lessee or shall pass to or devolve upon, by operation of law or otherwise, any other Person, firm or corporation; or

(7) A petition under any part of the federal bankruptcy laws or an action under any present or future insolvency law or statute shall be filed against the Lessee and shall not be dismissed within ninety (90) days after the filing thereof; or

(8) Except as otherwise provided in paragraph (a) of Section 19 hereof entitled "Assignment and Sublease", the Lessee, if a corporation, shall, without the prior written approval of the Port Authority, become a possessor or merged corporation in a merger, a constituent corporation in a consolidation, or a corporation in dissolution (except that a merger or consolidation shall not be grounds for termination if the resulting corporation has a financial standing as of the date of the merger or consolidation at least as good as that of the Lessee by which is meant that its working capital, its ratio of current assets to current liabilities, its ratio of fixed assets to fixed liabilities and its net worth shall be at least as favorable as that of the Lessee); or

(9) The Lessee shall fail duly and punctually to pay the rentals or to make any other payment required hereunder when due to the Port Authority and shall continue in its failure to pay rentals or to make any other payments required hereunder for a period of twenty (20) days after receipt of notice by it from the Port Authority to make such payments; or

(10) The Lessee shall fail to keep, perform and observe each and every other promise, covenant and agreement set forth in this Agreement on its part to be kept, performed, or observed, within thirty (30) days after receipt of notice of default thereunder from the Port Authority (except where fulfillment of its obligation requires activity over a period of time, and the Lessee shall have commenced to perform whatever may be required for fulfillment within thirty (30) days after receipt of notice and continues such performance without interruption except for causes beyond its control);

then upon the occurrence of any such event or at any time thereafter during the continuance thereof, the Port Authority may upon twenty (20) days' notice terminate the rights of the Lessee hereunder and the letting, such termination to be effective upon the date specified in such notice. Such right of termination and the exercise thereof shall be and operate as a conditional limitation.

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

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

Section 21. Right of Re-entry

The Port Authority shall, as an additional remedy upon the giving of a notice of termination as provided in Section 20 hereof entitled "Termination by the Port Authority" or any other Section hereof, have the right to re-enter the Premises and every part thereof upon the effective date of termination without further notice of any kind, and may regain and resume possession either with or without the institution of summary or any other legal proceedings or otherwise. Such re-entry, or regaining or resumption of possession, however, shall not in any manner affect, alter or diminish any of the obligations of the Lessee under this Agreement, and shall in no event constitute an acceptance of surrender.

Section 22. Waiver of Redemption

The Lessee hereby waives any and all rights to recover or regain possession of the Premises and all rights of redemption, granted by or under any present or future law in the event it is evicted or dispossessed for any cause, or in the event the Port Authority obtains possession of the Premises in any lawful manner.

Section 23. Survival of the Obligations of the Lessee

(a) In the event that the letting shall have been terminated in accordance with a notice

of termination as provided in Section 20 hereof entitled "Termination by the Port Authority", or the interest of the Lessee canceled pursuant thereto, or in the event that the Port Authority has re-entered, regained or resumed possession of the Premises in accordance with the provisions of Section 21 hereof entitled "Right of Re-entry", all the obligations of the Lessee under this Agreement shall survive such termination or cancellation, or re-entry, regaining or resumption of possession and shall remain in full force and effect for the full term or the letting under this Agreement, and the amount or amounts of damages or deficiency shall become due and payable to the Port Authority to the same extent, at the same time or times and in the same manner as if no termination, cancellation, re-entry, regaining or resumption of possession had taken place. The Port Authority may maintain separate actions each month to recover the damage or deficiency then due or at its option and at any time may sue to recover the full deficiency less the proper discount, for the entire unexpired term.

(b) The amount of damages for rentals for the period of time subsequent to termination or cancellation (or re-entry, regaining or resumption of possession) shall be the sum of the following:

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

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

(3) On account of the Lessee's obligations to pay the Cost of Assumable Maintenance and Repair set forth in Section 56 hereof entitled "Assumption of Maintenance and Repair of the Premises by the Port Authority", an amount equal to the total sum of the Capital Cost under said Section 56 hereof less the amount thereof payable prior to the effective date of termination, and

(4) On account of the Lessee's obligations to pay the Costs of the Condition Survey set forth in Section 57 hereof entitled "Joint Periodic Condition Survey", an amount equal to the Costs of the Condition Survey under said Section 57 hereof less the amount thereof payable prior to the effective date of termination, and

(5) On account of the Lessee's obligations to pay the Lessee's Parking Garage

Contribution set forth in Section 90 hereof entitled "Reimbursement by the Lessee of a Portion of the Parking Garage Cost", an amount equal to the Lessee's Parking Garage Contribution, less the Parking Garage Payments payable to the Port Authority prior to the effective date of termination, and

(6) An amount equal to all expenses reasonably incurred by the Port Authority in connection with such termination, cancellation, re-entry, regaining or resumption of possession, the restoration of the Premises (on failure of the Lessee to have restored), the reletting of the Premises, the care and maintenance of the Premises during any period of vacancy and such completion of the Section 2B Work to put the Premises in rentable condition, the foregoing to include without limitation, legal expenses (including but not limited to the cost to the Port Authority of in-house legal services), brokerage fees and commissions, repairing and altering the Premises and putting the Premises in order (such as but not limited to cleaning and decorating the Premises).

Section 24. Reletting by the Port Authority

The Port Authority upon termination or cancellation pursuant to Section 20 hereof entitled "Termination by the Port Authority", or upon any re-entry, regaining or resumption of possession pursuant to Section 21 hereof entitled "Right of Re-entry", may occupy the Premises or may relet the Premises, and shall have the right to permit any Persons, firm or corporation to enter upon the Premises and use the same. Such reletting may be of part only of the Premises or a part thereof together with other space, and for a period of time the same as or different from the balance of the term hereunder remaining, and on terms and conditions the same as or different from those set forth in this Agreement. The Port Authority shall also, upon termination or cancellation pursuant to the said Section 20, or upon its re-entry, regaining or resumption of possession pursuant to the said Section 21, have the right to repair or to make structural or other changes in the Premises, including changes which alter the character of the Premises and the suitability thereof for the purpose of the Lessee under this Agreement, without affecting, altering or diminishing the obligations of the Lessee hereunder. In the event either of any reletting or of any actual use and occupancy by the Port Authority (the mere right of the Port Authority to use and occupy not being sufficient however) there shall be credited to the account of the Lessee against its survived obligations hereunder any net amount remaining after deducting from the amount actually received from any lessee, licensee, permittee or other occupier in connection with the use of the said Premises or portion thereof during the balance of the letting as the same is originally stated in this Agreement, or from the market value of the occupancy of such portion of the Premises as the Port Authority may during such period actually use and occupy, all expenses, costs and disbursements incurred or paid by the Port Authority in connection therewith. No such reletting shall be or be construed to be an acceptance of a surrender.

Section 25. Remedies to be Non-Exclusive

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

Section 26. Surrender

The Lessee covenants and agrees to yield and deliver peaceably to the Port Authority possession of the Premises on the date of cessation of the letting, whether such cessation be by termination, expiration or otherwise, promptly and in good condition.

Section 27. Acceptance of Surrender of Lease

No agreement of surrender or to accept a surrender shall be valid unless and until the same shall have been reduced to writing and signed by the duly authorized representatives of the Port Authority and of the Lessee. Except as expressly provided in this Section, neither the doing of, nor any omission so to do, any act or thing, by any of the officers, agents or employees of the Port Authority, shall be deemed an acceptance of a surrender of the letting or of this Agreement.

Section 28. Effect of Basic Lease

(a) The letting shall, in any event, terminate with the termination or expiration of the Basic Lease with the City of New York which covers the Premises, such termination to be effective on such date and to have the same effect as if the term of the letting had on that date expired. The rights of the Port Authority in the Premises are those granted to it by the Basic Lease, and no greater rights are granted or intended to be granted to the Lessee than the Port Authority has power thereunder to grant.

(b) The Port Authority covenants that, during the term of this Agreement, the Port Authority will not take any action which would amount to or have the effect of canceling, surrendering or terminating the Basic Lease prior to the date specified in the Basic Lease for its expiration or would in any manner deprive the Lessee of any of its rights, licenses or privileges under this Agreement.

(c) Nothing herein contained shall prevent the Port Authority from entering into an agreement with the City of New York pursuant to which the Basic Lease is surrendered, cancelled or terminated provided that the City of New York, at the time of such agreement, assumes the obligations of the Port Authority under this Agreement.

(d) Nothing contained in this Agreement shall be deemed a waiver by the Lessee of any of its rights, licenses or privileges under this Agreement in the event that the Basic Lease should be

surrendered, cancelled or terminated prior to the date specified in the Basic Lease for its expiration.

Section 29. Removal of Property

(a) All personal property (including trade fixtures), except for Exhibit H Property as hereinafter defined, removable without material damage to the Premises, which are installed by the Lessee in or on the Premises, shall be deemed to be and remain the property of the Lessee (which personal property exclusive of Exhibit H Property is hereinafter called the "Lessee's Personal Property"). Except as set forth in paragraph (n) of Section 41 hereof entitled "Hot Water and Chilled Water Requirements", all of the Lessee's Personal Property, provided that the Lessee shall install suitable replacements therefor if such property is necessary to operate the Premises in accordance with the terms and provisions hereof, may at the Lessee's option be removed by the Lessee from the Premises at any time during the term of the letting hereunder. Furthermore, notwithstanding the previous sentence, all of the Lessee's Personal Property shall, unless otherwise agreed in writing by the parties hereto, be removed by the Lessee on or before the expiration or other termination of the term of the letting hereunder. Any of the Lessee's Personal Property, except for Tanks (as defined in Section 65 hereof entitled "Storage Tanks"), remaining on the Premises thereafter shall be deemed abandoned by the Lessee. Without limiting any other term or provision of this Agreement, the Lessee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, agents, employees and contractors from all claims of third Persons arising out of the Port Authority's removal and disposition of property so abandoned by the Lessee, including claims for conversion, claims for loss of or damage to the Lessee's Personal Property, claims for injury to Persons (including death), and claims for any other damages, consequential or otherwise.

(b) Notwithstanding the foregoing, the Lessee shall not remove from the Premises the personal property set forth in the exhibit attached hereto, hereby made a part hereof and marked "Exhibit 29.1" and installed in connection with the Phase I Construction Work performed pursuant to Section 2A of the Lease, title to which it is hereby agreed shall have passed to the Port Authority upon the installation thereof (which property is herein called the "Exhibit H Property") except with the prior written approval of the Port Authority and in accordance with any requirements set forth in such approval, provided, however, and notwithstanding the foregoing, in the event any Exhibit H Property is to be removed in connection with the performance of the Redevelopment Work, the Lessee shall notify the Port Authority at least thirty (30) days prior such removal of any Exhibit H Property and if thereafter directed by the Port Authority, the Lessee shall dispose of such Exhibit H Property at its sole cost and expense.

Section 30. Brokerage

The Lessee represents and warrants that no real estate broker has been concerned on its behalf in the negotiation of this Agreement and that there is no real estate broker who is or may be

entitled to be paid a commission in connection therewith. The Lessee shall indemnify and save harmless the Port Authority of and from any claim for commission or brokerage made by any and all Persons, firms or corporations whatsoever for services rendered to the Lessee in connection with the negotiation and execution of this Agreement.

Section 31. Limitation of Rights and Privileges Granted

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

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

Section 32. Notices

Except where expressly required or permitted herein to be oral, all notices, directions, requests, consents and approvals required to be given to or by either party shall be in writing, and all such notices and requests shall be personally delivered to the duly designated officer or representative of such party or delivered to the office of such officer or representative during regular business hours, or forwarded to him or to the party at such address by certified or registered mail. The Lessee shall from time to time designate in writing an office within the Port of New York District and an officer or representative whose regular place of business is at such office upon whom notices and requests may be served. Until further notice, the Port Authority hereby designates its Executive Director, and the Lessee designates its Vice President of Corporate Real Estate as their officers upon whom notices and requests may be served, and the Port Authority designates its office at One World Trade Center, New York, New York 10048, and the Lessee designates its office at MD 5317, 4333 Amon Carter Blvd., Fort Worth, Texas 76155, as their respective offices where notices and requests may be served. If mailed, the notices herein required to be served shall be deemed effective and served as of the date of the certified or registered mailing thereof.

Section 33. Other Construction by the Lessee

(a) Except as expressly provided in Section 2B hereof entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee", the Lessee shall not erect any

structures, make any improvements or do any other construction work on the Premises or alter, modify, or make additions or improvements to any structure now existing or built at any time during the letting, or install any fixture (other than trade fixtures, removable without material damage to the freehold, any such damage to be immediately repaired by the Lessee) without the prior written approval of the Port Authority and in the event any construction, improvement, alteration, modification or addition, is made without such approval, then upon reasonable notice so to do, the Lessee will remove the same, or at the option of the Port Authority cause the same to be changed to the satisfaction of the Port Authority. In case of any failure on the part of the Lessee to comply with such notice, the Port Authority may effect the removal or change and the Lessee shall pay the cost thereof to the Port Authority.

(b) Without limiting the generality of the foregoing paragraph the Lessee acknowledges and agrees that Note 1 and Note 2 and their associated reference lines set forth on Exhibit 1.1 to the Lease shall not constitute or be deemed to constitute or imply that approval of the Port Authority will be granted to any proposed construction by the Lessee nor shall the same grant or be deemed to grant any right or permission to the Lessee now or in the future to erect any structures, make any improvements or do any other construction work in the Premises, including but not limited to paving, or to alter, modify or make additions, improvements or repairs to or replacements of, any structure now existing or built at any time during the letting or install any fixtures on the Premises, including but not limited to paving, and that the provisions of the foregoing paragraph of this Section shall be read and construed as if there were no Note 1 and Note 2 of Exhibit 1.1 and their associated reference lines, which were placed on such Exhibit solely and exclusively for the benefit of the Port Authority.

(c) Notwithstanding the obligation of maintenance imposed upon the Lessee by the provisions of Section 10 hereof, the Lessee shall not make any repairs or replacements (except emergency repairs or replacements) unless and until it has first obtained an approved Port Authority alteration application for such repairs or replacements which shall then be performed in full accordance with the terms of said alteration application.

Section 34. Place of Payments

All payments required of the Lessee by this Agreement shall be made to the Port Authority, P.O. Box 17309, Newark, New Jersey 07194, or to such other address, office or location as may be substituted therefor by the Port Authority by notice to the Lessee from time to time.

Section 35. Construction and Application of Terms

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

(b) Unless otherwise expressly specified, the terms, provisions and obligations contained in the Exhibits and Schedules attached hereto, whether there set out in full or as amendments of, or supplements to provisions elsewhere in the Agreement stated, shall have the same force and effect as if herein set forth in full.

(c) If any clause, provision or section of this Agreement shall be ruled invalid by any court of competent jurisdiction, the invalidity of such clause, provision or section shall not affect any of the remaining provisions hereof.

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

(e) The parties agree that any rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be applicable to the interpretations of this Agreement or any amendments, addenda or supplements hereto or any Exhibits or Schedules hereto.

Section 36. Non-liability of Individuals

No Commissioner, director, officer, agent or employee of either party shall be charged personally or held contractually liable by or to the other party under any term or provision of this Agreement or of any supplement, modification or amendment to this Agreement or because of any breach thereof, or because of its or their execution or attempted execution.

Section 37. Termination by Lessee

(a) If any one or more of the following events shall occur:

(1) If the Lessee shall be prevented from operating its air transportation system to and from the Airport by reason of its inability to use a substantial part of all of the Runways and Taxiways,

(i) for a period of longer than thirty (30) consecutive days, resulting from any condition of the Airport not due to the fault of the Lessee; or

(ii) for a period of longer than ninety (90) consecutive days, resulting from a permanent injunction issued by any court of competent jurisdiction; or

(iii) for a period of longer than ninety (90) consecutive days, resulting

from any order, rule or regulation of the Federal Aviation Administration, or other governmental agency having jurisdiction over the operations of the Lessee with which the Lessee is unable to comply at reasonable cost or expense; or

(2) The Port Authority shall fail to perform any of its obligations under this Lease within twenty (20) days after receipt of notice of default thereunder from the Lessee (except where fulfillment of its obligation requires activity over a period of time and the Port Authority shall commence to perform whatever may be required for fulfillment within twenty (20) days after the receipt of notice and continues such performance without interruption, except for causes beyond its control);

then upon the occurrence of any such event or at any time thereafter during the continuance of the condition, the Lessee may by twenty (20) days' notice terminate the letting, such termination to be effective upon the date set forth in such notice and to have the same effect as if the term of the letting had on that date expired. No waiver by the Lessee of any default on the part of the Port Authority in performance of any of the terms, covenants or conditions hereof to be performed, kept or observed by the Port Authority shall be or be construed to be a waiver by the Lessee of any other or subsequent default in performance of any of the said terms, covenants and conditions.

(b) The payment of rentals by the Lessee for the period or periods after the Lessee shall have a right to terminate under this Section but before any such default of the Port Authority has been cured, shall not be or be construed to be a waiver by the Lessee of any such right of termination.

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

Section 38. Effect of Termination by the Lessee

(a) If the Lessee terminates the letting pursuant to the provisions of paragraph (a)(1) of Section 37 hereof entitled "Termination by Lessee" then the Port Authority may at its option, pay to the Lessee the Unamortized Redevelopment Investment, if any, of the Lessee in the Premises. Such option shall be evidenced by notice in writing to the Lessee by the Port Authority within sixty (60) days after the Lessee has given notice of termination. The failure of the Port Authority to exercise the said option will impose no obligation upon it to relet the Premises.

(b) If the Lessee terminates the letting pursuant to the provisions of paragraph (a)(2) of Section 37 hereof entitled "Termination by Lessee" then the Port Authority may, at its option, pay

to the Lessee the Unamortized Redevelopment Investment, if any, of the Lessee in the Premises. Such option shall be evidenced by notice in writing to the Lessee by the Port Authority within sixty (60) days after the Lessee has given notice of termination. If the Port Authority fails to exercise such option, then the Port Authority shall use its best efforts to relet the Premises.

(c) If the Port Authority relets the Premises prior to the date upon which this Lease would have expired but for such termination, then the net rent paid by the new tenant to the Port Authority (after deducting any costs and expenses incurred by the Port Authority in securing said new tenant and in complying with the terms of the lease to such tenant, including but not limited to costs of alteration and decoration of such Premises, in the event of termination pursuant to the provisions of paragraph (a)(1) of Section 37 hereof entitled "Termination by Lessee", and after deducting any costs and expenses incurred by the Port Authority for the maintenance of said Premises or for services furnished to the new tenant and after deducting the amounts which would have been payable as rent by the Lessee but for such termination) shall be paid over by the Port Authority to the Lessee until said amounts paid over equal the Unamortized Redevelopment Investment of the Lessee in the Premises as of the date of termination. The obligation of the Port Authority to pay over to the Lessee any net rent received from such new tenant shall endure only while such new tenant continues to pay rent and occupy such Premises, and only while the Unamortized Redevelopment Investment of the Lessee in such Premises is unamortized, and in no event is such obligation to pay over to endure beyond the date upon which this Lease would have expired but for such termination.

Section 39. Abatement

If the Port Authority shall, for safety or other reasons, prohibit the use of the Public Landing Area at the Airport or of any substantial part thereof for foreign or domestic scheduled air transport operations for a period covering more than sixty (60) consecutive days and the Lessee shall thereby be prevented from conducting those operations at the Airport enumerated in Section 5 hereof entitled "Use of Premises", then upon the occurrence of such event, the Lessee at its option shall be entitled to abatement of rental during such period of prohibition and prevention. In the event that the Lessee shall exercise such option the Lessee shall be deemed to have released and discharged the Port Authority of and from all claims and rights which the Lessee may have hereunder arising out of or consequent upon such closing and the subsequent interrupted use of such Public Landing Area or part thereof during the period of prohibition.

Section 40. Services to the Lessee

Except as provided in this Section 40, the Port Authority shall not be obligated to perform or furnish any services or utilities whatsoever in connection with this Lease or the use and occupancy of the Premises hereunder.

(a) The Port Authority shall sell, furnish and supply to the Lessee for use on the Premises and the Lessee agrees to take from the Port Authority and pay for electricity of the same voltage, phase and cycle as supplied to the Premises by the public utility in the vicinity, but limited however, to serve a maximum of the installed transformer capacity serving each portion of the Premises on the Effective Date, at the same charge which would be made by such public utility for the same quantity under the same conditions and in the same service classification but in no event less than an amount that would reimburse the Port Authority for its cost of obtaining and supplying electricity to the Lessee hereunder; charges shall be payable by the Lessee when billed and the quantity of electricity consumed shall be measured by the meter or meters installed for the purpose; provided, however, that if for any reason any meter or meters fail to record the consumption of electricity, the consumption during the period such meter or meters are out of service will be considered to be the same as the consumption for a like period either immediately before or after the interruption as elected by the Port Authority. The Port Authority shall not discontinue the supply of electricity except upon fifteen (15) days' notice to the Lessee and unless a supply of electricity of the same voltage, phase and cycle (subject to the KVA limitation aforesaid) shall be available from another supplier and upon any such discontinuance the Lessee shall be at liberty to contract or otherwise arrange for the supply of such current after the expiration of said fifteen (15) days from any other Person, firm or corporation. The Port Authority shall install the appropriate meters.

(b) The Port Authority agrees to sell, furnish and supply to the Lessee for use on the Premises cold water (of the character furnished by the City of New York) in reasonable quantities through existing pipes, mains and fittings and the Lessee agrees to take such water from the Port Authority and to pay the Port Authority therefor an amount equal to that which would be charged by the municipality or other supplier of the same (whether or not representing a charge for water or other services measured by water consumption) for the same quantity, used under the same conditions and in the same service classification plus the cost to the Port Authority of supplying such water which shall not be less than ten percent (10%) nor in excess of fifty percent (50%) of the amount charged. The charge therefor shall be payable by the Lessee when billed and the quantity of water consumed shall be measured by the meter or meters installed for the purpose; provided, however, that if for any reason, any meter or meters fail to record the consumption of water, the consumption during the period such meter or meters are out of service will be considered to be the same as the consumption for a like period immediately before or after the interruption, as elected by the Port Authority. The Port Authority shall install the appropriate meters. In the event meters are not installed to measure the consumption of water under high pressure, the quantity of such water used by the Lessee will be based upon equitable estimates of consumption, which estimates shall be deemed binding on the Lessee.

(c) The Lessee shall pay to the Port Authority such of the existing and future charges for sewerage services furnished by the City of New York as are presently or may hereafter be imposed or assessed against the Port Authority in respect of the Lessee's Premises or its use and occupancy thereof. In the event that the City or the State of New York is now furnishing services

with or without charge therefor, which are beneficial to the Lessee in its use and occupancy of the Premises, and shall hereafter impose charges or increase existing charges for such services, the Lessee agrees to pay to the Port Authority such of the charges or the increase in charges as may be imposed or assessed against the Port Authority in respect to the Lessee's Premises or its use and occupancy thereof.

(d) In the event the Port Authority shall provide extermination service for the enclosed areas of the Premises, the Lessee agrees to utilize the same and to pay its pro rata share of the reasonable cost thereof upon demand. This paragraph does not impose any obligation on the Port Authority to furnish such service.

(e) The Port Authority shall not be obligated to perform or furnish any other services whatsoever in connection with the Premises or any services at any time while the Lessee shall be in default hereunder after the period, if any, herein granted to cure such default shall have expired.

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

(g) No failure, delay or interruption in supplying agreed services (whether or not a separate charge is made therefor) shall be or be construed to be an eviction of the Lessee or grounds for any diminution or abatement of rental, or (unless resulting from the negligence or wilful failure of the Port Authority) shall be grounds for any claim by the Lessee for damages, consequential or otherwise.

Section 41. Hot Water and Chilled Water Requirements

(a) (1) The Port Authority has entered into agreements consisting of an Energy Purchase Agreement, dated as of April 28, 1993, a Construction and Operations Agreement, dated as of April 28, 1993, and an Agreement of Lease, dated as of April 28, 1993, (all of the foregoing Agreements hereinafter as the same may be supplemented, amended and extended from time to time collectively and individually called the "Cogeneration Agreement") with KIAC Partners, a New York general partnership (hereinafter called "KIAC"), for the construction, installation and operation of a cogeneration facility at the Airport which includes portions of the central heating and refrigeration facility previously operated by the Port Authority at the Airport and which cogeneration facility produces electricity, hot water (hereinafter called "Hot Water") and chilled water (hereinafter called "Chilled Water") and which cogeneration facility is hereinafter called the "Cogeneration Facility". The Cogeneration Facility shall include a thermal distribution system (the

"TDS") including distribution lines extending to the Premises as provided in paragraph (f) below.

(2) The Lessee acknowledges that it has received a copy of the Cogeneration Agreement and agrees that the supply by KIAC of Hot Water and Chilled Water to the Premises is subject to all of the terms and provisions of the Cogeneration Agreement. The Lessee agrees that the Port Authority may grant waivers, consents and approvals to KIAC from time to time and the Port Authority and KIAC may, except to the extent provided in paragraph (i) below, supplement, amend or extend the Cogeneration Agreement from time to time and that the Lessee shall be subject to any such waivers, consents and approvals and supplements, amendments, and extensions as part of the Cogeneration Agreement. Copies of any such supplements, amendments and extensions will be made available to the Lessee upon request by the Lessee therefor.

(b) (1) The Cogeneration Agreement provides, among other things, that the Port Authority will purchase from KIAC for resale to the Lessee, and the Lessee hereby agrees that it will accept and purchase from the Port Authority subject to all of the terms and conditions of the Cogeneration Agreement, for use on the Premises, to the extent the same is delivered by KIAC to the Port Authority and by the Port Authority to the Lessee, all of the Lessee's requirements at the Premises for Hot Water and Chilled Water (excluding requirements exclusively for aircraft and loading bridges leading to aircraft); and the Lessee hereby agrees to pay the Port Authority therefor as follows:

(i) The Lessee acknowledges and agrees that the charge to the Lessee by the Port Authority for the Lessee's consumption of Hot Water and Chilled Water at the Premises and Chilled Water makeup water and chemical treatment of makeup water (due to system leakage at the Premises or otherwise) shall be the sum of (A) the amount payable by the Port Authority to KIAC therefor pursuant to the Cogeneration Agreement, plus (B) Five Percent (5%) of the foregoing and plus (C) all applicable taxes.

(ii) The Lessee acknowledges that pursuant to the Cogeneration Agreement KIAC will furnish the Port Authority with measurements of the Lessee's consumption of (A) Hot Water based upon energy drawn by the Lessee from KIAC's Hot Water distribution lines, (B) Chilled Water based upon the energy absorbed from the Lessee by KIAC's Chilled Water distribution lines and (C) Chilled Water makeup water and chemical treatment of makeup water consumed on the Premises, and the Lessee agrees that the provisions of the Cogeneration Agreement with respect to the accuracy of such measurements, the determination of such measurements in the event of inaccurate registration by metering devices, and the use of estimates in the event of the failure of such metering devices shall all be applicable to the Lessee under this Agreement as though set forth in full herein.

(iii) The Lessee acknowledges that the Cogeneration Agreement provides that KIAC shall provide estimated bills to the Port Authority for consumption of Hot Water and

Chilled Water on a monthly basis commencing approximately ten (10) days after the Cogeneration Effective Date for the first calendar month or portion thereof and on or about the tenth (10th) day of the month for each calendar month thereafter. KIAC is then to render a final bill with respect to each estimated bill approximately ten (10) days after the conclusion of the said month together with the estimated bill for the then current month.

(iv) Notwithstanding such arrangement between KIAC and the Port Authority, the Port Authority shall, with respect to each calendar year or fraction thereof, establish estimated unit rates, subject to change from time to time by the Port Authority, for the consumption on the Premises of Hot Water and Chilled Water and shall render an estimated bill to the Lessee for the Lessee's consumption at such estimated rates monthly on the last day of the calendar month following each full or partial calendar month during the term hereof which bill shall be payable on receipt.

(v) As soon as practicable after the expiration of each calendar year, the Port Authority shall determine the amounts payable by the Lessee in accordance with the provisions of subparagraphs (i), (ii) and (iii) of this paragraph (b)(1). A corrected billing based upon such determination shall thereupon be rendered by the Port Authority to the Lessee and if any monies are due to the Port Authority they shall be promptly paid by the Lessee and if any monies are due to the Lessee they shall be credited to it. In the event the term of this Agreement expires or is sooner terminated on a date other than the last day of a calendar year, the Port Authority shall have no obligation to immediately make the computations as hereinabove provided which would determine the amounts payable by the Lessee in accordance with subparagraphs (i), (ii) and (iii) of this paragraph (b)(1) for the period during said year when this Agreement was in effect. In the event this Agreement expires on a day other than the last day of a calendar month and the actual consumption of and charges to the Lessee for such portion of the calendar month are not available, the charge to the Lessee shall be equitably prorated. Said computations shall be made subsequent to the end of the calendar year as hereinabove provided, and if any monies are due to the Port Authority they shall be paid by the Lessee and if any monies are due to the Lessee they shall be paid to it by the Port Authority less such amounts, if any, then due and owing to the Port Authority from the Lessee.

(vi) The Port Authority shall render a bill to the Lessee from time to time for the Lessee's Chilled Water distribution gallonage which shall be payable upon receipt. The charge therefor shall be based on KIAC's charge to the Port Authority for makeup water and chemical treatment of makeup water and shall be determined in accordance with subparagraphs (i) and (ii) of this paragraph (b)(1).

(vii) In the event that the Lessee disputes any item of an estimated or final bill, the Lessee shall promptly pay the bill in full and the Port Authority shall make any necessary adjustments only after resolution of such dispute.

(2) The Lessee agrees that in order that KIAC or any successor thereto may maintain the status of the Cogeneration Facility as a "qualifying cogeneration facility" under applicable Federal laws, rules and regulations ("QF Status") including the Public Utility Regulatory Policies Act of 1978 as the same may be amended and any successor statute thereto, the Lessee shall, at all times it is operating the Premises for the purposes permitted in this Agreement, purchase from the Port Authority and use on an annual basis a minimum amount of thermal energy contained in Hot Water and Chilled Water produced by use of steam from the Cogeneration Facility equivalent to the lesser of (1) an amount that, together with all thermal energy contained in Hot Water and Chilled Water purchased and used by the Port Authority and all other lessees of Premises in the Central Terminal Area, is sufficient to maintain the QF Status of the Cogeneration Facility and (2) the product of (x) 167,379 mm BTUs of thermal energy, which is one-third of the use of thermal energy contained in Hot Water and Chilled Water in the Central Terminal Area of the Port Authority and the lessees of Premises in the Central Terminal Area in the year ending December 31, 1989, and (y) a fraction, the numerator of which is the amount of the Lessee's use of thermal energy contained in Hot Water and Chilled Water at the Premises in the most recent complete calendar year preceding the applicable date of determination and the denominator of which is the amount of all use in the Central Terminal Area of thermal energy contained in Hot Water and Chilled Water in such calendar year.

(3) It is agreed that during or subsequent to the expiration of this Agreement no charge to or payment by the Lessee with respect to Hot Water, Chilled Water or Chilled Water distribution gallonage shall be included in, affect, or change in any way the calculation and determination of Port Authority costs or charges under any other agreement between the Lessee and the Port Authority at the Airport and any such Port Authority cost or charge shall be calculated and determined as if no charge to or payment by the Lessee with respect to Hot Water, Chilled Water or Chilled Water distribution gallonage had been incurred.

(c) THE LESSEE HEREBY WAIVES AND RELINQUISHES for itself, its successors and assigns any right it may have, and further agrees that it, its successors and assigns shall have no right, to manufacture or produce, to cause to be manufactured or produced, or to purchase or receive from any third party, Hot Water or Chilled Water for use on the Premises or to use any other manner of air cooling or air heating at the Premises except to purchase, receive and use Hot Water and Chilled Water from the Port Authority pursuant to this Agreement.

(d) There shall be no obligation to the Lessee by either KIAC or the Port Authority to furnish the goods and services covered by this Section at any time (i) while any component necessary therefor shall be prohibited or rationed by any federal, state or municipal, law, rule, regulation, requirement, order or direction or while the Port Authority deems it in the public interest to comply therewith even though such law, rule, regulation, requirement, order or direction may not be mandatory on the Port Authority as a public agency, (ii) while the same are curtailed or stopped because of the need to repair, replace, rebuild or alter the Cogeneration Facility, (iii) during the

continuance of any event of Force Majeure, as such term is defined in the Cogeneration Agreement or (iv) that the Lessee shall be in default under this Agreement after the period, if any, herein granted to cure such default shall have expired. No failure, delay or interruption in supplying said goods and services shall be or be construed to be an eviction of the Lessee or grounds for the diminution or abatement of rentals, fees or other charges, nor shall any such failure, delay or interruption be grounds for any claim by the Lessee for damages, consequential or otherwise, against the Port Authority or KIAC.

(e) Without limiting any other provision of this Section, any supply of Hot Water or Chilled Water to the Premises from the Cogeneration Facility shall be limited by the safe and efficient operating capacity of the Cogeneration Facility as determined by KIAC and as approved by the Port Authority.

(f) (1) The Lessee has installed all machinery, equipment and facilities required to be installed in the Premises in order to utilize Hot Water and Chilled Water to be distributed and has tied into the TDS at the heat exchangers heretofore installed by the Port Authority or KIAC in the mechanical equipment rooms constructed by the Lessee on the Premises and the Lessee shall in the future install all machinery, equipment and facilities, including heat exchangers, required to be installed in the Premises in order to utilize Hot Water and Chilled Water to be distributed and shall tie into the TDS in the mechanical equipment rooms constructed by the Lessee on the Premises.

(2) The Lessee hereby agrees that the Port Authority, KIAC and the contractors or suppliers of either of them shall have the right to enter upon the Premises to install, operate and maintain any part of the Cogeneration Facility located thereon including but not limited to the TDS and any heat exchangers installed by the Port Authority or KIAC.

(g) In the event the Cogeneration Agreement is terminated and the facilities for the production of Hot Water and Chilled Water at the Airport exist and are, in the opinion of the Port Authority, economically operable, the Port Authority itself or pursuant to agreement with a contractor or permittee shall supply Hot Water and Chilled Water to the Premises and the Lessee shall take and pay therefor at the same charge to the Lessee which would be applicable as if the Cogeneration Agreement had been in full force and effect, provided, however, that notwithstanding any other provision of this Section, the charge therefor to the Lessee shall in no event be less than an amount that would reimburse the Port Authority for its capital and operating costs in connection therewith determined in accordance with the Port Authority's normal accounting practice. In addition, the Port Authority may, in its discretion, make or consent to arrangements on one or more occasions with a third party or parties to succeed to KIAC's operation of all or any part of the Cogeneration Facility and the Lessee shall continue to be obligated to purchase Hot Water and Chilled Water from the Port Authority pursuant to this Agreement, at the rates provided for in the Cogeneration Agreement.

(h) Neither the Port Authority nor KIAC shall have any liability to the Lessee for any facilities installed by the Lessee on the Premises in connection with the use of Hot Water and Chilled Water hereunder or for any investment made in connection with the use of Hot Water and Chilled Water.

(i) The Port Authority shall have the right to grant waivers, consents and approvals with respect to the Cogeneration Agreement and to enter into amendments, supplements or extensions of the Cogeneration Agreement with KIAC or any similar agreement with any successor operator of the Cogeneration Facility or other provider of Hot Water and Chilled Water at the Airport, provided, however, that the Port Authority will not enter into any amendment, supplement or extension of the Cogeneration Agreement which will result in a change in the formula used to calculate the Hot Water and Chilled Water rates payable by the Lessee which change results in an increase in the rates payable by the Lessee pursuant to such formula (the Lessee hereby acknowledging that such formula may, according to its terms, provide for such rates to be adjusted from time to time) without the consent of the lessees (including the Port Authority as and to the extent that the Port Authority uses Hot Water and Chilled Water) of premises that purchased and used at least Fifty-one percent (51%) of the aggregate Hot Water and Chilled Water purchased and used in the Central Terminal Area during the last full calendar year preceding the effective date of such amendment, supplement or extension.

(j) (1) Paragraph (c) above provides, among other things, that on notice from the Port Authority, the Lessee shall waive for itself, its successors and assigns any right the Lessee may have, and further agrees that the Lessee, its successors and assigns shall have no right, to manufacture or produce, to cause to be manufactured or produced or to purchase or receive from any third party, Hot Water or Chilled Water for use on the Premises or to use any other manner of air cooling or air heating at the Premises except to purchase, receive and use Hot Water and Chilled Water from the Port Authority pursuant to the Lease.

(2) The Lessee installed a 500 ton centrifugal chiller (hereinafter called the "Chiller") in the interior of the portion of the Premises generally known as Building No. 56 (hereinafter called "Building No. 56"). The Lessee hereby agrees that the Chiller may only be used as back up capability to the supply of Chilled Water by KIAC as set forth in the Lease and the Cogeneration Agreement, and that the Chiller will be operated only when the Lessee has demonstrated to the satisfaction of the Port Authority that KIAC has failed to supply Chilled Water as set forth in the Lease and the Cogeneration Agreement.

(3) The Chiller is not a substitute for an adequately designed, installed and maintained HVAC system at the Premises which under normal and design load conditions is capable of using Chilled Water supplied by KIAC to satisfy demand as set forth in the Lease and the Cogeneration Agreement. Before the Lessee may use the Chiller under the circumstances set forth in paragraph (j)(2) above, the Lessee must demonstrate to the Port Authority's satisfaction (the

Port Authority reserving the right to consult with KIAC in connection therewith) that the HVAC system is designed to this condition and installed such that it is capable of operating properly under design conditions completely on Chilled Water, without resort to the Chiller. It shall not be marginal in this respect. It shall also be the Lessee's responsibility to continually maintain the HVAC system to this level of capability. The Lessee's failure in any of these respects shall preclude operation of the Chiller under the circumstances set forth in paragraph (j)(2) above.

(4) The Port Authority and the Lessee understand that there is potential for unauthorized use of the Chiller. The Lessee understands that unauthorized use will cause harm to KIAC and that pursuant to the Lease and the Cogeneration Agreement KIAC is to supply to the Port Authority for resale to the Lessee all of the Lessee's requirements for Chilled Water at the Premises.

(5) The Lessee shall notify the Port Authority whenever it observes that KIAC is not delivering an adequate flow of Chilled Water or sufficiently cold Chilled Water as set forth in the Lease and the Cogeneration Agreement. Upon such notification by the Lessee of an inadequate flow of Chilled Water or insufficient Chilled Water, the Lessee may operate the Chiller until such inadequacy or insufficiency is corrected.

(k) (1) Notwithstanding paragraph (j)(5) above, upon the determination of the Port Authority, which may be made from time to time on one or more occasions, that the Lessee has used the Chiller in non-compliance with this Section, the Port Authority may direct the Lessee to disable the Chiller or to remove the Chiller from the Premises.

(2) The agreement of the Lessee that the Lessee shall disable or remove the Chiller upon the direction of the Port Authority, as aforesaid, is of the essence of this Agreement and the Port Authority shall be entitled to a decree against the Lessee requiring specific performance thereof and the Lessee hereby waives any defense to such specific performance based upon the adequacy of a remedy at law to any such action or actions which may be so brought. The foregoing shall be in addition to and not in lieu of or exclusive of any other remedy available to the Port Authority at law or in equity.

(l) The Lessee shall pay to the Port Authority all charges, including without limitation all applicable taxes, arising out of the use of the Chiller by the Lessee whether based on the consumption of Chilled Water or otherwise, as if the same were charges for the consumption of Chilled Water under this Section.

(m) (1) Without limiting the generality of the provisions of paragraph (l) above and Section 13 of the Lease entitled "Indemnity and Liability Insurance", the Lessee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives, from (and shall reimburse the Port Authority for the Port Authority's costs and expenses including legal expenses, whether those of the Port Authority's Law Department or otherwise, incurred in

connection with the defense of) all claims and demands of KIAC against the Port Authority under the Cogeneration Agreement arising out of the installation and/or use of the Chiller by the Lessee.

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

(n) Upon the earlier to occur of the removal of the Chiller from the Premises or the demolition of Building No. 56, the Lessee shall have no further right to use the Chiller or other equipment or method of cooling the Premises or any part thereof except as set forth in paragraphs (a) through (i) of this Section.

Section 42. General Airport Agreement

(a) The parties hereto agree that in the event any provisions contained in the General Airport Agreement are inconsistent or otherwise in conflict with any one or more provisions of this Lease, the provisions of this Lease shall apply with respect to the Premises let hereunder.

(b) Notwithstanding the foregoing provisions of this Section, the Lessee shall have the same rights and privileges under this Lease with respect to "Ramp Service", "Subsidiaries", "Airline Contractors," "Fees or Charges Against Employees, Passengers and Suppliers" and "Federal Control and Operation of Airline", to the extent applicable, as said phrases are used in the General Airport Agreement as if the provisions of Section 4.10 of Title IV, Sections 8.14, 8.15 and 8.19 of Title VIII, and Section 11.06 of Title XI of the General Airport Agreement were herewith incorporated in full as to the subject matter of this Lease and in any of such matters the language of such cited Sections of the General Airport Agreement shall be deemed to apply to the Premises.

(c) The foregoing provisions of this Section shall apply and pertain only up to the expiration or earlier termination of the General Airport Agreement and thereafter shall be void and of no further force or effect.

Section 43. General Airport Agreement Expiration

It is recognized that the General Airport Agreement and the principles and formula set forth therein for the calculation of flight fees, including the costs recovery accounting principles, have by agreement or policy been the basis for determining flight fees payable by various Aircraft Operators at the Airport in addition to the Aircraft Operators who are the actual signatory lessees to the

General Airport Agreement. In the event of the expiration and non-extension or non-renewal of the General Airport Agreement, the same formula, accounting principles and costs recovery methodology now set forth in the General Airport Agreement for the calculation of flight fees shall continue to be utilized for the calculation of flight fees at the Airport for the Lessee until such time as the General Airport Agreement is formally replaced by a new agreement or agreements or by a new policy or policies. The Port Authority has advised the Lessee that it is the intention of the Port Authority that with respect to the formula, accounting principles and the costs recovery methodology for the calculation of flight fees upon the expiration and non-extension or non-renewal of the General Airport Agreement all Aircraft Operators at the Airport which are similarly situated will be treated in a similar manner.

Section 44. Associated and Affiliated Companies

(a) In addition to the purposes specified in Section 5 hereof entitled "Use of Premises" the Lessee may use the Premises for the following purposes and for activities reasonably required for such purposes:

(1) For the reservation of space and the sale of tickets for transportation on aircraft operated by Associated or Affiliated Companies of the Lessee.

(2) For the reservation of space and the sale of tickets for transportation by other carriers but only as an incident to or in connection with transportation performed or to be performed by the Lessee's Associated or Affiliated Companies or as an incident to or in connection with the cancellation of such transportation, or for the accommodation or convenience of the incoming or outbound passengers of such Associated or Affiliated Companies at the Airport.

(3) For the clearance, checking and rendering of service to passengers of the Lessee's Associated or Affiliated Companies and for the furnishing of information service to such passengers and the general public.

(4) For providing rooms or space for the special handling of or the furnishing of special services to any of the passengers, guests, or invitees of the Lessee's Associated or Affiliated Companies, subject to the provisions of Section 63 hereof entitled "Club Rooms".

(5) For the handling of baggage of passengers of the Lessee's Associated or Affiliated Companies including baggage and parcels such passengers decide to send as air cargo.

(6) For the handling of unclaimed baggage and lost and found articles of the Lessee's Associated or Affiliated Companies.

(7) For the conduct of operations, traffic, communications, reservations and

administrative office functions and activities in connection with air transportation performed by the Lessee's Associated or Affiliated Companies.

(8) For the preparation, packaging and storage of food, beverages and commissary supplies to be consumed on aircraft operated by the Lessee's Associated or Affiliated Companies.

(9) For the storage of repair parts, supplies and other personal property owned by the Associated or Affiliated Companies of the Lessee and for the performance of minor repairs to personal property of such Associated or Affiliated Companies.

(10) For the storage of such Associated or Affiliated Companies fuel and lubricants as may be approved by the Port Authority.

(11) For the operation of a cafeteria for over the counter sales to officers and employees of the Lessee's Associated or Affiliated Companies and their families and to occasional business guests of such officers and employees (other than passengers of such Associated or Affiliated Companies) of food, beverages and other merchandise normally sold in such an establishment at no profit to the Lessee or its Associated or Affiliated Companies and either directly by the Lessee or by an independent contractor who has received a permit from the Port Authority so to do.

(12) For use as crew quarters to be used by personnel of the Lessee's Associated or Affiliated Companies during layovers between flights and for the establishment of lounges for employees of such Associated or Affiliated Companies.

(13) For the loading and unloading of passengers, baggage, mail, air cargo and commissary supplies of the Lessee's Associated or Affiliated Companies, provided that the use of the Premises for the unloading and loading of passengers and their baggage from ground transportation vehicles shall be subject to limitation and restriction, from time to time, as set forth in Section 62 hereof entitled "Future Airport Transportation Facilities and Operations Use of Portions of the Premises" and Section 49 hereof entitled "Restrictions on Use of Passenger Terminal Frontage Roadways-Use of Airport Taxi Dispatchers and Roadway Frontage Management".

(14) For the parking and storage of aircraft and ramp equipment operated by Associated or Affiliated Companies of the Lessee.

(15) For the fueling and servicing of aircraft and ramp equipment operated by Associated or Affiliated Companies of the Lessee.

(16) For the performance of aircraft maintenance of aircraft operated by the Lessee's Associated or Affiliated Companies subject to the limitations imposed by paragraph (j) of Section 9 hereof entitled "Prohibited Acts".

(17) For the temporary storage of baggage, mail and air cargo to be carried in aircraft operated by the Lessee's Associated or Affiliated Companies.

(b) The loading or unloading on the Premises of all aircraft used principally for cargo is expressly prohibited.

(c) For the purposes of this Lease, the phrase "Associated or Affiliated Companies" when used herein shall be construed to mean any corporation or foreign entity which is an "Associated Company" or an "Affiliated Company" of the Lessee within the meaning of such phrases as defined in Section 17.01 of the General Airport Agreement, as it may be amended from time to time.

(d) Any act or thing which the Lessee may do for its Associated or Affiliated Companies pursuant to this Lease may be done by it at the same place and under the same circumstances either directly or through a contractor or contractors of its choice, provided, that such acts and things shall be done through a contractor or contractors only if by the terms of this Lease the Lessee may do the same acts or things for itself through contractors, and then only under the same circumstances and subject to the same conditions, and provided further that this Section shall not be deemed to grant to the Lessee's Associated or Affiliated Companies, any greater rights or privileges than are granted to the Lessee under the Lease.

(e) The Lessee's Associated or Affiliated Companies and the officers, employees, passengers, patrons, contractors, suppliers of material, furnishers of services and invitees of the Lessee shall have such right of ingress and egress with respect to the Premises and the right of way over highways at the Airport as are described in Section 48 hereof entitled "Ingress and Egress", subject, however, to the further provisions of said Section 48.

(f) In the event any Associated or Affiliated Companies of the Lessee has entered or hereafter enters into a separate lease or other written agreement with the Port Authority for the use of any premises, space, or facilities at the Airport (whether or not containing provisions similar to those in this Section), then any provisions of this Section which are in conflict with or inconsistent with such provisions under such separate lease or agreement shall be null and void.

(g) The foregoing provisions of this Section shall apply and pertain notwithstanding the expiration or earlier termination of the General Airport Agreement unless different provisions are agreed upon in any successor agreement between the parties to the General Airport Agreement, if, as and when there is such a successor agreement, there being no obligation of any kind hereunder to

enter into a successor agreement.

Section 45. Requesting Airlines at the Airport

(a) If a Scheduled Aircraft Operator advises the Lessee that it would like to be accommodated by the Lessee at the Premises (any such Scheduled Aircraft Operator being hereinafter called a "Requesting Airline") , the Lessee in furtherance of the public interest of having the Premises fully and most effectively utilized shall use its best efforts to accommodate the request of said Requesting Airline. If the Lessee fails to reach agreement with said Requesting Airline for its accommodation, the Lessee shall advise the Port Authority to such effect. Thereafter, the Port Authority shall make a determination as to whether the Lessee should accommodate the Requesting Airline as requested and if so, whether there are any limitations on the nature, extent, cost, duration and extent of such accommodation. Determinations of the Port Authority shall not be arbitrary or capricious. Such determinations of the Port Authority would take into consideration the then existing utilization of the Premises and the necessity for the flights, schedules, flight times, operations, operating practices and aircraft equipment of the Requesting Airline to be compatible with those of the Lessee, as well as the need for labor harmony. The Lessee agrees to comply with such determinations of the Port Authority made in accordance with this Section.

(b) Any arrangement between the Lessee and the Requesting Airline made in accordance with any of the foregoing provisions shall be submitted by the Lessee to the Port Authority for its consent, which will be in the form of a consent agreement prepared by the Port Authority and to be executed by the Lessee, the Requesting Airline and the Port Authority.

(c) The foregoing shall not be deemed to abrogate, change or affect any restrictions, limitations or prohibitions on assignment, subletting or use of the Premises by others under this Lease and shall not in any manner affect, waive or change any of the provisions thereof.

Section 46. Additional Rights of the Port Authority as to Portions of the Premises

(a) It is hereby agreed that for the purpose of this Section the term the "Lessee's Commencement Basic Schedule" shall be and mean for the period from the Effective Date to and including the day immediately preceding the Redevelopment Work Completion Date a "Revenue Seats Daily Average" (as said term is defined in paragraph (e) hereof) of 17,324 and from and after the Redevelopment Work Completion Date shall be and mean the Revenue Seats Daily Average for the first full calendar year from and after the Redevelopment Work Completion Date.

(b) Commencing with calendar year 2000 and for each and every calendar year thereafter, the Port Authority may ascertain the Revenue Seats Daily Average of the Lessee for the Airport for the preceding calendar year in accordance with the provisions of paragraph (e) hereof, which Revenue Seats Daily Average shall be the Lessee's Basic Schedule for the preceding

calendar year and shall be referred to as such. Thus, for example, in the case of the first calculation which would be based on the calendar year 1999 experience, said Revenue Seats Daily Average shall be called the "Lessee's Basic Schedule for 1999".

(c) (1) As of January 1, 2000 and as of January 1 of each succeeding calendar year (i) in the event that the Lessee's Basic Schedule for the immediately preceding calendar year for the Airport is less than sixty percent (60%) of the Lessee's Commencement Basic Schedule or (ii) in the event that because of reasons beyond the control of the Lessee the Lessee's Basic Schedule for the immediately preceding two calendar years is less than sixty percent (60%) of the Lessee's Commencement Basic Schedule, then in either of such events and without limiting each and every other right the Port Authority has under this Agreement or otherwise, the Port Authority shall have the right, upon six (6) months' written notice to the Lessee, to require the Lessee and the Lessee hereby agrees to make available Accommodations (as hereinafter defined) at the Premises as directed by the Port Authority in the amount and to the extent set forth in paragraph (f) hereof to Scheduled Aircraft Operators.

(Ex. 2.a.)

or more of the Lessee's Commencement Basic Schedule (hereinafter called a "Period of Underutilization"). The term "Accommodations" shall mean aircraft ramp and gate position capacity and related passenger terminal facilities including, but not limited to passenger ticketing, passenger check-in, baggage handling and flight information systems, passenger lounge and waiting areas and appropriate signage and public identification. Such Accommodations may be accomplished by the Lessee by making available and providing non-exclusive use of gate positions and other related facilities to Scheduled Aircraft Operators pursuant to a Handling Agreement between the Lessee and any such Scheduled Aircraft Operator (hereinafter called a "Accommodated Handled Airline"). Each such Handling Agreement shall be subject to the prior and continuing approval of the Port Authority and the execution among the Port Authority, the Lessee, and the Accommodated Handled Airline of a form of consent agreement prepared by the Port Authority. Moreover, and without limiting the foregoing, the Lessee will at all times keep the Port Authority informed and advised and will consult with the Port Authority from time to time as to all aspects of its accommodation of Scheduled Aircraft Operators hereunder.

(2) It is understood furthermore that the Accommodations contemplated hereunder may involve the use of subleases of exclusive or preferential areas of the Premises in addition to or in lieu of Handling Agreements. Any sublease with a Scheduled Aircraft Operator, (hereinafter called a "Accommodated Sublessee Airline") will similarly be subject to the prior and continuing approval of the Port Authority and the execution of a consent agreement prepared by the Port Authority, and executed by the Port Authority, the Lessee and the Accommodated Sublessee Airline. It is understood that American Eagle is an Accommodated Sublessee Airline pursuant to the American Eagle Arrangement.

(3) Nothing contained herein shall in any way affect the discretion of the Port Authority in granting or withholding its consent to a Handling Agreement or a sublease with a Accommodated Sublessee Airline, proposed by the Lessee or directed by the Port Authority whether or not during a Period of Underutilization, and such consent may contain such terms and conditions including but not limited to such financial or other conditions which may include a fixed charge or a charge based upon a percentage of the Lessee's gross receipts arising therefrom, as the Port Authority may, at that time, elect, and all provisions of the Lease requiring the prior written consent or approval of the Port Authority.

(4) Notwithstanding anything to the contrary contained herein the Lessee understands and agrees that the Lessee shall not perform any services and functions pursuant to any Handling Agreement or sublease with a Accommodated Handled Airline or a Accommodated Sublessee Airline with respect to which the Port Authority has specifically withheld consent and approval in the consent agreement to such Handling Agreement or sublease. The Accommodated Handled Airline and the Accommodated Sublessee Airline may either perform said services and functions themselves or use the services of the authorized service organization, including but not limited to in-flight caterers, aircraft fuelers, and ramp handlers performing such services or functions at the Airport. The Lessee however may make the necessary arrangements with the authorized service organization performing such services and functions performed for the Accommodated Handled Airline or the Accommodated Sublessee Airline.

(5) The Lessee shall furnish to the Port Authority from time to time such itemization, details and information pertaining to the Handling Agreements and subleases as the Port Authority may from time to time request.

(6) The Lessee agrees that all Handling Agreements and subleases shall be at reasonable and at non-discriminatory rates, fees and charges, which rates, fees and charges shall be based upon the recovery by the Lessee of a pro rata share of the Lessee's costs of (i) operation and maintenance of the Premises, (ii) the services provided to the Accommodated Handled Airline or the Accommodated Sublessee Airline and (iii) the Lessee's investment in the Premises not otherwise included in the above, provided, however, that it is understood and agreed that the following shall not be a reason for the Lessee to refuse a sublease or Handling Agreement or to impose any conditions or limitations on operations in connection therewith under this Section: (aa) possible or potential labor disharmony with a Accommodated Handled Airline or Accommodated Sublessee Airline, (bb) compatibility of schedules and operations between the Lessee or another user or occupant of the Premises and a Accommodated Handled Airline or Accommodated Sublessee Airline, or (cc) competitive nature of the routes, schedules or type of air transportation service to be provided by a Accommodated Handled Airline or Accommodated Sublessee Airline, provided, further, however, that with respect to item (aa) above if, after notice from the Port Authority to provide Accommodations to a specific Scheduled Aircraft Operator, the Lessee shall, in good faith, believe that the operations of such specific Scheduled Aircraft Operator on the

Premises would cause such significant, immediate and unremediable labor disharmony which would seriously affect the operations of the Lessee then, upon request by the Lessee to the Port Authority setting forth in specific detail satisfactory to the Port Authority the nature of the anticipated labor disharmony and requesting that the Lessee not be obligated under this Section to provide Accommodations for such specific Scheduled Aircraft Operator, the Port Authority shall, in good faith, consider the Lessee's request and if the Port Authority finds that the labor disharmony described by the Lessee is reasonably likely to result if the Lessee were to provide Accommodations to such Scheduled Aircraft Operator on the Premises then the Port Authority shall notify the Lessee that the Port Authority's discretion to provide Accommodations to such Scheduled Aircraft Operator is rescinded. The Lessee's obligation to provide accommodations to Scheduled Aircraft Operators shall be effective on the date set forth in a notice from the Port Authority to such effect, as aforesaid. Upon such notice the Lessee shall use its best efforts to secure an arrangement with a Scheduled Aircraft Operator as directed by the Port Authority for Accommodations in the Premises and shall in good faith negotiate with any such Scheduled Aircraft Operator as the Port Authority shall direct for Accommodations in the Premises, all in accordance herewith.

(d) The failure of the Port Authority to exercise its rights under this Section during any year in which it may have such a right, shall not affect, waive or limit its right to exercise said rights in any subsequent year.

(e) (1) In the event the Port Authority decides to ascertain the Revenue Seats Daily Average of the Lessee for the preceding calendar year it shall do so as follows: based upon the Official Airlines Guide (herein called the "Guide"), or in the event that the Guide shall not list the Lessee's schedules, then based upon the generally accepted United States aviation industry standard published airline schedule reference which shall include the Lessee's published schedules, the Port Authority shall ascertain the total number of revenue seats that were accommodated on the aircraft equipment scheduled to have been used by the Lessee on its published aircraft arrivals at the Airport as set forth in the Guide during two specified calendar weeks (Sunday through Saturday), the first of which weeks is the one during which the fifteenth (15th) day of February of the prior calendar year fell and the second being the one during which the fifteenth (15th) day of August of the said prior calendar year fell (said week of February together with said week of August being hereinafter collectively called the "Measuring Period"), and shall total the said number of revenue seats which are hereinafter called the "Total Revenue Seats" of the Lessee. In determining the Total Revenue Seats of the Lessee, the Total Revenue Seats as defined above of those Accommodated Handled Airlines, if any, of the Lessee who were Accommodated Handled Airlines as of the date of such determination and Accommodated Sublessee Airlines at the Premises who were Accommodated Sublessee Airlines on the date of such determination, with respect to the aircraft of the Accommodated Handled Airlines and aircraft of the Accommodated Sublessee Airlines operating at the Premises, shall be included.

(2) In making said determination, the Port Authority shall use the aircraft

Agreement if it is prevented from performing any of its obligations hereunder by reason of strikes, boycotts, labor disputes, embargoes, shortages of material, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, tides, riots, rebellion, sabotage or any other circumstances for which it is not responsible and which are not within its control; provided, however, that this provision shall not apply to failures by the Lessee to pay the rentals specified in Section 4 hereof entitled "Rental" and shall not apply to any other charges or money payments; and, provided, further, that this provision shall not prevent either party from exercising its right of termination under Section 20 hereof entitled "Termination by the Port Authority", Section 37 hereof entitled "Termination by Lessee" and Section 52 entitled "Lessee's Financial Condition - Limitation of Lease Term - Triggering Events" and shall not prevent the Lessee from exercising its right to an abatement of rental under Section 39 hereof entitled "Abatement".

Section 48. Ingress and Egress

(a) The Lessee, its officers, employees, passengers, patrons, invitees, contractors, suppliers of material and furnishers of services, shall have the right of ingress and egress between the Premises and the city streets outside the Airport over such highways at the Airport as may be made available from time to time by the Port Authority for use by the public, provided, however, that the Lessee hereby expressly understands and agrees that the Lessee shall have no right of ingress and egress or access hereunder or otherwise for its employees, customers, patrons, invitees and their baggage between the Premises and the city streets or public ways outside the Airport by means of any mode of transportation or any vehicle which may be limited or restricted in accordance with Section 49 hereof, it being understood that access to the Premises for emergency response for reasons of safety or health shall not be deemed a breach hereof. Such right shall be exercised in common with others having rights of passage within the Airport.

(b) The Lessee shall have the right of ingress and egress between the Premises and the Public Landing Area at the Airport, by means of existing taxiways to be used in common with others having rights of passage thereon, provided, however, that the Port Authority may from time to time substitute other reasonably equivalent means of ingress and egress.

(c) The use of all roadways and taxiways shall be subject to the Rules and Regulations of the Port Authority which are now in effect or which may hereafter be promulgated for the safe and efficient operation of the Airport. In addition to the rights of closure granted above, the Port Authority may, at any time, temporarily or permanently close, or consent to or request the closing of, any such roadway, taxiway and any other area at the Airport presently or hereafter used as such, so long as a reasonably equivalent means of ingress and egress remains available to the Lessee. The Lessee hereby releases and discharges the Port Authority, and all municipalities and other governmental authorities, and their respective successors and assigns of and from any and all claims, demands or causes of action which the Lessee may now or at any time hereafter have against any of the foregoing, arising or alleged to arise out of the closing of any way or other area,

whether within or outside the Airport provided a reasonably equivalent means of access is available. The Lessee shall not do or permit anything to be done which will interfere with the free access and passage of others to space adjacent to the Premises or in any streets, ways and walks near the Premises.

Section 49. Restrictions on Use of Passenger Terminal Frontage Roadways - Use of Airport Taxi Dispatchers and Roadway Frontage Management

(a) The Lessee understands that the Port Authority presently has in effect and has planned various physical improvements and policies concerning and affecting the use of vehicular roadways in the Central Terminal Area of the Airport for the limitation and control of traffic thereon including the limitation and control of vehicular traffic on the Premises and vehicular traffic moving between the Air Terminal Highways, as designated from time to time by the Port Authority in the CTA of the Airport, and the vehicular roadways on the Premises connecting to the said Air Terminal Highways. These improvements and policies, both in existence and planned, generally include the following:

(1) Restrictions on the use of roadways in the CTA as set forth in Section 73 hereof entitled "Ground Transportation Within the Central Terminal Area" and Section 72 hereof entitled "Ground Transportation."

(2) The use of airport taxi dispatching services (as generally set forth in paragraph (b) hereof) where the Port Authority, either itself or through its contractor, utilizes at passenger terminals under the control of the Port Authority and makes available to passenger terminals at the Airport operated by others, the services of taxi dispatchers to assist in the expeditious and orderly flow of taxicabs to and from passenger terminals at the Airport.

(3) The use of a central taxi holding and dispatching system for the Airport in conjunction with the use of taxi dispatchers at the passenger terminals at the Airport.

(4) The designation of specified portions of the vehicular roadways on the Premises for limited use exclusively by certain types of ground transportation vehicles and/or certain types of ground transportation carriers for the loading and unloading of passengers and their baggage.

(5) The planning and construction of improvements to increase the capacity of roadway frontages at the passenger terminals.

(b) The Lessee agrees to restrict from the Premises during the time period or time periods, as may be specified by the Port Authority from time to time (each such period being herein referred to as a "Taxi Dispatcher Period"), all taxicabs except those taxicabs which are discharging

passengers at the Premises and those taxicabs which are requested by a taxi dispatcher stationed on the Premises and dispatched through the airport central taxi holding and dispatching facility (herein called the "Airport Central Taxi Stack") to the Premises. Further, during any Taxi Dispatcher Period the Lessee agrees to take and accept from the Port Authority, and permit the stationing at an appropriate location or locations on the Premises, of a taxi dispatcher or taxi dispatchers and the establishment of a taxicab waiting line on the Premises of such number of vehicles as shall be specified by the Port Authority from time to time. A taxi dispatcher or taxi dispatchers when located on the Premises shall provide the sole and exclusive dispatch of taxicabs to the Lessee's passengers and others desiring the use of a taxicab from the Premises and shall perform such other duties and functions in connection therewith as may be specified by the Port Authority from time to time. Without limiting or affecting the terms and conditions of Section 2B hereof entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee", the Lessee agrees to install as part of the Redevelopment Work and in the future to permit the Port Authority to install on the Premises such fixtures, equipment and improvements including, but not limited to, taxi dispatcher shelters, telephones, radio transceiver and transponder receiving devices as may be necessary or reasonably desired by the Port Authority in connection with the activities and operations of the taxi dispatchers. The Lessee understands and agrees that all expenses of the Port Authority associated with the implementation and operation of the taxi dispatchers on the Airport including, but not limited to, the taxi dispatchers on the Premises and the construction, maintenance and operation of the Airport Central Taxi Stack shall be included in and payable through the aircraft flight fees at the Airport and will be accorded the same cost recovery treatment as the Air Terminal Highway is accorded for such purposes under the General Airport Agreement and the calculation of other fees and charges under other existing agreements and policies at the Airport, and under any agreements which may be entered into and any policies which may be implemented, in the future, including agreements and policies to replace such existing agreements and policies or the General Airport Agreement.

(c) In connection with and furtherance of the Port Authority's policies concerning ground transportation on the Airport, the operation of the Consolidated Counters as set forth in Section 71 entitled "Ground Transportation Services", the operation of taxi dispatchers and the Airport Central Taxi Stack as set forth in this Section, and the provisions governing ground transportation within the Central Terminal Area as set forth in Section 73 hereof entitled "Ground Transportation within the Central Terminal Area", the Lessee hereby agrees that, from time to time, the Port Authority may designate and specify appropriate areas of roadways and curbs located on the Premises, for the purpose of segregated and exclusive use by separate categories of vehicles, including but not limited to buses, taxicabs, private automobiles and other vehicles, and use by separate categories of ground transportation carriers (including but not limited to Port Authority permittees) as may be designated by the Port Authority, from time to time, for the purpose of loading and unloading passengers and their baggage. The Lessee shall prohibit the operation of all other types of vehicular traffic on the roadways on the Premises used for the loading and unloading of passengers and their baggage and shall prohibit parking or stopping except in the areas

designated as aforesaid. Designated areas shall be clearly indicated by the Lessee by appropriate signing and marking on the Premises as shall be directed or approved from time to time by the Port Authority. Without limiting or affecting the terms and conditions of Section 2B hereof entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee", the Lessee shall install as part of the Redevelopment Work and shall in the future permit the Port Authority to install on the Premises such fixtures, equipment and improvements, including, but not limited to transponder receiving devices and other vehicular tracking and monitoring devices; and the Lessee shall, through the use of appropriate and sufficient means including, but not limited to, removing unauthorized parked vehicles from the Premises, security guards and other personnel stationed on the Premises in the area of the said roadways, require that the limitations and restrictions established hereunder by the Port Authority on the use of the said roadways are complied with and enforced during any Taxi Dispatcher Period and at other times as may be directed by the Port Authority (which compliance and enforcement may be directed on a 24-hour basis).

(d) The Lessee understands that the proper limitation and control of traffic on passenger terminal frontage roads has an impact on the proper and efficient operation of the Air Terminal Highway system of the Airport and the Lessee agrees, for so long as the same is made available by the Port Authority, to either accept from the Port Authority or from the Port Authority contractor providing such service from time to time and to pay for the frontage management services at the rate and in a manner which shall be applicable uniformly throughout the Airport or to provide substantially similar services itself.

(e) The Lessee understands that the Port Authority considers the provisions of this Section and the use of the Lessee's passenger terminal roadway areas of the utmost importance to the efficient operation of the Air Terminal Highway on the Airport and to the fulfillment of the Port Authority's governmental function to provide, maintain, develop, and operate the Airport; that the efficient use and operation of the Air Terminal Highway requires that the Lessee, in the operation and use of its passenger terminal facilities under this Lease shall utilize and cooperate fully in all respects in the operation and implementation of the provisions of this Section to the end that the Air Terminal Highway, including ingress thereto and egress therefrom, will operate in the most efficient manner; and that the Port Authority does not by this Lease intend to enter into any agreement, understanding, or commitment which will interfere with, limit, restrict, hinder, or prevent in any way, the efficient development, implementation and operation of the Air Terminal Highway and the rights and discretion of the Port Authority with respect thereto.

(f) The Port Authority has advised the Lessee that it is the intention of the Port Authority that all Aircraft Operators which are similarly situated will be treated in a similar manner with respect to the payment, operation and use of the taxi dispatchers and the Airport Central Taxi Stack as generally set forth in paragraph (b) above and with respect to the separation, designation and use of specific areas of roadways and curbs in the Premises for exclusive use by separate categories of vehicles and ground transportation carriers as generally set forth in paragraph (c)

above.

Section 50. Maintenance Employees

The Lessee shall at all times during the term of this Agreement on a twenty-four hour basis maintain sufficient qualified personnel at the Airport including but not limited to licensed electricians and plumbers, who shall be qualified to perform the maintenance obligations of the Lessee under this Agreement and particularly be able to respond to all emergencies.

Section 51. Quiet Enjoyment

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

Section 52. Lessee's Financial Condition - Limitation of Lease Term - Triggering Events

(Ex. 2.a.)

Section 55. Purchase of Property

The Port Authority shall have the option from time to time exercisable by notice to the Lessee effective on the expiration or earlier termination of the letting of the Premises hereunder, or any part thereof, to purchase all, or such part as the Port Authority elects, of the Lessee's Personal Property (including trade fixtures but excluding ground vehicles) including without limiting the generality of the foregoing any system for handling baggage, any counters, and any passenger loading bridges, as and to the extent any of the foregoing are personal property, which may at the time of the giving of such notice have been installed or placed on the Premises. In the event the Port Authority exercises its option to make a purchase, the Port Authority shall pay to the Lessee a sum equal to the reasonable value of the Lessee's Personal Property (including trade fixtures) purchased. The Lessee hereby agrees that it shall use reasonable commercial efforts so that on the effective date of the purchase and sale none of the aforesaid items shall be subject to any lien, security interest or other encumbrance, and if after the Lessee having used such reasonable commercial efforts any such property remains subject to any lien, security interest or other encumbrance the reasonable value of such property shall be reduced to properly reflect such lien, security interest or other encumbrance. Upon request of the Port Authority the Lessee will execute a bill of sale or such other document of conveyance as the Port Authority may request to transfer title to the aforesaid items to the Port Authority (including a warranty of title to the Port Authority) and the Port Authority shall pay the purchase price. Further, the Lessee shall from time to time execute such other documentation as the Port Authority may require and prepare evidencing the option of the Port Authority, as herein provided, to purchase the aforesaid personal property, including without limitation, security agreements and filings pursuant to the Uniform Commercial Code.

Section 56. <u>Assumption of Maintenance and Repair of the Premises by the Port Authority</u>

(a) The following terms when used in this Agreement shall have the respective meanings given below:

(1) "Assumable Maintenance and Repair" shall mean the obligation of the Lessee to clean, maintain, perform janitorial services and perform structural and non-structural improvements, repairs and rebuilding at the Premises as such obligations are set forth in:

(i) paragraphs (a) and (b) of Section 10 hereof entitled "Care, Maintenance, Rebuilding and Repair by the Lessee"; and

(ii) Section 6 hereof entitled "Compliance with Governmental Requirements" insofar as laws, ordinances and governmental rules, regulations, orders, requirements and directions require structural and non-structural improvements, alterations or repairs of the Premises.

(2) The "Cost of Assumable Maintenance and Repair" shall, for each calendar

year, consist of the sum of the "Operation and Maintenance Cost" and the "Annual Capital Cost" which shall both be determined as follows:

(i) The Port Authority will determine the total of all costs incurred or accrued during each calendar year in connection with the Assumable Maintenance and Repair in accordance with normal Port Authority accounting practice and as follows: The Port Authority will apportion Assumable Maintenance and Repair performed between "operation and maintenance" and "capital work". The cost of operation and maintenance is hereinafter called the "Operation and Maintenance Cost" and the cost of the capital work is hereinafter called the "Capital Cost".

(A) Operation and Maintenance Cost for each calendar year shall consist of the following expenditures for, in connection with, or related to operation and maintenance:

(aa) On-the-job payroll costs of employees and supervisory personnel (including Airport supervisors, foreman and clerks), including, but not limited to, contributions to any retirement system or the cost of or participation in any pension plans or the like, social security, old age, survivor's, disability and unemployment insurance and other insurance costs, sick leave pay, holiday, vacation, authorized absence and severance pay, other employee fringe benefits and any other payments made or costs incurred whether pursuant to law or by Port Authority policy to or with respect to said employees and personnel;

(bb) The cost (including rental charges) of materials, equipment, supplies and utilities (including but not limited to, electricity, water and phone);

(cc) Payments to contractors and any other third Persons, firms or corporations for work performed or services rendered;

(dd) The cost of any performance bond or bonds;

(ee) The cost of insurance;

(ff) Any other direct costs as charged under the Port Authority's normal accounting practice;

(gg) Twenty-five percent (25%) of the sum of all of the foregoing items (aa) through (ff).

(B) Capital Cost for each calendar year shall consist of the following expenditures, for, in connection with, or related to capital work:

(aa) On-the-job payroll costs of employees and supervisory personnel (including Airport supervisors, foremen and clerks) including but not limited to, contributions to any retirement system or the cost of or participation in any pension plans or the like, social security, old age, survivor's, disability and unemployment insurance and other insurance costs, sick leave pay, holiday, vacation, authorized absence and severance pay, other employee fringe benefits and any other payments made or costs incurred whether pursuant to law or by Port Authority policy to or with respect to said employees and personnel;

(bb) The cost (including rental charges) of materials, supplies, equipment and utilities (including but not limited to electricity, water and phone);

(cc) Payments to contractors and any other third Persons, firms or corporations for work performed or services rendered;

(dd) The cost of any performance bond or bonds;

(ee) The cost of any insurance;

(ff) Payments to independent consultants, architects and engineers engaged or retained by the Port Authority;

(hh) Any other direct costs as charged under the Port Authority's normal accounting practice;

(ii). Financial expense on the foregoing computed in accordance with Port Authority accounting practice;

(jj) Ten percent (10%) of the sum of all the foregoing items (aa) through (ii).

(C) "Annual Capital Cost" shall mean the total of all annual amounts based upon the amortization of the Capital Cost for each calendar year over the shorter of the weighted average period of the useful life of the capital work for each calendar year, or the remaining term of this Agreement as determined by the Port Authority. Each annual amount shall be determined on the basis of an equal annual payment method. The rate used

in determining the Annual Capital Cost for all of the annual amounts shall be for each successive calendar year an annual percentage rate equal to the sum of (i) the average of all the weekly indices of the Bond Buyer Revenue Bond Index as reported in the publication "The Bond Buyer" for the 52-week period in the immediately preceding calendar year and (ii) three percentage points. For purposes of example and illustration only, The Bond Buyer Revenue Bond Index for the week ending July 22, 1999 was 5.59% as set forth in the table entitled "Bond Buyer Indices" on page 31 of The Bond Buyer, Vol. 320 No. 30689, New York, N.Y., dated July 23, 1999. In the event that The Bond Buyer or its weekly Bond Buyer Revenue Bond Index shall be discontinued during the term of the letting hereunder, a comparable substitute for such Index shall be mutually agreed upon in writing by the Lessee and the Port Authority within thirty (30) days after discontinuance. In the event that the Port Authority and the Lessee shall fail to agree upon such a substitute within the time hereinabove specified then upon notice of either party such dispute shall be disposed of by arbitration in accordance with the then existing rules of the American Arbitration Association or any successor association. One half of the cost of said arbitration shall be borne by the Port Authority and the other half of said cost shall be borne by the Lessee.

(b) Commencement of Performance of Assumable Maintenance and Repair

(1) The "Assumable Maintenance and Repair Date" shall be the date, from time to time, determined as follows:

(i) The Port Authority may at any time and from time to time during the term of this Agreement advise the Lessee, by notice, of one or more deficiencies in the performance by the Lessee of the Assumable Maintenance and Repair, or in any portion, or portions, thereof. Such notice shall specify the aforesaid deficiencies in reasonable detail. In such notice the Port Authority shall also advise the Lessee of what reasonable period of time shall be afforded the Lessee to cure such deficiencies and the Port Authority shall advise the Lessee therein when and where its representatives may meet with representatives of the Port Authority to discuss the foregoing. The Port Authority will consider the response, if any, of representatives of the Lessee, as given at the aforesaid meeting, or during such period for a further response from the Lessee, as the Port Authority may, in its sole discretion, afford the Lessee. The Port Authority may, after the occurrence of the above, advise the Lessee, by notice, that it has elected not, at that time, to assume the performance of the Assumable Maintenance and Repair. The Port Authority, in its sole discretion, may condition such an election on such terms as it chooses to include in the notice, including the taking of certain remedial or other actions by the Lessee to the continuing satisfaction of the Port Authority. The fact that the Port Authority may previously have given a notice under this subparagraph but has subsequently elected on one or more occasions not to assume the performance of the Assumable Maintenance and Repair or having on one or more occasions assumed the Assumable Maintenance and

Repair and thereafter returned the said obligations to the Lessee pursuant to the provisions hereof, shall not be deemed to limit the right of the Port Authority to, at any time, give another notice of one or more deficiencies pursuant to this subparagraph or notice pursuant to paragraph (b)(1)(ii) below.

(ii) The Port Authority may at any time and from time to time during the term of this Agreement, but only after the issuance of a notice described above and giving the opportunity to cure as provided above, advise the Lessee, by notice, that commencing on a date to be specified in such notice, which shall be not less than ninety (90) days after the giving thereof, the Port Authority will perform the Assumable Maintenance and Repair. Such date as the same may be established from time to time shall be the "Assumable Maintenance and Repair Date".

(c) Performance of the Assumable Maintenance and Repair

(1) The Port Authority shall perform the Assumable Maintenance and Repair from and after the Assumable Maintenance and Repair Date with the Cost of Assumable Maintenance and Repair to be paid by the Lessee as provided in paragraph (d) below.

(2) The Lessee and the Port Authority each acknowledge and agree that the rights and obligations of the Port Authority and the Lessee hereunder are limited to the performance of all of the Assumable Maintenance and Repair by the Port Authority and not of particular portions thereof.

(3) The Lessee shall give its full cooperation to the Port Authority so as to better enable the Port Authority and its contractors to perform the Assumable Maintenance and Repair and the Port Authority and its employees, agents and contractors shall have the right to enter the Premises at all reasonable times to perform the Assumable Maintenance and Repair.

(d) Payment for the Assumable Maintenance and Repair

The Cost of the Assumable Maintenance and Repair shall be payable by the Lessee from and after the Assumable Maintenance and Repair Date as follows:

(1) The Port Authority shall establish monthly interim billing rates. Such billing rates shall be based upon determinations by the Port Authority of its estimate of the Cost of the Assumable Maintenance and Repair for the calendar year or; for the portion of the calendar year in which the Assumable Maintenance and Repair Date, if less than a calendar year, shall occur or for the portion of the calendar year during which the term of this Agreement shall expire, if less than a calendar year. Such determinations shall be based upon the prior calendar year's experience, if any, and upon other such reasonable basis as the Port Authority shall select. The Port Authority

may prospectively revise its billing rates during any calendar year. The Lessee shall pay current billings as they are received.

(2) As soon as practicable after the expiration of each calendar year, the Port Authority shall determine the actual Cost of the Assumable Maintenance and Repair for the preceding calendar year and shall determine the amounts payable by the Lessee. In the event the Assumable Maintenance and Repair Date does not fall on the first day of a calendar year or in the event the term of this Agreement expires on a day other than the last day of a calendar year the Annual Capital Cost for said calendar year shall be prorated based on the number of days during said calendar year during which the Port Authority provides the Assumable Maintenance and Repair. Corrected billings based upon such determination shall thereupon be rendered by the Port Authority to the Lessee and if any monies are due to the Port Authority they shall be promptly paid by the Lessee and if any monies are due to the Lessee they shall be credited to it.

(e) Limitation of Port Authority Obligations and No Waiver of Rights of Port Authority

(1) The right and obligation of the Port Authority to perform the Assumable Maintenance and Repair shall not release, waive or affect the obligations of the Lessee with respect thereto set forth in any provision of this Agreement, nor limit, waive or effect any rights of termination with respect thereto, including but not limited to, the right of the Port Authority to terminate this Agreement, whether before or after the occurrence of the Assumable Maintenance and Repair Date pursuant to Section 20 hereof entitled "Termination by the Port Authority".

(2) The Port Authority shall not be obligated to the Lessee to furnish the Assumable Maintenance and Repair at any time while the Lessee shall be in default under this Agreement (except for the Lessee's default in performing the Assumable Maintenance and Repair).

(3) No failure, delay or interruption in performing the Assumable Maintenance and Repair by the Port Authority shall be or be construed to be an eviction of the Lessee or grounds for the diminution or abatement of rentals, fees, or other charges, or (unless resulting from the negligence or wilful failure of the Port Authority) shall be grounds for termination of this Agreement by the Lessee pursuant to Section 37 hereof entitled "Termination by Lessee" or for any claims by the Lessee for damages, consequential or otherwise.

(4) The Port Authority shall be under no obligation to perform the Assumable Maintenance and Repair if and to the extent that during any period such performance shall be prohibited, limited or rationed by any federal, state or municipal law, rule, regulation, requirement, order or direction and if the Port Authority deems it in the public interest to comply therewith, even though such law, rule, regulation, requirement, order or direction may not be mandatory on the Port Authority as a public agency. Furthermore, the obligation of the Port Authority to perform the Assumable Maintenance and Repair shall be deemed limited and modified during any period that

repair or rebuilding of the Premises is required pursuant to Section 10 hereof entitled "Care, Maintenance, Rebuilding and Repair by the Lessee" or Section 12 hereof "Damage to or Destruction of the Premises".

(f) Return of the Assumable Maintenance and Repair to the Lessee

(1) At any time and from time to time after the Port Authority may have exercised its rights under this Section to perform the Assumable Maintenance and Repair the Port Authority shall have the right, upon notice to the Lessee to return the obligation to perform the Assumable Maintenance and Repair to the Lessee commencing on a date to be specified in such notice which date shall be not less than thirty (30) nor more than ninety (90) days from the giving of such notice. Such date shall be the "Return Date of the Assumable Maintenance and Repair". From and after the Return Date of the Assumable Maintenance and Repair the Lessee shall perform the Assumable Maintenance and Repair pursuant to and in accordance with all the terms and provisions of the Lease including, but not limited to, this Section.

(2) From and after the Return Date of Assumable Maintenance and Repair the Lessee shall continue to pay the Cost of Assumable Maintenance and Repair, it being understood, that nothing herein shall release or be deemed to release the Lessee from the payment to the Port Authority of the Cost of Assumable Maintenance and Repair including that portion thereof consisting of the Annual Capital Cost in accordance with paragraph (d) hereof arising prior to the Return Date of the Assumable Maintenance and Repair; nor shall anything herein require the Port Authority to make any calculation or determination with respect to the Cost of Assumable Maintenance and Repair prior to the time specified therefor in paragraph (d) hereof.

Section 57. Joint Periodic Condition Survey

In addition to and without limiting, Section 6 hereof entitled "Compliance with Governmental Requirements", Section 7 hereof entitled "Rules and Regulations", Section 8 hereof entitled "Various Obligations of the Lessee", Section 9 hereof entitled "Prohibited Acts", Section 10 hereof entitled "Care, Maintenance, Rebuilding and Repair by the Lessee", Section 11 hereof entitled "Insurance", Section 12 hereof entitled "Damage to or Destruction of Premises", Section 15 hereof entitled "Obstruction Lights", Section 16 hereof entitled "Additional Rent and Charges", Section 17 hereof entitled "Rights of Entry Reserved", Section 26 hereof entitled "Surrender", Section 56 hereof entitled "Assumption of Maintenance and Repair of the Premises by the Port Authority", Section 59 entitled "Environmental Obligations" and Section 65 entitled "Storage Tanks" or any other term, provision, covenant or condition of this Agreement, the Lessee and the Port Authority hereby agree that, in addition to any other inspection of the Premises which may be made under any other Section of this Agreement or otherwise, a Condition Survey (as hereinafter defined) of the Premises shall be conducted by the Condition Survey Contractor (as hereinafter defined) at each of the time periods specified below subject to and in accordance with

the following terms and conditions:

(a) As used herein the following terms shall have the following meanings:

(1) "Condition Survey" shall mean an inspection by the Condition Survey Contractor of the Premises, including without limitation the then current state of cleaning, maintenance, janitorial services, painting, structural and nonstructural conditions, surface and subsurface conditions, environmental conditions, lighting of building areas, ramp and apron areas, and the condition of utilities and utility systems, fire-fighting and fire protection equipment and systems, communications and communications systems, antipollution systems and devices, fuel facilities and systems, and the Lessee's fixtures, equipment and personal property, and also including the items mentioned or covered by Sections 6, 7, 8, 9, 10, 11, 12, 15, 16, 17, 26, 56 and 65 of this Agreement;

(2) "Condition Survey Contract" shall mean and refer to a contract awarded to a Condition Survey Contractor, or entered into between the Port Authority and a Condition Survey Contractor, for the performance by such Condition Survey Contractor of a Condition Survey at any of the applicable times as specified in subparagraph (b) hereof;

(3) "Condition Survey Contractor" shall mean and refer to the contractor to whom the Condition Survey Contract is awarded pursuant to subparagraph (b) hereof which Condition Survey Contractor shall be a reputable engineering firm, licensed or authorized to do business in the State of New York;

(4) "Condition Survey Report" shall mean the report prepared by the Condition Survey Contractor under its Condition Survey Contract after its completion of the Condition Survey work under its Condition Survey Contract including without limitation any and all recommendations for repair, maintenance, rebuilding and cleaning of all items or areas covered by the Condition Survey;

(5) "Costs of the Condition Survey" shall mean and include with respect to each Condition Survey all amounts paid and expenses incurred by the Port Authority, including all interest, costs, damages and penalties, in accordance with the provisions of Section 16 entitled "Additional Rent and Charges" for, relating to or in connection with Condition Survey work to be performed under the Condition Survey Contract;

(6) "Report Date" shall mean the date of the Port Authority's written notice to the Lessee by which the Port Authority delivers to the Lessee the Condition Survey Report.

(b) No earlier than sixty (60) days preceding the expiration of each period consisting of five (5) consecutive years occurring during the letting hereunder, beginning with the first such five-

year period which commences on the Completion Date and ends on the fifth anniversary of the Completion Date and no earlier than sixty (60) days preceding the last day of the month which constitutes the twelfth month preceding the expiration date, the Port Authority may advise the Lessee of a proposed Condition Survey Contract (which may include all or particular portions of the items described in paragraph (a)(i) above) and including the name of the proposed Condition Survey Contractor who will perform a Condition Survey and the proposed scope of the proposed Condition Survey Contract and the proposed fee structure of the contract. Within thirty (30) days after the Port Authority's notice to the Lessee, the Lessee shall advise the Port Authority in writing of its concurrence or objection to the proposed Condition Survey Contract. In the event the Lessee fails to respond during the said time period, said nonresponse shall be deemed a concurrence and the Port Authority shall proceed with the said Condition Survey Contract for purposes of performing a Condition Survey. In the event the Lessee notifies the Port Authority of its objections to the proposed Condition Survey Contract or Condition Survey Contractor, the parties hereby agree to consult with each other in good faith to resolve such dispute. If such resolution is not reached within a reasonable period of time not to exceed thirty (30) days, then the Port Authority, if it so elects, shall make a determination as to the issue or issues in dispute. The parties hereby agree that the Port Authority's determination of said issues, including the Condition Survey Contract and the Condition Survey Contractor shall be final.

(c) It is hereby expressly understood and agreed that the selection of each Condition Survey Contractor for the purposes of a Condition Survey and including the award of any Condition Survey Contract to such Condition Survey Contractor shall be subject to and consistent with the Port Authority's policies and practices for the selection and award of similar contracts and the Port Authority shall have as full a right to require the use of competitive bidding and award, or other basis of award, for any such Condition Survey Contract as if the work on such contract were being performed solely for the Port Authority; and further that the Condition Survey Contract shall contain terms and conditions which are standard to Port Authority contracts or consistent with such standard provisions.

(d) With respect to each Condition Survey, all Costs of the Condition Survey shall be shared equally between the Port Authority and the Lessee. Accordingly, the Lessee hereby agrees to pay to the Port Authority fifty percent (50%) of the Costs of the Condition Survey with respect to each Condition Survey as follows:

(1) The Lessee shall pay to or reimburse the Port Authority for the Costs of the Condition Survey as follows: The Port Authority shall after the completion of the Condition Survey work under a Condition Survey Contract and, if it elects, also from time to time during the course of the performance of the Condition Survey work under such Condition Survey Contract, submit to the Lessee a certificate or certificates setting forth the Costs of the Condition Survey at the date of each such certificate. Within thirty (30) days after the delivery of each such certificate, the Lessee shall pay to the Port Authority an amount representing fifty percent (50%) of said Costs of the Condition

Survey as such amount is set forth in said certificate. Upon its final determination of the Costs of the Condition Survey, the Port Authority shall submit to the Lessee a certificate marked "Final" setting forth the final determination of the Costs of the Condition Survey with respect to each Condition Survey Contract as reduced by any previous payment with respect to such Condition Survey Contract, and the Lessee shall and hereby agrees to pay to the Port Authority within thirty (30) days of such certificate an amount representing fifty percent (50%) of said Costs of the Condition Survey as such amount is set forth in said certificate; provided, however, that neither the foregoing nor any certificate delivered by the Port Authority, nor any payment made by the Lessee shall waive, affect, or impair any right of the Port Authority of review and audit with respect to the Costs of the Condition Survey and with respect to each Condition Survey Contract and provided, further, however, that in the event any such review or audit by the Port Authority requires an adjustment of the Costs of the Condition Survey the Lessee shall be promptly credited with or shall pay to the Port Authority all amounts required by such adjustment.

(2) Without limiting any of the terms and provisions of Section 16 hereof entitled "Additional Rent and Charges", any and all amounts required to be paid by the Lessee hereunder may be added to any installment of rent thereafter due hereunder and each and every part of the same shall be and become additional rent, recoverable by the Port Authority in the same manner and with like remedies as if it were part of the rent as set forth in Section 4 hereof entitled "Rental".

(e) The Lessee hereby agrees to and shall commence within ninety (90) days after the Report Date all items and all action required or recommended to be taken as set forth in each Contract Condition Survey Report that are necessary or required to meet the Lessee's maintenance or repair or any other of its obligations, duties or responsibilities under this Agreement and the written notice of the Port Authority delivering said Report, unless the Port Authority expressly advises the Lessee to the contrary as to any particular item(s), and the Lessee shall diligently continue the same to completion; provided, however, that any and all items, action or work related to or affecting or involving fire safety, health, structural integrity, life safety, security and other emergency response systems shall be promptly commenced.

(f) The Lessee hereby agrees that the Condition Survey Contractor shall have all rights of entry to the Premises during all reasonable times as appropriate or required to perform or complete the Condition Survey and the Condition Survey Report under the Condition Survey Contract.

(g) It is expressly understood and agreed that neither the provisions of this Section including without limitation the right of the Port Authority to have the Lessee perform and complete the work required by the Condition Survey Report, the obligation of the Lessee so to perform and complete such work, or any such performance thereof by the Lessee, any failure of the parties to select a Condition Survey Contractor, any failure of any Condition Survey Contractor to perform

and complete a Condition Survey Contract, nor any failure by the Lessee or the Port Authority to pay the Costs of the Condition Survey with respect to any Condition Survey Contract, or any portion thereof, shall or shall be deemed to release, waive, affect, restrict or impair any of the obligations, duties, responsibilities or liabilities of the Lessee under any term, provision, covenant or condition of this Agreement nor to limit, waive, affect, restrict or impair any right or remedy of the Port Authority including without limitation any right of the Port Authority to terminate the letting hereunder whether before or after the Report Date. Without limiting the foregoing, it is expressly understood and agreed that the Lessee shall not postpone or delay any action, maintenance, rebuilding or repair or other item or thing required to be taken by the Lessee under any other section of this Agreement.

(h) Notwithstanding anything to the contrary, the Port Authority shall have the right, exercisable in its sole and complete discretion, to exclude from the scope of a Condition Survey with respect to any Condition Survey Contract those items covered by Section 56 hereof for or during such period or periods, if any, when the Port Authority has elected to exercise its rights under Section 56 hereof to perform the Assumable Maintenance and Repair.

Section 58. Condition of the Premises

(a) The Lessee hereby acknowledges that it has not relied upon any representation or statement of the Port Authority or its Commissioners, officers, employees or agents as to the condition of the Premises. The Lessee, prior to any portion of the Premises becoming a part of the Premises hereunder, thoroughly examined such portion of the Premises and determined them to be suitable for the Lessee's operations under the Lease and the Lessee hereby acknowledges and agrees that it took the Premises in various portions in the condition they were in as of the date of the respective commencement of the term of the letting thereof under this Lease, the Surrendered Lease, the United Consent and the Northwest Consent with respect thereto and on the date of the effective date of the Lessee's use thereof under Permit No. AYC-136 and Permit No AY-953 with respect thereto. The Lessee hereby further acknowledges that it occupied portions of the Premises under the Former Agreements. In the event that as of the effective date of the letting under this Lease of any portion of the Premises which were occupied or used by the Lessee under any of the Former Agreements, the Lessee shall not have kept any or all of the foregoing in good condition as required under the Former Agreements, the Lessee shall place and keep the same in good condition as required under the Lease.

(b) Without limiting any obligation of the Lessee to commence operations hereunder at the time and in the manner stated elsewhere in this Agreement, the Lessee agrees that no portion of the Premises will be used initially or at any time during the letting which is in a condition unsafe or improper for the conduct of the Lessee's operations hereunder so that there is possibility of injury or damage to life or property. The Lessee hereby acknowledges that during the periods that the Former Agreements were in effect it performed repairs and construction and installed improvements

on the Premises, title to all of which, except for the Tanks, it is hereby agreed has vested in the City of New York. Further, it is hereby understood and agreed that whenever reference is made in this Agreement to the condition of the Premises as of the commencement of the term thereof, the same shall be deemed to mean with respect to any portion of the Premises which were not occupied or used by the Lessee pursuant to any of the Former Agreements, the condition of the Premises as of the commencement of the term thereof under this Agreement, and with respect to any portion of the Premises which were occupied or used by the Lessee pursuant to any of the Former Agreements, the condition of the Premises as of the commencement of the term of the Former Agreement pursuant to which the Lessee first occupied or used such portion of the Premises, and as to the improvements made and the alternation work performed during the term of this Agreement and the Former Agreements, in the condition existing after the completion of the same.

Section 59. Environmental Obligations

(a) Without limiting any other term, provision or condition contained in this Lease and in addition thereto and notwithstanding anything to the contrary in the ACO, the Lessee shall be fully responsible at its sole cost and expense and shall relieve the Port Authority for and from all obligations to comply with, obey or execute the ACO and all other Environmental Requirements for which the Lessee is obligated under this Lease to comply with, obey or execute. In the event that the Port Authority shall be ordered, requested or required to comply with, obey or execute any Environmental Requirement for which the Lessee is responsible pursuant to this Lease to comply with, obey or execute, the Lessee shall upon notice from the Port Authority and at its sole cost and expense and in its own name do and perform whatever is required to comply with, obey and execute such Environmental Requirement notwithstanding the issuance of any no further action letter or other release granted by the DEC pursuant to the ACO.

(b) (1) Without limiting any other term, provision or condition contained in this Lease and in addition thereto and notwithstanding anything to the contrary in the ACO or any approval by the Port Authority, and except for Hazardous Substances in, on, under or about the Premises caused solely by the acts or omissions of the Port Authority after the Section 2B Work Completion Date, the Lessee on its own behalf and on behalf of its predecessors, successors, assigns and insurers agrees ab initio to April 11, 1956 to assume all risks and responsibility for and to forever remise, release, discharge, hold harmless, reimburse and indemnify the Port Authority, its Commissioners, officers, employees and representatives from and against, including without limitation reimbursing the Port Authority for its costs and expenses (including without limitation all legal costs and expenses including the costs and expenses of the Port Authority's own in-house legal staff) incurred in connection with the defense of, any and all past, present and future Liabilities whatsoever on account of, arising or alleged to arise out of, or in any way related to or in connection with, or caused by or resulting from, the condition of the Premises (including without limitation the groundwater thereunder and whether any aspect of such condition existed prior to, on or after the effective date of the Lessee's first letting or use, as the case shall be, of the Premises

under the Former Agreements, this Lease or otherwise), a Risk-based Clean-up, any Section 2B Work, any Environmental Requirement for which the Lessee is obligated under this Lease to comply with, obey or execute or any Environmental Damage (all the foregoing to include without limitation the compliance with and/or violation of any such Environmental Requirement, the investigation, remediation, excavation, removal, clean-up, management, encapsulation, containment, abatement, treatment, monitoring, transportation, disposal, release, spill, deposit, emission, migration, seepage, leakage, discharge, handling, and storage of Hazardous Substances, the exacerbation of contamination, any increased construction costs and expense, construction delays, the performance of any dewatering or discharging by the Lessee, the use of American's Permits and the cost of demolition and rebuilding of any improvements on the Premises) or arising or alleged to arise out of, or in any way related to, a breach or default of the Lessee's obligations under this Section 59 or under this Lease with respect to any Hazardous Substance, any Environmental Damages, the Section 2B Work or any Environmental Requirement including without limitation all costs and expenses (including without limitation, those of Port Authority's staff) in enforcing the provisions thereof, and whether any of the foregoing arise out of any Hazardous Substance on the Premises prior to or after the effective date of the letting of the Premises to the Lessee under the Lease or out of the acts or omissions of the Lessee or of the Port Authority or of the contractors of the Lessee or of the Port Authority or of third Persons or out of the acts of God or the public enemy or otherwise, provided, however, if and only if an indemnity claim or demand is made by a third Person against the Port Authority and such claim or demand (i) is for indemnification by the Port Authority of the fault of such third Person, (ii) arises solely pursuant to a written agreement voluntarily entered into by the Port Authority with such third Person after the Effective Date (the "Voluntary Agreement"), and (iii) other than the Voluntary Agreement there is no past, existing or future obligation whatsoever whether arising at or pursuant to law, equity, contract, contribution, litigation or otherwise for the Port Authority to in part or in whole so indemnify such third Person for such claim or demand, then and only if such claim and demand meets all the criteria set forth in the foregoing items (i), (ii) and (iii) the Lessee shall not be obligated pursuant to this paragraph (b) to indemnify the Port Authority for such claim or demand. If so directed, the Lessee shall at its own expense defend any suit based upon the foregoing and in handling such it shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port Authority.

(2) Nothing contained in this paragraph (b) or not contained in this paragraph (b) shall be or shall be deemed to limit the generality thereof, except, however, it is hereby agreed that the Lessee shall not be required to indemnify the Port Authority pursuant to this paragraph (b) where such indemnity is precluded by statute.

(c) In addition to and without limiting the generality of the obligations of the Lessee set

forth in Section 6 hereof entitled "Compliance with Governmental Requirements" and elsewhere in this Agreement, the Lessee shall, except as set forth in paragraphs (e) and (f)(1) below and Section 2B(d)(9)(ii), at its sole cost and expense and in accordance with and subject to the provisions of Section 2B entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee" or Section 33 hereof entitled "Other Construction by the Lessee", as the case shall be, upon notice from the Port Authority, promptly commence removal and remediation of and work diligently to remove and remediate (i) all Hazardous Substances in, on or under the Premises or which have migrated from the Premises to any adjoining property, which any Governmental Authority or any Environmental Requirement or violation thereof require to be remediated, or which are necessary to mitigate Environmental Damages including, but not limited to, the investigation of the environmental condition of the area to be remediated, the preparation of feasibility studies, reports and remedial plans, the notification of the appropriate Governmental Authorities and the performance of any cleanup, remediation, containment, operation, maintenance, monitoring or restoration work; the standard for any of the foregoing to be that which requires the lowest level of a Hazardous Substance and (ii) completely remove all Hazardous Substances disposed of, released or discharged by the Lessee or permitted by the Lessee to be disposed of, released or discharged on the Premises and/or the Airport, provided, however, the Lessee shall not be required pursuant to this item (ii) to remove any Naturally Occurring Hazardous Substance unless such Naturally Occurring Substance was disturbed or acted upon by the Lessee and thereby became subject to removal to satisfy an Environmental Requirement or otherwise became subject to removal in order to comply with an Environmental Requirement. Any such actions shall be performed in a good, safe and workmanlike manner and shall minimize any impact on activities off the Premises and at the Airport. Promptly upon completion of such investigation and remediation, the Lessee shall seal or cap all monitoring wells and test holes, remove all associated equipment and restore the remediated property.

(d) Without limiting the generality of any other term or provision of this Lease, the Lessee shall not permit any Environmental Restriction to occur and shall, if and as directed by the Port Authority, clean-up, remediate and restore the Premises and the groundwater thereunder and take any other action to remove any Environmental Restriction.

(e) Notwithstanding anything else to the contrary in this Lease, the Lessee shall not have any obligations under this Lease for any Hazardous Substance in, on, under or about the Premises whose presence in, on, under or about the Premises shall be caused solely by the acts or omissions of the Port Authority occurring after the Section 2B Work Completion Date, the foregoing to include, without limitation, all obligations to comply with, obey or execute any Environmental Requirement solely because of the presence of any such Hazardous Substance in, on, under or about the Premises whose presence in, on, under or about the Premises shall be caused solely by the acts or omissions of the Port Authority occurring after the Section 2B Work Completion Date.

(f) (1) No review of, comment on or objection to or failure to review, object to or comment on the ACO by the Port Authority, nor the incorporation in the ACO of any Port Authority comment or objection, nor the specific mention of or reference to the Port Authority, including without limitation its policies or practices, in any part of the ACO shall or shall be deemed to have imposed any duty, obligation, limitation or liability on the Port Authority, including without limitation, with respect to any consent or approval of the Port Authority now or hereafter to be obtained, nor shall anything in this Lease or the ACO be or be deemed to create an inference that the Port Authority has granted or would grant its consent or approval to any matters not specifically covered by this Lease but referred to in the ACO which under this Lease require the further consent or approval of the Port Authority or that the Port Authority shall hereafter grant its consent or approval thereto or that the Port Authority's discretion as to granting any such consents or approvals shall in any way be affected or impaired. The lack of any specific reference in any provision of the ACO to Port Authority approval or consent shall not be deemed to imply that no approval or consent is required and with respect such approvals and consents this Lease shall in all respects be controlling, effective and determinative. Without limiting the generality of the foregoing, the Lessee acknowledges and agrees that pursuant to the Lease, except as set forth in paragraph (d)(9)(ii) of Section 2B of this Lease entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee", that it shall not perform any work to be performed pursuant to the ACO, including without limitation the use of any risk based clean-up levels or goals or other regulatory approved clean-up levels or goals, unless approved in advance in writing by the Port Authority and that no Port Authority approval shall release the Lessee from any of its obligations under this Lease, provided, however, the Lessee may in its performance of the Section 2B Work use the Approved Cleanup Criteria for so long as the DEC shall continue its approval and acceptance of such Approved Cleanup Criteria for soil and groundwater in, on and under the Premises and provided that the Lessee shall comply with all requirements of all Governmental Authorities for the use of the Approved Cleanup Criteria including without limitation those set forth in the letter dated June 28, 1996 from Steven Miller of the DEC to Marvin Kirshner of the Port Authority covering the DEC's conditional approval of the use of such Approved Cleanup Criteria in certain areas of the Airport and with all the requirements of the DEC pursuant to the ACO. In performing any work pursuant to the ACO, the Lessee shall comply with all the agreements, terms and conditions of the Lease, this Lease and all applicable Port Authority approvals.

(2) In the event any of the terms, conditions, and provisions of the ACO are contrary to or conflict or are inconsistent with any of the terms, conditions and provisions of this Lease, as between the Port Authority and the Lessee, the terms, conditions and provisions of the Lease shall be controlling, effective and determinative. Neither the ACO nor any action taken or not taken or performance or non-performance thereunder shall affect or alter or be deemed to have affected or altered the rights and remedies of the Port Authority under this Lease or as the operator of the Airport. Further, no fulfillment of the Lessee's obligations pursuant to the ACO or release of the Lessee thereunder by the DEC, including without limitation the issuance of any no further action letter by the DEC, shall or shall be deemed to mean or imply that the Lessee has fulfilled all,

or been released from any, of its obligations under this Lease.

(3) Neither the ACO nor anything contained therein, nor any action taken, approval or release granted or performance pursuant thereto shall release, excuse or relieve the Lessee from any of its promises or obligations under this Lease nor have affected any rights or remedies of the Port Authority with respect to the Lessee or any rights or remedies of the Port Authority under this Lease. In addition, no consent or approval given by the Port Authority in connection with any matter covered by the ACO shall be or shall be deemed to be consent to any matter not expressly set forth in such consent or approval.

(4) The Lessee acknowledges and agrees that the ACO has been entered into between the Lessee and the DEC, that the Port Authority is not a party to the ACO, and that the Port Authority shall have no liability, obligation or responsibility with respect thereto or the obligations, liabilities and responsibilities of the Lessee thereunder and no term, condition or provision of the ACO shall be binding on or effective against or with respect to the Port Authority. Without limiting the generality of the foregoing and notwithstanding any review by the Port Authority of the ACO or any portion thereof nor any comment by the Port Authority thereon or failure of the Port Authority to comment thereon, the Port Authority shall have no liability or responsibility with respect to the information, facts, statements or other matters contained in or covered by the ACO, including without limitation their accuracy, completeness, correctness or truthfulness, nor shall any such information, facts, statements or matters be binding on the Port Authority in anyway whatsoever, including without limitation any presumption that they are accurate, complete, correct or true. In addition, no objection to, review of or comment on nor any failure to review, object to or comment on the ACO by the Port Authority shall or shall be deemed to be any representation or warranty by the Port Authority as to the accuracy, completeness, correctness or truthfulness of any information, fact, statement or matter covered by the ACO, including without limitation, any references to the Port Authority or its policies or requirements.

(5) The Lessee acknowledges and agrees that the ACO shall not create nor be used to create a presumption or admission that the Port Authority is, or be the basis upon which the Port Authority is made or claimed to be, a potentially responsible or responsible party for the contamination covered by the ACO nor shall the inclusion of the Port Authority in the ACO in the same manner as other potentially responsible parties in any way change or affect the Port Authority's obligations or liabilities with respect to such contamination.

(g) Without limiting any other of the Lessee's obligations under the Lease, the Lessee shall provide the General Manager of the Airport at the cost and expense of the Lessee with such information, documentation, records, correspondence, notices, reports, tests results and certifications and any other information necessary to carry out the terms, provisions and conditions of this Agreement and to allow the Port Authority to determine whether the Lessee is in compliance with all of the terms, conditions and provisions of this Agreement. Further, the Lessee agrees

unless directed otherwise by the Port Authority, to provide the General Manager of the Airport with copies of all information, documentation, records, correspondence, notices, certifications, reports, test results, submittals and all other written communication between a Governmental Authority and the Lessee with respect to the ACO Work and any Environmental Requirement which the Lessee is obligated to comply with, obey or execute hereunder or any Environmental Damages at the same time the same are provided by the Lessee to a Governmental Authority and within two (2) business days that the same are provided to the Lessee by a Governmental Authority. The Lessee in reporting any Hazardous Substance at the Airport shall direct such report to the attention of such individual at the subject Governmental Authority as the General Manager of the Airport shall direct in order to assure consistency in the environmental management of the Airport.

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

(i) (1) Without limiting any other term or provision hereof, all the obligations of the Lessee under this Section shall survive the expiration or termination of the letting of the Premises hereunder, provided, however, the Lessee shall not be responsible for any Hazardous Substances in, on, under or about the Premises which the Lessee can prove occurred after the date that the Lessee shall have surrendered the Premises to the Port Authority and were not due to the acts or omissions of the Lessee.

(2) Between the eighth (8th) and sixth (6th) months immediately preceding the expiration of the letting hereunder and within three months after the effective date of the termination thereof, as the case shall be, the Lessee shall at its sole cost and expense and subject to the terms and provisions of Section 33 hereof entitled "Other Construction by the Lessee", sample and test the soil and groundwater in, on and under the Premises in accordance with such standards, methods, protocol and procedures as shall be required by the Port Authority in it sole discretion after consultation with the Lessee in not less than 100 locations as specified by the Port Authority (such sampling and testing of the soil and groundwater is hereinafter referred to as the "Exit Baseline"). All such sampling, testing and the preparation of any associated report shall be performed by a New York State approved independent consultant and laboratory.

(3) It is hereby understood and agreed that the Exit Baseline and the test results therefrom may be used by the Lessee to evidence that a Hazardous Substance in, on or under the Premises occurred after the date that the Lessee shall have surrendered the Premises to the Port Authority.

(j) It is hereby agreed and understood that effective as of August 1, 1976 Lease AYB-085 shall be and be deemed to have been amended and supplemented to include this Section 59 and

all the terms, provisions, covenants and conditions of this Section 59 shall and shall be deemed to be a part of Lease AYB-085 from and after August 1, 1976 and, further, effective as of January 1, 1993 Section 84 of the Lease AYB-085 entitled "Certain Environmental Testing and Clean-Up Obligations" shall be and be deemed to have been deleted from Lease AYB-085.

(k) It is hereby agreed that for all purposes of this Agreement, including without limitation Section 2B, Section 6, Section 65 and this Section, the following shall apply:

(i) The Port Authority has advised the Lessee that it is the intention of the Port Authority with respect to the application of pollution prevention programs, "best management practices plans" and other voluntary programs and agreements adopted or made by the Port Authority with any governmental agencies, departments, commissions, boards, bureaus or instrumentalities of the United States, states and political subdivisions thereof constituting Environmental Requirements that the Port Authority will treat the Lessee in a similar manner as similarly situated persons at the Airport.

(ii) The Lessee shall have no responsibility to the Port Authority pursuant to this Lease to clean-up, remove or remediate any Migrated Hazardous Substance unless any Governmental Authority (x) shall require that the Lessee and/or the Port Authority clean-up, remediate or remove such Migrated Hazardous Substance or (y) shall require that such Migrated Hazardous Substance be cleaned-up, remediated or removed by a third person(s) and the Lessee has not provided such third person(s) reasonable access to the Premises to perform such clean-up, remediation or removal.

Section 60. Late Charges

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

late charge amount shall be deemed a waiver of the right of the Port Authority of payment of any late charge or late charges payable under the provisions of this Section with respect to such unpaid amount. Each late charge shall be and become additional rent, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the rental. Nothing in this Section is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Agreement, including without limitation the Port Authority's rights set forth in Section 20 hereof entitled "Termination by the Port Authority" or (ii) any obligations of the Lessee under this Agreement. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum such late charges payable under this Agreement shall be payable instead at such legal maximum.

Section 61. Financing of the Redevelopment Work

The Lessee hereby agrees to assume and to relieve the Port Authority from all risks and responsibilities whatsoever arising out of or in connection with the financing of or payment for the Redevelopment Work or any portion thereof, including without limitation, obtaining or the failure to obtain financing therefor. The Lessee has advised the Port Authority that as of the Effective Date that it has not obtained financing for the performance of the Redevelopment Work and that notwithstanding that fact, and the further fact that the Lessee's failure to complete and perform the Redevelopment Work as set forth in this Lease shall result in the term of the letting hereunder not being extended beyond December 27, 2015 and affect the amount and duration of the Building Rentals payable hereunder, that the Lessee nevertheless desires to enter into this Amended and Restated Agreement of Lease on the Effective Date even though it may not be able to obtain financing for all or any portion of the Redevelopment Work and as a result may not have the monies available to complete and perform the Redevelopment Work as set forth in this Lease. The Lessee understands that there may be many problems to be resolved before the Lessee obtains financing for the Redevelopment Work and that all such problems may not be resolved. The Lessee hereby acknowledges and agrees it has entered into this Amended and Restated Agreement of Lease being fully cognizant of the fact that the financing of the Redevelopment Work may not be obtained and agrees that neither the fact that it does not have financing for all or portions of the Redevelopment Work on the Effective Date nor any failure to obtain financing for the Redevelopment Work shall not be nor be deemed to be an anticipatory breach of or be the basis of any claim for impossibility of performance of any of the Lessee's obligations, duties or liabilities under the Lease or to otherwise excuse, release, annul, alter, waive, restrict, impair or affect any of such obligations, duties or liabilities. The Lessee further acknowledges and agrees that the Port Authority shall have no obligation whatsoever under the Lease or otherwise, including without limitation, upon any expiration or earlier termination of the letting under the Lease, with respect to the financing of or payment for the Redevelopment Work, including but not limited to, any obligation to approve or enter into any agreement in connection with the financing of the Redevelopment Work or to undertake or not undertake any other action with respect thereto.

Section 62. Future Airport Transportation Facilities and Operations Use of Portions of the Premises

(a) The Lessee understands that the Port Authority is constructing certain ground transportation facilities at the Airport including, but not limited to, a light rail passenger distribution system ("AirTrain"). It is presently contemplated that the AirTrain will generally include a rail transportation system circulating around the Central Terminal Area of the Airport generally aligned along the roadway frontage of the passenger terminal buildings and with stations to serve the passenger terminal buildings in the CTA at various locations. At the discretion of the Port Authority, stations may be located to serve one or more passenger terminal buildings in the CTA, Airport parking areas, rent-a-car facilities, other areas of the Airport and off Airport transit systems. The Lessee agrees to perform the work set forth in paragraph (a)(2)(xvii) of Section 2B hereof entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee" in connection with the AirTrain. The Port Authority expects to complete the planning and design for the AirTrain and upon completion of such planning and design, to implement the construction of the AirTrain and after the completion of such construction, to maintain and operate the AirTrain for the accommodation and transportation of persons desiring to use the same, and their baggage. The Port Authority will keep the Lessee advised from time to time of the progress of the planning, design and construction of the AirTrain, particularly as it relates to the Premises hereunder. The Lessee acknowledges and agrees that the AirTrain will be a benefit and enhancement to the Airport and to the Lessee's operations thereon.

(b) (1) The Lessee understands that the construction and operation of the AirTrain may require the location on the Premises of a passenger station (including pedestrian access between it and the passenger terminal building) and, in addition, requires the use of a portion or portions of the Premises for and in connection with the construction, maintenance or operation of other portions of the AirTrain. The Lessee agrees that it shall make available to the Port Authority upon demand such use for or in connection with the construction, maintenance and operation of the AirTrain for such purposes as may be required or be appropriate therefor and, where such portion of the AirTrain exclusively serves the Premises, the same shall be made available by the Lessee without abatement of rental or charges hereunder or any payments by the Port Authority to the Lessee therefor. Where such portion of the AirTrain does not exclusively serve the Premises then the rental hereunder shall be abated in accordance with the rental abatement provisions of this Lease.

(2) Without limiting the terms and provisions of paragraph (b)(1) above, the Lessee shall comply with the provisions of Section 2B hereof entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee" with respect to the design and construction of the AirTrain and the coordination of the same with the Section 2B Work as set forth in said Section 2B.

(c) The Lessee understands that the Port Authority considers the construction, operation and maintenance of the AirTrain of the utmost importance to the efficient operation of the Airport and to the fulfillment of the Port Authority's governmental function to provide, maintain, develop and operate the Airport; that the efficient use and operation of the AirTrain will require that the Lessee in the operation and use of its passenger terminal facilities under this Lease shall utilize and cooperate in the operation of the AirTrain to the end that the AirTrain shall be utilized to the fullest extent possible so that its advantages and efficiencies can be fully realized; and that the Port Authority does not by this Lease intend to enter into any agreement, understanding or commitment which will interfere with, limit, restrict, hinder or prevent in any way the development, construction, maintenance, operation or efficient use of the AirTrain.

(d) The Lessee also understands and acknowledges that the cost of planning, design, construction, maintenance and operation of the AirTrain will be accorded the same cost recovery treatment as the similar elements of the Air Terminal Highway is accorded in the General Airport Agreement for calculation of the flight fees under the General Airport Agreement and the same cost recovery treatment as the Air Terminal Highway is accorded for the calculation of other fees and charges under other existing agreements and policies at the Airport, and under any agreements which may be entered into in the future including agreements to replace such existing agreement(s) or the General Airport Agreement.

(e) The Port Authority has also advised the Lessee that it is the intention of the Port Authority that with respect to the maintenance, operation, use and payment for the AirTrain all Aircraft Operators at the Airport which are similarly situated will be treated in a similar manner including the treatment of the cost, if any, of each in connecting its airport terminal facility to the AirTrain.

(f) Without limiting any other provisions of this Section the Lessee understands and agrees that changes and modifications to certain provisions of the Lease including, but not limited to, Section 48 hereof entitled "Ingress and Egress", and Section 73 hereof entitled "Ground Transportation Within the Central Terminal Area" and Section 49 hereof entitled "Restrictions on Use of Passenger Terminal Frontage Roadways - Use of Airport Taxi Dispatchers and Roadway Frontage Management", may be required or appropriate to conform the provisions of these Sections to the operation of the AirTrain and the Lessee agrees upon the presentation to it of a form of supplemental agreement to this Lease which includes such modifications it will execute and return the same to the Port Authority. The Port Authority and the Lessee agree that each will consult with the other, from time to time, and will provide information to the other, from time to time, with respect to the study, planning, design, construction, maintenance and operation of the AirTrain and its interconnection with the Lessee's passenger terminal facilities at the Premises.

Section 63. <u>Club Rooms</u>

In the event the Lessee provides any rooms or space for the special handling of or the furnishing of special services to any of its passengers, guests or invitees it shall furnish such rooms or space at its expense and without cost to the Port Authority. The Lessee agrees that any food, alcoholic or non-alcoholic beverages and similar items sold or furnished to the Lessee's passengers, guests or invitees shall be obtained by the Lessee from a Restaurant Operator who has been authorized to operate establishments for the sale of food, alcoholic and non-alcoholic beverages and similar items for consumption in passenger terminal facilities at the Airport. All monies paid or payable to a Restaurant Operator for such sales shall be included in the Gross Receipts of such Restaurant Operator. In the event the Lessee wishes to use its own personnel for serving food, alcoholic or non-alcoholic beverages and similar items it may do so; provided that the food, alcoholic and non-alcoholic beverages are obtained by the Lessee from a Person who has been issued a permit by the Port Authority granting such Person permission to provide such food and beverages and provided that monies paid therefor, in that event, shall not be included in the Gross Receipts of such Person. If the Lessee uses its own personnel for serving food, alcoholic or non-alcoholic beverages and similar items, the Lessee will not be obligated to pay a fee to the Port Authority which would be greater than the fee that would be retained by the Port Authority if the food, alcoholic or non-alcoholic beverages and similar items were served by a Restaurant Operator.

Section 64. Lessee's Service Standards

Subject to and without limiting or affecting any other term or provision of the Lease, the Lessee agrees to provide services at the Premises for the benefit of the traveling public in a manner consistent with generally accepted airline industry standards for airport terminals and will cooperate with the Port Authority and other airlines serving the traveling public at the Airport in maintaining these standards through organized airport service improvement working groups.

Section 65. Storage Tanks

(a) All underground storage tanks and all above ground storage tanks installed in the Premises as of the commencement of the Lessee's occupancy of the Premises or any portion thereof, together with all underground storage tanks and all above ground storage tanks installed in the Premises during the term of the letting hereunder or during the letting or use of the Premises by the Lessee under any previous agreement, and its or their appurtenances, pipes, lines, fixtures and other related equipment are hereinafter collectively called the "Tanks" and singularly called a "Tank". Notwithstanding any other facts or circumstances the contrary including without limitation any vesting of title to the Tanks in the City of New York pursuant to any construction or alteration application or otherwise, the Lessee hereby agrees that title and ownership of the Tanks shall be and remain in the Lessee, that all Tanks shall be registered by the Lessee in the name of the Lessee as operator and owner and that the Lessee shall have full and sole responsibility for all the Tanks, and shall release and relieve the Port Authority from all costs and responsibility for the Tanks. The Port Authority has made no representations or warranties with respect to the Tanks or their location and

shall assume no responsibility for the Tanks. All Tanks installed by the Lessee shall be installed pursuant to the terms and conditions of the Lease including without limitation Section 33 hereof entitled "Other Construction by the Lessee" and nothing in this Section shall or shall be deemed to be permission or authorization to install any Tanks.

(b) Without limiting the generality of any of the provisions of the Lease, the Lessee agrees that it shall be solely responsible for maintaining, testing and repairing the Tanks. The Lessee shall not perform any servicing, repair or non-routine maintenance to the Tanks without the prior written approval of the Port Authority. In addition, the Lessee, at its sole cost and expense, shall make all modifications to the Tanks and take all other actions so that the Tanks shall at all times comply with all applicable Environmental Requirements.

(c) (1) The Lessee shall remove all the Tanks from the Premises on or before the expiration of the Lease (unless the Lessee shall have received the prior written approval of the Port Authority to have abandoned a tank in place and such abandonment continues to meet all applicable Environmental Requirements) and the Lessee agrees to dispose of the Tanks off the Airport in accordance with all applicable Environmental Requirements.

(2) Any removal of the Tanks shall be performed pursuant to an alteration application prepared by the Lessee and submitted to the Port Authority for the Port Authority's approval and in connection with such removal, the Lessee shall restore the Premises to the same condition existing prior to the installation of the Tanks, shall perform such testing of the Tanks and of the soil, sub-soil and ground water in the vicinity of the Tanks as shall be required by the Port Authority and shall clean-up and remediate any contamination disclosed by said testing. In the event the Lessee does not remove the Tanks as required by subparagraph (l) above, the Port Authority may enter upon the Premises and effect the removal and disposal of the Tanks, restoration of the Premises and such remediation and the Lessee hereby agrees to pay all costs and expenses of the Port Authority arising out of such removal, disposal, restoration and remediation.

(d) Without limiting the generality of any other term or provision of the Lease, the Lessee shall at its cost and expense comply with all Environmental Requirements applicable to the Tanks, including without limitation any modifications or closures required thereby, and any Discharge (as defined in paragraph (i) hereof) including without limitation testing the Tanks and registering the Tanks in the name of the Lessee as owner and operator, submitting all required clean-up plans, bonds and other financial assurances, performing all required clean-up and remediation of Discharges and filing all reports, making all submissions to, providing all information required by, and complying with all requirements of, all Governmental Authorities pursuant to all such Environmental Requirements. Nothing in the foregoing shall be construed as a submission by the Port Authority to the application to itself of the Environmental Requirements, provided, however, no immunity or exemption of the Port Authority from the Environmental Requirements shall excuse the compliance therewith by the Lessee or shall be grounds for non-

compliance therewith by the Lessee.

(e) (1) Without limiting the terms and provisions of Section 2B hereof entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee" and Section 13 hereof entitled "Indemnity and Liability Insurance", the Lessee hereby assumes all risks arising out of or in connection with the Tanks and all Discharges whether or not foreseen or unforeseen and shall indemnify and hold harmless the Port Authority, its Commissioners, officers, agents and employees from and against (and shall reimburse the Port Authority for their costs and expenses including without limitation penalties, fines, liabilities, settlements, damages, attorney and consultant fees, investigation and laboratory fees, clean-up and remediation costs, court costs and litigation expenses), all claims and demands, just or unjust, of third Persons (such claims and demands being hereinafter in this Section referred to as "Claims" and singularly referred to as a "Claim") including but not limited to those for personal injuries (including death), property damages, or environmental impairment, arising or alleged to arise out of or in any way related to, the failure of the Lessee to comply with each and every term and provision of the Lease, or the Tanks, or any Discharge, or any lawsuit brought or threatened, settlement reached or any governmental order relating to the Tanks or a Discharge, or any violation of any Environmental Requirement or demands of any Governmental Authority based upon or in any way related to the Tanks or a Discharge, and whether such arise out of the acts or omissions of the Lessee or of the contractors of the Lessee or of third Persons or out of the acts of God or the public enemy or otherwise including Claims by the City of New York against the Port Authority pursuant to the provisions of the Basic Lease whereby the Port Authority has agreed to indemnify the City against claims. It is understood the foregoing indemnity shall cover all claims, demands, penalties, settlements, damages, fines, costs and expenses of or imposed by any Governmental Authority under the aforesaid Environmental Requirements.

(2) If so directed the Lessee shall at its expense defend any suit based upon any such Claim (even if such Claim is groundless, false or fraudulent) and in handling such it shall not without first having express advance permission from the General Counsel of the Port Authority raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port Authority.

(3) The terms and conditions of this paragraph (e) are intended to allocate obligations and responsibilities between the Lessee and the Port Authority only, and nothing in this paragraph (e) shall limit, modify or otherwise alter the rights and remedies which the Port Authority or the Lessee may have against third parties at law, equity or otherwise.

(f) Without limiting or affecting the terms and provisions of Section 23 hereof entitled "Survival of the Obligations of the Lessee", the Lessee's obligations under this Section shall survive

the expiration or earlier termination of the Lease.

(g) In addition to the requirements of Section 6 hereof entitled "Compliance with Governmental Regulations" and paragraph (d) of this Section, the Port Authority shall have the right upon notice to the Lessee to direct the Lessee, at the Lessee's sole cost and expense, (i) to perform such reasonable testing of the Tanks as the Port Authority shall direct and to perform such testing of the soil, subsoil and ground water of the Premises and of such surrounding area as the Port Authority shall direct, and (ii) to clean-up and remediate any Discharge, regardless of whether any Environmental Requirement or Governmental Authority shall require such testing, clean-up or remediation, which testing, clean-up and remediation shall be performed pursuant to an alteration application prepared by the Lessee and submitted to the Port Authority for the Port Authority's approval.

(h) In the Lessee's use and operation of the Tanks, the Lessee shall not permit any Hazardous Substance from entering the ground including without limitation (subject to Section 33 hereof entitled "Other Construction by the Lessee") installing appropriate spill and overfill devices and placing an impervious material, such as asphalt or concrete, over the ground area above or under, as the case shall be, and in the vicinity of the Tanks.

(i) As used in this Section, "Discharge" shall mean the presence, pumping, pouring, venting, emitting, emptying, leakage, deposit, spill, discharge or other release of Hazardous Substances from the Tanks or in connection with their use, operation, maintenance, testing or repair.

Section 66. Non-Discrimination

(a) Without limiting the generality of any of the provisions of this Agreement, the Lessee, for itself, its successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (1) no person on the ground of race, creed, color, sex or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the Premises, (2) that in the construction of any improvements on, over, or under the Premises and furnishing of services thereon, no person on the ground of race, creed, color, sex or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, (3) that the Lessee shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended, and any other present or future laws, rules, regulations, orders or directions of the United States of America with respect thereto which from time to time may be applicable to the Lessee's operations at the Airport, whether by reason of agreement between the Port Authority and the United States Government or otherwise.

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

(c) The Lessee's noncompliance with the provisions of this Section shall constitute a material breach of this Agreement. In the event of the breach by the Lessee of any of the above nondiscrimination provisions the Port Authority may take appropriate action to enforce compliance; or in the event such noncompliance shall continue for a period of twenty (20) days after receipt of written notice from the Port Authority, the Port Authority shall have the right to terminate this Agreement and the letting hereunder with the same force and effect as a termination under Section 20 hereof entitled "Termination by the Port Authority", or may pursue such other remedies as may be provided by law; and as to any or all the foregoing, the Port Authority may take such action as the United States may direct.

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

(e) Nothing contained in this Section shall grant or shall be deemed to grant to the Lessee the right to transfer or assign this Agreement, to make any agreement or concession of the type mentioned in paragraph (b) hereof, or any right to perform any construction on the Premises.

Section 67. Affirmative Action

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

Section 68. The Lessee's Ongoing Affirmative Action, Equal Opportunity and Local Business Enterprises Commitment

I. The Lessee's Ongoing Affirmative Action, Equal Opportunity Commitment

(a) In addition to and without limiting any other term or provision of this Agreement, the Lessee shall not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status and shall undertake or continue existing programs of affirmative action to ensure that minority group persons and women are afforded equal employment opportunity without discrimination. Such programs shall include, but not be limited to, recruitment, employment, job assignment, promotion, upgrading, demotion, transfer, layoff, termination, rates of pay or other forms of compensation, and selections for training or retraining, including apprenticeship and on-the-job training.

(b) In addition to and without limiting the foregoing, and without limiting the provisions of Section 66 hereof entitled "Non-Discrimination" and Schedule E, it is hereby agreed that the Lessee in connection with its continuing operation, maintenance and repair of the Premises, or any portion thereof, and in connection with every award or agreement for concessions or consumer services at the Airport, shall throughout the term of the letting hereunder commit itself to and use good faith efforts to implement an extensive program of affirmative action, including specific affirmative action steps to be taken by the Lessee, to ensure maximum opportunities for employment and contracting by minorities and women, and by Minority Business Enterprises and Women-owned Business Enterprises. In meeting the said commitment the Lessee agrees to submit to the Port Authority for its review and approval its said extensive affirmative action program, including the specific affirmative action steps to be taken by the Lessee to meet its aforesaid commitment, within sixty (60) days after the Effective Date. The Lessee shall incorporate in its said affirmative action program such revisions and changes which the Port Authority initially or from time to time may reasonably require. The Lessee throughout the term of the Lease shall document its efforts in implementing the said program, shall keep the Port Authority fully advised of the Lessee's progress in implementing the said affirmative action program and shall supply to the Port Authority such information, data and documentation with respect thereto as the Port Authority may from time to time and at any time request, including but not limited to annual reports.

(c) Good faith efforts to include meaningful participation by MBEs and WBEs shall include at least the following:

(1) Dividing the work to be subcontracted into smaller portions where feasible.

(2) Actively and affirmatively soliciting bids for subcontracts from MBEs and WBES, including circulation of solicitations to minority and female contractor associations. The Lessee shall maintain records detailing the efforts made to provide for meaningful MBE and WBE participation as called for in paragraph (b) above, including the names and addresses of all MBEs and WBEs contacted and, if any such MBE or WBE is not selected as a joint venturer or subcontractor, the reason for such decision.

(3) Making plans and specifications for prospective work available to MBEs

and WBEs in sufficient time for review.

(4) Utilizing the list of eligible MBEs and WBEs maintained by the Port Authority or seeking minorities and women from other sources for the purpose of soliciting bids for subcontractors.

(5) Encouraging the formation of joint ventures, partnerships or other similar arrangements among subcontractors, where appropriate, to insure that the Lessee will meet its obligations hereunder.

(6) Insuring that provisions are made to provide progress payments to MBEs and WBEs on a timely basis, preferably biweekly, and that retainage it paid to MBEs and WBEs when they have completed their work.

(7) Submitting quarterly reports to the Port Authority (Office of Business and Job Opportunity) detailing its compliance with the provisions hereof.

(8) Requiring each contractor to submit to the Lessee with each payment request evidence that all MBE and WBE contractors have been paid in accordance with their contract.

(d) The Lessee's non-compliance with the provisions of this Section shall constitute a material breach of this Agreement. In the event of the breach by the Lessee of any of the above provisions the Port Authority may take any appropriate action to enforce compliance; or in the event such non-compliance shall continue for a period of twenty (20) days after receipt of written notice from the Port Authority, the Port Authority shall have the right to terminate this Agreement and the letting hereunder with the same force and effect as a termination for default by the Lessee in the performance or observance of any other term or provision of this Agreement, or may pursue such other remedies as may be provided by law.

(e) In the implementation of this Section, the Port Authority may consider compliance by the Lessee with the provisions of any federal, state or local law concerning affirmative action equal employment opportunity which are at least equal to the requirements of this Section, as effectuating the provisions of this Section. If the Port Authority determines that by virtue of such compliance with the provisions of any such federal, state or local law that the provisions hereof duplicate or conflict with such law the Port Authority may waive the applicability of the provisions of this Section to the extent that such duplication or conflict exists.

(f) Nothing herein provided shall be construed as a limitation upon the application of any laws which establish different standards of compliance or upon the application of requirements for the hiring of local or other area residents.

(g) Nothing in this Section shall grant or be deemed to grant the Lessee the right to make any agreement or award for concessions or consumer services at the Airport.

II. The Lessee's Local Business Enterprise Commitment

The Lessee in connection with any construction work on the Premises, or any portion thereof, shall throughout the term of the letting hereunder commit itself to and use good faith efforts to implement an extensive program to utilize Local Business Enterprises in accordance with and as set forth in Schedule F.

Section 69. Books and Records

(a) The Lessee shall maintain, in English and in accordance with accepted accounting practice full and complete records and books of account for at least seven (7) years (unless such records and books are material to litigation initiated within that time in which event they shall be maintained until final determination of the controversy), which records and books shall include without limitation all agreements and all source documents such as but not limited to original invoices, invoice listings, timekeeping records, and work schedules and shall record (i) the date and hour of each take-off or departure from the Airport of each aircraft operated by it and the date and hour of the landing by such aircraft next preceding each take-off or departure, (ii) all matters which the Lessee is required to certify to the Port Authority pursuant to this Lease, (iii) all transactions of the Lessee at, through, or in anyway connected with the Airport, and outside the Airport if the order therefor is received at the Airport, in connection with all activities conducted by the Lessee or a third Person relating to In-Flight Meals (including without limitation all payments by the Lessee to its independent contractors which furnish In-Flight Meals or any portion thereof), services provided to Handled Airlines, Accommodated Sublessee Airlines, ground transportation, subleasing of the Premises or any other activity at the Airport or outside the Airport if the order therefor is received at the Airport and which may require pursuant to the terms of this Lease, the General Airport Agreement, any other agreement between the Lessee and the Port Authority or otherwise the payment by the Lessee to the Port Authority of fees, rentals or other amounts in connection with the conduct thereof, and (iv) any other matter concerning the Lessee's operations at the Airport with respect to which the Port Authority may reasonably need information to fulfill its obligations or exercise its rights under this Lease whether or not of the type enumerated above and whether or not an express obligation to keep books and records with regard thereto is expressly set forth elsewhere in this Lease, which records and books of account shall be kept at all times within the Port of New York District and shall separately state and identify each of the foregoing items, matters, transactions and activities, it being understood and agreed that nothing in this Section shall grant or shall be deemed to have granted any rights in the Lessee or any third Person to conduct any business, privilege or other activity or transaction at the Airport or off the Airport.

(b) The Lessee shall cause any Affiliate, if any such Affiliate performs services similar

to those performed by the Lessee, to maintain, in English and in accordance with accepted accounting practice full and complete records and books of account for at least seven (7) years (unless such records and books are material to litigation initiated within that time in which event they shall be maintained until final determination of the controversy), which records and books of account shall include without limitation all agreements and all source documents such as but not limited to original invoices, invoice listings, timekeeping records, and work schedules and shall record all transactions of each Affiliate at, through, or in anywise connected with the Airport, which records and books of account shall be kept at all times within the Port of New York District and shall separately state and identify each activity performed at the Airport and off the Airport if the order therefor is received at the Airport;

(c) The Lessee shall permit and/or cause to be permitted in ordinary business hours during the term of the letting under this Lease, for one (1) year thereafter, and during such further period as is mentioned in the preceding paragraphs (a) and (b), the examination and audit by the officers, employees and representatives of the Port Authority of all the records and books of account of the Lessee (including without limitation all corporate records and books of account which the Port Authority in its sole discretion believes may be relevant for the identification, determination or calculation of all fees, rentals and other amounts paid or payable to the Port Authority, all agreements, and all source documents) and all the records and books of account of all Affiliates (including without limitation all corporate records and books of account which the Port Authority in its sole discretion believes may be relevant for the identification, determination or calculation of all fees, rentals and other amounts paid or payable to the Port Authority, all agreements, and all source documents) (all of the foregoing records and books described in this paragraph (c) being hereinafter collectively referred to as the "Books and Records") within ten (10) days following any request by the Port Authority from time to time and at any time to examine and audit any Books and Records;

(d) The Lessee shall install and use such equipment and devices, including without limitation computerized record keeping systems, for recording orders taken, or services rendered, as may be appropriate to the Lessee's business and necessary or desirable to keep accurate Books and Records, and without limiting the generality of the foregoing, for any activity involving cash sales, install and use cash registers or other electronic cash control equipment that provides for non-resettable totals and shall permit the inspection by the officers, employees and representatives of the Port Authority of any equipment used by the Lessee, including but not limited to the any of the foregoing equipment.

(e) Without implying any limitation on the right of the Port Authority to terminate this Lease, including but not limited to, for breach of any term, condition or provision of paragraphs (a) through (d) above, the Lessee understands that the full reporting and disclosure to the Port Authority of all of the information described in paragraphs (a) through (d) above and provided by the equipment and devices set forth in paragraphs (a) through (d) above and the Lessee's compliance with all the provisions of said paragraphs (a) through (d) are of the utmost importance to the Port

Authority. In the event any Books and Records are maintained outside the Port of New York District or in the event of the failure of the Lessee to comply with all the provisions of paragraphs (a) through (d) above then, in addition to all, and without limiting any other, rights and remedies of the Port Authority under this Lease or otherwise and in addition to all of the Lessee's other obligations under this Lease:

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

(ii) if any Books and Records are maintained outside of the Port of New York District, then the Port Authority in its sole discretion may (x) require on ten (10) days' notice to the Lessee that any such Books and Records be made available to the Port Authority within the Port of New York District for examination and audit pursuant to paragraph (c) hereof and/or (y) examine and audit any such Books and Records pursuant to paragraph (c) hereof at the location(s) they are maintained and if such Books and Records are maintained within the contiguous United States the Lessee shall pay to the Port Authority when billed all travel costs and related expenses, as determined by the Port Authority, for Port Authority auditors and other representatives, employees and officers in connection with such examination and audit and if such Books and Records are maintained outside the contiguous United States the Lessee shall pay to the Port Authority when billed all costs and expenses of the Port Authority, as determined by the Port Authority, of such examination and audit, including but not limited to, salaries, benefits, travel costs and related expenses, overhead costs, and fees and charges of third party auditors retained by the Port Authority for the purpose of conducting such audit and examination.

(f) Without implying any limitation on the rights or remedies of the Port Authority under this Lease or otherwise including without limitation the right of the Port Authority to terminate the Lease for breach of any term or provision of this Section and in addition thereto, in the event any of the Books and Records are not maintained in English, then the Lessee shall pay to the Port Authority when billed, all costs and expenses of the Port Authority, as determined by the Port Authority, to translate such Books and Records into English.

(g) Without limiting the generality of Section 16 hereof entitled "Additional Rent and Charges", the foregoing auditing costs, expenses and amounts of the Port Authority set forth in paragraphs (e) and (f) above shall be deemed rentals hereunder payable to the Port Authority with the same force and effect as the rentals payable to the Port Authority pursuant to Section 4 hereof entitled "Rental".

Section 70. <u>Off-Premises Roads-No Restriction of Port Authority Right</u>

Neither the provisions of Section 2B hereof entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee", nor the construction thereunder by the Lessee of the Off-Premises Roads, nor any payment of costs thereof by the Lessee shall prevent or restrict the right of the Port Authority to designate the Off-Premises Roads as part of the Air Terminal Highways, upon the Lessee's completion of the construction thereof, and to make the same available to the general public for general or limited highway use; the Port Authority to make said Off-Premises Roads, after the Lessee's satisfactory completion thereof and acceptance of the same by the Port Authority, as part of the Air Terminal Highways in accordance with and subject to its policy or policies governing or which may govern such matters.

Section 71. Ground Transportation Services

(a) The Lessee shall make available within the Premises at reasonable rental rates, such counter spaces and wall telephone installations at such locations as may be determined by the Port Authority and the Lessee for use by limousine, bus, car rental, taxi and other ground transportation operators at the Airport, all of the foregoing being hereinafter called the "Ground Transportation Operators". The Lessee shall enter into an agreement only with Ground Transportation Operators designated or approved by the Port Authority, covering the occupancy of said counter space, which agreement may provide for the payment of a basic rental (but no other rental, charge or fee of any kind) to the Lessee for the counter space, provided that such basic rental shall represent a fair and reasonable rental for the counter space. The Port Authority shall have the right to, in its agreement with any Ground Transportation Operator, impose obligations on the Ground Transportation Operator with respect to its operation at the counter space, including but not limited to the dissemination of information applicable to said service, and may charge such fees payable to the Port Authority as it may determine.

(b) (1) In lieu of the provisions of paragraph (a) of this Section obligating the Lessee to make available counter spaces and wall telephone installations with respect to limousine, bus and other Ground Transportation Operators at the Airport (but not including car rental operators as to which the provisions of paragraph (a) shall be and continue in full force and effect) the Lessee shall provide to the Port Authority or its contractor, without charge, such counter space at such locations as may be specified by the Port Authority within the Premises as may reasonably be required for use as consolidated ground transportation reservation and information counter (hereinafter called the "Consolidated Counters") to be operated by the Port Authority or its contractors.

(2) The Lessee agrees to provide access to and from the public ways outside the Premises to the Port Authority, its employees and its contractors and the ground transportation patrons and other users of the Consolidated Counters; to permit use of such portions of the public pedestrian circulation areas of the Premises as may reasonably be required for the operation of the Consolidated Counters and the accommodation of the users thereof; and to permit

the installation of such telephone and other communication lines, cables and conduits on and across the Premises as may be required for the operation of the Consolidated Counters. The Lessee acknowledges and agrees that the Consolidated Counters shall at all times be a part of the Premises under this Agreement and subject to all the terms and provisions thereof including, but not limited to indemnity, the payment of rentals, repair and maintenance (it being understood that this shall not be deemed to limit the liability of any independent contractor providing such service). Without limiting or affecting the terms and conditions of Section 2B hereof entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee", the Lessee shall install as part of the Redevelopment Work new Consolidated Counters and shall have the right to refurbish or replace the Consolidated Counters from time to time. The Lessee shall, at its sole cost and expense, supply all utilities necessary for the operation of the Consolidated Counters including but not limited to heat, light, ventilation, air conditioning and electricity on a twenty-four (24) hour, seven (7) day a week basis. The Lessee shall not be required to provide telephone service to the Consolidated Counters hereunder.

(3) The Port Authority shall have the right at any time, without cause, on one hundred eighty (180) days' notice to the Lessee to terminate and discontinue the operation of the Consolidated Counters and from and after the effective date stated in said notice the operation of the Consolidated Counters shall terminate and cease and the provisions of this paragraph (b) shall be null, void and of no further force and effect and the provisions of paragraph (a) of this Section and the Lessee's obligations as set forth therein with respect to limousine, bus, car rental and other Ground Transportation Operators shall be deemed reinstated and in full force and effect.

Section 72. Ground Transportation

(a) The Lessee may arrange for the transportation to and from the Airport of its employees and their baggage (and such employees and baggage only) either directly or by contract with a surface carrier or carriers (hereinafter called the "Employee Surface Carrier(s)") of its choice, provided, that such Employee Surface Carrier(s) are at all times Ground Carrier Permittees of the Port Authority as defined in paragraph (b) hereof and provided, further, that ten percent (10%) or such lesser percentage as may be set pursuant to paragraph (e) hereof of the Gross Receipts received from the ground transportation of employees and their baggage by the Employee Surface Carrier(s) providing such service, or by the Lessee, including all advertising and any other revenues of any type arising out of or in connection with said service (excluding only local, state and federal transportation taxes which are separately stated to and paid by the passengers and are directly payable to the taxing authority by the Lessee or by the Employee Surface Carrier(s)) shall be paid to the Port Authority. No fee shall be paid by the Lessee to the Port Authority in connection with the ground transportation of employees and their baggage if the Lessee operates the service itself and if the Lessee makes no charge to its employees and their baggage therefor.

(b) The Port Authority shall endeavor to issue permits to at least twelve (12)

qualified surface carriers (herein called the "Ground Carrier Permittees") which permits shall grant to said Ground Carrier Permittees the privilege of providing a service for the transportation to and from the Airport of employees and their baggage of all Aircraft Operators at the Airport. Each permit shall provide that the Port Authority shall have the right at any time to revoke the permit granted to any Ground Carrier Permittee with or without cause and regardless of whether any such Ground Carrier Permittee is an Employee Surface Carrier(s) of the Lessee and regardless of any agreement between the Lessee and its Employee Surface Carrier(s). Without limiting the foregoing right, if the Ground Carrier Permittee selected by the Lessee shall at any time fail to pay the Port Authority ten percent (10%) or such other percentage of its Gross Receipts as established pursuant to paragraph (e) hereof as required under the permit, the Port Authority shall have the right in addition to all other rights and remedies, to deny such Permittee entrance upon the Airport for the purpose of transporting employees and their baggage as aforesaid to and from the Airport and the Lessee shall no longer use the same. In the event that there should at any time during the term of this Lease be less than twelve (12) Ground Carrier Permittees in operation at the Airport the Lessee shall have the right to engage an Employee Surface Carrier(s) of its choice to provide the service set forth in paragraph (a) hereof, subject, however, to the prior and continuing approval of the Port Authority, and provided that such Employee Surface Carrier(s) agrees to become a permittee of the Port Authority and to pay a percentage of its Gross Receipts to the Port Authority in accordance with paragraphs (a) and (e) hereof and only for so long as such permittee observes and complies with the terms of its permit, it being understood that said Employee Surface Carrier(s) may be restricted to serving the Lessee at the Airport. At such time thereafter as there is in operation at the Airport at least twelve (12) Ground Carrier Permittees, the permit with the said Employee Surface Carrier(s) may be revoked by the Port Authority and the Lessee shall thereupon select an Employee Surface Carrier(s) from the Ground Carrier Permittees of the Port Authority. Nothing contained hereunder shall be deemed to preclude the Port Authority from issuing from time to time during the term of the Lease permits to more than twelve (12) Ground Carrier Permittees. The Permits with the Ground Carrier Permittees may contain privileges other than those set forth in this paragraph (b), including but not limited to the privilege to transport passengers and baggage of Aircraft Operators. All permits shall contain such terms or provisions as the Port Authority may deem from time to time necessary or desirable.

(c) The Port Authority hereby states its intention to attempt to incorporate, into all existing leases and into all new leases with all Scheduled Aircraft Operators covering passenger terminal facilities within the Central Terminal Area, provisions having the same effect as the provisions of paragraphs (a) and (b) of this Section. The provisions of this Section shall be applicable as well to Aircraft Operators who may be occupying space within the Central Terminal Area pursuant to a sublease, subuse or Handling Agreement with any unit terminal lessee or with the Lessee hereunder or with any sublessee thereof (the foregoing not to waive the requirement for Port Authority consent).

(d) The Lessee may arrange for the transportation to and from the Airport of

passengers and their baggage (and such passengers and baggage only) either directly or by contract with a surface carrier or carriers (hereinafter called "Passenger Surface Carrier or Carriers") of its choice, subject, however, to the prior and continuing approval of the Port Authority and provided, that such Passenger Surface Carrier or Carriers agree to become Permittees of the Port Authority and provided, further, that ten percent (10%) or such lesser percentage as may be set pursuant to paragraph (e) hereof of the Gross Receipts received from the ground transportation of passengers and baggage by the Passenger Surface Carrier or Carriers providing such service or by the Lessee, including all advertising and any other revenues of any type arising out of or in connection with said service (excluding only local, state and federal transportation taxes which are separately stated to and paid by and are directly payable to the taxing authority by the Lessee or by the Passenger Surface Carrier or Carriers) shall be paid to the Port Authority. If the Passenger Surface Carrier designated by the Lessee shall at any time fail to pay to the Port Authority ten percent (10%) or such lesser percentage as may be set pursuant to paragraph (e) hereof of its Gross Receipts as aforesaid when billed therefor by the Port Authority, the Port Authority shall have the right to deny such carrier entrance upon the Airport for the purpose of transporting passengers and baggage as aforesaid to and from the Airport and the Lessee shall no longer use the same.

(e) It is recognized that the Port Authority has established a five percent (5%) fee with respect to the service covered by paragraphs (a) and (d) hereof in lieu of the ten percent (10%) fee therein stated. It is hereby specifically understood and agreed that the fact that said fee is presently five percent (5%) shall not constitute a waiver by the Port Authority of its right to impose a percentage fee of ten percent (10%) as provided in paragraphs (a) and (d). It is hereby specifically agreed that the Port Authority shall have the right at any time and from time to time during the term of this Lease to revise the percentage fee it shall charge the Employee Surface Carrier(s), other permittees and the Lessee as provided in paragraphs (a) and (d) hereof but in no event shall said fee be greater than ten percent (10%). The Port Authority shall notify the Lessee of any such revision.

(f) The Lessee may arrange for the transportation to and from the Airport of freight and other cargo of the Lessee either directly or by contract with the surface carrier or carriers of its choice. No Permit or fee shall be required of the Lessee or its contractor for the picking up from or the delivery to of freight or other cargo from or to the Lessee. No fee shall be paid to the Port Authority by the Lessee or its contractor for the privilege of transporting freight or cargo of the Lessee on the surface as aforesaid. If such contractor of the Lessee enters into a Lease or other agreement with the Port Authority for space and/or privileges at the Airport, the rent or other compensation payable to the Port Authority shall not be measured by the amount of freight or other cargo of the Lessee transported on the surface by such contractor.

(g) The right of the Lessee to arrange transportation to and from the Airport of its airline passengers as hereinabove provided shall not be construed as being applicable to any establishment or operation by the Lessee of facilities outside the Airport for the handling of airline passengers of the Lessee arriving at or departing from the Airport.

(h) As used in this Section, reference to passengers, baggage, freight or other cargo of the Lessee shall be construed to mean persons, baggage, freight or cargo transported or to be transported on aircraft of the Lessee.

(i) The Ground Carrier Permittee of the Lessee's choice, its Passengers Surface Carrier or Carriers or any other contractor used by it shall not solicit business on the public areas of the Airport and the Lessee shall prohibit any such activity on the Premises or on any other area at the Airport occupied by the Lessee. The use, at any time, either on the Premises or elsewhere on the Airport of hand or standard megaphones, loudspeakers or any electric, electronic or other amplifying devices is hereby expressly prohibited and any advertising or signs shall be subject to continuing Port Authority approval.

(j) Effective as of January 1, 1972, the provisions of this Section superseded the provisions of Section 4.11 of Title IV of the General Airport Agreement and from and after said date said provisions of said Section 4.11 of Title IV were no longer of any force or effect.

Section 73. Ground Transportation Within the Central Terminal Area

(a) The Port Authority has established at Airport a Central Terminal Area generally as described in the exhibit attached hereto, hereby made a part hereof and marked "Exhibit 73.1" and hereinafter called "Exhibit 73.1". If at any time and from time to time during the term of the Lease, the Port Authority substantially revises the Central Terminal Area, it shall thereafter forward to the Lessee a revised exhibit showing the revised Central Terminal Area which revised exhibit shall replace Exhibit 73.1 and shall become a part of the Lease.

(b) (1) The Lessee hereby agrees that it will not directly, indirectly or by arrangement with any independent third party, operate any surface vehicles for the transportation of its passengers to or from the Premises and the various other passenger terminal facilities or other locations within the Central Terminal Area. The prohibition hereinabove set forth in this paragraph (b) shall be in effect only during such periods as there is in operation at the Airport a CTA Ground Transportation Service as hereinafter defined to be provided by an independent third party contractor. The "CTA Ground Transportation Service" shall consist of the following: a ground transportation service for the transportation of airline passengers and other persons between the various passenger terminal facilities, including the Premises, within the Central Terminal Area including the service of transporting a group of passengers where the Aircraft Operator must accommodate the group as a whole (hereinafter called the "CTA Omnibus Service") and a ground transportation service for the transportation of passengers of Aircraft Operators within the Central Terminal Area, but only when a passenger is disabled, the passenger must take a direct connection and where time is critical, and in the very limited instance where an Aircraft Operator must accommodate a particular passenger, the foregoing service being hereinafter called the "CTA Supplementary Service". It is understood furthermore that, notwithstanding the prohibition

hereinabove set forth in this paragraph (b), the Lessee may directly, indirectly or by arrangement with an independent third party, operate surface vehicles for the transportation of its passengers to or from the Premises and such passenger terminal facility of the Lessee, if any, located outside the Central Terminal Area, provided, that the Lessee has the prior and continuing approval of the Port Authority to operate such passenger terminal facility outside the Central Terminal Area, that the aforesaid service shall not serve any passenger terminal facility or location within the Central Terminal Area other than the Premises and that if the Lessee utilizes a third party to provide the service, said third party shall be subject to the prior and continuing approval of the Port Authority, shall agree to become a permittee of the Port Authority and shall pay the percentage of its Gross Receipts to the Port Authority with respect to said service as specified in said permit and shall comply with all the terms and conditions of its permit.

(2) Nothing contained in this paragraph (b) or paragraph (c) hereof shall impose or be construed as imposing an obligation on the Port Authority to operate or cause to be operated the CTA Ground Transportation Service for the transportation of passengers and other persons between the various passenger terminal facilities, including the Premises, within the Central Terminal Area.

(c) (1) (i) It is hereby agreed that it is in the best interests of the Port Authority and all Participants as hereinafter defined that the CTA Omnibus Service be a good, proper and efficient service, able to adequately, timely and properly handle the ground transportation needs of airline passengers and other persons between the various passenger terminal facilities including the Premises within the Central Terminal Area. The parties recognize furthermore that the CTA Supplementary Service should be a service that would transport those persons authorized to be carried thereon in an adequate, proper and timely manner so as to meet their flight connections.

(ii) The Port Authority agrees that it shall meet and consult from time to time with the Participants with respect to the procedures, schedules, fares, prices and operations of the CTA Omnibus Service and shall, except in case of emergency, give the Participants prior written notice of any substantive changes with respect thereto. Notwithstanding the foregoing, it is hereby understood and agreed that the procedures, schedules, fares, prices, operations and other matters affecting the CTA Omnibus Service shall be determined by the Port Authority.

(iii) The Port Authority agrees that it shall meet and consult from time to time with the Participants with respect to the procedures, schedules, fares, prices and operations of the CTA Supplementary Service. Before adopting any initial procedures or schedules covering the operation of the CTA Supplementary Service and before putting into effect any modifications to any procedures or schedules then in effect with respect to the CTA Supplementary Service, except in case of emergency, the Port Authority shall submit the initial or the changed

procedures and schedules (hereinafter called the "Submissions") to the Participants for their approval. If Participants representing more than fifty percent (50%) of the effective published passenger flight schedules to and from the Airport of all Participants for the calendar year prior to the year in which the Submissions are made to the Participants for their approval, approve the same, the Submissions shall be deemed to be approved for all purposes hereunder and said approval shall be deemed binding as well upon all other Aircraft Operators who may use or pay for the CTA Supplementary Service, notwithstanding the fact that said Submissions had not been submitted to them for their approval. Notwithstanding anything herein provided and without limiting the provisions of paragraph (b) hereof, it is hereby understood and agreed that the Port Authority shall have no obligation hereunder to itself operate the CTA Ground Transportation Service nor any obligation to operate said service through an independent contractor unless and until the Submissions with respect to the CTA Supplementary Service submitted as aforesaid to the Participants have been approved by the Participants in accordance with the foregoing provisions. The failure of any Participant to disapprove the Submissions within twenty (20) days after submission thereof to it for approval shall constitute such Participant's approval hereunder to said Submissions.

(iv) It is hereby understood and agreed that the amount to be charged for the CTA Supplementary Service shall consist of an Initial Price and, if the Port Authority so elects from time to time during the term of the Lease, an Excess Price. The Initial Price shall be based upon the cost of the CTA Supplementary Service. The Lessee shall pay to the Port Authority as and representing the Initial Price its pro rata share of the cost to the Port Authority of providing the CTA Supplementary Service. The Lessee's pro rata share of the cost to the Port Authority of providing the CTA Supplementary Service shall be that proportion of said cost as the number of passengers of the Lessee who actually used the CTA Supplementary Service bears to the total number of passengers using the CTA Supplementary Service. Except as provided in the subparagraph (1)(v)(D) hereof, there will be no charge to the Lessee of either an Initial Price or an Excess Price if the Lessee does not have any passengers using the CTA Supplementary Service.

(v) (A) The Initial Price payable to the Port Authority pursuant to subparagraph (iv) hereof is for each calendar year, but in the event the term of the Lease expires or the provisions covering the CTA Supplementary Service are terminated on a day other than the last day of a calendar year, then in any such event the Initial Price payable to the Port Authority pursuant to subparagraph (iv) hereof shall, for the year during which such event occurs, be for such portion of said year during which the Port Authority provides the CTA Supplementary Service. In determining the Initial Price, the cost of the CTA Supplementary Service shall be computed, determined and ascertained for each calendar year (or portion thereof upon the occurrence of any of the events mentioned in the first sentence hereof) of the term of this Lease.

(B) Notwithstanding the foregoing and for current monthly or other periodical billing purposes as may from time to time be selected by the Port Authority, the

Port Authority shall establish interim billing rates to cover the Initial Price for the CTA Supplementary Service. Such billing rates shall be based on determinations by the Port Authority of its estimate of the cost of the CTA Supplementary Service for the calendar year and the number of passengers to be using the CTA Supplementary Service for said calendar year. Such determinations shall be based upon the prior calendar year's experience, if any, and upon such other reasonable basis as the Port Authority may determine. The Port Authority may prospectively revise its billing rates during any calendar year. On the 20th day of each calendar month the Lessee shall pay to the Port Authority the amount due as the Initial Price for the preceding calendar month, which shall be determined by multiplying the interim billing rate per passenger for the Initial Price established by the Port Authority as aforesaid by the number of Lessee's passengers carried on the CTA Supplementary Service for the previous calendar month.

(C) As soon as practicable after the expiration of each calendar year, the Port Authority shall determine the cost of the CTA Supplementary Service and the Initial Price payable therefore. Corrected billings based upon such determination shall thereupon be rendered by the Port Authority and if any monies are due to the Port Authority they shall be promptly paid by the Lessee and if any monies are due to the Lessee they shall be promptly credited to it.

(D) In the event and only in the event that the CTA Supplementary Service for all or any portion of a calendar year has been provided by the Port Authority but there has been no use thereof by any of the Participants, then the Initial Price and the Excess Price shall be payable by all Participants and each Participant's share shall be based on the number of passengers on its outbound and inbound aircraft at the Airport compared to the total number of passengers on all inbound and outbound aircraft using the Airport of all Participants. The Port Authority agrees that, if as of the commencement of any calendar year there appears to be no use by the Participants of the CTA Supplementary Service, it will use all reasonable efforts to limit its payments to the contractor for the CTA Supplementary Service for such period where there appears to be no use.

(vi) (A) The Port Authority shall have full discretion in awarding a contract for the CTA Ground Transportation Service and may award the same to a contractor who has not proposed the lowest price for the CTA Supplementary Service or the CTA Omnibus Service. As stated in subparagraph (1)(iv) hereof the Port Authority shall have the right to charge the Lessee, in addition to the Initial Price for the CTA Supplementary Service, an additional amount herein called the "Excess Price", which amount shall be applied to offset any deficit in the CTA Omnibus Service.

(B) The amount representing the Excess Price shall be an amount payable only by the Lessee if it uses the CTA Supplementary Service and shall be an amount fixed for each passenger using the CTA Supplementary Service. The Port Authority shall

advise the Participants prior to the beginning of each calendar year of the amount per passenger which shall constitute the Excess Price for said calendar year. On the 20th day of each calendar month during the term of this Lease and on the 20th day of the calendar month immediately following the end of the term of this Lease, the Lessee shall pay to the Port Authority the amount due as the Excess Price for the preceding calendar month, which shall be determined by multiplying the amount per passenger for the Excess Price established by the Port Authority as aforesaid by the number of Lessee's passengers carried on the CTA Supplementary Service for the previous calendar month. As soon as practicable after the expiration of each calendar year, the Port Authority shall determine the cost of the CTA Omnibus Service for said calendar year. If there is no deficit or if the deficit is less than the amount received by the Port Authority from users of the CTA Omnibus Service, then the total amount of the Excess Price if there is no deficit or the amount of the Excess Price which is over and above any deficit on the CTA Omnibus Service shall be refunded or credited to the Participants based on the portion of each Participant's payments of the Excess Price for said calendar year as compared to the total amount received as the Excess Price from all Participants. In determining whether or not there is a deficit or in determining the amount of the deficit, revenues from the CTA Omnibus Service shall be deemed to be 87.5% of the cost of the CTA Omnibus Service whether or not the revenues actually received add up to 87.5%, but if said revenues exceed 87.5% of the cost, the actual amount of revenues received shall be used.

(vii) The Port Authority shall determine for each calendar year (or portion thereof, where applicable) the cost to the Port Authority of providing the CTA Omnibus Service and the cost to the Port Authority of providing the CTA Supplementary Service. Each such cost shall be determined in accordance with the Port Authority's normal accounting practice and shall consist of those of the following items, which are applicable to each such service:

(A) All payments made by the Port Authority to the independent contractor for providing the CTA Supplementary Service or the CTA Omnibus Service, as the case may be (it being understood that the Port Authority shall not impose any percentage charge or fee on the contractor for such services);

(B) On-the-job payroll costs of Port Authority employees working in any aspect of the CTA Supplementary Service or the CTA Omnibus Service, as the case may be, including but not limited to contributions to any retirement system or the cost of participation in any pension plans or the like, social security, old age, survivors, disability and employment insurance and other insurance costs, sick leave pay, holiday, vacation, authorized absence and severance pay, other employee fringe benefits and any other payments made or costs incurred whether pursuant to law or by Port Authority policy to or with respect to said employees;

(C) The cost (including rental charges) to the Port Authority of providing space, equipment, materials, facilities or services to or in connection with the CTA Omnibus Service or the CTA Supplementary Service, as the case may be;

advise the Participants prior to the beginning of each calendar year of the amount per passenger which shall constitute the Excess Price for said calendar year. On the 20th day of each calendar month during the term of this Lease and on the 20th day of the calendar month immediately following the end of the term of this Lease, the Lessee shall pay to the Port Authority the amount due as the Excess Price for the preceding calendar month, which shall be determined by multiplying the amount per passenger for the Excess Price established by the Port Authority as aforesaid by the number of Lessee's passengers carried on the CTA Supplementary Service for the previous calendar month. As soon as practicable after the expiration of each calendar year, the Port Authority shall determine the cost of the CTA Omnibus Service for said calendar year. If there is no deficit or if the deficit is less than the amount received by the Port Authority from users of the CTA Omnibus Service, then the total amount of the Excess Price if there is no deficit or the amount of the Excess Price which is over and above any deficit on the CTA Omnibus Service shall be refunded or credited to the Participants based on the portion of each Participant's payments of the Excess Price for said calendar year as compared to the total amount received as the Excess Price from all Participants. In determining whether or not there is a deficit or in determining the amount of the deficit, revenues from the CTA Omnibus Service shall be deemed to be 87.5% of the cost of the CTA Omnibus Service whether or not the revenues actually received add up to 87.5%, but if said revenues exceed 87.5% of the cost, the actual amount of revenues received shall be used.

(vii) The Port Authority shall determine for each calendar year (or portion thereof, where applicable) the cost to the Port Authority of providing the CTA Omnibus Service and the cost to the Port Authority of providing the CTA Supplementary Service. Each such cost shall be determined in accordance with the Port Authority's normal accounting practice and shall consist of those of the following items, which are applicable to each such service:

(A) All payments made by the Port Authority to the independent contractor for providing the CTA Supplementary Service or the CTA Omnibus Service, as the case may be (it being understood that the Port Authority shall not impose any percentage charge or fee on the contractor for such services);

(B) On-the-job payroll costs of Port Authority employees working in any aspect of the CTA Supplementary Service or the CTA Omnibus Service, as the case may be, including but not limited to contributions to any retirement system or the cost of participation in any pension plans or the like, social security, old age, survivors, disability and employment insurance and other insurance costs, sick leave pay, holiday, vacation, authorized absence and severance pay, other employee fringe benefits and any other payments made or costs incurred whether pursuant to law or by Port Authority policy to or with respect to said employees;

(C) The cost (including rental charges) to the Port Authority of providing space, equipment, materials, facilities or services to or in connection with the CTA Omnibus Service or the CTA Supplementary Service, as the case may be;

(D) Payments of premiums (or to the extent of self-insurance an amount equivalent to what the premiums would have been) for insurance with respect to the CTA Omnibus Service or the CTA Supplementary Service, as the case may be, including without limitation thereto, fire and extended coverage, workmen's compensation and commercial general liability;

(E) Other direct costs as charged under the Port Authority's normal accounting practice;

(F) With respect to the CTA Omnibus Service, ten percent (10%) of the amounts paid to the contractor providing said service under item (A) hereof and with respect to the CTA Supplementary Service, twenty percent (20%) of the amount paid to the contractor providing said service under item (A) hereof.

(viii) In the event that any specific cost incurred or any specific amount expended for any of the items hereinabove set forth covers both the CTA Omnibus Service and the CTA Supplementary Service, then the Port Authority shall divide and allocate any such cost or amount as between the CTA Omnibus Service and the CTA Supplementary Service in accordance with its normal accounting principles.

(2) (i) If at any time during the term of the Lease the Port Authority receives a written notice from at least two Participants (as hereinafter defined) representing more than thirty percent (30%) of the effective published passenger flight schedules to and from the Airport of all Participants for the calendar year prior to the year during which the notice was given, which notice shall be either (x) to the effect that the service being provided by the contractor furnishing the CTA Ground Transportation Service does not satisfy the standards set forth in item (i) of subparagraph (1) hereof and specifying whether it is the CTA Omnibus Service or the CTA Supplementary Service, or both, which is at fault, and further specifying the nature and extent of the failure or (y) to the effect that the Participants serving the notice are dissatisfied for any reason with the service, the Port Authority shall endeavor in the case of item (x) of this subparagraph (2)(i) to rectify the conditions complained of either by the existing contractor doing so or by engaging a new contractor to provide the CTA Ground Transportation Service or by a combination of both.

(ii) If the Port Authority receives, by a date no earlier than one hundred twenty (120) days and no later than one hundred eighty (180) days after its receipt of either notice covered by subparagraph (2)(A) hereof, a written notice from at least two Participants representing more than fifty percent (50%) of the effective published passenger flight schedules to and from the Airport of all Participants for the year prior to the year during which the notice is given, which notice is to the effect that the Participants sending the notice continue to be dissatisfied with the CTA Ground Transportation Service whether provided by the old contractor, or if said contractor has been replaced, by the new contractor, then the Port Authority agrees that,

effective no later than sixty (60) days after its receipt of said notice (said date to be established by written notice to the Participants) the provisions of this Section covering the CTA Ground Transportation Service shall be terminated and shall no longer be in effect and from and after said date the Lessee shall have the right directly or by arrangement with an independent third party to operate surface vehicles for the transportation of its passengers to and from the Premises and the various other passenger terminal facilities or other locations within the Central Terminal Area, provided, however, that the same shall be used exclusively for the transportation of the Lessee's disabled passengers, passengers who must make a direct connection and where time is critical, in the very limited instances where the Lessee must accommodate particular passengers, and for the transportation of passengers traveling as a group where the Lessee must accommodate the group as a whole, it being understood that the foregoing limitation on the right of the Lessee shall be in effect only during such periods as there is in operation at the Airport a CTA Omnibus Service as defined in paragraph (b) hereof (the Port Authority having no obligation so to do), excluding the transportation of passengers traveling as a group, and provided, however, that if the Lessee utilizes a third party to provide said service, that said third party shall be subject to the prior and continuing approval of the Port Authority, shall agree to become a permittee of the Port Authority and shall pay the percentage of its Gross Receipts to the Port Authority with respect to its service as specified in said permit and shall comply with all the terms and conditions of its permit.

(d) (1) The Port Authority hereby states its intention to attempt to incorporate into all new leases and into all existing leases which may not already include the same with all Persons covering passenger terminal facilities within the Central Terminal Area provisions having the same effect as the provisions of this Section. The term "Participants" shall mean all Persons (including for the purposes hereof, the Lessee) who have executed leases with the Port Authority covering passenger terminal facilities within the Central Terminal Area and containing provisions having the same effect as the provisions of this Section

(2) All Aircraft Operators who may be occupying space within the Central Terminal Area pursuant to a sublease, subuse or Handling Agreement with any Participant (including the Lessee hereunder) shall be obligated to comply with all obligations of this Section which are applicable to the Participants, but said Aircraft Operators shall not be or be deemed to be Participants within the meaning of subparagraph (1) of this paragraph (d), but their activities, operations and payments hereunder shall be deemed to be those of the Participants whose space they are using.

(e) The agreement by the Lessee under paragraph (b) hereof as well as the agreement by the Lessee under paragraph (c)(2) hereof, in the event the provisions covering the CTA Ground Transportation Service are terminated and are no longer in effect, are of the essence of this Section and the Lessee agrees that the Port Authority shall be entitled to a decree against the Lessee requiring the specific performance thereof in any court of equity having jurisdiction. The aforesaid remedy which may be available to the Port Authority hereunder in the event the Lessee

breaches its agreement.

Section 74. Federal Inspection

The Lessee has advised the Port Authority that it intends to make available to the United States a portion or portions of the Premises for Federal Inspection Facilities, if the United States will accept and use the same. The Port Authority shall have no obligation or responsibility of any kind with respect to the foregoing or the arrangements that must be made by the Lessee with the United States and any agencies thereof having jurisdiction.

Section 75. Helicopter Operations

The Lessee hereby acknowledges that the Lease does not grant to it any right and the Lessee does not have any right to use or permit the use of any portion of the Premises for the landing or taking off of helicopters, rotary wing, tilt rotor or other similar aircraft. In the event that the Port Authority determines that approval for such use will be given at any time hereafter, the same shall be granted only in accordance with such terms and conditions, including but not limited to fees, charges and rights of user, as the Port Authority may set forth in a supplement to the Lease, which is duly executed by the Lessee and the Port Authority.

Section 76. Itinerant Aircraft

(a) The Port Authority hereby grants to the Lessee the privilege of permitting the occasional use of the Premises by air taxi, corporate and private aircraft (sometimes hereinafter called the "Itinerant Aircraft") for the sole purpose of discharging or picking up passengers, business guests and other invitees of the Lessee. All operations of such Itinerant Aircraft shall be in compliance with all the terms and provisions of the Lease and with the Rules and Regulations of the Port Authority. The Lessee shall be completely responsible for all acts and omissions of said Itinerant Aircraft as if said acts and omissions were the acts or omissions of the Lessee.

(b) The Port Authority shall have the right to cancel the privilege granted to the Lessee as set forth in paragraph (a) hereof in whole or in part or with respect to any particular Itinerant Aircraft at any time and from time to time and without cause upon thirty (30) days' written notice to the Lessee, and upon the effective date of such notice the Lessee shall no longer have the right to permit all or any specific Itinerant Aircraft as specified in the notice to use the Premises as hereinabove provided, but the same shall not affect the Lease or any of the terms, rentals, fees, provisions or agreements hereof, all of which shall continue in full force and effect.

Section 77. Observation Deck

It is hereby agreed and understood that the Lessee is prohibited from providing or

operating, either by itself or through a third Person, an observation deck on the Premises.

Section 78. In-Flight Meals

(a) In the event Section 8.04 of Title VIII of the General Airport Agreement, shall expire or be canceled or deleted or for any other reason shall be of no further force or effect then the following paragraphs (1), (2) and (3) shall be deemed to apply hereunder and be a part hereof:

(1) If the Lessee desires to prepare, for its exclusive use, In-Flight Meals for consumption by passengers and crew on board aircraft operated by the Lessee and to deliver such In-Flight Meals to such aircraft it shall have the right to do so, individually or through a contractor of its own choice (which contractor shall not be another Person engaged in the business of transportation by aircraft). If the Lessee does so directly, it shall do so only on space located outside the Central Terminal Area. The foregoing, however, shall create no obligation on the part of the Port Authority to provide such space and shall in no way be deemed a commitment by the Port Authority that any such space shall be available. If the Lessee chooses to use an independent contractor, such contractor shall be a regular "In-Flight Meal Operator" by which is meant an operator authorized by the Port Authority to provide In-Flight Meals to Aircraft Operators at the Airport unless, in the opinion of the Lessee, all regular In-Flight Meal Operators are unsatisfactory to the Lessee, in which case the Lessee may employ any other contractor (other than another Person engaged in the business of transportation by aircraft), satisfactory to the Port Authority, who will accept a permit from the Port Authority on the same terms and conditions including the same rates, fees or charges as imposed upon and required of the Port Authority's In-Flight Meal Operators.

(2) The Lessee shall have the further right, either directly or through an independent contractor of its choice, satisfactory to the Port Authority, or by arrangements, jointly with one or more other users at the Airport, to employ a contractor, satisfactory to the Port Authority, to prepare outside the Airport and to deliver at the Airport to aircraft operated by the Lessee, In-Flight Meals for consumption by passengers and crew on board such aircraft, provided, however, that if the Lessee employs a contractor either alone, or, by arrangement, jointly with one or more other users at the Airport for the preparation, outside the Airport, of In-Flight Meals, then the Lessee shall cause such contractor to pay to the Port Authority the rate or rates which would be payable to the Port Authority by a regular Port Authority In-Flight Meal Operator for the off-Airport preparation or delivery, or both, of such In-Flight Meals to aircraft for consumption by passengers and crews on board such aircraft.

(3) (i) The Lessee has advised that it may use more than one independent contractor to furnish its In-Flight Meals at the Airport but may not wish to have all of said contractors become permittees of the Port Authority under permits which require, as aforesaid, the permittees to pay fees at the rates imposed on the Port Authority's In-Flight Meal Operators

upon Gross Receipts based on amounts the Lessee pays said contractors.

(ii) Should the Lessee elect not to have all its independent contractors be Port Authority permittees as aforesaid, it shall serve a written notice on the Port Authority to such effect which notice shall state that it elects the method of additional payment as hereinafter set forth and thereupon the Port Authority shall consent thereto provided that, in addition to all other amounts payable to the Port Authority under subparagraphs (1) and (2) above, the Lessee shall pay and the Lessee hereby agrees to pay to the Port Authority an amount determined by applying the rates referred to in subparagraph (3)(i) above to the amounts payable by the Lessee to said independent contractors for its In-Flight Meals or any part thereof delivered to the Lessee's aircraft at the Airport (whether such delivery be by said independent contractor, the Lessee or another). The foregoing payments by the Lessee shall be made monthly on the twentieth (20th) day of the month commencing with the first (1st) month immediately following the Lessee's notice and continuing each month thereafter up to and including the twentieth (20th) day of the month following the expiration date hereof. The Lessee at anytime on at least thirty (30) days' prior written notice to the Port Authority may change from its selection above and the Lessee may at any time advise the Port Authority that this subparagraph (3) no longer applies to it based upon its representation, that it then shall make, that all payments made by it for In-Flight Meals shall be made to its contractors who are permittees of the Port Authority as In-Flight Meal Operators.

(iii) It is hereby expressly recognized that the procedures allowed under this subparagraph (3) are not included within the contemplation of the provisions of subparagraphs 3(1) and (2) above and that the inclusion of the same within this paragraph (a)(3) shall not constitute or be deemed to constitute any concession or agreement by the Port Authority that said procedures are not in violation of subparagraphs 3(i) and (ii) hereof.

(b) (1) The Lessee acknowledges and agrees, with respect to any In-Flight Meals prepared and delivered on the Airport pursuant to Section 8.04 of Title VIII of the General Airport Agreement, that it may use more than one independent contractor to furnish its In-Flight Meals at the Airport but may not wish to have all of said contractors become permittees of the Port Authority under permits which require the permittees to pay fees at the rates imposed on the Port Authority's In-Flight Meal Operators upon Gross Receipts based on amounts the Lessee pays said contractors, nor shall the same limit or be deemed to limit the provisions of said Section 8.04.

(2) Should the Lessee elect not to have all its independent contractors be Port Authority permittees as aforesaid, it shall serve a written notice on the Port Authority to such effect which notice shall state that it elects the method of additional payment as hereinafter set forth and thereupon the Port Authority shall consent thereto provided that, in addition to all other amounts payable to the Port Authority, the Lessee shall pay and the Lessee hereby agrees to pay to the Port Authority an amount determined by applying the rates referred to in subparagraph (1) above to the amounts payable by the Lessee to said independent contractors for its In-Flight Meals

or any part thereof delivered to the Lessee's aircraft at the Airport (whether such delivery be by said independent contractor, the Lessee or another). The foregoing payments by the Lessee shall be made monthly on the twentieth (20th) day of the month commencing with the first month immediately following the Lessee's notice and continuing each month thereafter up to and including the twentieth (20th) day of the month following the expiration date of the term of the letting hereunder. The Lessee at any time on at least thirty (30) days' prior written notice to the Port Authority may change from its selection above and the Lessee may at any time advise the Port Authority that this paragraph (b) no longer applies to it based upon its representation, that it then shall make, that all payments made by it for In-Flight Meals shall be made to its contractors who are permittees of the Port Authority as In-Flight Meal Operators.

(3) It is hereby expressly recognized that the procedures allowed under this paragraph (b) are not included within the contemplation of the provisions of Section 8.04 of Title VIII of the General Airport Agreement and that the inclusion of the same within this paragraph (b) shall not constitute or be deemed to constitute any concession or agreement by the Port Authority that said procedures are not in violation of said Section 8.04 of Title VIII of the General Airport Agreement, nor shall the same limit or be deemed to limit the provisions of said Section 8.04.

Section 79. Consumer Services

(a) The Lessee shall use its best efforts to develop and operate at the Premises a premier world-class retail program that will support and advance the role of the Premises in providing a convenient and comfortable arrival to and departure from the Airport, consistent with the image and status of New York City as a foremost domestic gateway and America's foremost international gateway. The Lessee's retail program shall embody the Lessee's full commitment to quality, value and customer service, evidence operations in accordance with the best industry practices, evidence compliance with the Port Authority's maximum standards with regard to service, health, sanitation and safety, and evidence Lessee's full commitment to the maximum financial return to the Lessee and the Port Authority. A "premier world-class" retail program is one that consistently scores within the top ten percent (10%) of industry-recognized surveys, including without limitation the International Airline Transport Association (IATA) Airport Monitor and Port Authority-sponsored surveys, which contain evaluations or ratings of passenger terminal retail programs, or specific components thereof, of the same type or class.

(b) (1) The Lessee acknowledges that various portions of the Premises will be utilized for consumer services and said portions which receive the concurrence of the Lessee and the Port Authority, as hereinafter provided, are herein referred to as the "Concession Areas". Without limiting the provisions of Section 68 hereof entitled "The Lessee's Ongoing Affirmative Action, Equal Opportunity and Local Business Enterprises Commitment", the Lessee shall develop and submit to the Port Authority within ninety (90) days of the Effective Date for its approval a

comprehensive plan for consumer services, setting forth, *inter alia:* (1) the types of concessions to be placed there and the number of each type and size, designated location, and configuration of each concession, as well as the overall plan of the portions of the Premises designated for retail operations; (2) the minimum rentals required for each type of concession; (3) the structure and level of any common area maintenance fees, marketing fees, delivery fees, and utility recoveries (to the extent permitted) to be charged to the retail sublessees; (4) the Lessee's plans to provide retail opportunities for Minority Business Enterprises and Women-owned Business Enterprises (as defined in Schedule E hereto); (5) the Lessee's quality and service standards and required hours of operation; (6) the Lessee's specific plans to monitor and enforce its "Street Pricing" policy (defined in paragraph (f)(1) of this Section), quality and service standards and required hours of operation; (7) any other basic business terms including, but not limited to, any mandatory investment and refurbishing requirements; and (8) such other information as the Port Authority may deem appropriate to its review and determination if it will approve the proposed plan. The types of concessions to be placed in the Concession Areas shall include those set forth in Sections 80 through 86 hereof, and the Lessee agrees that it will at all times throughout the term of the letting hereunder keep said comprehensive plan updated and that said updated plan shall be submitted to and be subject to the continuing approval of the Port Authority. Attached hereto as "Exhibit 79.1" and incorporated by reference herein is a location plan and list of retail tenants at the premises as of the Effective Date, prepared by or on behalf of the Lessee. The Port Authority shall furnish to the Lessee guidelines to be utilized by the Lessee with respect to all matters affecting consumer services in the Concession Areas including the aforesaid Lessee's comprehensive plan. The Lessee agrees to meet and consult with the Port Authority, and provide representatives to meet and consult with the Port Authority and representatives of other airlines operating at the Airport, when requested to do so in order to discuss the Lessee's performance in meeting the standards required by paragraph (a) of this Section and its implementation of the Port Authority guidelines on matters affecting consumer services in the Concession Areas.

(2) The comprehensive plan shall be subject to the approval of the Port Authority, as provided in this Section. The Lessee shall submit to the Port Authority for its written approval at annual intervals, on each anniversary of the Effective Date, during the term of the letting hereunder (or more frequently if desired by the Lessee or if reasonably requested by the Port Authority) a revised comprehensive consumer services plan, which shall contain the items of information enumerated in subparagraph (1) above. The Port Authority shall, after its receipt of a proposed revised comprehensive plan, advise the Lessee in writing of the Port Authority's approval, conditional approval or disapproval. In the event of disapproval or conditional approval, the reasons therefor shall be stated, and the Lessee may thereafter submit for Port Authority approval an appropriately modified proposed revised comprehensive plan. Unless and until a revised comprehensive plan shall have been approved by the Port Authority in the foregoing manner, the comprehensive plan previously approved and then in effect shall continue in effect.

(c) (1) After approval by the Port Authority of the Lessee's comprehensive

plan for consumer services the Lessee shall procure operators and agreements for such services. As hereinafter provided the Lessee will be entering into a direct contract with each new operator but said operator must also enter into an appropriate agreement with the Port Authority. The Lessee shall not finalize negotiations with any operator until it has received notification from the Port Authority that said arrangement is acceptable to the Port Authority and any agreement with any proposed operator the Lessee executes shall not be effective until said operator has entered into the appropriate contractual agreement with the Port Authority, in form and substance satisfactory to the Port Authority in its sole discretion. The Port Authority's approval of a comprehensive plan, or modifications thereto, shall in no way diminish the applicability of this subparagraph (1). The effectiveness of the Lessee's agreement with said proposed operator shall be subject to the Port Authority's prior written consent, as contained in the aforesaid appropriate contractual agreement, and the Lessee's agreement shall state the same. The foregoing procedure will be followed throughout the term of the letting hereunder. It is expressly understood and agreed that the provisions of this Section shall not limit or be deemed to limit the provisions of Section 68 hereof and the Lessee's on-going affirmative action commitment with respect to the consumer services awards and agreements provided for herein.

(d) (1) The Port Authority hereby reserves exclusively to itself and its designees the right on the Premises to implement, conduct, control and receive any rents, fees or profits with respect to any of the following uses, operations or installations (collectively, the "Reserved Uses"):

(i) advertising, provided that the Lessee shall retain the right to control the placement of the particular advertising within the Premises and the right to reject any proposed advertising at the Premises,

(ii) pay telephones, pre-paid phone cards, facsimile transmission machines and other public communications services, provided that the Lessee shall retain the right to control the placement of telephones, phone banks, phone kiosks, facsimile transmission machines and other public communications services (e.g., internet kiosks) within the Premises, and the right to deny the placement of any particular pay phone facility, facsimile transmission machine or public communications service.

(iii) vending machines dispensing anything including, but not limited to, catalog and electronic sales (except in non-public areas of the Premises for products then permitted to be sold on the Premises under agreements or subleases approved by the Port Authority as required under this Lease), provided that the Lessee shall retain the right to control the placement of vending machines within the Premises and the right to reject any vending machine at the Premises,

(iv) ground transportation (including vehicle rentals) reservations,

as provided in Section 71 entitled "Ground Transportation Services" hereof, and

(v) provision of on-airport baggage carts (other than shopping carts made available free of charge to retail shoppers with the Concession Areas) or other on-airport baggage-moving devices, provided that the Lessee shall retain the right to control the placement of baggage cart stations within the Premises and the right to reject any on-airport baggage carts at the Premises.

If and when the Port Authority elects to share with the other unit terminal operators at the Airport the revenues from the activities set forth in items (iv) and (v) of this paragraph(d)(1), the Port Authority shall likewise share such revenues with the Lessee.

(2) The Port Authority (and any party specifically authorized thereby) may engage in the Reserved Uses and install, operate, maintain and repair the property used in connection therewith, in such locations as may be determined by the Lessee. The Lessee, at its expense, shall provide the necessary wires and conduits for the supply of electricity and telephone and other communications interconnections for the Reserved Uses.

(3) The Port Authority shall remit to the Lessee, out of the fees or rents actually collected by the Port Authority from third party operators pursuant to agreements for items (i), (ii) and (iii) of subparagraph (1) above, such fees or rents in the following percentages: item (i), fifty percent (50%) to the Lessee; item (ii), eighty percent (80%) to the Lessee; and item (iii), eighty percent (80%) to the Lessee. The balance of all such fees or rents shall be retained by the Port Authority. Except as specifically provided in the foregoing sentence, the Port Authority shall have the right to all revenues derived from the Reserved Uses without compensating the Lessee in any manner on account of such uses or revenues.

(e) Except to the extent modified by and in accordance with an effective comprehensive consumer services plan, the Lessee shall require in its consumer services subleases the following with respect to hours and days of operation:

(1) Retail food and beverage service shall be made available to the public at one or more locations continuously each day during the hours commencing no later than one hour prior to the first scheduled aircraft departure from the Premises and continuing until at least the completion of boarding for the last actual departure from the Premises of a flight therefrom the same day. At least fifty percent (50%) of the concessions in any food service area at any one time shall operate continuously throughout the hours specified above.

(2) Commencing no later than one hour prior to the first scheduled aircraft departure at the Premises each day and continuing until at least the last actual departure at the Premises of a flight for departure thereat the same day, at least one retail newsstand shall be

continuously open for business and at least one area accessible to "meeters and greeters" shall be open.

(3) Certain foreign currency exchange services, through a staffed location or an automated currency exchange machine, shall be continuously provided to the public in the Foreign Inspection Services area and at least one other central location in the Premises during the hours commencing no later than one hour prior to the first scheduled aircraft departure from the Premises and continuing at least until the later of (1) the completion of boarding for the last actual departure from the Premises of a flight scheduled for departure therefrom the same day and (2) one hour after the last actual arrival at the Premises of a flight scheduled for arrival thereat the same day.

(4) In each arrival area and one other central location in the Premises, there shall be at least one automated teller machine fully operational and accessible to the public twenty-four (24) hours a day with cash in quantities sufficient to meet reasonably anticipated demand and providing access to at least one of the two largest banking networks available in the Port of New York District.

(5) In any instance in which no minimum hours have been set forth above and as to all other retail sublessees, the retail sublessees shall be required to be open for business and operate their respective businesses as provided in the comprehensive consumer services plan.

(6) The Lessee shall require all retail sublessees to operate their respective businesses so as to maximize their revenues in accordance with best industry practices and standards observed generally by first-class business enterprises of regional or national scope which operate at other major airports.

(f) (1) Each consumer service sublease shall provide that the sublessee in its operations pursuant to its sublease shall not charge prices to its customers in excess of "Street Prices", defined as follows:

(i) If the retail sublessee conducts a similar business in off-airport location(s) in the Greater New York City-Northeren New Jersey Metropolitan Area (the "Metro Area"), "Street Prices" shall mean the price regularly charged by the retail sublessee for the same or similar item in the Metro Area;

(ii) If the retail sublessee does not conduct a similar business in off-airport location(s) in the Metro Area, "Street Prices" shall mean the average price regularly charged in the Metro Area by similar retailers for the same or similar item;

(iii) If neither the retail sublessee nor other similar retailers sell a particular item in the Metro Area, "Street Prices" shall mean the price regularly charged by the retail sublessee or similar retailers for the same or similar item in any other geographic area with a reasonable adjustment for any cost-of-living variance between such area and the Metro Area; and

(iv) If a retail sublessee is in the business of selling duty-free goods, "Street Prices" shall mean the price regularly charged by the sublessee or other similar retailer for the same or similar duty-free item at other major airports serving large urban areas in the Northeast region of the United States, including but not limited to the Airport.

(2) Notices in form and substance reasonably satisfactory to the Port Authority shall be conspicuously displayed in each retail sublessee's space to the effect that the retail sublessee adheres to the foregoing "Street Pricing" policy.

(g) (1) Each consumer service sublease, and each Port Authority agreement with a concessionaire, shall also provide, that the retail sublessee shall:

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

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

(iii) maintain, in English and accordance with accepted accounting practice, during the term of the subletting under the sublease and for one (1) year after the expiration or earlier termination or surrender thereof, and for a further period extending until receipt of written permission from the Port Authority to do otherwise, full and complete records and books of account recording all transactions of the sublessee at, through, or in any way connected with its operations at the Premises or elsewhere at the Airport, and outside the Airport if the order therefor is received at the Airport, which records and books of account shall be kept at all times within the Port of New York District and shall separately state and identify each activity performed at the Airport and off the Airport if the order therefor is received at the Airport;

(iv) the sublessee shall cause any of its which performs services similar to those performed by the sublessee to maintain, in English and accordance with accepted accounting practice, during the term of the subletting under the sublease and for one (1) year after the expiration or earlier termination or surrender thereof, and for a further period extending until the sublessee shall receive written permission from the Port Authority

to do otherwise, full and complete records and books of account recording all transactions of each such Affiliate at, through, or in any way connected with its operations at the Premises or elsewhere at the Airport, and outside the Airport if the order therefor is received at the Airport, which records and books of account shall be kept at all times within the Port of New York District and shall separately state and identify each activity performed at the Airport and off the Airport if the order therefor is received at the Airport;

(v) permit and/or cause to be permitted in ordinary business hours during the term of the subletting under the sublease and for one (1) year thereafter, and during such further period as is mentioned in the preceding subparagraphs (1)(iii) and (1)(iv), the examination and audit by the officers, employees and representatives of both the Port Authority and those of the Lessee of such records and books of account and also any records and books of account of any Affiliate if said Affiliate performs services similar to those performed by the sublessee anywhere in the Port of New York District (including without limitation all corporate records and books of account which the Port Authority in its sole discretion believes may be relevant for the identification, determination or calculation of all fees, rentals and other amounts paid or payable to the Port Authority, all agreements, and all source documents), within ten (10) days following any request by the Port Authority from time to time and at any time to examine and audit said books and records;

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

(vii) permit the inspection by the officers, employees and representatives of the Port Authority and those of the Lessee of any equipment used by the sublessee including, but not limited to, any of the equipment described in subparagraph (1)(vi) above; and

(viii) furnish good, prompt and efficient service hereunder, adequate to meet all demands therefor at the Premises; furnish said service on a fair, equal and non-discriminatory basis to all users thereof; and charge fair, reasonable and non-discriminatory prices for each unit of sale or service, provided, however, that the retail sublessee may make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

(2) Without implying any limitation on the right of the Port Authority to

revoke its agreement with a concessionaire, in the event of the failure of the concessionaire to maintain, keep within the Port District or make available for examination and audit the required books and records in the manner and at the times or location as provided in paragraph (g)(1) above then, in addition to all and without limiting any other rights and remedies of the Port Authority, the Port Authority may:

(i) Estimate the gross receipts of the concessionaire on any basis that the Port Authority, in its sole discretion, shall deem appropriate, such estimation to be final and binding on the concessionaire and the concessionaire's fees based thereon to be payable to the Port Authority when billed; or

(ii) If any such books and records have been maintained outside of the Port District, but within the Continental United States then the Port Authority in its sole discretion may (A) require such books and records to be produced within the Port District or (B) examine such books and records at the location at which they have been maintained and in such event the concessionaire shall pay to the Port Authority when billed all travel costs and related expenses, as determined by the Port Authority for Port Authority auditors and other representatives, employees and officers in connection with such examination and audit, or

(iii) If any such books and records have been maintained outside the continental United States then, in addition to the costs specified in subparagraph (2)(ii) above, the concessionaire shall pay to the Port Authority when billed all other costs of the examination and audit of such books and records including without limitation salaries, benefits, travel costs and related expenses, overhead costs and fees and charges of third party auditors retained by the Port Authority for the purpose of conducting such audit and examination.

(3) The foregoing auditing costs, expenses and amounts set forth in subparagraphs (2)(ii) and (2)(iii) of this paragraph (g) shall be deemed fees and charges under the Port Authority's agreement with the concessionaire payable to the Port Authority with the same force and effect as all other fees and charges thereunder.

(h) (1) The Lessee shall employ or retain a full time trained professional staff at all times during the term of the letting hereunder of sufficient size, expertise, ability, suitability and experience to carry out its responsibilities under this Section.

(2) In addition, throughout the term of the letting hereunder, the Lessee may request Port Authority approval to employ at the Premises, at Lessee's sole cost and expense, on a full-time basis a retail asset manager, or may retain on a full-time basis the Lessee's retail developer which is operating as of the Effective Date, for its concessions program at the Premises

(such asset manager or developer being hereinafter referred to as a "Retail Manager"), subject in all respects to the terms and conditions of this Section. Any fee or other compensation to be paid to said Retail Manager shall be paid by the Lessee directly or out of the Lessee's share of revenue from consumer services, and no portion of such fee or compensation shall be paid out of the Port Authority's share of revenue from consumer services or shall offset, reduce, be credited against or otherwise adversely affect the amount of any fees, rent or other revenue to be paid or payable to the Port Authority hereunder or to which the Port Authority may be otherwise entitled. Notwithstanding the generality of the foregoing sentence, this Lease shall not effect or require a modification of the terms and conditions of the agreement between the Lessee and the Retail Manager operating at the Premises as of the Effective Date, provided, however, that the management fee to be paid to such existing Retail Manager and the other terms and conditions of such existing agreement shall terminate no later than February 28, 2006 and it is agreed that no portion of a management fee after said date shall be subsidized by, contributed to or otherwise financed by the Port Authority.

The Lessee shall not finalize negotiations with any Retail Manager until it has received notification from the Port Authority that said arrangement is acceptable to the Port Authority and shall not execute any agreement with any proposed Retail Manager until said Retail Manager has entered into the appropriate contractual agreement with the Port Authority, in form and substance satisfactory to the Port Authority in its sole discretion, which grants consent and approval to such Retail Manager. Any such agreement between the Lessee and a proposed Retail Manager shall state among other things, and the Lessee agrees, that:

(i) said agreement is subject and subordinate to this Lease (as the same may be amended, supplemented or extended);

(ii) said agreement shall not take effect without the prior written consent of the Port Authority thereto to be embodied in the contractual agreement referred to above (executed by and among the Port Authority, the Lessee and the Retail Manager);

(iii) any amendment, supplement or extension of the said agreement which does not have the express written approval of the Port Authority shall be void *ab initio* and of no effect whatsoever; that if this Lease is terminated on any account prior to the expiration of the term of the said agreement then the said agreement shall terminate simultaneously with such termination of this Lease unless the Port Authority shall notify the Retail Manager and the Lessee at or prior to such effective date of termination of this Lease that the Port Authority shall and does assume the rights and obligations of the Lessee thereunder from and after such effective date of termination, it being understood that the Port Authority shall have the right, but not the obligation, to be assigned and to assume the Lessee's rights and obligations under the Retail Manager agreement and, further, it being understood that the Port Authority shall have no obligation to enter into any form of recognition agreement with any concessionaire;

(iv) the Port Authority shall have the right to revoke its consent, or terminate any agreement containing its consent, to the Retail Manager agreement at any time without cause on thirty (30) days' prior notice and such revocation or termination shall not require the concurrence of the Lessee;

(v) all fees and rent collected by the Retail Manager shall be held by it in a fiduciary capacity, in a separate trust account and not co-mingled with other funds of the Retail Manager, solely for such purpose and thereafter remitted by the Retail Manager on a monthly basis directly to each of the Port Authority and the Lessee (it being understood that the Retail Manager's interest is a possessory and not an equitable interest), and the amount of payments collected or to be collected from the concessionaires shall be based on fees and rent paid or payable by the concessionaires at the Premises without deduction, credit or offset for arrearages;

(vi) in the event of any inconsistency between the Retail Manager agreement and this Lease, or between any retail sublease or retail license (the terms retail "sublease" and retail "license", and retail "sublessee", "licensee" and "concessionaire", being used interchangeably for purposes of this Section) and this Lease, or between the Retail Manager agreement and the agreement containing the Port Authority consent thereto, or between a retail sublease and the agreement containing the Port Authority consent thereto, then in each and every such instance the Lease or the Port Authority consent agreement, as the case may be, shall supercede and control.

Any and all monthly and annual reports which set forth Gross Receipts (as defined herein, it being understood that the term Operator in such definition shall mean retail sublessee, licensee or concessionaire for purposes of this Section), in the aggregate and on a concessionaire-by-concessionaire basis, shall be provided simultaneously directly to each of the Port Authority and the Lessee. The Lessee shall provide, or shall cause to be provided, to the Port Authority the following: (1) on or before the twentieth (20th) day of each month following the commencement date of any retail sublease a statement, certified by an authorized officer of the sublessee, of gross receipts arising out of operations of the sublessee under such retail sublease for the preceding month, and (2) on or before April 15 of each calendar year during the sublease term a statement of gross receipts arising out of the operations of the sublessee for the preceding year certified, at the sublessee's sole expense, by a certified public accountant.

(3) Any Retail Manager shall have sufficient authority and support, staff and appropriate equipment, supplies and means to manage and administer those retail subleases and other agreements with the retail sublessees and other entities to which the Lessee is a party, or by which it is bound, relating to the retail program at the Premises, to monitor and compel performance by all retail sublessees and other entities and to serve as on-site liaison with the Port Authority.

Said Retail Manager shall have the power and authority on behalf of the Lessee to resolve all operational issues concerning the retail program at the Premises but shall have no power or authority to amend or modify this Lease or any agreement embodying a Port Authority consent. In all events, an employee of the Lessee with managerial authority shall be available for a minimum time span of sixteen (16) hours each day during concession operation hours to meet with Port Authority representatives in person at the Premises and available at other times by telephone, with the ability in an emergency situation relating to retail concession matters to arrive at the Airport by car within two hours after being called.

(4) Neither a Retail Manager nor any Affiliate thereof shall conduct or have any interest whatsoever in any entity conducting a consumer service operation in any Concession Area, unless the Port Authority has explicitly approved in writing specific exceptions after having been furnished such information as it may require and subject to such qualifications, conditions, limitations and restrictions as part of any such approval.

(5) The Lessee shall not knowingly either employ or permit the employment of any management, supervisory or other personnel of the Lessee (including but not limited to such Retail Manager or any contractor or subcontractor, representative or agent of the Lessee), whose employment constitutes a conflict of interest or whose actions are inconsistent with the highest level of honesty, ethical conduct or public trust or are adverse to the public interest. Notwithstanding the foregoing, the Lessee shall be under no obligation to refrain from hiring any person if to do so would be a violation of law, or to terminate any person if to do so would be a violation of law or of any applicable right of such person, contractual or otherwise.

(i) On a continuing basis through the end of the term of the letting hereunder, the Lessee shall undertake and execute through a variety of media, in a manner acceptable to the Port Authority, such advertising and promotional programs as shall bring to the attention of the public, generally, and actual and potential enplaning passengers and their escorts and guests and the aviation and tourist industries, in particular, the positive features of the retailing program managed by the Lessee as provided in this Lease and such other information to be presented in such style and format as shall project, consistent with the truth, a desirable image of such retailing program, the Premises and the Airport. The Port Authority shall not have any responsibility for, and shall not bear any of the costs of, the foregoing.

(j) Without limiting the generality of the provisions of Sections 80 through 87 herein, the following shall apply with respect to each of the concessions described in said Sections:

(1) The Lessee agrees that it will furnish to the concessionaire sufficient and suitable space within the Premises to carry on any operation as may be required of or desired by the Lessee.

(2) The Lessee shall bring to the perimeter of the space to be occupied by the concessionaire, and shall install, the necessary pipes, wires and conduits (including to any food service area), for the supply of electricity and HVAC for such operations (including but not limited to electricity to machines and displays with respect to permitted vending machines, public telephones, advertising displays and insurance counters), all without charge to the concessionaire or the Port Authority, except for electricity to the Restaurant Operator (as herein defined) which may be charged at cost. With respect to any Restaurant Operator, the Lessee shall also provide and install pipes, wires and conduits for the supply of gas and water together with necessary steam and waste lines for use in connection with the operation. The Lessee shall supply said utilities and services to the concessionaire, including to any storage areas provided to the concessionaire as required herein, and shall not charge the concessionaire or the Port Authority for any portion of same (except electricity to the Restaurant Operator as aforesaid).

(3) Any agreement with a concessionaire shall provide that such concessionaire shall furnish at its expense all necessary fixtures, equipment, furniture and personal property required in connection with the operation and all construction work necessary to accommodate such installations. With respect to in-line spaces, the agreement shall also provide that the concessionaire will perform all work necessary or required to finish off the space, including the finishing of the floors and ceilings from the structural slab and the walls from the rough partitions, the decor and color scheme of the concession area and the facilities and fixtures therein as well as the location of fixtures thereon, which shall be subject to the approval of the Lessee and compliance with the Port Authority Tenant Construction or Alteration Application process.

(4) If the Lessee desires to have a person or entity conduct such operations other than the Port Authority's proposed concessionaire, except for goods and services described in Section 81 or any which would constitute Reserved Uses, the Lessee may employ any other Person of its choice (which other Person may not be the Lessee or an Affiliate thereof) to do so, provided, however, such other Person first obtains a permit from the Port Authority authorizing such Person to operate the establishment in a portion or portions of the Premises as designated by the Lessee with the prior approval of the Port Authority. Prior to the issuance of any such permit by the Port Authority, such Person may be required to submit to the Port Authority evidence satisfactory to the Port Authority of its qualifications, the scope of its proposed operations and the standards of service it will provide. Any such permit shall provide that such concessionaire will conduct its operations thereunder in a first-class manner in accordance with the best practices in the industry and shall comply with the maximum Port Authority standards with respect to service, health, sanitary and safety measures. Paragraph (h)(2)(vi) of this Section shall apply with respect to any inconsistency between the terms of the permit and the terms of the agreement between the Lessee and the concessionaire. Without limiting the foregoing, prior to the issuance of

the permit the Port Authority shall make a copy of the same available to the Lessee and, upon the execution of the permit by the proposed concessionaire, the same shall be consented to in writing by the Lessee. Such other Person shall be required to pay to the Port Authority a fee but such fee shall not in any event exceed the fees or charges that would be retained by the Port Authority if such establishment were operated by a regular concessionaire of the Port Authority. The Port Authority permit will not be revoked without cause by the Port Authority, without the prior consent of the Lessee. Nothing in the preceding sentence shall mean or imply, or be deemed to mean or imply, that the Lessee's consent shall be required for the Port Authority to revoke its permit with, or other agreement containing its consent to, a Retail Manager, and such Lessee's consent shall not be required.

(5) The contract between a concessionaire and the Port Authority, or the permit between the concessionaire and the Port Authority where such concessionaire has entered into an agreement with the Lessee in accordance with this Lease, shall contain appropriate provisions permitting cancellation of such contract on short notice with and without cause. The Lessee's agreement with the concessionaire shall contain appropriate provisions permitting cancellation of such contract on short notice with and without cause. In the event of such cancellation without cause by the Port Authority (consistent with the penultimate sentence of subparagraph (4) above regarding the prior consent of the Lessee, it being understood that the same excepts goods and services described in Section 81 hereof or any which constitute Reserved Uses) or the Lessee, as the case may be, the Lessee agrees (and its agreement with the concessionaire shall provide that the Lessee agrees) to reimburse the concessionaire for its unamortized investment in the interior finishes and trade fixtures and title to such trade fixtures shall thereupon vest in the Lessee; provided, however, where such agreement is canceled expressly on the basis of the failure of the concessionaire to keep, perform or observe any of the terms and provisions of said agreement on its part to be kept, performed or observed or on the basis of one or more event or events of default as specified in said agreement such provision for Lessee reimbursement is not to obtain or apply.

Section 80. Restaurant and Bar

(a) The Lessee shall select and thereafter enter into a contract or agreement with one or more qualified restaurant operators (each such restaurant operator being hereinafter referred to in this Section as the "Restaurant Operator") authorizing the Restaurant Operator to operate in the Premises facilities for the sale of food, alcoholic and non-alcoholic beverages and similar items for consumption in the Premises, subject in all respects to Section 79 hereof including, but not limited to, the requirement to obtain a permit from the Port Authority authorizing such Restaurant Operator to operate a restaurant service in a portion of the Premises hereunder. The agreement with the Restaurant Operator shall cover the arrangements for the space to be used in for restaurant service within the Premises including the amount, type and location of the space.

(b) The agreement between the Restaurant Operator and the Lessee may not call for any fixed rental or fee but shall provide that the Restaurant Operator shall pay a percentage fee to the Port Authority based upon the Gross Receipts of the Restaurant Operator from the sale of food, alcoholic and non-alcoholic beverages, which fee shall be subject to the prior written approval of the Port Authority and shall be incorporated into the Permit to be issued by the Port Authority. The Port Authority shall pay the Lessee for the use of the space by the Restaurant Operator a fee equivalent to 80% of the percentage fee collected by the Port Authority from the Restaurant Operator. It is hereby understood and agreed that 20% of the percentage fee collected from the Restaurant Operator by the Port Authority shall be retained by the Port Authority.

(c) In the event the Restaurant Operator selected by the Lessee to provide food, alcoholic and non-alcoholic beverages and similar items for sale and consumption on the Premises is the same concessionaire providing in-flight meals to the Lessee and is a wholly owned subsidiary of the Lessee, the fees to be paid to the Port Authority shall apply only to the Gross Receipts of the Restaurant Operator from the sale of food, alcoholic and non-alcoholic beverages on the Premises.

(d) There shall be no other payments by the Restaurant Operator to the Lessee except for appropriate payments for any electricity which may be furnished to the Restaurant Operator by the Lessee. The rental and fees payable hereunder shall be paid in the manner, under the conditions, and at the times provided in Section 89 hereof. Both the agreement between the Lessee and the Restaurant Operator and the permit to be issued by the Port Authority shall have provisions covering the fee in accordance with this Section and, without limiting the generality of any other provision of this Section, the permit shall control as to the manner, conditions and terms of payment.

Section 81. Vending Machines, Public Telephones, Advertising Displays

(a) If requested by the Lessee the Port Authority, by itself or through contractors, lessees, or permittees, shall install and maintain in the Premises vending machines, public telephones, and/or advertising displays, at such locations and to such extent as requested by the Lessee.

(b) The Port Authority shall require its contractors, lessees, or permittees to pay a fee, which may be a percentage fee subject to a minimum amount, based upon the Gross Receipts received from such vending machines, public telephones, and advertising displays or a fixed fee.

(c) The Port Authority shall pay the Lessee an annual fee equivalent to the percentages set forth below of the fee collected by the Port Authority from its contractors, lessees, or permittees aforementioned: (1) {Ex2a with respect to vending machines (2) 2a with respect to public telephones and (3) 2a with respect to advertising. The fees payable hereunder shall be paid in the same manner, under the conditions and at the times, provided in Section 89 hereof.

Section 82. Insurance Covering Air Transportation

(a) The Port Authority may enter into contracts or agreements with qualified insurance vendors requiring such vendors to sell or arrange for the sale, at the Premises, of insurance covering air transportation, of such types and coverages as may be required by the Lessee.

(b) The contract between the insurance vendor and the Port Authority shall provide that such vendor shall pay a basic rental for the space occupied by such vendor in the Premises in connection with the sale of such insurance. The basic rental will be based upon the cost to the Lessee of providing such space to the vendor. In determining the cost to the Lessee there shall be considered the construction cost for the vendor's premises, and an appropriate allocation of the cost of providing and maintaining public areas within the Premises. For the purpose of determining the aforesaid costs the Premises shall be considered as a single entity and a single rental rate shall be established for all areas of the Premises based thereon. The amount of the basic rental to be paid by the vendor shall be agreed upon between the Port Authority and the Lessee, when the costs aforementioned are determined or can be reasonably estimated.

(c) The contract shall further provide that the vendor shall pay to the Port Authority an amount equal to a percentage of the vendor's gross premiums from the sale of such insurance, less the amount of any basic rental paid by the vendor. The Port Authority shall pay to the Lessee the amount of the basic rental. If the percentage fee actually paid to the Port Authority exceeds the amount of the basic rental, the Port Authority shall retain the percentage fee up to the amount of the basic rental (hereinafter the "Basic Rental Equivalent"). The excess, if any, remaining shall be divided equally between the Port Authority and the Lessee. The rental and fees payable hereunder shall be paid in the manner, under the conditions, and at the times provided in Section 89 hereof.

(d) The contract with the insurance vendor will provide that: (1) if the Lessee so requests, the vendor shall provide a general information service to the public; and (2) the vendor shall not be required to provide a counter for the sale of insurance if, in its opinion, there will be insufficient patronage to support such a counter; and (3) the vendor shall not be required to continue to provide at any designated location vending machines for the sale of insurance when the gross premiums from any such machines at any such location is less than $200 per month, provided, however, if twenty-four (24) hour counter coverage is not provided there shall be at least one machine in the Premises; and (4) the provisions of insurance policies and the minimum coverage offered shall be acceptable to the Lessee.

(e) The location of insurance counters and insurance vending machines shall be determined by the Lessee subject to the approval of the Port Authority and in accordance with the Lessee's comprehensive plan. The Lessee shall not require unreasonably frequent moves of insurance counters and insurance vending machines hereunder.

(f) There shall be no payments by the insurance vendor to the Lessee for utilities which may be furnished to the insurance vendor by the Lessee.

Section 83. Newsstands

(a) The Lessee shall select and thereafter enter into an agreement or agreements with a qualified newsstand operator or operators (each such newsstand operator being hereinafter referred to in this Section as the "Newsstand Operator") authorizing such operators to operate newsstands in the Premises for the sale at retail of such of the following items as may be approved by the Port Authority: newspapers, magazines, cigarettes, cigars and other tobacco supplies, candy, chewing gum, playing cards and paper-bound books, to the extent required by the Lessee, subject in all respects to Section 79 hereof including, but not limited to, the requirement to obtain a permit from the Port Authority authorizing such Newsstand Operator to operate a newsstand service in a portion of the Premises hereunder. The Port Authority shall require such operator or operators to sell at retail from its or their locations, such other items or furnish such other services as may be approved by the Port Authority and as are requested by the Lessee.

(b) The Lessee agrees that it shall furnish to the Newsstand Operator sufficient and suitable space for conducting and carrying on its aforesaid operation. The Lessee shall furnish without additional charge, a reasonable amount of storage space for the use of the Newsstand Operator. The location of newsstands and appropriate storage space for the use of the Newsstand Operator(s) shall be determined by the Lessee subject to the approval of the Port Authority and in accordance with the Lessee's comprehensive plan.

(c) The contract between the Newsstand Operator(s) and the Lessee shall provide that such operator shall pay to the Port Authority a basic rental for the space occupied by such operator in the Premises in connection with the operation of the newsstand. The basic rental will be based upon the cost to the Lessee of providing such space to the operator. In determining the cost to the Lessee there shall be considered the construction cost for the vendor's premises and an appropriate allocation of the cost of providing and maintaining public areas within the Premises. For the purpose of determining the aforesaid costs the Premises shall be considered as a single entity and a single basic rental rate shall be established for all areas of the Premises based thereon. The amount of the basic rental to be paid by the Newsstand Operator(s) shall be agreed upon between the Port Authority and the Lessee, when the costs aforementioned are determined or can be reasonably estimated.

(d) The agreement with the Newsstand Operator(s) shall further provide that the operator will pay to the Port Authority a percentage fee of the Gross Receipts derived by the Newsstand Operator from all sales made by the Newsstand Operator less the amount of the basic rental paid by the Newsstand Operator. The Port Authority shall pay to the Lessee the amount of the basic rental. If the percentage fee actually paid to the Port Authority exceeds the amount of the

basic rental, the Port Authority shall retain the basic rental equivalent (as hereinabove defined). The excess, if any, remaining shall be divided equally between the Port Authority and the Lessee.

(e) The rental and fees payable hereunder shall be paid in the manner, under the conditions, and at the times provided in Section 89 hereof. Any agreement with the Newsstand Operator and any permit to be issued by the Port Authority shall have provisions covering the percentage fee in accordance with this Section and, without limiting the generality of any other provision of this Section, the permit shall control as to the manner, conditions, and terms of payment.

(f) The agreement with the Newsstand Operator(s) will further provide that the Newsstand Operator will be permitted to sell at retail only such merchandise as is normally sold at newsstands in operation at Port Authority Airports. If there is a demand or need by travelers and other users of the Premises for other merchandise and there is no other tenant, permittee or licensee of the Port Authority available to provide such merchandise the scope of the newsstand's operation may be increased, provided, however, that no merchandise objectionable to the Lessee or the Port Authority shall be sold.

(g) There shall be no payments by the Newsstand Operator to the Lessee for utilities which may be furnished to the Newsstand Operator by the Lessee.

Section 84. Duty-Free Shop

(a) The Lessee shall select and thereafter enter into an agreement or agreements with a qualified person or entity (each such person or entity is hereinafter referred to as the "Duty-Free Shop Operator") providing for such Duty-Free Shop Operator to operate a shop in the Premises for the sale at retail of in-bond liquors, in-bond cigarettes, cigars and other in-bond tobacco products, and other in-bond items (hereinafter called the "Duty-Free Shop"), subject in all respects to Section 79 hereof including, but not limited to, the requirement to obtain a permit from the Port Authority authorizing such Duty-Free Shop Operator to operate a Duty-Free Shop in a portion of the Premises hereunder.

(b) The Lessee agrees that it shall furnish to the Duty-Free Shop Operator sufficient and suitable space for conducting and carrying on its aforesaid operation, including a storage area in a portion of the Premises for the storage of the aforesaid in-bond items to be sold by the Duty-Free Shop Operator (said storage area being herein called the "Duty-Free Distribution Center").

(c) The agreement between the Lessee and the Duty-Free Shop Operator may not call for any fixed fee or rental but shall provide that the Duty-Free Shop Operator shall pay to the Port Authority a percentage fee, subject to appropriate minimum amounts, based upon the Gross

Receipts of the Duty-Free Shop Operator from the sale of in-bond liquors, in-bond cigarettes, cigars and other in-bond tobacco products and other in-bond items, which provision shall be incorporated in any permit to be issued by the Port Authority hereunder. The amount payable by the Duty-Free Shop Operator to the Port Authority shall be as may be agreed upon between the Port Authority and the Lessee. It is hereby understood and agreed that 50% of the percentage fee payable by the Duty-Free Shop Operator and actually collected by the Port Authority therefrom shall be remitted by the Port Authority to the Lessee with the Port Authority retaining the balance. Such remittance shall be made in the same manner, under the conditions and at the times provided in Section 89 hereof. Any agreement with the Duty-Free Shop Operator and any permit to be issued by the Port Authority shall have provisions covering the fee in accordance with this Section and, without limiting the generality of any other provision of this Section, the permit shall control as to the manner, conditions, and terms of payment.

(d) The Lessee shall have the right, for good cause demonstrated, to require the Port Authority to revoke or terminate on short notice such agreement between the Port Authority and the Duty-Free Shop Operator. The Lessee shall indemnify and hold harmless the Port Authority from and against any and all liability, damages, costs and expenses arising out of any such revocation or termination by the Port Authority.

(e) There shall be no payments by the Duty-Free Shop Operator to the Lessee for utilities which may be furnished to the Duty-Free Shop Operator by the Lessee.

Section 85. Foreign Currency Exchange

(a) The Lessee shall select and thereafter enter into an agreement or agreements with a qualified foreign currency exchange operator or operators (which person or entity is sometimes hereinafter referred to as the "Currency Exchange Operator") providing for the Currency Exchange Operator to operate an establishment in the Premises for the exchange, purchase and sale of domestic and foreign currencies (hereinafter called the "Foreign Currency Exchange Service"), subject in all respects to Section 79 hereof including, but not limited to, the requirement to obtain a permit from the Port Authority authorizing such Currency Exchange Operator to operate a Foreign Currency Exchange Service.

(b) The Lessee agrees that it shall furnish to the Currency Exchange Operator sufficient and suitable space for conducting and carrying on its aforesaid operation.

(c) The agreement between the Lessee and the Currency Exchange Operator may not call for any fixed rental or fee but shall provide that the Currency Exchange Operator shall pay to the Port Authority a percentage fee based upon the Gross Receipts of the Currency Exchange Operator, which provision shall also be incorporated in any permit to be issued by the Port Authority hereunder. The amount payable by the Currency Exchange Operator to the Port

Authority shall be as may be agreed upon between the Port Authority and the Lessee. It is hereby understood and agreed that 50% of the percentage fee payable by the Currency Exchange Operator and actually collected by the Port Authority therefrom shall be remitted by the Port Authority to the Lessee with the Port Authority retaining the balance. The rental and fees payable hereunder shall be paid in the manner, under the conditions, and at the times provided in Section 89 hereof. Any agreement with the Currency Exchange Operator and any permit to be issued by the Port Authority shall have provisions covering the fee in accordance with this Section and, without limiting the generality of any other provision of this Section, the permit shall control as to the manner, conditions, and terms of payment.

(d) There shall be no payments by the Currency Exchange Operator to the Lessee for utilities which may be furnished to the Currency Exchange Operator.

Section 86. Retail Banking

(a) The Lessee shall select and thereafter enter into an agreement or agreement with a qualified retail banking operator or operators (which person or entity is sometimes hereinafter referred to as the "Retail Bank Operator") providing for such Retail Bank Operator to operate a service, within Concession Areas, performing one or more of the following functions as agreed between them: the maintaining of accounts, receipt and/or disbursement of funds and including automatic teller machine service and foreign currency exchange (hereinafter called the "Retail Banking Service"), subject in all respects to Section 79 hereof including, but not limited to, the requirement to obtain a permit from the Port Authority authorizing such Retail Bank Operator to operate a Retail Banking Service.

(b) The Lessee agrees that it shall furnish to the Retail Bank Operator sufficient and suitable space for conducting and carrying on its aforesaid operation.

(c) The agreement between the Lessee and the Retail Bank Operator shall provide that the Retail Bank Operator shall pay a basic fixed fee or rental to the Port Authority, which provision also shall be incorporated in any permit to be issued by the Port Authority hereunder. The amount payable by the Retail Bank Operator to the Port Authority shall be as may be agreed upon between the Port Authority and the Lessee. It is hereby understood and agreed that 50% of such fixed fee payable by the Retail Bank Operator and actually collected by the Port Authority therefrom shall be remitted by the Port Authority to the Lessee with the Port Authority retaining the balance. The rental and fees payable hereunder shall be paid in the manner, under the conditions, and at the times provided in Section 89 hereof. Any agreement with the Retail Bank Operator and any permit to be issued by the Port Authority shall have provisions covering the rental and fees in accordance with this Section and, without limiting the generality of any other provision of this Section, the permit shall control as to the manner, conditions, and terms of payment

(d) There shall be no payments by the Retail Bank Operator to the Lessee for utilities which may be furnished to the Retail Bank Operator by the Lessee.

Section 87. Other Consumer Services

(a) If the Lessee requests that additional consumer services be provided in the Premises for the sale of other items or the furnishing of other services, the Lessee shall either (i) request that the Port Authority secure qualified tenants, permittees or licensees (hereinafter each referred to as the "Additional Operator"), to furnish such consumer services and the Port Authority shall endeavor to secure such Additional Operator and to enter into contracts or agreements with such Additional Operator requiring it to furnish the item or services to the extent required by the Lessee, or (ii) notify the Port Authority in writing that the Lessee is seeking such Additional Operator (including the proposed contractual arrangements, if any, between the Lessee and the proposed Additional Operator), satisfactory to the Port Authority and subject to its approval, provided that the Lessee complies with all the terms and provisions of Section 79 hereof, including without limitation its prior submittal to the Port Authority of an updated comprehensive plan for consumer services covering such proposed Additional Operator in accordance with and subject to said Section 79, and in compliance with the provisions covering the selection of the Additional Operator as described in Sections 79 (c) and 79(j) hereof and also subject to Sections 68, 88 and 89 hereof.

(b) Each such Additional Operator must enter into an appropriate contractual arrangement with the Port Authority, as described in Sections 79(c) and 79(j) hereof, including without limitation an appropriate Port Authority permit authorizing such Additional Operator to operate the consumer services at the Premises.

(c) (1) The contract between the Additional Operator and the Port Authority shall provide that such Additional Operator shall pay to the Port Authority a basic rental for the space occupied by such Additional Operator in the Premises in connection with the furnishing of the consumer services. The basic rental will be based upon the cost to the Lessee of providing such space to the Additional Operator. In determining the cost to the Lessee there shall be considered the construction cost of the Premises and the cost of operation and maintenance of the Premises. The amount of the basic rental to be paid by the Additional Operator shall be agreed upon between the Port Authority and the Lessee.

(2) The contract shall further provide that such Additional Operator shall also pay a percentage fee based upon the Gross Receipts of such Additional Operator from the operation of such consumer service, less the amount of any basic rental paid by the Additional Operator.

(3) The Port Authority shall pay to the Lessee the amount of the basic

rental. If the percentage fee actually paid to the Port Authority exceeds the amount of the basic rental, the Port Authority shall retain the percentage fee up to the amount of the basic rental. The excess, if any, remaining shall be divided equally between the Port Authority and the Lessee. The rental and fees payable hereunder shall be paid in the same manner, under the conditions, and at the times provided in Section 89 hereof.

(4) Notwithstanding the foregoing provisions of subparagraphs (1), (2) and (3) above, the contract between the Port Authority and the Additional Operator may provide that the Additional Operator will pay to the Port Authority a basic minimum rental plus a percentage of Gross Receipts (with or without an annual exemption amount) to be shared equally between the Port Authority and the Lessee and will also pay to the Lessee an equal amount as such basic minimum rental, with such payments of the basic minimum rental and percentage fee to be made by the Additional Operator directly to the Port Authority and directly to the Lessee.

(d) The Additional Operator will furnish and install at its expense all necessary fixtures, stands, counters and equipment required in connection with its operation and all construction work necessary to accommodate such installations.

(e) The Port Authority may require the contract with the Additional Operator to include limitations as to the scope of the activities of such Additional Operator in light of the availability of similar services in the concession area or Premises.

(f) The Lessee understands and agrees that it may not itself nor will the Port Authority install or cause to be installed coin-operated lockers on the Premises.

Section 88. Subletting of the Premises for Consumer Services

(a) Irrespective of whether the Persons selected in accordance with this Agreement to furnish the consumer services set forth in Sections 80, 81, 82, 83, 84, 85, 86 and 87 hereof have contracts with or are contractors or permittees of the Port Authority, the Lessee may require that such Persons enter into separate agreements or subleases with the Lessee as a condition precedent to the occupancy of space within and the operation of such establishments upon the Premises, provided, however, that all such Persons must have first obtained a permit from the Port Authority authorizing them to operate such establishments. The terms and provisions of the said agreements or subleases shall not be inconsistent with the terms of this Agreement except that the same may provide for cancellation by the Lessee on short notice in the event the services furnished by such Persons are unsatisfactory to the Lessee.

(b) Section 79(j) shall fully apply with respect to subleases and other agreements entered into between the Lessee and a Person pursuant to this Section, including but not limited to the requirement of such Persons to pay to the Port Authority a fee, with such fee not in any event to

exceed the fees or charges that would be retained by the Port Authority if their respective establishments were operated by regular concessionaires of the Port Authority.

Section 89. Obligations in Connection with Consumer Services Agreements

(a) The Port Authority shall administer all contracts and agreements with its tenants, licensees or permittees furnishing consumer services at the Premises. All such contracts and agreements shall contain provisions, among others, providing that such tenant, licensee or permittee shall:

(1) Take all reasonable measures in every proper manner to maintain, develop and increase the business conducted by it at the Premises;

(2) Not divert or cause or allow to be diverted any business from the Premises;

(3) Maintain in accordance with accepted accounting practice, records and books of account recording all transactions at, through or in any way connected with the Premises, which records and books of account shall be kept at all times within the Port of New York District and permit, in ordinary business hours during such time, the examination and audit by the officers, employees and representatives of the Port Authority of such records and books of account;

(4) Permit in ordinary business hours the inspection by the officers, employees and representatives of the Port Authority or the Lessee of any equipment used by the tenant, licensee or permittee, including but not limited to cash registers and recording tapes;

(5) Furnish on or before the twentieth day of each month following the commencement date of the operation a sworn statement of Gross Receipts arising out of the operations of the tenant, licensee or permittee, for the preceding month;

(6) Install and use such cash registers, sales slips, invoicing machines and any other equipment or devices for recording orders taken or services rendered as may be appropriate to the business and necessary or desirable to keep accurate records of Gross Receipts;

(7) Furnish good, prompt and efficient service, adequate to meet all demands therefor at the Premises; furnish said service on a fair, equal and nondiscriminatory basis to all users thereof, and charge fair, reasonable and nondiscriminatory prices for all items and/or services which it is permitted to sell and/or render; and

(8) Promptly observe, comply with and execute the provisions of any and

all present and future governmental laws, rules, regulations, requirements, orders and directions which may pertain and apply to its operations or the use and occupancy of the Premises.

(b) The Port Authority does not guarantee the payments of rentals and fees required to be paid by the tenant, licensee, permittee, concessionaire or operator pursuant to the provisions of Sections 80, 81, 82, 83, 84, 85, 86 and 87 hereof and shall have no obligation to the Lessee to make any payments to the Lessee until the fees or rentals are actually collected from the tenant, licensee, permittee or operator. The Port Authority will advise the Lessee of all accounts remaining delinquent for more than sixty (60) days and will consult with the Lessee as to the appropriate steps to effect collection. A default by the Port Authority in observing the provisions of the preceding sentence shall not result in the imposition of any liability on the Port Authority with respect to the Lessee.

Section 90: Reimbursement by the Lessee of a Portion of the Parking Garage Cost

(a) The following terms when used in this Agreement shall have the respective meanings given below:

(1) "Parking Garage" shall mean the parking garage to be constructed by the Port Authority in the vicinity of the existing public parking Lot 3 and all required, associated and related areas, utilities, equipment and facilities, including but not limited to, all interior and exterior stairwells, stairways, escalators, elevators, ramps, roadways and appurtenances, sidewalks and pedestrian circulation areas; all grading, soil disposal, paving, landscaping and fencing; all signage, static and dynamic sign systems and other traffic control devices and systems; revenue control systems; all work to connect, integrate, construct and support all pedestrian circulation areas to the AirTrain station in the vicinity of the Parking Garage; all utilities, lighting, lines, pipes, mains, drains, cables, manholes, wires, conduits and other facilities required in connection with or relating to the mechanical, heating, cooling, utility, water, electrical, storm sewer, sanitary sewer, communications, security, fire alarm, fire protection, and other systems and facilities and including all necessary relocations, and all work necessary or required to tie the foregoing into existing systems and facilities; and all other appropriate or necessary work in connection with the foregoing.

(2) "Costs of the Parking Garage" shall mean the Port Authority's project cost determined in accordance with the Port Authority's normal accounting practices to determine the costs of capital projects performed by the Port Authority to plan, design and construct the Parking Garage, which shall include but not be limited to the following:

(i) On-the-job payroll costs of employees and supervisory personnel (including Airport supervisors, foremen and clerks) including but not limited to, contributions to any retirement system or the cost of or participation in any pension plans or

the like, social security, old age, survivor's, disability and unemployment insurance and other insurance costs, sick leave pay, holiday, vacation, authorized absence and severance pay, other employee fringe benefits and any other payments made or costs incurred whether pursuant to law or by Port Authority policy to or with respect to said employees and personnel;

(ii) The cost (including rental charges) of materials, supplies, equipment and utilities (including but not limited to electricity, water and phone);

(iii) Payments to contractors and any other third Persons, firms or corporations for work performed or services rendered;

(iv) The cost of any performance bond or bonds;

(v) The cost of any insurance;

(vi) Payments to independent consultants, architects and engineers engaged or retained by the Port Authority, including without limitation, payments of damages and penalties;

(vii) Any other direct costs as charged under the Port Authority's normal accounting practice; and

(viii) Financial expense on the foregoing computed in accordance with Port Authority accounting practice.

(3) "Parking Garage Work" shall mean all work to plan, design and construct the Parking Garage.

(4) "Parking Garage Contract" shall mean each contract or agreement awarded to by the Port Authority or entered into by the Port Authority with a third Person to perform all or any portion of Parking Garage Work.

(5) "Parking Garage Contractor" shall mean each third Person to whom a Parking Garage Contract is awarded or entered into.

(6) "Parking Garage Payment" shall mean each payment made by the Lessee to the Port Authority pursuant to paragraph (b) of this Section.

(b) The Port Authority has advised the Lessee that it has under consideration the construction of the Parking Garage. In the event the Port Authority constructs the Parking Garage,

the Lessee hereby agrees to pay to the Port Authority an amount equal to 33.33% of the Costs of the Parking Garage (which amount is herein called the "Lessee's Parking Garage Contribution"), which payment shall be made by the Lessee to the Port Authority as follows:

The Port Authority shall after the completion of any portion of the Parking Garage Work submit to the Lessee, but not more than once a month, a certificate or certificates setting forth the Costs of the Parking Garage at the date of each such certificate. Within thirty (30) days after the delivery of each such certificate, the Lessee shall pay to the Port Authority an amount representing 33.33% of said Costs of the Parking Garage as such amount is set forth in said certificate and to the extent such amount has not theretofore been included in a Parking Garage Payment. Upon its final determination of the Costs of the Parking Garage, the Port Authority shall submit to the Lessee a certificate marked "Final" setting forth the final determination of the Costs of the Parking Garage and the Lessee shall and hereby agrees to pay to the Port Authority within thirty (30) days after delivery of such certificate an amount representing 33.33% of said Costs of the Parking Garage as such amount is set forth in said certificate to the extent that the Lessee has not paid to the Port Authority 33.33% of the Costs of the Parking Garage; provided, however, that neither the foregoing nor any certificate delivered by the Port Authority, nor any payment made by the Lessee shall waive, affect, or impair any right of the Port Authority of review and audit with respect to the Costs of the Parking Garage and provided, further, however, that in the event any such review or audit by the Port Authority requires an adjustment of the Costs of the Parking Garage the Lessee shall be promptly credited with or shall pay to the Port Authority all amounts required by such adjustment.

(c) The Lessee expressly understands and agrees that (1) all use and operation of the Parking Garage shall be within the sole and exclusive control of the Port Authority (or of Port Authority permittees, licensees, contractors or tenants authorized by separate agreement with the Port Authority to use and or operate the same), (2) that the Lessee shall have no right or claim whatsoever, legal or equitable, under this Lease or otherwise, to the Parking Garage or to any income or revenues therefrom, and (3) neither this Agreement nor the Lessee's payment of any costs or expenses for or relating to the Parking Garage Work or any portion thereof, or otherwise, shall or shall be deem to grant or constitute any right, interest or claim of the Lessee in the Parking Garage or the use or control thereof or the revenues or income therefrom.

(d) Without limiting any of the terms and provisions of Section 16 hereof entitled "Additional Rent and Charges", any and all amounts required to be paid by the Lessee under this Section may be added to any installment of rent thereafter due hereunder and each and every part of the same shall be and become additional rent, recoverable by the Port Authority in the same manner and with like remedies as if it were part of the rent as set forth in Section 4 hereof entitled "Rental".

(e) It is hereby expressly understood and agreed that the selection of each

Parking Garage Contractor and the award of any Parking Garage Contract to such Parking Garage Contractor shall be subject to and consistent with the Port Authority's policies and practices for the selection and award of similar contracts and the Port Authority shall have full right and discretion to use competitive bidding and award, or other basis of award, for any such Parking Garage Contract; and further that the Parking Garage Contract shall contain terms and conditions which are standard to Port Authority contracts or consistent with such standard provisions.

Section 91. Definitions

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

"Abandoned Fuel Lines" shall have the meaning set forth in Section 2B(q) hereof.

"Acceptance Date"shall have the meaning set forth in Section 2B(q) hereof.

"Accommodated Handled Airline" shall have the meaning set forth in Section 46 hereof entitled "Additional Rights of the Port Authority as to Portions of the Premises".

"Accommodated Sublessee Airline" shall have the meaning set forth in Section 46 hereof entitled "Additional Rights of the Port Authority as to Portions of the Premises".

"Accommodations" shall have the meaning set forth in Section 46 hereof entitled "Additional Rights of the Port Authority as to Portions of the Premises".

"ACO" shall mean the Administrative Order on Consent (DEC File No. R2-3519-91-02) (including without limitation all portions thereof incorporated by reference, such as but not limited to, the "CAP" and "Delineation Report" as defined therein) entered into by the Lessee with the DEC covering the Premises, as the same may be amended and supplemented.

"ACO Work" shall mean all work covered by the ACO.

"ACO Work Completion Date" shall have the meaning set forth in Section 2B(n) hereof.

"Additional Operator" shall have the meaning set forth in Section 87 hereof entitled "Other Consumer Services".

"Additional Premises" shall have the meaning set forth in Section 1 hereof entitled "Letting".

"Adjustment Period" shall have the meaning set forth in Section 4 hereof entitled "Rental".

"Affected Distribution Lines"shall have the meaning set forth in Section 2B(q) hereof.

"Affiliate" shall mean in the singular and "Affiliates" shall mean in the plural any Person that directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the Lessee and any Person in which the Lessee or a shareholder of the Lessee has an ownership, licensor/licensee or franchiser/franchisee interest or relationship, but if the Lessee shall be a corporation whose Voting Securities shall be registered with the Securities and Exchange Commission and publicly traded on a regular basis then only such shareholder of the Lessee having an ownership interest greater than five percent (5%). As used in this definition, the term "control" (including the terms controlling, controlled by and under common control with) shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of the Person, whether through the ownership of Voting Securities, by contract or otherwise.

"Agreement" shall mean Lease AYB-085 as amended and supplemented by this Amended and Restated Agreement of Lease.

"Air Terminal Highway" and "Air Terminal Highways" shall mean those portions of the Airport designated and made available temporarily or permanently by the Port Authority to the public for general or limited highway use.

"AirTrain" shall have the meaning set forth in Section 62 entitled "Future Airport Transportation Facilities and Operations Use of Portions of the Premises".

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

"Airline Terminal Portion Work"shall have the meaning set forth in Section 2B(q) hereof.

"Airport" shall mean the land and premises in the City of New York, in the County of Queens and State of New York, which are shown in green upon the exhibit attached to the Basic Lease marked "Map II" and lands contiguous thereto which may have been heretofore or may

hereafter be acquired by the Port Authority to use for air terminal purposes.

"Airport Central Taxi Stack" shall have the meaning set forth in Section 49(b) entitled "Restrictions on Use of Passenger Terminal Frontage Roadways - Use of Airport Taxi Dispatchers and Roadway Frontage Management".

"Airport Fueling Agreements"shall have the meaning set forth in Section 2B(q) hereof.

"Airport Lease" shall have the meaning set forth in Section 3 hereof entitled "Term".

"Airport Lease Extension Supplement" shall have the meaning set forth in Section 3 hereof entitled "Term".

"Amended and Restated Agreement of Lease" shall mean this Amended and Restated Agreement of Lease entered into between the Port Authority and the Lessee as of the Effective Date bearing Lease No. AYB-085R and covering the Premises.

"AMR" shall mean AMR Corporation, a corporation of the State of Delaware.

"AMR's Board" shall mean the Board of Directors of AMR.

"AMR Incumbent Directors" shall mean the individuals constituting AMR's Board at the beginning of any period of 24 consecutive months.

"AMR Subsidiary" shall mean any corporation (other than AMR) in an unbroken chain of corporations beginning with AMR if each of the corporations (other than the last corporation in the broken chain) owns 50% or more of the total outstanding Voting Securities in one of the other corporations in the chain.

"American Eagle" shall have the meaning set forth in Section 19 hereof entitled "Assignment and Sublease".

"American Eagle Arrangement" shall have the meaning set forth in Section 19 hereof entitled "Assignment and Sublease".

"American's Permits" shall have the meaning set forth in Section 2B(m) hereof.

"Annual Capital Cost" shall have the meaning set forth in Section 56 hereof entitled "Assumption of Maintenance and Repair of the Premises by the Port Authority".

"Applicable Airport Lease Extension Agreement"shall have the meaning set forth in Section 3 hereof entitled "Term".

"Approved Cleanup Criteria" shall mean with respect to those chemicals in the soil in, on and under the Premises and as set forth with respect to soil in Exhibit 2B.3, the levels set forth for soil in the column entitled "Cleanup Criteria" on Exhibit 2B.3 and shall mean with respect to those chemicals in the groundwater in, on and under the Premises and as set forth with respect to groundwater in Exhibit 2B.3, the levels set forth for groundwater in the column entitled "Cleanup Criteria" on Exhibit 2B.3.

"Area 1" shall have the meaning set forth in Section 2B(a)(3) hereof.

"Area IA and IB Building Rental" shall have the meaning set forth in Section 4 hereof entitled "Rental".

"Area I Building Area" shall have the meaning set forth in Section 4 hereof entitled "Rental".

"Area I Building Rental" shall have the meaning set forth in Section 4 hereof entitled "Rental".

"Area II Building Area" shall have the meaning set forth in Section 4 hereof entitled "Rental".

"Area II Building Rental"shall have the meaning set forth in Section 4 hereof entitled "Rental".

"ASDO" shall have the meaning set forth in Schedule F attached hereto.

"ASM" shall have the meaning set forth in Section 52 entitled "Lessee's Financial Condition-Limitation of Lease Term-Triggering Events".

"Associated or Affiliated Companies" shall have the meaning set forth in Section 44 hereof entitled "Associated and Affiliated Companies".

"Assumable Maintenance and Repair" shall have the meaning set forth in Section 56 (a) hereof entitled "Assumption of Maintenance and Repair of the Premises by the Port Authority".

"Assumable Maintenance and Repair Date" shall have the meaning set forth in Section 56(b) hereof entitled "Assumption of Maintenance and Repair of the Premises by the Port Authority".

"Base Terminal Rental Rate" shall have the meaning set forth in Section 4 hereof entitled "Rental".

"Basic Lease" shall mean the agreement between the City of New York and the Port Authority dated April 17, 1947, as the same from time to time may have been or may be supplemented or amended. Said agreement dated April 17, 1947, has been recorded in the Office of the Register of The City of New York, County of Queens, on May 22, 1947, in Liber 5402 of Conveyances, at pages 319 et seq.

"Basic Rental Equivalent" shall have the meaning set forth in Section 82 hereof entitled "Insurance Covering Air Transportation".

"BASIS" shall have the meaning set forth in Schedule F attached hereto.

"Bid Conditions" shall have the meaning set forth in Schedule E attached hereto.

"Books and Records" shall have the meaning set forth in Section 69 hereof entitled "Books and Records".

"Building No. 56" shall have the meaning set forth in Section 41(j) hereof entitled "Hot Water and Chilled Water Requirements".

"Building No. 57 Area IA" shall have the meaning set forth in Section 4 hereof entitled "Rental".

"Building No. 57 Area IB" shall have the meaning set forth in Section 4 hereof entitled "Rental".

"Building No. 57 Area IC" shall have the meaning set forth in Section 4 hereof entitled "Rental".

"Building Rentals" shall have the meaning set forth in Section 4 hereof entitled "Rental".

"Building Rental End Date" shall have the meaning set forth in Section 4 hereof entitled "Rental".

"Capital Cost" shall have the meaning set forth in Section 56 hereof entitled "Assumption of Maintenance and Repair of the Premises by the Port Authority".

"Central Terminal Area" or "CTA" shall have the meaning set forth in Section 73(a)

hereof entitled "Ground Transportation within the Central Terminal Area".

"Change in Control" shall mean the happening of any of the following:

(i) When any "person" as defined in the Exchange Act, including a "group" as defined in Section 13(d) of the Exchange Act, but excluding AMR and any AMR Subsidiary and any employee benefit plan sponsored or maintained by AMR or any AMR Subsidiary (including any trustee of such plan acting as trustee), directly or indirectly, becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act, as amended from time to time) of 20% or more of the outstanding Voting Securities of AMR; or

(ii) When any "person" as defined in Section 3(a) (9) of the Exchange Act and as used in Sections 13(d) and 14(d) thereof, including a "group" as defined in Section 13(d) of the Exchange Act, but excluding AMR and any AMR Subsidiary and any employee benefit plan sponsored or maintained by AMR or any AMR Subsidiary (including any trustee of such plan acting as trustee), directly or indirectly, becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act, as amended from time to time) of 20% or more of the outstanding Voting Securities of the Lessee; or

(iii) When during any period of 24 consecutive months, the AMR Incumbent Directors cease for any reason other than death to constitute at least a majority thereof, provided, however, that a director who was not a director of AMR at the beginning of such 24-month period shall be deemed to have satisfied such 24-month requirement (and be an AMR Incumbent Director) if such director was elected by, or on the recommendation of, or with the approval of, at least two-thirds of the directors who then qualified as AMR Incumbent Directors either actually (because they were directors at the beginning of such 24-month period) or by prior operation of this subparagraph (iii); or

(iv) When during any period of 24 consecutive months in which the Lessee is a publicly traded company, the Lessee's Incumbent Directors cease for any reason other than death to constitute at least a majority thereof, provided, however, that a director who was not a director of the Lessee at the beginning of such 24-month period shall be deemed to have satisfied such 24-month requirement (and be a Lessee's Incumbent Director) if such director was elected by, or on the recommendation of, or with the approval of, at least two-thirds of the directors who then qualified as Lessee's Incumbent Directors either actually (because they were directors at the beginning of such 24-month period) or by prior operation of this subparagraph (iv); or

(v) The occurrence of a transaction requiring stockholder approval for the acquisition of AMR or the Lessee by an entity other than AMR, the Lessee or a AMR Subsidiary through purchase of assets, or by merger, or otherwise.

"Changes in Landlord Rights" shall have the meaning set forth in Section 53 hereof entitled "Assignment to a Trust".

"Chilled Water" shall have the meaning set forth in Section 41(a) hereof entitled "Hot Water and Chilled Water Requirements".

"Chiller" shall have the meaning set forth in Section 41(j) hereof entitled "Hot Water and Chilled Water Requirements".

"City" and "City of New York" shall mean the municipal corporation of the State of New York known as the City of New York.

"Civil Aircraft Operator" shall mean a Person engaged in civil transportation by aircraft or otherwise operating aircraft for civilian purposes, whether governmental or private. If any such Person is also engaged in the operation of aircraft for military, naval or air force purposes, he or she shall be deemed to be a Civil Aircraft Operator only to the extent that he or she engages in the operation of aircraft for civilian purposes.

"Claim" and "Claims" shall have the meaning set forth in Section 65 hereof entitled "Storage Tanks".

"Cogeneration Agreement" shall have the meaning set forth in Section 41(a) hereof entitled "Hot Water and Chilled Water Requirements".

"Cogeneration Facility" shall have the meaning set forth in Section 41(a) hereof entitled "Hot Water and Chilled Water Requirements".

"Comprehensive Plan" shall have the meaning set forth in Section 2B(a) hereof entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee".

"Concession Areas" shall have the meaning set forth in Section 79 hereof entitled "Consumer Services".

"Condition Survey" shall have the meaning set forth in Section 57 (a) hereof entitled "Joint Periodic Condition Survey".

"Condition Survey Contract" shall have the meaning set forth in Section 57 (a) hereof entitled "Joint Periodic Condition Survey".

"Condition Survey Contractor" shall have the meaning set forth in Section 57 (a) hereof entitled "Joint Periodic Condition Survey".

"Condition Survey Report" shall have the meaning set forth in Section 57 (a) hereof entitled "Joint Periodic Condition Survey".

"Consolidated Counters" shall have the meaning set forth in Section 71 (b) hereof entitled "Ground Transportation Services".

"Consumer Price Index" shall have the meaning set forth in Section 4 hereof entitled "Rental".

"Contractor" shall have the meaning set forth in Schedule E attached hereto.

"Cost of Assumable Maintenance and Repair" shall have the meaning set forth in Section 56 hereof entitled "Assumption of Maintenance and Repair of the Premises by the Port Authority".

"Costs of the Condition Survey" shall have the meaning set forth in Section 57 (a) hereof entitled "Joint Periodic Condition Survey".

"Costs of the Parking Garage" shall have the meaning set forth in Section 90 hereof entitled "Reimbursement by the Lessee of a Portion of the Parking Garage Cost".

"CPI" or "Consumer Price Index" shall have the meaning set forth in Section 4 hereof entitled "Rental".

"CPI Percentage Increase" shall have the meaning set forth in Section 4 hereof entitled "Rental".

"CTA" shall have the meaning set forth in Section 73(a) hereof entitled "Ground Transportation within the Central Terminal Area".

"CTA Ground Transportation Service" shall have the meaning set forth in Section 73(b) hereof entitled "Ground Transportation within the Central Terminal Area".

"CTA Omnibus Service" shall have the meaning set forth in Section 73(b) hereof entitled "Ground Transportation Within the Central Terminal Area".

"CTA Supplementary Service" shall have the meaning set forth in Section 73(b) hereof entitled "Ground Transportation Within the Central Terminal Area".

"Currency Exchange Operator" shall have the meaning set forth in Section 85 hereof entitled "Foreign Currency Exchange".

"Current Lease" shall have the meaning set forth in Section 3 hereof entitled "Term".

"Current Lease Expiration Date" shall have the meaning set forth in Section 3 hereof entitled "Term".

"DEC" shall mean the New York State Department of Environmental Conservation.

"Debt" shall have the meaning set forth in Exhibit 52.1 hereof.

"Debt Financings" shall have the meaning set forth in Exhibit 52.1 hereof.

"Discharge" shall have the meaning set forth in Section 65 hereof entitled "Storage Tanks".

"Distribution Portion of the System" shall mean the Distribution Portion of the System as described in the General Airport Agreement.

"Distribution Portion Work" shall have the meaning set forth in Section 2B(q) hereof.

"Duty-Free Distribution Center" shall have the meaning set forth in Section 84 hereof entitled "Duty-Free Shop".

"Duty-Free Shop" shall have the meaning set forth in Section 84 hereof entitled "Duty-Free Shop".

"Duty-Free Shop Operator" shall have the meaning set forth in Section 84 hereof entitled "Duty-Free Shop".

"EEO" shall have the meaning set forth in Schedule E hereof.

"Effective Date" shall have the meaning set forth in the first paragraph hereof.

"Employee Surface Carrier(s)" shall have the meaning set forth in Section 72 hereof entitled "Ground Transportation".

"Environmental Damages" shall mean any one or more of the following: (i) the presence in, on, or under the Premises of any Hazardous Substance whether such presence occurred prior to or during the term of the letting under this Agreement or resulted from any act or omission of the Lessee or others, and/or (ii) the disposal, discharge, release or threatened release of any Hazardous Substance from the Premises or of any Hazardous Substance from under the Premises

and/or (iii) the presence of any Hazardous Substance in, on or under other property at the Airport as a result of (a) the Lessee's use and occupancy of the Premises or the performance of the Section 2B Work or any other work at the Premises or (b) a migration of a Hazardous Substance from the Premises or from under the Premises or (c) the Lessee's operations at the Airport, and/or (iv) any personal injury, including wrongful death, or property damage, arising out of or related to any Hazardous Substance described in (i), (ii) or (iii) above, and/or (v) the violation of any Environmental Requirement pertaining to any Hazardous Substance described in (i), (ii) or (iii) above, the Premises and/or the activities thereon.

"Environmental Requirement" shall mean in the singular and "Environmental Requirements" shall mean in the plural all common law and all past, present and future laws, statutes, enactments, resolutions, regulations, rules, directives, ordinances, codes, licenses, permits, orders, memoranda of understanding and memoranda of agreement, guidances, approvals, plans, authorizations, concessions, franchises, requirements and similar items of all governmental agencies, departments, commissions, boards, bureaus or instrumentalities of the United States, states and political subdivisions thereof, all pollution prevention programs, "best management practices plans", and other programs adopted and agreements made by the Port Authority with any governmental agencies (whether adopted or made with or without consideration or with or without compulsion), with any government agencies, departments, commissions, boards, bureaus or instrumentalities of the United States, states and political subdivisions thereof, and all judicial, administrative, voluntary and regulatory decrees, judgments, orders and agreements relating to the protection of human health or the environment, and in the event that there shall be more than one compliance standard, except as set forth in paragraph (d)(9)(ii) of Section 2B hereof entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee" and paragraph (f)(1) of Section 59 hereof entitled "Environmental Obligations", the standard for any of the foregoing to be that which requires the lowest level of a Hazardous Substance, the foregoing to include without limitation:

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

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

(iii) The Atomic Energy Act of 1954 , 42 U.S.C. Section 2011 et. seq.; the Clean Water Act also known as the Federal Water Pollution Control Act, 33 U.S.C. Section 1251 et. seq.; the Clean Air Act, 42 U.S.C. Section 7401 et. seq.; the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. Section 136 et. seq.; the Comprehensive Environmental Response,

Compensation, and Liability Act, 42 U.S.C. Section 9601 et. seq.; the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), Section 2701 et. seq. ; the Emergency Planning and Community Right to Know Act, 42 U.S.C. Section 11001 et. seq.; the Occupational Safety and Health Act, 29 U.S.C. Section 651 et. seq.; the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101 et. seq.; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et. seq.; the Toxic Substances Control Act, 15 U.S.C. Section 2601 et. seq.; the Safe Drinking Water Act of 1974, 42 U.S.C. Sections 300f-300h-11 et. seq.; the New York State Environmental Conservation Law; the New York State Navigation Law; together, in each case, with any amendment thereto, and the regulations adopted, guidances, memoranda and publications promulgated thereunder and all substitutions thereof; and

(iv) the ACO.

"Environmental Restriction" shall mean in the singular and "Environmental Restrictions" shall mean in the plural (x) any requirement or obligation pursuant to any Environmental Requirement or imposed by any Governmental Authority (whether stated as a condition or otherwise) to further remediate, clean-up or restore the Premises and/or the Site as a result of the presence of any Hazardous Substance thereon, therein, or thereunder, including without limitation the groundwater thereunder, or (y) the presence of any Hazardous Substance in, on or under the Premises and/or the Site, including without limitation the groundwater thereunder, which shall or may result in a restriction, encumbrance or lien of any nature whatsoever being placed upon the Premises or the Airport or the use or occupancy thereof or any operations or activities conducted or to be conducted thereon or the transfer, development or construction thereof or thereon, or which shall result in the Premises and/or the Site not being in the condition required by the Basic Lease upon surrender of the Airport by the Port Authority to the City of New York.

"Equal Employment Opportunity" or "EEO" shall have the meaning set forth in Schedule E hereof.

"Excavated Material" shall have the meaning set forth in Section 2B(d)(9) hereof.

"Excess Price" shall have the meaning set forth in Section 73 hereof entitled "Ground Transportation With the Central Terminal Area".

"Exchange Act" shall mean the Securities Act of 1934.

"Exhibit 1.1" shall have the meaning set forth in Section 1 hereof entitled "Letting".

"Exhibit 2B.1" shall have the meaning set forth in Section 2B hereof entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee".

"Exhibit 2B.3" shall have the meaning set forth in Section 2B hereof entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee".

"Exhibit 52.1" shall have the meaning set forth in Section 52 hereof entitled "Lessee's Financial Condition - Limitation of Lease Term - Triggering Events".

"Exhibit H Property" shall have the meaning set forth in Section 29 hereof entitled "Removal of Property".

"Exit Baseline" shall have the meaning set forth in Section 59 hereof entitled "Environmental Obligations".

"Federal Inspection Service(s)" shall mean the inspection of the Lessee's air passengers and their baggage for immigration, customs, public health and other governmental purposes by agencies of the United States having jurisdiction thereof.

"Fee Transfer Agreement" shall have the meaning set forth in Section 3 hereof entitled "Term".

"Final Lease Extension Date" shall have the meaning set forth in Section 3 hereof entitled "Term".

"Foreign Currency Exchange Service" shall have the meaning set forth in Section 85 hereof entitled "Foreign Currency Exchange".

"Former Agreements" shall mean the Surrendered Lease, the United Consent, the Northwest Consent, Permit No. AYC-136 and Permit No. AY-953.

"Fuel Line Risks"shall have the meaning set forth in Section 2B(q) hereof.

"Fuel Lines Work"shall have the meaning set forth in Section 2B(q) hereof.

"General Airport Agreement" shall mean that certain agreement and lease of premises entitled "John F. Kennedy International Airport Airline Lease," dated as of January 1, 1953 (as the same may have been supplemented, amended and extended) and bearing Port Authority file number designation AY-351 which governs the rights, privileges, duties and obligations of and between the parties hereto with respect to the Airport.

"General Manager of the Airport" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the said General Manager by this Agreement; but until further notice from the Port Authority to the Lessee it shall

mean the General Manager (or the temporary or acting General Manager) of the Airport for the time being, or his duly designated representative or representatives.

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

"Gross Receipts" shall mean and include all monies paid or payable to an Operator for sales made and for services rendered at or from the Premises, and outside the Premises, if the order therefor is received at the Premises, and any other revenues of any type arising out of or in connection with the Operator's operations at the Premises, provided, however, that any taxes or other governmental charges imposed by law which are separately stated to and paid by a customer and directly payable to the taxing authority by the Operator, shall be excluded therefrom.

"Ground Carrier Permittees" shall have the meaning set forth in Section 72 hereof entitled "Ground Transportation".

"Ground Rental" shall have the meaning set forth in Section 4 hereof entitled "Rental".

"Ground Transportation Operators" shall have the meaning set forth in Section 71(a) hereof entitled "Ground Transportation Services".

"Guide" shall have the meaning set forth in Section 46 hereof entitled "Additional Rights of the Port Authority as to Portions of the Premises".

"Handled Airlines" shall mean any Requesting Airline, Accommodated Handled Airlines, Accommodated Sublessee Airlines and any other Scheduled Aircraft Operators who are operating at the Airport pursuant to accommodations provided by the Lessee, whether pursuant to a sublease agreement, Handling Agreement or a combination of both, which agreement has been consented to by the Port Authority and which consent remains in full force and effect.

"Handling Agreement" shall mean a ground handling or handling agreement, as such terms are used and understood in the aviation industry, or any other agreement entered in to between the Lessee and an Aircraft Operator whereby the Lessee provides the types of services provided by a handling Aircraft Operator to a handled Aircraft Operator under a ground handling or handling agreement, it being understood and agreed that the Lessee shall have no right to enter into a Handling Agreement without the prior written consent of the Port Authority.

"Hazardous Substance" shall mean and include in the singular and "Hazardous

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

"Hot Water" shall have the meaning set forth in Section 41(a) hereof entitled "Hot Water and Chilled Water Requirements".

"Indebtedness" shall have the meaning set forth in Exhibit 52.1 hereof.

"In-Flight Meals" as used in the air transportation industry and in this Agreement is a word of art and includes food, beverages, snacks, non-reusable supplies, materials, dry goods and all services rendered in connection therewith.

"In-Flight Meal Operator" shall have the meaning set forth in Section 78(a) hereof entitled "In-Flight Meals".

"Inert Fuel Lines"shall have the meaning set forth in Section 2B(q) hereof.

"Initial Price" shall have the meaning set forth in Section 73 hereof entitled "Ground Transportation within the Central Terminal Area".

"Itinerant Aircraft" shall have the meaning set forth in Section 76 hereof entitled "Itinerant Aircraft".

"KIAC" shall have the meaning set forth in Section 41(a) hereof entitled "Hot Water and Chilled Water Requirements".

"Lease" shall mean Lease AYB-085 as amended and supplemented by this Amended and Restated Agreement of Lease.

"Lease AYB-085" shall mean that certain agreement of lease entered into between the Port Authority and the Lessee as of the first day of August, 1976 and bearing Port Authority Lease No. AYB-085, as amended, supplemented and extended as of the day immediately proceeding the Effective Date (and includes Section 2B hereof as of September 24, 1998 and Section 59 hereof as of August 1, 1976), pursuant to which the Port Authority leased to the Lessee and the Lessee hired and took from the Port Authority certain premises including without limitation the Lease AYB-085 Premises.

"Lease AYB-085 Premises" shall mean the land shown in stipple and crosshatching on Exhibit 1.1 at John F. Kennedy International Airport in the County of Queens, City and State of New York, together with all buildings, improvements and structures which were erected thereon by the Lessee under the Former Agreements and Lease AYB-085, the aforesaid land, together with all buildings, structures, fixtures, improvements and other property of the Port Authority located therein, thereon or thereunder, all of the foregoing being and constituting the premises under Lease AYB-085 as of the day immediately preceding the Effective Date, and all structures, improvements, additions, buildings, installations and facilities located, constructed or installed, or which may be located, constructed or installed therein, thereon or thereunder, and the equipment permanently affixed or permanently located therein, such as electrical, plumbing, sprinkler, fire protection and fire alarm, heating, steam, sewage, drainage, refrigerating, communications, gas and other systems, and their pipes, wires, mains, lines, tubes, conduits, equipment and fixtures, and all paving, drains, culverts, ditches and catch-basins constructed therein, thereon or thereunder as of the Effective Date, provided, however, it is hereby understood and agreed that the AirTrain, the Cogeneration Facility, the Traffic Systems and the Distribution Portion of the System are not a part of the Lease AYB-085 Premises and shall not be or become a part of the Premises.

"Lessee" shall mean American Airlines, Inc., a corporation of the State of Delaware.

"Lessee's Basic Schedule" shall have the meaning set forth in Section 46 hereof entitled "Additional Rights of the Port Authority as to Portions of the Premises".

"Lessee's Basic Schedule for 1999" shall have the meaning set forth in Section 46 hereof entitled "Additional Rights of the Port Authority as to Portions of the Premises".

"Lessee's Commencement Basic Schedule" shall have the meaning set forth in Section 46 hereof entitled "Addition Rights of the Port Authority as to Portions of the Premises".

"Lessee's Parking Garage Contribution" shall have the meaning set forth in Section 90 hereof entitled "Reimbursement by the Lessee of a Portion of the Parking Garage Cost".

"Lessee's Personal Property" shall have the meaning set forth in Section 29 hereof entitled "Removal of Property".

"Lessee's Use Agreements" shall have the meaning set forth in Section 1 hereof entitled "Letting".

"Liabilities" shall mean any and all risks, claims, demands, causes of action, suits, legal and administrative proceedings, inquiries, charges, orders (including without limitation, administrative and judicial), interest, penalties, payments in lieu of penalties, fines, punitive and consequential damages, liabilities (including without limitation tort, statutory and strict liability), negligence of any kind, settlements, attorney, expert witness and consultant fees, investigation and laboratory fees, costs, expenses and fees for preparation of reports and corrective action plans, cleanup, remediation and restoration costs, reckonings, bonds, bills, specialities, debts, dues, executions, statutory and common law contribution and cost recovery, environmental mitigation liabilities, natural resources damages, costs to remove any property or ground water use restrictions or other Environmental Restrictions, long-term monitoring and maintenance requirements, court costs and litigation expenses, damages, judgments, losses, injuries and costs and expenses, of whatsoever kind or nature, including without limitation, those of the Lessee, those of the City of New York pursuant to the Basic Lease or by operation of law for indemnity or otherwise, those of any Governmental Authority, those of any party responsible or potentially responsible for Hazardous Substances in, on or under the Premises and/or the Site or disposed of properly or improperly off the Premises or the Site, as the result of or pursuant to any Environmental Requirement, contract, lease, agreement or otherwise, and those for trespass, breach of contract, contribution, cost recovery, property damages and personal injuries (including death), and whether known or unknown, contingent or otherwise, just or unjust, groundless, direct or indirect, unforeseeable or otherwise, in law or in equity.

"Local Business Enterprise" or "LBEs" shall have the meaning set forth in Schedule F attached hereto.

"Main Terminal" shall have the meaning set forth in Section 2B hereof entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee".

"Material Part" shall have the meaning set forth in Section 18 hereof entitled "Condemnation".

"Meaningful Participation" shall have the meaning set forth in Schedule E hereof.

"Measuring Period" shall have the meaning set forth in Section 46 hereof entitled "Additional Rights of the Port Authority as to Portions of the Premises".

"Metro Area" shall have the meaning set forth in Section 79 hereof entitled "Consumer Services".

"Migrated Hazardous Substance" shall mean a Hazardous Substance in, on or under the Premises which has migrated from outside of the Premises or from outside the groundwater under the Premises and which Hazardous Substance was not, in whole or in part, disposed of, discharged or released by, in connection with, or as a result of, any act or omission of the Lessee and which migration from outside of the Premises or from outside the groundwater under the Premises was not in anyway, in whole or in part, caused by or occurred in connection with or arose out of any act or omission of the Lessee.

"Minority" shall have the meaning set forth in Schedule E hereof.

"Minority Business Enterprise" or "MBE" shall have the meaning set forth in Schedule E.

"Naturally Occurring Hazardous Substance" shall have the meaning set forth in paragraph (d)(9)(ii)(bb) of Section 2B hereof entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee".

"New Airport Lease" shall have the meaning set forth in Section 3 hereof entitled "Term".

"New Isolation Valves" shall have the meaning set forth in Section 2B(q) hereof.

"Newsstand Operator" shall have the meaning set forth in Section 83 hereof entitled "Newsstands".

"New System Components" shall have the meaning set forth in Section 2B(q) hereof.

"Non-Premises Distribution Lines"shall have the meaning set forth in Section 2B(q) hereof.

"Northwest Consent" shall mean the consent agreement entered into between and among Northwest Airlines, Inc, United Airlines, Inc., the Lessee and the Port Authority as of December 13, 1989 pursuant to which the Port Authority consented to the Lessee's occupancy of a portion of the Premises as a sub-sublessee of United Airlines, Inc. and as a sublessee of Northwest Airlines, Inc. under a gate use agreement entered into between the Lessee and Northwest Airlines, Inc.

"Off-Premises Roads" shall have the meaning set forth in Section 2B(a) hereof entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee".

"Off-Premises Work" shall have the meaning set forth in Section 2B(a) hereof entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee".

"Off-Site Utility Service Line Work" shall have the meaning set forth in Section 2B(l) hereof entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee".

"Operation and Maintenance Cost" shall have the meaning set forth in Section 56 hereof entitled "Assumption of Maintenance and Repair of the Premises by the Port Authority".

"Operator" shall mean and include each and every Retail Manager, Restaurant Operator, Newsstand Operator, Duty-Free Shop Operator, Currency Exchange Operator, Retail Bank Operator, Additional Operator, Employee Surface Carrier, Ground Carrier Permittee, Passenger Surface Carrier, In-flight Meal Operator and any other Person who conducts any business or operations on or at the Premises and for which the Port Authority shall impose a fee or rental on the conduct of such business and operations in accordance with this Lease or the General Airport Agreement or otherwise.

"Other Users" shall have the meaning set forth in Section 2B(q) hereof.

"Paragraph (c) Extension Supplement" shall have the meaning set forth in Section 3 hereof entitled "Term".

"Paragraph (d) Extension Supplement" shall have the meaning set forth in Section 3 hereof entitled "Term".

"Parking Garage" shall have the meaning set forth in Section 90 hereof entitled "Reimbursement by the Lessee of a Portion of the Parking Garage Cost".

"Parking Garage Contract" shall have the meaning set forth in Section 90 hereof entitled "Reimbursement by the Lessee of a Portion of the Parking Garage Cost".

"Parking Garage Contractor" shall have the meaning set forth in Section 90 hereof entitled "Reimbursement by the Lessee of a Portion of the Parking Garage Cost".

"Parking Garage Payment" shall have the meaning set forth in Section 90 hereof entitled "Reimbursement by the Lessee of a Portion of the Parking Garage Cost".

"Parking Garage Work" shall have the meaning set forth in Section 90 hereof entitled "Reimbursement by the Lessee of a Portion of the Parking Garage Cost".

"Participants" shall have the meaning set forth in Section 73 hereof entitled "Ground Transportation Within the Central Terminal Area".

"Passenger Surface Carrier or Carriers" shall have the meaning set forth in Section 72 hereof entitled "Ground Transportation".

"Passenger Terminal Work" shall have the meaning set forth in Section 2B(a) hereof entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee".

"Permanent Interest" shall have the meaning set forth in Section 18 hereof entitled "Condemnation".

"Permit No. AY-953" shall mean that certain permit dated as of June 20, 1960 and bearing Port Authority agreement number "AY-953" entered into between the Port Authority and the Lessee covering the Lessee's use of a portion of the Lease AYB-085 Premises.

"Permit No. AYC-136" shall mean that certain permit dated as of June 1, 1991 and bearing Port Authority agreement number "AYC-139" entered into between the Port Authority and the Lessee covering the Lessee's use of a portion of the Premises.

"Permitted Modification" shall have the meaning set forth in Section 2B(q) hereof.

"Permitted Tenancy" shall have the meaning set forth in Section 3 hereof entitled "Term".

"Period of Underutilization" shall have the meaning set forth in Section 46 hereof entitled "Additional Rights of the Port Authority as to Portions of the Premises".

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

"Phase I Construction Work" shall have the meaning set forth in Section 2A of Lease AYB-085 entitled "Additional Construction by the Lessee".

"Port Authority" shall mean the Port Authority of New York and New Jersey, a body corporate and politic, established by Compact between the States of New Jersey and New York with the consent of the Congress of the United States of America.

"Port of New York District" shall have the meaning set forth in Article II of the Compact.

"Premises" shall collectively mean the Lease AYB-085 Premises and the Additional Premises, provided, however, it is hereby understood and agreed that the AirTrain, the Cogeneration

Facility, the Traffic Systems and the Distribution Portion of the System was not as part of the Lease AYB-085 Premises and shall not be or become a part of the Premises hereunder.

"Premises Circulation Facilities" shall have the meaning set forth in Section 2B(a) hereof entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee".

"Premises Distribution Line" shall have the meaning set forth in Section 2B(q) hereof.

"Public Aircraft Facilities" shall mean the following facilities, as they may from time to time be provided and maintained by the Port Authority at the Airport for public and common use, including use by Civil Aircraft Operators, for the following purposes and which (except as provided in Section 12.12 of the General Airport Agreement) are usable for such purposes regardless of whether or not they are actually used or usable in whole or in part by the Lessee:

(i) Public Aircraft Parking and Storage Area; and

(ii) Public Ramp and Apron Area; and

(iii) Runways; and

(iv) Taxiways; and

(v) Facilities Incidental to the Runways, Ramp and Apron Area, Aircraft Parking and Storage Area and Taxiways.

"Public Aircraft Parking and Storage Space" shall mean areas at the Airport for public and common use for the purpose of parking and storing aircraft, for the purpose of servicing aircraft with fuel and lubricants and other supplies for use thereon, and for the purpose of making minor or emergency repairs to aircraft.

"Public Landing Area" shall mean the area of land at the Airport including Runways, Taxiways and the areas between and adjacent to Runways and Taxiways, designated and made available from time to time by the Port Authority for the landing and taking off of aircraft.

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

"QF Status" shall have the meaning set forth in Section 41 hereof entitled "Hot Water and Chilled Water Requirements".

"Redevelopment Work" shall have the meaning set forth in Section 2B hereof entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee".

"Redevelopment Work Completion Date" shall have the meaning set forth in Section 2B(n)(2) hereof entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee".

"Redevelopment Work Investment" shall mean the sum of the following amounts, and such amounts only, actually paid by the Lessee to the extent that the inclusion of the same is permitted by sound accounting practices consistently applied:

(i) the amounts paid by the Lessee to independent third party contractors for work actually performed and labor and materials actually furnished in connection with the Redevelopment Work, inclusive of sales, use and like taxes where applicable, and

(ii) the amounts actually paid by the Lessee in connection with the Redevelopment Work (without duplication and excluding any amounts included in any other item hereof) for engineering, architectural, professional and consulting services, and the supervision of construction, inclusive of sales, use and like taxes where applicable, provided, however, that such amounts pursuant to this subdivision (ii) shall not exceed ten per cent (10%) of the amounts described in subdivision (i);

in each case, as the above-mentioned amounts are evidenced, from time to time, by certificates of a responsible fiscal officer of the Lessee sworn to before a notary public and delivered to the Port Authority, which certificates shall:

(a) set forth, in reasonable detail, the amounts paid to specified independent third party contractors and the amount of payments made to other specified Persons, which have not previously been reported in certificates delivered to the Port Authority;

(b) have attached thereto reproduction copies or duplicate originals of the invoices of such independent third party contractors and other Persons and an acknowledgment by such independent contractors and other Persons of the receipt by them of such amounts and payments; and

(c) certify that the amounts and payments therein set forth constitute all or a portion of the Redevelopment Work Investment in the Premises arising out of the performance of the Redevelopment Work.

The Redevelopment Work Investment shall include only Redevelopment Work performed by the Lessee in accordance with all the terms and provisions of this Lease. Further it is specifically

understood and agreed that the Redevelopment Work Investment shall not include any amounts paid for or in connection with any trade fixtures or other personal property of the Lessee or any payment or payments on account of any administrative or other overhead costs of the Lessee whether or not allocated to the Redevelopment Work by the Lessee's own accounting practices. All records of the Lessee with respect to the Redevelopment Work Investment and as set forth in the foregoing shall be kept at all times within the Port of New York District for a period of two (2) years after the final costs of all the Redevelopment Work Investment have been submitted by the Lessee to the Port Authority or the end of the term of the letting, whichever is later, and shall be subject to the audit and inspection of the Port Authority, its representatives and employees.

"Redesignation Date" shall have the meaning set forth in Section 2B(q) hereof.

"Redesignated Airline Terminal Portion of the System" shall have the meaning set forth in Section 2B(q) hereof.

"Reference Month" shall have the meaning set forth in Section 4 hereof entitled "Rental".

"Relocation Work" shall have the meaning set forth in Section 2B(l) hereof entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee".

"Remediation Work" shall have the meaning set forth in Section 2B(b) hereof entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee".

"Remote Terminal" shall have the meaning set forth in Section 2B(a) hereof entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee".

"Rentals" shall have the meaning set forth in Section 4 hereof entitled "Rental".

"Report Date" shall have the meaning set forth in Section 57 hereof entitled "Joint Periodic Condition Survey".

"Requesting Airline" shall have the meaning set forth in Section 45 hereof entitled "Requesting Airlines at the Airport".

"Required Conditions" shall mean all of the following conditions: (i) the Redevelopment Work Completion Date shall have occurred, (ii) the Lessee shall have made a Redevelopment Work Investment in the Premises of not less that Eight Hundred Fifty Million Dollars and No Cents ($850,000,000.00), and (iii) the Premises shall contain not less than fifty-five (55) aircraft loading and unloading gate positions of which at least thirty-five (35) are to accommodate wide-body aircraft and of which at least two (2) are to accommodate narrowbody

aircraft, or such other number of aircraft gate positions as shall have been approved in writing by the Director of the Port Authority's Aviation Department as being the number of aircraft gate positions as shall satisfy the requirement for this item (iii) of the Required Conditions.

"Reserved Uses" shall have the meaning set forth in Section 79 hereof entitled "Consumer Services".

"Resident Engineer" shall mean the person designated as the Resident Engineer at the Airport by the Chief Engineer of the Port Authority.

"Restaurant Operator" shall have the meaning set forth in Section 80 hereof entitled "Restaurant and Bar".

"Retail Bank Operator" shall have the meaning set forth in Section 86 hereof entitled "Retail Banking".

"Retail Bank Service" shall have the meaning set forth in Section 86 hereof entitled "Retail Banking".

"Retail Manager" shall have the meaning set forth in Section 79 hereof entitled "Consumer Services".

"Return Date of the Assumable Maintenance and Repair" shall have the meaning set forth in Section 56 hereof entitled "Assumption of Maintenance and Repair of the Premises by the Port Authority".

"Revenue Seats Daily Average" shall have the meaning set forth in Section 46 hereof entitled "Additional Rights of the Port Authority as to Portions of the Premises".

"Risk-based Clean-up" shall mean (x) the use of any risk based cleanup levels or goals or other regulatory approved cleanup levels or goals in the performance of the Section 2B Work or any other work performed in, on or under the Premises, including without limitation the groundwater thereunder, during the term of the letting under this Lease, whether or not such use is approved by the Port Authority and including without limitation the Approved Cleanup Criteria and (y) any other failure to remove, remediate or clean-up any Hazardous Substance in the performance of the Section 2B Work or any other work performed in, on or under the Premises during the term of the letting under this Lease, which use or failure shall or may result in any Environmental Restriction.

"RPM" shall have the meaning set forth in Section 52 hereof entitled "Lessee's

Financial Condition - Limitation of Lease Term - Triggering Events".

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

"Satellite Portion Work" shall have the meaning set forth in Section 2B(q) hereof.

"Scheduled Aircraft Operator" shall mean a Civil Aircraft Operator engaged in transportation by aircraft operated wholly or in part on regular flights to and from the Airport in accordance with published schedules; but so long as the Federal Aviation Act of 1958, or any similar federal statute providing for the issuance of Foreign Air Carrier Permits or Certificates of Public Convenience and Necessity or substantially similar permits or certificates, is in effect, no Person shall be deemed to be a Scheduled Aircraft Operator within the meaning of this Agreement unless it also holds such a permit or certificate.

"Section 2B Work" shall have the meaning set forth in Section 2B(b) hereof entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee".

"Section 2B Work Completion Date"shall have the meaning set forth in Section 2B(n) hereof entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee".

"Site" shall collectively mean the Premises and all the locations off the Premises where the Section 2B Work is performed.

"Specified Amount" shall have the meaning set forth in Exhibit 52.1 hereof.

"Street Prices" shall have the meaning set forth in Section 79 hereof entitled "Consumer Services".

"Street Pricing" shall have the meaning set forth in Section 79 hereof entitled "Consumer Services".

"Submissions" shall have the meaning set forth in Section 73 hereof entitled "Ground Transportation Within the Central Terminal Area".

"Subsidiary" shall mean any corporation or other Person of which securities or other interests having the power to elect a majority of the corporations's or other Person's board of directors or similar governing body, or otherwise having the power to direct the business and policies of that corporation or other Person, are held by the Lessee or one or more of its Subsidiaries.

"Substantial Part" shall have the meaning set forth in Section 18 hereof entitled "Condemnation".

"Subusers" shall have the meaning set forth in Section 1 hereof entitled "Letting".

"Surrender Date" shall have the meaning set forth in Section 1 hereof entitled "Letting".

"Surrendered Lease" shall mean that certain agreement of lease entered into between the Lessee and the Port Authority as of the eleventh day of April 1956 and bearing Port Authority Lease No. AY-581, as the same was amended and supplemented.

"Surrendered Premises" shall have the meaning set forth in Section 1 hereof entitled "Letting".

"System Costs" shall have the meaning set forth in Section 2B(q) hereof.

"System License" shall have the meaning set forth in Section 2B(q) hereof.

"System Operator" shall have the meaning set forth in Section 2B(q) hereof.

"Taking" shall have the meaning set forth in Section 18 hereof entitled "Condemnation".

"Tank" and "Tanks" shall have the meaning set forth in Section 65 entitled "Storage Tanks".

"Taxi Dispatcher Period" shall have the meaning set forth in Section 49 hereof entitled "Restrictions on Use of Passenger Terminal Frontage Roadways - Use of Airport Taxi Dispatchers and Roadway Frontage Management".

"Taxiways" shall mean the portion of the Airport used for the purpose of the ground movement of aircraft to, from and between the Runways, the Public Ramp and Apron Area, the Public Aircraft Parking and Storage Area and other portions of the Airport (not including, however, any taxiways, the exclusive use of which is granted to the Lessee or any other Person by lease, permit or otherwise).

"TDS" shall have the meaning set forth in Section 41 hereof entitled "Hot Water and Chilled Water Requirements".

"Temporary Interest" shall have the meaning set forth in Section 18 hereof entitled

"Condemnation".

"Terminal Rental" shall have the meaning set forth in Section 4 hereof entitled "Rental".

"Terminal Rental Adjustment Period" shall have the meaning set forth in Section 4 hereof entitled "Rental".

"Terminal Rental Commencement Date" shall have the meaning set forth in Section 4 hereof entitled "Rental".

"Terminal Rental CPI Percentage Increase" shall have the meaning set forth in Section 4 hereof entitled "Rental".

"Terminal Rental Rate" shall have the meaning set forth in Section 4 hereof entitled "Rental".

"Terminal Rental Reference Month" shall have the meaning set forth in Section 4 hereof entitled "Rental".

"Total Revenue Seats" shall have the meaning set forth in Section 46 hereof entitled "Additional Rights of the Port Authority as to Portions of the Premises".

"Traffic Systems" shall have the meaning set forth in Section 10 hereof entitled "Care, Maintenance, Rebuilding and Repair by the Lessee".

"Triggering Event" and "Triggering Events" shall have the meaning set forth in Exhibit 52.1 hereof.

"Trust" shall have the meaning set forth in Section 53 hereof entitled "Assignment to a Trust".

"Unamortized Redevelopment Investment" shall mean an amount equal to the lesser of (x) Eight Hundred Fifty Million Dollars and No Cents ($850,000,000.00) or (y) the Redevelopment Work Investment, after deduction from the lesser of such amount of an amount equivalent to an allowance for depreciation and amortization; such allowance to be computed on a straight-line basis from the earlier of (i) the sixth (6th) anniversary of the Effective Date or (ii) the Redevelopment Work Completion Date to the end of the average useful life thereof (as determined under generally accepted United States accounting principles) or December 27, 2015, whichever is the shorter. (It is recognized that if the term of the letting under the Lease is extended pursuant to

"Condemnation".

"Terminal Rental" shall have the meaning set forth in Section 4 hereof entitled "Rental".

"Terminal Rental Adjustment Period" shall have the meaning set forth in Section 4 hereof entitled "Rental".

"Terminal Rental Commencement Date" shall have the meaning set forth in Section 4 hereof entitled "Rental".

"Terminal Rental CPI Percentage Increase" shall have the meaning set forth in Section 4 hereof entitled "Rental".

"Terminal Rental Rate" shall have the meaning set forth in Section 4 hereof entitled "Rental".

"Terminal Rental Reference Month" shall have the meaning set forth in Section 4 hereof entitled "Rental".

"Total Revenue Seats" shall have the meaning set forth in Section 46 hereof entitled "Additional Rights of the Port Authority as to Portions of the Premises".

"Traffic Systems" shall have the meaning set forth in Section 10 hereof entitled "Care, Maintenance, Rebuilding and Repair by the Lessee".

"Triggering Event" and "Triggering Events" shall have the meaning set forth in Exhibit 52.1 hereof.

"Trust" shall have the meaning set forth in Section 53 hereof entitled "Assignment to a Trust".

"Unamortized Redevelopment Investment" shall mean an amount equal to the lesser of (x) Eight Hundred Fifty Million Dollars and No Cents ($850,000,000.00) or (y) the Redevelopment Work Investment, after deduction from the lesser of such amount of an amount equivalent to an allowance for depreciation and amortization; such allowance to be computed on a straight-line basis from the earlier of (i) the sixth (6th) anniversary of the Effective Date or (ii) the Redevelopment Work Completion Date to the end of the average useful life thereof (as determined under generally accepted United States accounting principles) or December 27, 2015, whichever is the shorter. (It is recognized that if the term of the letting under the Lease is extended pursuant to

Section 3(c) or 3(d) of the Lease entitled "Term", then said the supplement so extending the Lease would amend the said December 27, 2015 date to reflect the new expiration date of the term of the letting hereunder.) The foregoing computation to be made shall not take into consideration the effect of accelerated amortization, if any, granted to or taken by the Lessee on its books or otherwise under the provisions of Section 168(a) of Title 26 USCA or similar legislation hereafter enacted.

"United Consent" shall mean the consent agreement entered into between and among the Port Authority, the Lessee and United Airlines, Inc. as of October 9, 1989 pursuant to which the Port Authority consented to the Lessee's occupancy of a portion of the Premises as a sublessee of United Airlines, Inc. under a sublease agreement entered into between the Lessee and United Airlines, Inc.

"Users" shall have the meaning set forth in Section 2B(q) hereof.

"Voting Security" or "Voting Securities" shall include any stock, bond or other obligation of a corporation the holder of which has any voting rights including but not limited to the right to vote for the election of members of the board of directors of said corporation and shall include any security convertible into a Voting Security and any right, option or warrant to purchase a Voting Security.

"Women-owned Business Enterprise" or "WBE" shall have the meaning set forth in Schedule E.

Section 92. Entire Agreement

This Agreement consists of the following: Lease AYB-085 and Sections 1 through 92 inclusive of this Amended and Restated Agreement of Lease and Exhibits 1.1, 1.2, 2B.1, 2B.2, 2B.3, 2B.4, 4.1, 29.1, 52.1, 59.1, 73.1, and 79.1 and Schedule E and Schedule F attached hereto. It constitutes the entire agreement of the parties on the subject matter hereof and may not be changed, modified, discharged or extended except by written instrument duly executed by the Port Authority and the Lessee. The Lessee agrees that no representations or warranties shall be binding upon

the Port Authority unless expressed in writing in this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed as of the Effective Date.

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By

(Title) Asst. Director - Aviation

(Seal)

ATTEST:

Asst Secretary

AMERICAN AIRLINES, INC.

By

(Title) Vice President

(Corporate Seal)

APPROVED FOR TRANSMITTAL	
FORM	TERMS

Final AYB-085 Dated 12/21/00

Form - All-Purpose Ack. N.Y. (rev 1/4/2000)

FOR THE PORT AUTHORITY

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

On the 29th day of December in the year 2000, before me, the undersigned, a Notary Public in and for said state, personally appeared F. DiMola, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Karen D. Eastman
(notarial seal and stamp)
KAREN D. EASTMAN
Notary Public, State of New York
Qualified in New York County
No. 01EA4766314
Commission Expires 2/28/2003

FOR THE LESSEE

STATE OF Texas)
) ss.
COUNTY OF Tarrant)

On the 21st day of December in the year 2000, before me, the undersigned, a Notary Public in and for said state, personally appeared Gary F. Kennedy, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Sandra S. Symanovich
(notarial seal and stamp)

NOTARY PUBLIC STATE OF TEXAS
SANDRA S. SYMANOVICH
Notary Public, State of Texas
My Commission Expires 05-09-04

New York State Department of Environmental Conservation
47-40 21st Street, Long Island City, NY 11101
Telephone (718) 482-4933, extension 7120

Michael Zagata
Commissioner

June 28, 1996

Marvin Kirshner, P.E.
Chief Environmental Engineer
The Port Authority of NY & NJ
One World Trade Center
New York, N.Y. 10048

Re: Risk Assessment, Central Terminal Area, JFKIA. NYSDEC File No. R2-3519-91-02.

Dear Mr. Kirshner:

I am pleased to inform you that the department conditionally approves the Port Authority's Human Health Risk Assessment (Risk Assessment) prepared for the remediation of Terminals 1, 1A, and 3 located in the Central Terminal Area (CTA) at John F. Kennedy International Airport (JFKIA), Jamaica, Queens. The CTA Risk Assessment documentation includes the following reports and correspondence:

- *Regulatory Criteria For Soil And Groundwater*
  Central Terminal Area, JFK International Airport
  Malcolm Pirnie - October 1993
- *Human Health And Ecological Risk Assessment*
  Central Terminal Area, JFK International Airport
  Malcolm Pirnie - November 1993
- *Remedial Objectives And Proposed Remedial Action Goals*
  Central Terminal Area, JFK International Airport
  Malcolm Pirnie - November 1993
- February 17, 1994 letter from Marvin Kirshner to Randall Austin, Region 2 Spills, providing clarification of Risk Assessment issues
- *Comparison Of The "Health Risk Assessment" For The Central Terminal Area*
  JFK International Airport To The ASTM "Emergency Standard Guide For Risk- Based
  Corrective Action Applied At Petroleum Release Sites"
  Malcolm Pirnie - September 1995
- *Addendum - Central Terminal Area - JFK International Airport*
  Human Health Risk And Ecological Risk Assessment And Remedial Objectives
  And Proposed Remedial Action Goals
  Malcolm Pirnie - November 1995
- March 26, 1996 letter report from Marvin Kirshner to Steven Miller, Region 2 Spills, providing: *PRAGS for the Utility/Maintenance worker 25 year scenario; Protection of Aquatic Resources in Jamaica Bay; Dupuit Equation Documentation*
- April 17, 1996 correspondence from Barry Lucas to Steven Miller, Region 2 Spills, providing *revised PRAGS for the Utility/Maintenance worker 25 year scenario*

The attached table, *JFKIA - Central Terminal Area - Remediation Cleanup Goals,*

provides rational de minimis cleanup criteria for ongoing and recently completed Port Authority CTA remediation projects. The cleanup criteria accurately reflects traditional department remediation goals and objectives and is faithful to the Risk Assessment within our developing RBCA process. Chemical-specific cleanup criteria values are taken from either the Utility/Maintenance 25 year scenario or derived from alternative department sources. The Risk Assessment documentation provides a viable Site Conceptual Exposure Scenario for protection of human health and a reasonable ground water analytical model for potential contaminant migration to the CTA shoreline.

However, department approval requires that the following conditions be met:

i. Removal of all free floating product;
ii. Development of a department-approved area-weighted closure sampling plan for chemicals of concern;
iii. Development of a Risk Assessment Applicability Checklist for additional Port Authority and JFKIA tenant remediation projects in the CTA.

Please call me at the telephone number provided above if you wish to discuss this letter. Meanwhile, I will be actively pursuing conditions ii & iii with Barry Lucas, of your staff.

Very truly yours,

Steven Miller
Geologist, Spills Management

cc: *Randall Austin* - NYSDEC Spills Management
Frank Peduto - Tom Plesnarski - NYSDEC Spills Management, Central Office; *Paul Gallay* - NYSDEC Legal Affairs.
Itzra Aviles - Mary Lee Clanton - Barry Lucas - Port Authority of NY & NJ
Denise Branch - JFKIA Environmental, Port Authority of NY & NJ; *Rich Louis* - PA JFKIA Airport Facilities Division

Exhibit 2B.3

JFKIA - Central Terminal Area - Remediation Cleanup Goals

SOIL

CHEMICAL	Proposed PRAGS (mg/kg)	Cleanup Criteria (mg/kg)	Basis (see notes below)
Acetone	5.5E+06	***5.1E+01***	Table 4-5
Benzene	6.7E-03	6.7E-03	25 yr U/M
2-Butanone	2.7E+01	2.7E+01	25 yr U/M
Ethylbenzene	1.6E+02	1.6E+02	25 yr U/M
Ethylene glycol	1.1E+08	***6.0E+03***	Water *
Methylene chloride	3.5E-02	3.5E-02	25 yr U/M
1,1,2,2-Tetrachloroethane	1.2E-02	1.2E-02	25 yr U/M
Tetrachloroethene	6.5E+05	***1.4 E-00***	TAGM, 1994
Toluene	2.3E+01	2.3E+01	25 yr U/M
Vinyl Acetate	3.8E+00	3.8E+00	25 yr U/M
Xylenes	1.1E+08	***8.2E+01***	Table 4-5
bis(2-Ethylhexyl)phthalate	1.1E+04	***5.0E+01***	TAGM, 1994
tPAHs (pyrene)	1.7E+06	***5.0E+02***	TAGM, 1994
PAHs (Benzo(a)pyrene)	2.1E+01	2.1E+01	25 yr U/M

GROUND WATER

CHEMICAL	Proposed PRAGS (mg/l)	Cleanup Criteria (mg/l)	Basis (see notes below)
Acetone	6.1E+04	***2.5E+01***	Table 4-6
Benzene	3.4E-01	3.4E-01	25 yr U/M
2-Butanone	3.5E+03	***2.5E+01***	Table 4-6
Carbon disulfide	7.0E+01	7.0E+01	25 yr U/M
1,1-Dichloroethane	3.9E+03	***2.5E+00***	Table 4-6
Ethylbenzene	3.5E+01	3.5E+01	25 yr U/M
Ethylene glycol	7.0E+05	***6.0E+03***	Water *
Toluene	7.0E+01	7.0E+01	25 yr U/M
Xylenes	7.1E+03	2.5E+00	25 yr U/M
bis(2-Ethylhexyl)phthalate	2.1E+00	2.1E+00	25 yr U/M
2,4-Dimethylphenol	1.1E+02	1.1E+02	25 yr U/M
2-Methylphenol	5.9E+02	5.9E+02	25 yr U/M
tPAHs (pyrene)	3.2E+01	3.2E+01	25 yr U/M

PRAGS = Proposed Remedial Action Goals, (CTA Human Health Risk Assessment, revised April 17, 1996).
Bold-typed concentration criteria identify PRAGS where substitute criteria have been selected.
25 yr U/M refers to JFKIA CTA Human Health Risk Assessment for utility & maintenance workers @ 25 yr scenario.
Table 4-5 criteria refers to a draft Spills Div. table for contaminant leachate migration via ground water.
Table 4-6 criteria derived from a draft Spills Div. table for dilution attenuation of migrating ground water contaminants.
TAGM, 1994 refers to the Div. of Haz. Waste Remediation: Determination of Soil Cleanup Objectives & Cleanup Levels.
** Ground water criteria for ethylene glycol developed with Division of Water personnel.*

For The Port Authority

Initialled:

For the Lessee

TOTAL P.04

EXHIBIT 79-1

Aalamort.xls AA Concessions Sq Ft Listing 5/1/00

LSG/Sky Chefs
AA Terminal Concessions Development

Terminal 8

ıcation	Tenant	Square Feet
BA 1	WrapRite Baggage Svc	200
BA2	Au Bon Pain	1850
BA3	Travelex	145
BA4	Hudson News	793
3A5.1	I Santi	685
3A5.2	Speedo	875
BA6	Altitunes	163
BA7	Athlete's Foot (WDF)	955
BA8	Brookstones	890
3A10	Hudson News	1051
3A11	Cap It	398
3A12	Hudson News	478
3A13	Broadway Brewing	1140
3A14	Sbarro	900
BA15	Wok & Roll	1034
BA16	Pickle's Deli & Soup	903
BA17	McDonald's	1620
BA18	Everything Yogurt Cafe	1075
ᴾA20	Common Seating	4348
21	Sunglass Hut	150
BA22	Tie Rack	195
BA23	Travelex	90
BA24	Swatch	380
A1	International Shoppes	1541
A3	Hudson News	515
A4	International Shoppes	553
A5	The Grove	88
A6	Broadway Brewing	1585
AL-1	Nathan's (W&R)	128
AL-2	Hudson News	150
ALL-3	Travelex	120
B1	Au Bon Pain	170
B2	Common Seating	825
B2.1	Broadway Brewing	145
B3	The Grove	88
B4	**Vacant**	95
B5	International Shoppes	1092
B6	Hudson News	320

erminal 8 Square Footage	27,733

For the Port Authority

tialled:

For the Lessee

Terminal 9

Location	Tenant	Square Feet
D1	TGI Friday's (Anton's)	1006
D2	Hudson News	543
D3	Starbucks	474
D3A	Brookstones	710
D3B	The Grove	88
D4	Hudson News	1242
D5	Sbarro	890
D6	Au Bon Pain	1230
D7	Common Seating	2125
D8	TGI Friday's (Anton's)	5363
D9	Book Connection	750
D10	Fossil (WDF)	720
D11	Milano- Tie Box	218
D12	Sunglass Hut	170
D41	Treat Street (E.Y.)	219
DLL-4	Travelex	100
C1	Hudson News	285
C2	Starbucks	473
C3	**VACANT**	528
C4	International Shoppes	1545
C5	The Grove	88
C6	Hudson News	750
C7	TGI Friday's (Anton's)	900
C8B	Altitunes	180
C8C	Cap It	150
C9/C11	American Designer (WDF)	1285
C10	TGI Friday's (Anton's)	788

Terminal 9 Square Footage	22,820

% of T8	% of Total		
57%	31%	Food & Bev T 8	15899
29%	16%	Retail T 8	7998
2%	1%	Services T 8	650
11%	6%	Duty Free	3186
100%	55%	T 8 Total Square feet	27733
% of T9	**% of Total**		
60%	27%	Food & Bev T 9	13644
33%	15%	Retail T 9	7531
0%	0%	Services T 9	100
7%	3%	Duty Free	1,545
100%	45%	T9 Total Square feet	22,820
	58%	Food & Bev Total	29543
	31%	Retail Total	15529
	2%	Services	750
	9%	Duty Free	4,731
	TOTAL AA TERMINALS		50,553

the "Effective Date" as defined in the Lease, the Lessee has multiple publicly or non-publicly held Debt Financings each in excess of Twenty-five Million Dollars ($25,000,000) which include events of default which could lead to acceleration thereof.

(3) A Triggering Event shall occur if any of the following shall occur and the Port Authority shall have previously given or shall thereafter during the pendency thereof give the Lessee notice of the election of the Port Authority to activate such Triggering Event:

(a) as a result of a default by the Lessee, other than a default arising due to compliance by the Lessee with any applicable law or directive or (provided that the Lessee has satisfied the Port Authority that it is reasonable to comply therewith) with any requirement, whether having the force of law or not, of any government or regulatory authority to which the Lessee is subject, unless such default results in the Lessee becoming bound to repay prematurely any of its Indebtedness for borrowed moneys as described in (i) below (not being that in respect of which the default has occurred) and steps are taken to obtain repayment thereof:

(i) the Lessee becomes bound to repay prematurely any of its Indebtedness for borrowed moneys having an outstanding aggregate principal amount of at least Twenty-five Million Dollars ($25,000,000) or its equivalent in any other currency or currencies (hereinafter in this paragraph (a)(i) called the "Specified Amount") and steps are taken to obtain repayment thereof; or

(ii) any such Indebtedness having an outstanding aggregate principal amount of at least the Specified Amount or any guarantee or indemnity of the Lessee of any Indebtedness of any Person for borrowed moneys having an outstanding aggregate principal amount of at least the Specified Amount is not, when due, paid by the latest of its due date, the expiry of any applicable grace period and (if payment is prevented by any applicable law) fifteen (15) days after the first date on which payment is permitted,

provided that any such acceleration of maturity, default or failure to pay in (i) and (ii) above, as the case may be, shall not constitute a Triggering Event so long as the Lessee satisfies the Port Authority that it is being contested in good faith by the Lessee or as long as the Lessee demonstrates to the Port Authority that such event of default and acceleration of Debt has arisen from events other than those which would signify a deterioration in the Lessee's financial position or an inability to meet its financial obligations under such Debt; or

(b) a creditor takes possession or an administrative or other receiver is appointed of the whole or a substantial part of the assets of the Lessee and such taking of possession or appointment is not released, discharged or canceled within 60 days; or

(c) a distress, execution or seizure before judgment is levied or enforced upon or sued out against a substantial part of the assets of the Lessee and is not discharged,

dismissed or stayed within 60 days thereof; or

(d) the Lessee stops payment generally or is unable to pay its Debts generally as and when they fall due or (otherwise than for the purposes of a solvent reconstruction, amalgamation or merger the terms of which have previously been approved in writing by the Port Authority) or ceases or threatens to cease to carry on all or substantially all of its business; or

(e) the Lessee makes an assignment for the benefit or creditors generally or admits in writing its inability to pay its Debts generally as they become due or takes corporate action in furtherance of any such action.

III. Modification Requested by Lessee:

The Lessee may deliver a notice to the Port Authority requesting that one or more of the Triggering Events contained in this Exhibit 52.1 be modified. The Lessee shall include as part of such notice the text of the modification. If the Executive Director of the Port Authority, with the approval of the Chairman of the Committee on Finance of the Board of the Commissioners of the Port Authority, shall countersign such modification, or an amended version of the modification acceptable to the Lessee, such notice, duly signed by both the Lessee and the Executive Director of the Port Authority, shall be a valid and binding modification of the Triggering Events.

For the Port Authority

Initialled:

For the Lessee

SCHEDULE E

AFFIRMATIVE ACTION-EQUAL OPPORTUNITY---MINORITY BUSINESS ENTERPRISES ---WOMEN-OWNED BUSINESS ENTERPRISES REQUIREMENTS

Part I. Affirmative Action Guidelines - Equal Employment Opportunity

I. As a matter of policy the Port Authority hereby requires the Lessee and the Lessee shall require the Contractor, as hereinafter defined, to comply with the provisions set forth hereinafter in this Schedule E and in Section 2B (18) of Port Authority the Lease to which this Schedule is attached. The provisions set forth in this Part I are similar to the conditions for bidding on federal government contract adopted by the Office of Federal Contract Compliance and effective May 8, 1978.

The Lessee as well as each bidder, contractor and subcontractor of the Lessee and each subcontractor of a contractor at any tier of construction (herein collectively referred to as the "Contractor") must fully comply with the following conditions set forth herein as to each construction trade to be used on the construction work or any portion thereof (said conditions being herein called "Bid Conditions"). The Lessee hereby commits itself to the goals for minority and female utilization set forth below and all other requirements, terms and conditions of the Bid Conditions. The Lessee shall likewise require the Contractor to commit itself to the said goals for minority and female utilization set forth below and all other requirements, terms and conditions of the Bid Conditions by submitting a properly signed bid.

II. The Lessee and the Contractor shall each appoint an executive of its company to assume the responsibility for the implementation of the requirements, terms and conditions of the following Bid Conditions:

(a) The goals for minority and female participation expressed in percentage terms for the Contractor's aggregate workforce in each trade on all construction work are as follows:

(1) Minority participation

Minority, except laborers	30%
Minority, laborers	40%

(2) Female participation

Female, except laborers	6.9%
Female, laborers	6.9%

These goals are applicable to all the Contractor's construction work performed in and for the Premises.

The Contractor's specific affirmative action obligations required herein of minority and female employment and training must be substantially uniform throughout the length of the contract, and in each trade, and the Contractor shall make good faith efforts to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from contractor to contractor or from project to project for the sole purpose of meeting the Contractor's goals shall be a violation of the contract. Compliance with the goals will be measured against the total work hours performed.

(b) The Contractor shall provide written notification to the Lessee and the Lessee shall provide written notification to the Port Authority's Aviation Department and Office of Business and Job Opportunity within 10 working days of award of any construction subcontract in excess of $10,000 at any tier for construction work. The notification shall list the name, address and telephone number of the subcontractor; employer identification number; estimated starting and completion dates of the subcontract; and the geographical area in which the subcontract is to be performed.

(c) As used in these specifications:

(1) "Employer identification number" means the Federal Social Security number used on the Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941:

(2) "Minority" includes:

(i) Black (all persons having origins in any of the Black African racial groups not of Hispanic origin);

(ii) Hispanic (all persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American culture or origin, regardless of race);

(iii) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands); and

(iv) American Indian or Alaskan Native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).

(d) Whenever the Contractor, or any subcontractor at any tier, subcontracts a portion of the construction work involving any construction trade, it shall physically include in each subcontract in excess of $10,000 those provisions which include the applicable goals for minority and female participation.

(e) The Contractor shall implement the specific affirmative action standards provided in subparagraphs (1) through (16) of Paragraph (h) hereof. The goals set forth above are expressed as percentages of the total hours of employment and training of minority and female utilization the Contractor should reasonably be able to achieve in each construction trade in which it has employees in the Premises. The Contractor is expected to make substantially uniform progress toward its goals in each craft during the period specified.

(f) Neither the provisions of any collective bargaining agreement, nor the failure by a union with whom the Contractor has a collective bargaining agreement, to refer either minorities or women shall excuse the Contractor's obligations hereunder.

(g) In order for the nonworking training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees must be employed by the Contractor during the training period, and the Contractor must have made a commitment to employ the apprentices and trainees at the completion of their training subject to the availability of employment opportunities. Trainees must be trained pursuant to training programs approved by the U.S. Department of Labor.

(h) The Contractor shall take specific affirmative actions to ensure equal employment opportunity ("EEO").

The evaluation of the Contractor's compliance with these provisions shall be based upon its good faith efforts to achieve maximum results from its actions. The Contractor shall document these efforts fully, and shall implement affirmative action steps at least as extensive as the following:

(1) Ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which the Contractor's employees are assigned to work. The Contractor, where possible, will assign two or more women to each phase of the construction project. The Contractor, shall specifically ensure that all foremen, superintendents, and other supervisory personnel at the Premises are aware of and carry out the Contractor's obligation to maintain such a working environment, with specific attention to minority or female individuals working at the Premises.

(2) Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the Contractor or its unions have employment opportunities available, and maintain a record of the organizations' responses.

(3) Maintain a current file of the names, addresses and telephone numbers of each minority and female off-the-street applicant and minority or female referral from a union, a recruitment source or community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the Contractor by the union or, if referred, not employed by the Contractor, this shall be documented in the file with the reason therefor, along with whatever additional actions the Contractor may have taken.

(4) Provide immediate written notification to the Lessee when the union or unions with which the Contractor has a collective bargaining agreement has not referred to the Contractor a minority person or woman sent by the Contractor, or when the Contractor has other information that the union referral process has impeded the Contractor's efforts to meet its obligations.

(5) Develop on-the-job training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and training programs relevant to the Contractor's employment needs, especially those programs funded or approved by the Department of Labor. The Contractor shall provide notice of these programs to the sources compiled under subparagraph (2) above.

(6) Disseminate the Contractor's EEO Policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the Contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the Contractor's newspaper, annual report, etc.; by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and by posting the Contractor's EEO policy on bulletin boards accessible to all employees at each location where construction work is performed.

(7) Review, at least every six months the Contractor's EEO policy and affirmative action obligations hereunder with all employees having any responsibility for hiring, assignment, layoff, termination or other employment decision including specific review of these items with on-Premises supervisory personnel such as Superintendents, General Foremen, etc., prior to the initiation of construction work at the Premises. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.

(8) Disseminate the Contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the Contractor's EEO policy with other Contractors and Subcontractors with whom the Contractor does or anticipates doing business.

(9) Direct its recruitment efforts, both oral and written, to minority, female and community organizations, to schools with minority and female students and to minority and female recruitment and training organizations and to State-certified minority referral agencies serving the Contractor's recruitment area and employment needs. Not later than one month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the Contractor shall send written notification to organizations such as the above, describing the openings, screening procedures, and tests to be used in the selection process.

(10) Encourage present minority and female employees to recruit other minority persons and women and, where reasonable, provide after school, summer and vacation employment to minority and female youth both on the Premises and in areas of a Contractor's workforce.

(11) Tests and other selecting requirements shall comply with 41 CFR Part 60-3.

(12) Conduct, at least every six months, an inventory and evaluation of all minority and female personnel for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.

(13) Ensure that seniority practices, job classifications, work assignments and other personnel practices, do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the Contractor's obligations hereunder are being carried out.

(14) Ensure that all facilities and company activities are nonsegregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.

(15) Document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitations to minority and female contractor associations and other business associations.

(16) Conduct a review, at least every six months, of all supervisors' adherence to and performance under the Contractors' EEO policies and affirmative action obligations.

(i) Contractors are encouraged to participate in voluntary associations which assist in fulfilling one or more of their affirmative action obligations (subparagraphs (1)-(16) of Paragraph (h) above). The efforts of a contractor association, joint contractor-union, contractor-community, or other similar group of which the Contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under Paragraph (h) hereof provided that: the

Contractor actively participates in the group, makes good faith efforts to assure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the Contractor's minority and female workforce participation, makes good faith efforts to meet its individual goals and timetables, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the Contractor. The obligation to comply, however, is the Contractor's and failure of such a group to fulfill an obligation shall not be a defense for the Contractor's non-compliance.

(j) A single goal for minorities and a separate single goal for women have been established. The Contractor, however, is required to provide equal opportunity and to take affirmative action for all minority groups, both male and female, and all women, both minority and non-minority. Consequently, the Contractor may be in violation hereof if a particular group is employed in a substantially disparate manner (for example, even though the Contractor has achieved its goals for women generally, the Contractor may be in violation hereof if a specific minority group of women is underutilized).

(k) The Contractor shall not use the goals and timetables or affirmative action standards to discriminate against any person because of race, color, religion, sex or national origin.

(l) The Contractor shall not enter into any subcontract with any person or firm debarred from Government contracts pursuant to Executive Order 11246.

(m) The Contractor shall carry out such sanctions and penalties for violation of this clause including suspension, termination and cancellation of existing subcontracts as may be imposed or ordered by the Lessee. Any Contractor who fails to carry out such sanctions and penalties shall be in violation hereof.

(n) The Contractor, in fulfilling its obligations hereunder shall implement specific affirmative actions steps, at least as extensive as those standards prescribed in paragraph (h) hereof so as to achieve maximum results from its efforts to ensure equal employment opportunity. If the Contractor fails to comply with the requirements of these provisions, the Lessee shall proceed accordingly.

(o) The Contractor shall designate a responsible official to monitor all employment related activity to ensure that the company EEO policy is being carried out, to submit reports relating to the provisions hereof as may be required and to keep records. Records shall at least include for each employee the name, address, telephone numbers, construction trade, union affiliation if any, employee identification number when assigned, social security number, race, sex, status (e.g. mechanical apprentice, trainee, helper, or laborer), dates of changes in status, hours worked per week in the indicated trade, rate of pay, and location at which the work is performed. Records shall be maintained in an easily understandable and retrievable form; however, to the degree that existing records satisfy this requirement, contractors shall not be required to maintain separate records.

(p) Nothing herein provided shall be construed as a limitation upon the application of any laws which establish different standards of compliance or upon the application of requirements for the hiring of local or other area residents (e.g., those under the Public Works Employment Act of 1977 and the Community Development Block Grant Program).

(q) Without limiting any other obligation, term or provision under the Lease, the Contractor shall cooperate with all federal, state or local agencies established for the purpose of implementing affirmative action compliance programs and shall comply with all procedures and guidelines established or which may be established by the Port Authority.

PART II. MINORITY BUSINESS ENTERPRISES AND WOMEN-OWNED BUSINESS ENTERPRISES

As a matter of policy the Port Authority requires the Lessee and the Lessee shall itself and shall require the general contractor or other construction supervisor and each of the Lessee's contractors to use every good faith effort to provide for meaningful participation by Minority Business Enterprises (MBEs) and Women-owned Business Enterprises (WBEs) in the construction work pursuant to the provisions of this Schedule E. For purposes hereof, "Minority Business Enterprise" "(MBE)" shall mean any business enterprise which is at least fifty-one percentum owned by, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by citizens or permanent resident aliens who are minorities and such ownership is real, substantial and continuing. For the purposes hereof, "Women-owned Business Enterprise" "(WBE)" shall mean any business enterprise which is at least fifty-one percentum owned by, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by women and such ownership is real, substantial and continuing. A minority shall be as defined in paragraph II(c) of Part I of this Schedule E. "Meaningful participation" shall mean that at least seventeen percent (17%) of the total dollar value of the construction contracts (including subcontracts) covering the construction work are for the participation of Minority Business Enterprises and Women-owned Business Enterprises, of which at least twelve percent (12%) are for the participation of Minority Business Enterprises. Good faith efforts to include meaningful participation by MBEs and WBEs shall include at least the following:

(a) Dividing the work to be subcontracted into smaller portions where feasible.

(b) Actively and affirmatively soliciting bids for subcontracts from MBEs and WBEs, including circulation of solicitations to minority and female contractor associations. The Contractor shall maintain records detailing the efforts made to provide for meaningful MBE and WBE participation in the work, including the names and addresses of all MBEs and WBEs contacted and, if any such MBE or WBE is not selected as a joint venturer or subcontractor, the reason for such decision.

(c) Making plans and specifications for prospective construction work available to MBEs and WBEs in sufficient time for review.

(d) Utilizing the list of eligible MBEs and WBEs maintained by the Port Authority or seeking minorities and women from other sources for the purpose of soliciting bids for subcontractors.

(e) Encouraging the formation of joint ventures, partnerships or other similar arrangements among subcontractors, where appropriate, to insure that the Lessee and Contractor will meet their obligations hereunder.

(f) Insuring that provision is made to provide progress payments to MBEs and WBEs on a timely basis, preferably bi-weekly, and that retainage it paid to MBEs and WBEs when they have completed their work.

(g) Not requiring bonds from and/or providing bonds and insurance for MBEs and WBEs, where appropriate.

(h) Requiring each contractor to submit to the Lessee with each payment request evidence that all MBE and WBE Contractors have been paid in accordance with their contract.

Certification of MBEs and WBEs hereunder shall be made by the Office of Business and Job Opportunity of the Port Authority. If the Contractor wishes to utilize a firm not already certified by the Port Authority, it shall submit to the Port Authority a written request for a determination that the proposed firm is eligible for certification. This shall be done by completing and forwarding such form as may be then required by the Port Authority. All such requests shall be in writing addressed to the Office of Business and Job Opportunity, the Port Authority of New York and New Jersey, One World Trade Center, 63 East, New York, New York 10048 or such other address as the Port Authority may specify by notice to the Lessee. Certification shall be effective only if made in writing the Director in charge of the Office of Business and Job Opportunity of the Port Authority. The determination of the Port Authority shall be final and binding.

The Port Authority has compiled a list of the firms that the Port Authority has determined satisfy the criteria for MBE and WBE certification. This list may be supplemented and revised from time to time by the Port Authority. Such list shall be made available to the Contractor upon request. The Port Authority makes no representation as the financial responsibility of such firms, their technical competence to perform, or any other performance-related qualifications.

Only MBE's and WBE's certified by the Port Authority will count toward the MBE and WBE goals.

Please note that only sixty percent (60%) of expenditures to MBE or WBE suppliers will count towards meeting the MBE and WBE goals. However, expenditures to MBE or WBE manufacturer's (i.e. suppliers that produce goods from raw materials or substantially alter them

before resale) are counted dollar for dollar.

For the Port Authority

Initialled:

For the Lessee

SCHEDULE F

LOCAL BUSINESS ENTERPRISES COMMITMENT

As a matter of policy the Port Authority hereby requires the Lessee and the Lessee shall require any Contractor utilized by the Lessee to perform construction work on the Premises to comply with the provisions set forth hereinafter in this Schedule F.

(1) The Lessee and each Contractor shall use every good faith effort to maximize the participation of Local Business Enterprises (LBEs) in all construction work on the Premises, including without limitation the Section 2B Work. In order to assure familiarity with the services and materials provided by LBEs, the Contractor shall attend such meetings as may be called by the General Manager of the Airport on LBEs and shall contact the Queens Air Services Development Office (ASDO), located at John F. Kennedy International Airport, Bldg. 80, First Floor, South Service Court, Jamaica, NY 11430 to obtain LBE Vendor Profiles and access ASDO's on-line vendor retrieval system (BASIS). The Port Authority has not checked the references, capabilities or financial background of the LBEs registered with the ASDO, but is referring the Contractor to the ASDO and BASIS solely for the purpose of advising Contractors of LBDs who may be interested in providing services and/or materials to the Contractor.

(2) Good faith efforts to include participation by LBEs in construction work shall include at least the following:

(i) Dividing the work to be subcontracted and services and materials to be procured into small portions, where feasible.

(ii) Soliciting bids on portions of the work to be subcontracted and services and materials to be procured from LBE's registered with ASDO and such other LBEs as the Contractor deems appropriate.

(3) The Port Authority is committed to making employment opportunities available to local residents and expects that the Contractor will utilized LBEs.

(4) It is specifically understood and agreed that the requirements set forth herein for the participation of LBEs shall not alter, limit, diminish or modify any of the obligations under

this Lease including, without limitation, the obligation to put into effect the affirmative action program and the MBE and WBE programs in accordance with the provisions set forth above in Schedule E hereof.

For the Port Authority

Initialled:

For the Lessee

EXEMPTION (4) – DRAWINGS OF NON-PUBLIC AREAS

RECOGNITION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

This Recognition, Non-Disturbance and Attornment Agreement (this "Agreement"), dated as of the 31st day of July, 2002 between THE CITY OF NEW YORK, a municipal corporation of the State of New York, acting by and through its Department of Business Services, having its offices at 110 William Street, New York, New York 10038 (the "City"), and AMERICAN AIRLINES, INC., a corporation organized under the laws of the State of Delaware, having an address at MD 5317, 4333 Amon Carter Boulevard, Fort Worth, Texas 76155 ("American").

WITNESSETH:

WHEREAS, the City has leased John F. Kennedy International Airport located in the County of Queens, State of New York (the "Airport" or "JFK") to The Port Authority of New York and New Jersey (the "Port Authority") pursuant to that certain Agreement with respect to Municipal Air Terminals, dated April 17, 1947, and thereafter amended and supplemented from time to time (said Agreement, as so amended and supplemented, or as amended or supplemented or replaced by an Applicable Airport Lease Extension Agreement (as defined in the American Lease (hereinafter defined)), being referred to herein as the "Port Authority Lease") (the City, or its successor-in-interest, including, without limitation, any tenant under a lease for the Airport, into which the City hereafter enters (but in any event excluding the Port Authority, its affiliates and their respective successors-in-interest) is hereinafter referred to as "Fee Owner");

WHEREAS, American is the lessee and operator of the air passenger terminal facility located on that certain site more fully described in the American Lease (as hereinafter defined) at JFK;

WHEREAS, American is engaged in the development, construction and operation of air passenger terminal facilities and wishes to substantially redevelop, renovate, expand and improve the existing air passenger terminal on the American Site (as hereinafter defined) and to construct additional improvements on the American Site and the Airport, all of which are more fully described in the American Lease (said redevelopment, renovation, expansion, improvement, construction and operation being the "Project");

WHEREAS, in furtherance of the foregoing, (a) American has entered into a certain agreement of lease with the Port Authority dated as of August 1, 1976, bearing Port Authority Lease No. AYB-085 (the "Lease AYB-085"), pursuant to which a certain portion of the American Site was demised to American (the "Lease AYB-085 Premises"), as more particularly described in Lease AYB-085 and shown on Exhibit 1.1 of the Amended and Restated Lease AYB-085R (as hereinafter defined); and (b) American has entered into a certain Amended and Restated Agreement of Lease with the Port Authority dated as of December 22, 2000, bearing Port Authority Lease No. AYB-085R (the "Amended and Restated Lease AYB-085R"), pursuant to which (i) the Port Authority continued to let the Lease AYB-085 Premises to American, less certain portions of the Lease AYB-085 Premises more particularly shown in crosshatching on Exhibit 1.1 to the Amended and Restated Lease AYB-085R (the "Surrendered Premises"), and (ii) the Port Authority demised to American certain additional land at the Airport more particularly shown in stippled-diagonal hatching on said Exhibit 1.1 (the "Additional Premises"), together with, inter alia, all improvements, buildings and structures which were erected thereon by American under Lease AYB-085 and certain Former Agreements (as defined in the Amended and Restated Lease AYB-085R) (the Lease AYB-085, as amended, supplemented and restated by the Amended and Restated Lease AYB-085R, and as further

amended and supplemented by a certain First Supplemental Agreement between the Port Authority and American dated as of July 31, 2002, being the "American Lease"; and the Lease covering the Premises (less the Surrendered Premises) and the Additional Premises constituting and being the "American Site"), such American Site being more particularly shown on the two maps which are each entitled, "Terminals 8 and 9 Lease Line Modification (American Airline)", each dated September 27, 1999, and each prepared by the Aviation Department and Project Management and Technical Services Division of the Port Authority (copies of which maps are attached hereto, collectively, as Schedule A);

WHEREAS, in furtherance of the Project, American has leased certain improvements on the American Site to the IDA (as hereinafter defined) pursuant to and as more fully provided in a Company Sublease Agreement between the IDA and American of even date herewith;

WHEREAS, the American Lease expires (the "Expiration Date") by its terms on December 30, 2015, but is subject to, provided there is an Airport Lease Extension Agreement (as defined in the American Lease), extension to a date which is the first to occur of (i) the day immediately prior to the date of expiration of the Applicable Airport Lease Extension Agreement and (ii) December 21, 2036 and (iii) the day immediately preceding the thirtieth (30th) anniversary of the Redevelopment Work Completion Date (as defined in the American Lease);

WHEREAS, the American Lease is subject to earlier termination in the event that, inter alia, the Port Authority Lease is terminated prior to its stated expiration date;

WHEREAS, American is financing the development and construction of the Project in part through the issuance by the New York City Industrial Development Agency (the "IDA") of its Special Facility Revenue Bonds in a series of yet undetermined tranches, which

tranches in an aggregate principal amount shall not exceed two billion three hundred million dollars ($2,300,000,000) and the last stated maturity date of any such tranche shall not be after December 1, 2036 (said IDA Special Facility Revenue Bonds being hereinafter collectively referred to as the "Bonds"). All of the Bonds are being issued under and secured by a Master Indenture of Trust (as the same may be amended, modified, supplemented or restated from time to time) by and between the IDA and The Bank of New York, as Trustee (the "Trustee") (the "Indenture"), and the repayment of which is provided for by, inter alia, an IDA Lease Agreement (as the same may be amended, modified, supplemented or restated from time to time) by and between the IDA, as lessor, and American, as lessee;

WHEREAS, the City and American have entered into a certain Agreement Towards Entering Into A Lease (the "ATEIL") pursuant to which they have agreed in the circumstances and on the terms set forth therein to act in good faith to negotiate a New American Lease as defined therein; and

WHEREAS, American wishes to protect its interest in the American Site in the event of the termination (but not expiration) of the Port Authority Lease prior to the stated expiration date of the Port Authority Lease (the "Fixed Expiration Date") (it being understood that as of the date hereof, said Fixed Expiration Date is December 31, 2015), and prior to the Expiration Date.

NOW THEREFORE, in consideration of the mutual covenants contained below, the parties covenant and agree as follows:

1. Subject to the other provisions of this Agreement, in the event of a termination (but not expiration) of the Port Authority Lease prior to the Fixed Expiration Date thereof and prior to the Expiration Date, the American Lease shall thereafter continue in full

force and effect as a direct lease between American and Fee Owner, upon all the terms and conditions of the American Lease, and the American Lease shall not be deemed terminated for any purpose other than as regards the Port Authority, or any person or entity succeeding to the interest of or claiming by, through or under the Port Authority (other than Fee Owner) (provided that at the time of such termination of the Port Authority Lease, unless waived by the City in its sole and absolute discretion, no default exists under the American Lease on the part of American and no event exists which would permit the Port Authority, as landlord thereunder, to terminate the American Lease or to exercise any dispossess remedy provided for therein or at law or in equity and provided, further, that American has possession of the American Site as tenant under the American Lease and no event has occurred which would permit the commencement of the exercise of the Reletting Rights (as defined in the American Lease) on notice or otherwise and no Approved Successor Lessee (as defined in the American Lease) has been appointed and no Triggering Event (as defined in the American Lease) has occurred), and Fee Owner agrees in which case to recognize the American Lease and the rights of American thereunder (including without limitation its rights to mortgage its leasehold as provided therein to secure repayment, or the guarantee of repayment, of the Bonds (a mortgage thus granted for such purpose being referred to herein as a "Mortgage")) and not to disturb the possession of American in and to the American Site, all in accordance with the terms and conditions of the American Lease as limited by this Agreement. Fee Owner agrees not to join American as a party defendant in any action or proceeding to terminate the Port Authority Lease or to recover possession of the American Site unless such joinder shall be required under applicable law, in which case such joinder shall not seek to disturb American's rights under this Agreement or American's possession of the American Site pursuant to this Agreement. Such recognition by Fee Owner shall be effective

and self-operative as of the date of termination of the Port Authority Lease without the execution of any further instrument. It is understood and agreed that for purposes of this Agreement, the Port Authority Lease shall not be deemed to have terminated, and no recognition or attornment shall take place, by reason of any termination of the Port Authority Lease simultaneously with a new lease, or agreement conferring a new lease, whereby the Port Authority continues as the lessee of the Airport without interruption or in the event of a Fee Transfer Date (as defined in the American Lease).

2. In the event of a termination of the Port Authority Lease as described in Section 1 hereof, then American shall attorn to Fee Owner and recognize Fee Owner as its landlord, and Fee Owner shall accept such attornment, and the American Lease shall continue as a direct lease between Fee Owner and American in accordance with its terms. Such attornment shall provide Fee Owner with all rights of the Port Authority under the American Lease, and American shall be obligated to Fee Owner to perform all of the obligations of American thereunder. In addition, American shall provide or cause to be provided to Fee Owner all the rights and protections afforded the Port Authority (when it was lessor under the American Lease) under the Leasehold Mortgage (as defined the American Lease) and under the Consent Agreement (as defined in the American Lease) (collectively, the "Mortgage and Consent Protections"). Such attornment by American and the Mortgage and Consent Protections shall be effective and self-operative as of the date of the termination of the Port Authority Lease as described in Section 1 hereof without the execution of any further instrument.

3. The other provisions of this Agreement notwithstanding, upon recognition and attornment by Fee Owner and American, respectively, as provided herein or otherwise, neither Fee Owner, nor anyone claiming by, through, or under Fee Owner shall be:

(i) liable for any act or omission of any prior landlord (including, without limitation, the then defaulting landlord) under the American Lease except for acts or omissions which are then continuing and are subject to being cured by Fee Owner; or

(ii) subject to any counterclaims, offsets or defenses which American may have against the prior landlord (including, without limitation, the then defaulting landlord) under the American Lease; or

(iii) bound by any payment of rent or other charges payable under the American Lease which American might have paid for more than one month to any prior landlord (including, without limitation, the then defaulting landlord) under the American Lease or to any other person; or

(iv) bound by any obligation to make any payment to American under the American Lease except with respect to (a) any amount payable from a fund, reserve, deposit, credit, receipt or other amount if actually held or received by Fee Owner for such purpose, or (b) any obligation which arises after attornment; or

(v) bound by any modification or amendment of the American Lease which reduces the rent payable under the American Lease or any other charges payable under the American Lease or shortens or lengthens the term thereof, or otherwise adversely affects the rights of the landlord thereunder or amends the Reletting Rights or similar rights afforded to any mortgagee, unless Fee Owner shall

have theretofore received a copy of the same and given its written consent thereto; or

(vi) liable for any underground storage tanks, asbestos or other hazardous or toxic substance present at the American Site; or

(vii) in the event of any condemnation, obligated to repair or restore the American Site or any part thereof; or

(viii) subject to any right of cancellation or termination which requires payment by the landlord thereunder of a charge, fee or penalty for such cancellation or termination, except if Fee Owner voluntarily exercises such right of cancellation or termination other than as a result of a casualty or condemnation; or

(ix) obligated to recognize, permit or be subject to, (A) any mortgage, lien, claim, encumbrance or security interest which is not a Qualified Mortgage (as hereinafter defined) or any rights or purported rights thereunder or (B) any Reletting Rights or similar type of rights other than by a Permitted Mortgagee (as hereinafter defined) in connection with a Qualified Mortgage held by such Permitted Mortgagee; or

(x) obligated to recognize any rights of American, or anyone claiming by, through or under American, (including without limitation, any mortgagee) after the first to occur of (A) the Fixed Expiration Date of the Port Authority Lease and (B) a Fee Transfer Date (as

defined in the American Lease) and (C) the Expiration Date, subject to earlier termination.

Upon the request of either American or Fee Owner, American or Fee Owner, as the case may be, shall promptly execute and deliver to the other an agreement or other instrument in recordable form which may be necessary or appropriate to evidence the recognition and attornment under this Agreement. In addition, upon the request of Fee Owner, American shall, and shall cause the IDA, AMR Corporation and The Bank of New York to, execute and deliver an agreement in recordable form necessary or appropriate to evidence the Mortgage and Consent Protections.

4. Notwithstanding anything set forth herein to the contrary, Fee Owner, if Fee Owner is the City or any of its agencies or instrumentalities, shall not be required to recognize American, or its otherwise permitted successor-in-interest, if any, as the direct tenant of Fee Owner under the American Lease if American or such otherwise permitted successor-in-interest, as the case may be, is a "Prohibited Person", as described in Exhibit A attached hereto.

5. It is hereby agreed, recognized and understood that in entering into this Agreement, Fee Owner is not in any manner whatsoever approving, recognizing or consenting or acquiescing to, any use, right to grant any use, occupancy, possession, right, claim, interest, tenancy or estate in or with respect to the Airport, or any portion thereof, including, without limitation, the American Site, by the Port Authority (or any person or entity succeeding to the interest of or claiming by, through or under the Port Authority other than American) or which the Port Authority (or any such person or entity) may assert, with respect to any period of time beyond the termination of the Port Authority Lease, notwithstanding any term or provision of the American Lease to the contrary or otherwise.

6. Notwithstanding anything set forth herein to the contrary, Fee Owner shall have no liability for damages or restitution to American or any person or entity succeeding to the interests of American under the American Lease if Fee Owner is unable to deliver possession of the American Site, or is unable to perform its obligations under the American Lease, because the Port Authority or any person or entity succeeding to the interest of or claiming by, through or under the Port Authority continues to use or occupy the American Site or any portion thereof after the termination of the Port Authority Lease or otherwise continues to use or possess or refuses to surrender or vacate the Airport or any portion thereof, including without limitation the American Site, after the termination of the Port Authority Lease. The foregoing does not constitute Fee Owner's agreement that the Port Authority (or any such person or entity) has permission to use or occupy the American Site or any portion thereof after the termination of the Port Authority Lease or otherwise continue to use, or occupy or possess the Airport or any portion thereof, including, without limitation, the American Site, after the termination of the Port Authority Lease. American shall be obligated to pay to Fee Owner all rental and other charges and all impositions to the appropriate regulatory authority under the American Lease, notwithstanding any failure by Fee Owner to give possession of the American Site to American or to perform its obligations under the American Lease, and the obligations of American to pay any and all such rental and other charges to Fee Owner and all such impositions to the appropriate regulatory authority under the American Lease shall be independent of and not conditional upon Fee Owner's delivery of possession of the American Site to American or Fee Owner's performance of its obligations under the American Lease, if Fee Owner is unable to deliver such possession or perform such obligations because the Port Authority or any person or entity succeeding to the interest of or claiming by, through or under the Port Authority continues

use, occupy or possess the American Site or any portion thereof after the termination of the Port Authority Lease or otherwise continues to use, possess or occupy or refuses to surrender or vacate the Airport or any portion thereof, including without limitation, the American Site, after the termination of the Port Authority Lease.

7. This Agreement shall automatically terminate if Fee Owner has transferred fee title and ownership of the Airport, including the American Site, to the Port Authority, or any affiliate thereof, directly or indirectly, through one or more entities. This Agreement shall also automatically terminate upon the commencement of the New American Lease (as defined and provided for in the ATEIL). Additionally, this Agreement shall terminate at Fee Owner's option, upon written notice to American, upon any termination of the ATEIL for any other reason whatsoever, other than solely because of the entry into a New American Lease or an Extended Port Authority Lease (as defined in the ATEIL) with an expiration date which is on or after the Maximum American Lease Expiration Date (as defined in the ATEIL). Further, in the event this Agreement survives the termination of the ATEIL due solely to such entry into a New American Lease or Extended Port Authority Lease with an expiration date which is on or after the Maximum American Lease Expiration Date, this Agreement shall nevertheless terminate at the City's option upon notice to American if an event occurs thereafter which would have permitted termination of the ATEIL, or this Agreement, if the ATEIL were still in effect, or an event occurs permitting termination (or constituting a failure of a condition to the effectiveness) of the New American Lease. Upon any expiration or termination of this Agreement, all rights and obligations hereunder, shall terminate, and the City's right to dispose, convey, lease, assign or transfer the American Site or enter into any agreement to do so shall not

restricted or limited by this Agreement or any agreement or instrument entered into pursuant or to evidence the terms of this Agreement.

8. This Agreement shall inure to the benefit of Fee Owner, American and their respective permitted successors-in-interest and their permitted successors and assigns and shall be binding upon the successor-in-interest of the parties hereto and their permitted successors and assigns. Except as otherwise expressly provided in this Section, this Agreement shall not be assigned, transferred, pledged or otherwise encumbered by American without the written consent of the City, which consent shall be given or withheld in the City's sole and absolute discretion, provided, however, that this Agreement may be assigned in its entirety without such consent to any successor in interest of American which becomes tenant under the American Lease is or is to be a Scheduled Aircraft Operator (as hereinafter defined), and with or into which American has merged or consolidated, or which has succeeded to the assets of American or the major portion of its assets related to its air transportation system, but in any such event, such assignment shall not take effect before the assignee is actually engaged in the business of scheduled transportation by Aircraft (as defined in the American Lease), and provided, further, that such succeeding entity or purchaser (whether it be American or any other entity or purchaser) satisfies the Financial Tests in Section 19 of the American Lease, and/or provides the Consent Security Deposit as required, and executes and delivers to the City an instrument in a form satisfactory to the City assuming the obligations of American as if it was the original party to this Agreement. The term "Scheduled Aircraft Operator" shall have the meaning ascribed to it in the American Lease, except that it shall be an additional requirement that such operator shall not be a Prohibited Person.

9. As used in this Agreement, the term "Qualified Mortgage" means a Mortgage which is an IDA Mortgage (as defined in the ATEIL) and (i) which by its terms does not extend to or affect, or represent a lien or encumbrance on, the estate or interest of Fee Owner in the American Site or any property located therein or thereon, (ii) which includes a provision stating that "This instrument does not extend to or affect, or represent a lien or encumbrance on, the estate or interest of the fee owner of the premises that are the subject of this instrument or any property located therein or thereon, and in the event of any inconsistent provision in this instrument this provision shall prevail", (iii) is held by a Permitted Mortgagee, and (iv) which is not subject to any rights of the Port Authority, and its successors and assigns (other than Fee Owner) and under or with respect to which the Port Authority, and its successors and assigns (other than Fee Owner), do not have any rights. A Permitted Mortgagee is defined as The Bank of New York or another trustee who is not a Prohibited Person (as described in Exhibit A hereto) who has been appointed pursuant to and in accordance with the Indenture and to whom the prior Permitted Mortgagee has assigned or transferred the Qualified Mortgage.

10. Nothing contained in this Agreement shall be deemed to operate as consent to any breach of the Port Authority Lease or any waiver of the City's rights and remedies pursuant to the Port Authority Lease.

11. No member, director, official, officer, agent or employee of any party hereto shall be charged personally or held contractually liable by or to the other party hereto under any term or provision of this Agreement, or of any other agreement, document or instrument executed in connection therewith, or of any supplement, modification, or amendment to this Agreement, or to such other agreement, document or instrument, or because of any breach or alleged breach of this Agreement, or such other agreement, document or instrument, or

because of its or their execution or attempted execution. This Section 11 shall survive the expiration or termination of this Agreement.

12. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original.

13. This Agreement shall be recorded in full by or through, or on behalf of, American, in the Register's Office of Queens County at the sole cost and expense of American. Without limiting the foregoing, American shall pay any and all transfer and document taxes and charges in connection with the execution of this Agreement. Fee Owner agrees to join in the execution of such forms as the be necessary in order to record this Agreement. Upon the expiration or earlier termination of this Agreement for any reason whatsoever, American covenants, upon demand by the City, to execute in recordable form an instrument (the "Release") prepared by the City in which American represents, stipulates and agrees that this Agreement is terminated and does not encumber or burden the American Site or any other premises affected by this Agreement. The City at its option may record the Release against the American Site or any other affected premises. American further covenants to execute and deliver such other instruments as may be necessary in order to record the Release against the American Site or such premises. If American fails to execute and deliver to the City such instrument in recordable form within ten (10) days after being furnished with same by the City, the City may execute same on behalf of American, and American hereby irrevocably and conclusively appoints the City as its attorney in fact to execute the Release, and such other instruments as may be necessary to record the Release, on behalf of American. American further agrees to provide such further assistance as may be necessary or convenient in order to effectuate the purposes of this Section 13. This Section 13 shall survive the expiration or termination of this Agreement.

14. It is expressly understood and agreed that the City (i) may transfer, sell, lease, assign, grant, dispose of or license any interest in, and/or make alternative arrangements for the operation and/or management of, all or any portion of JFK, including, without limitation, that portion of JFK which includes the American Site, provided, however, that if this Agreement has not terminated such transferee, vendee, lessee, assignee, grantee, licensee, manager or operator shall take its interest subject to this Agreement for the period of this Agreement, and (ii) may assign or delegate to another person or entity succeeding to the rights or interests of the City with respect to the American Site (a "Successor Entity"), without recourse, all or any of the rights and obligations of the City under this Agreement, provided, however, that if this Agreement has not terminated such Successor Entity shall take its interest subject to this Agreement for the period of this Agreement. Nothing contained in this Agreement shall be construed to limit the City's right to effect such transfer, sale, lease, assignment, grant, disposition or license of any interest in and/or alternative arrangement with regard to JFK, and American agrees to recognize the rights assigned and/or to accept performance of the obligations delegated by the City to any such Successor Entity. Furthermore, American recognizes that the City is under no obligation to continue to operate JFK, or cause JFK to be operated, as an airport.

15. Whenever in this Agreement it is provided herein that notice, demand, request, consent, approval or other communication shall or may be given to, or served upon, either of the parties by the other, or whenever either of the parties desires to give or serve upon the other any notice, demand, request, consent, approval or other communication with respect hereto or to the American Site, each such notice, demand, request, consent, approval or other communication shall be in writing and shall be effective for any purpose only if given or served as follows:

(i) If to American, by hand with proof of delivery or by mailing the same to American by express or certified mail, postage prepaid, return receipt requested, addressed to:

American Airlines, Inc.
4333 Amon Carter Boulevard
MD 5317
Forth Worth, Texas 76155
Attention: Vice-President, Corporate Real Estate

with a copy to:

American Airlines, Inc.
4333 Amon Carter Boulevard
MD 5618
Fort Worth, Texas 76155
Attention: General Counsel

or to such other address as American may from time to time designate by notice given to the City by express or certified mail, return receipt requested.

(ii) If to City (or Fee Owner), by hand with proof of delivery or by mailing the same to City by express or certified mail, postage prepaid, return receipt requested, one addressed to:

The City of New York
City Hall
New York, New York 10007
Attention: Deputy Mayor for Economic Development
and Rebuilding

and one to:

The City of New York Department of Business Services
110 William Street, Third Floor
New York, New York 10038
Attention: Commissioner

and one to:

New York City Economic Development Corporation
110 William Street
New York, New York 10038
Attention: General Counsel

with a copy to:

The New York City Law Department
100 Church Street
New York, New York 10007
Attention: Chief, Economic Development Division

or to such other address(es) and attorneys as City (or Fee Owner), may from time to time designate by notice given to American by express or certified mail, return receipt requested.

Every notice, demand, request, consent, approval or other communication hereunder shall be deemed to have been given or served three (3) days after the time that the same shall have been actually deposited in the United States mails, postage prepaid, as aforesaid, except that notice by express or certified mail, return receipt requested, shall be deemed effective on the date such receipt is dated by the Post Office or express mail carrier, as the case may be, and notice by hand shall be effective upon delivery, as evidenced by a signed receipt.

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

APPROVED AS TO FORM:

By: _____
Acting Corporation Counsel

THE CITY OF NEW YORK

By: _____
Name: Robert Walsh
Title: Commissioner of the Department of Business Services

AMERICAN AIRLINES, INC.

By: Leslie M Benners
Name:
Title: Leslie M. Benners
Managing Director
Corporate Finance & Banking

STATE OF NEW YORK)
:SS.:
COUNTY OF NEW YORK)

On the 30 day of July, in the year two thousand and two, before me, the undersigned, a ~~Notary Public/Commissioner of Deeds~~ *in and for said State/The City of New York*, personally appeared Robert Walsh, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual executed the instrument.

Betty Woo

Notary Public

BETTY C. WOO
Notary Public, State of New York
No. 4990740
Qualified in Kings County
Commission Expires January 13, 2005

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

On the 31st day of July, in the year two thousand and two, before me, the undersigned, personally appeared Leslie M. Benners, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

GARY R. BASSO
NOTARY PUBLIC, State of New York
No. 4880911
Qualified in Westchester County
Commission Expires Dec. 29, 2002

EXHIBIT A

"Prohibited Person" shall mean:

(i) Any Person (A) that is in default or in breach, beyond any applicable grace period, of its obligations under any material written agreement with the City or the New York City Economic Development Corporation ("EDC"), or (B) that directly or indirectly controls, is controlled by, or is under common control with a Person that is in default or in breach, beyond any applicable grace period, of its obligations under any material written agreement with the City or EDC, unless such default or breach has been waived in writing by the City or EDC, as the case may be.

(ii) Any Person (A) that has been convicted in a criminal proceeding for a felony or any crime involving moral turpitude (other than any felony conviction of AMR Corporation (American's parent corporation) arising out of United States of America v. AMR Corporation, United States District Court, Southern District of Florida, Miami Division, Case No. 99-00902-CR-Highsmith) or that is an organized crime figure or is reputed to have substantial business or other affiliations with an organized crime figure, or (B) that directly or indirectly controls, is controlled by, or is under common control with a Person that has been convicted in a criminal proceeding for a felony or any crime involving moral turpitude (other than any felony conviction of AMR Corporation (American's parent corporation) arising out of United States of America v. AMR Corporation, United States District Court, Southern District of Florida, Miami Division, Case No. 99-00902-CR-Highsmith) or that is an organized crime figure or is reputed to have substantial business or other affiliations with an organized crime figure.

(iii) Any government, or any Person that is directly or indirectly controlled (rather than only regulated) by a government, that is finally determined to be in violation of (including, but not limited to any participant in an international boycott in violation of) the Export Administration Act of 1979, as amended, of any successor statute, or the regulations issued pursuant thereto, or any government that is, or any Person that, directly or indirectly, is controlled (rather than only regulated) by a government that is subject to the regulations or controls thereof.

(iv) Any government, or any Person that, directly or indirectly, is controlled (rather than only regulated) by a government, the effects or the activities of which are regulated or controlled pursuant to regulations of the United States Treasury Department or executive orders of the President of the United States of America issued pursuant to the Trading with the Enemy Act of 1917, as amended.

(v) Any Person that is in default in the payment to the City of any real estate taxes, sewer rents or water charges totaling more than $10,000 (or any Person that directly controls, is controlled by, or is under common control with a Person in such default), unless such default is then being contested in good faith and with due diligence in accordance with the law.

(vi) Any Person (A) that has owned at any time in the preceding three (3) years any property which, while in the ownership of such Person, was acquired by the City by in rem tax foreclosure, other than a property in which the City has released or is in the process of releasing its interest to such Person pursuant to the Administrative Code of the City or (B) that, directly or indirectly, controls, is controlled by, or is under common control with such a Person.

The determination as to whether any Person is an organized crime figure or is reputed to have substantial business or other affiliations with an organized crime figure, or directly or indirectly controls, is controlled by, or is under common control with a Person that is an organized crime figure or is reputed too have substantial business or other affiliations with an organized crime figure shall be within the sole discretion of the City exercised reasonably and in good faith.

SCHEDULE A

EXEMPTION (4) – DRAWINGS OF NON-PUBLIC AREAS

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

John F. Kennedy International Airport
Supplement No. 1
Port Authority Lease No. AYB-085R

FIRST SUPPLEMENTAL AGREEMENT

THIS AGREEMENT (sometimes referred to as "First Supplemental Agreement" or as "Supplement No. 1" of the Lease), made as of July 31, 2002 (the "Supplement One Effective Date") by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter referred to as the "Port Authority") and AMERICAN AIRLINES, INC., a corporation organized under the laws of the State of Delaware (hereinafter referred to as the "Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee as of the first day of August, 1976 entered into an agreement of lease bearing Port Authority agreement number AYB-085 covering certain premises at John F. Kennedy International Airport (hereinafter called the "Airport") as therein set forth, which agreement of lease, as amended, supplemented and modified, was further amended, supplemented and modified, and restated, in an Amended and Restated Agreement of Lease made as of the 22nd day of December, 2000 and bearing Port Authority Agreement No. AYB-085R (said agreement of lease as heretofore amended, supplemented, modified and restated is hereinafter called the "Lease"); and

WHEREAS, the Port Authority and the Lessee desire to (i) permit the Lessee to mortgage its leasehold interest under the Lease, as herein amended, on certain terms and conditions as hereinafter set forth and (ii) otherwise amend and supplement the Lease as provided herein;

NOW, THEREFORE, in consideration of the covenants and mutual agreements herein contained, the Port Authority and the Lessee hereby agree to supplement and amend the Lease, effective as of the Supplement One Effective Date, as follows:

1. Section 3 of the Lease entitled "Term" shall be amended as follows:

(a) Paragraph (a) thereof shall be amended as follows:

(i) Subparagraph (3) thereof shall be amended to read as follows:

"(3) 'Applicable Airport Lease Extension Agreement' shall mean on any specific date, the most recent Airport Lease Extension

Agreement that the City of New York and the Port Authority shall have entered into and which is in full force and effect on such specific date."

(ii) There shall be added a new subparagraph (13) and a new subparagraph (14) thereto to read as follows:

"(13) 'Term' shall have the meaning set forth in paragraph (b) of this Section.

(14) 'Extension Supplement' shall have the meaning set forth in paragraph (d) of this Section."

(b) Paragraph (b) thereof shall be deleted in its entirety and the following new paragraph (b) shall be inserted in lieu thereof to read as follows:

"(b) (i) 'Expiration Date' shall mean December 30, 2015, provided, however, that if there is an Airport Lease Extension Agreement, then the Expiration Date is the date which is the first to occur of (A) the day prior to the date of expiration of the Applicable Airport Lease Extension Agreement and (B) December 21, 2036 and (C) the day immediately preceding the thirtieth (30th) anniversary of the Redevelopment Work Completion Date; provided further however, that in the event there shall be a Fee Transfer Date, the Expiration Date shall be the Final Lease Extension Date.

(ii) The term of this Lease, as the same shall have commenced under Lease AYB-085 shall, unless sooner terminated, expire on the Expiration Date. On any specific date, the Term shall be the period from August 1, 1976 to the then effective Expiration Date."

(c) Paragraphs (c) and (d) of Section 3 shall be deleted therefrom in their entirety and the following new paragraphs (c) and (d) shall be inserted in lieu thereof to read as follows:

"(c) In the event that all of the Required Conditions shall not have occurred prior to December 30, 2015, then this Lease and the letting hereunder shall in any event automatically terminate without notice to the Lessee on December 30, 2015 notwithstanding any Applicable Airport Lease Extension Agreement or any previously executed Extension Supplement. Such termination shall be and operate as a conditional limitation. In the event any court of competent jurisdiction shall not give full and complete effect to this termination provision and its operation as a conditional limitation, the Lessee and the Port Authority agree, as a condition of this Agreement, and not merely as a covenant, that this Agreement and the stated term of the letting hereunder shall nonetheless, from and after the effective date of termination provided above, be deemed to have expired.

(d) (1) The Port Authority may, at its sole option and discretion, and without any obligation to do so, after the execution of an Applicable Airport Lease Extension Agreement,

tender to the Lessee a proposed supplement to this Lease (each such proposed supplement being hereinafter called a 'Proposed Extension Supplement') for execution by the Lessee, which Proposed Extension Supplement shall include such terms and provisions as the Port Authority may determine appropriate in connection with such Applicable Airport Lease Extension Agreement or otherwise, it being understood that no Proposed Extension Supplement shall change the location or size of the Premises or the rentals hereunder, provided, however, notwithstanding the foregoing, each Proposed Extension Supplement may require the Lessee to pay to the Port Authority an additional rental ("Additional Rental") equal to the Port Authority's increased costs under or arising out of or resulting from said Applicable Airport Lease Extension Agreement or from any Permitted Tenancy (but the Lessee shall not be obligated to pay the Port Authority more than once for the same such increased costs under or arising out of or resulting from any Permitted Tenancy) directly or proportionately attributable or related to the Premises hereunder, this Lease, or the Lessee, provided, further, however, the Port Authority has advised the Lessee that it is the intention of the Port Authority that with respect to such increased costs of the Port Authority under or arising out of or resulting from any Applicable Airport Lease Extension Agreement or from any Permitted Tenancy, that all Aircraft Operators at the Airport which are similarly situated will be treated in a similar manner.

(2) (aa) In the event that the Lessee shall not have duly executed any Proposed Extension Supplement tendered to the Lessee by the Port Authority, with an informational copy sent to the Leasehold Mortgagee solely for informational purposes, and the Lessee shall not have delivered such Proposed Extension Supplement to the Port Authority within twenty-five (25) days after the Port Authority has tendered the same to the Lessee, then the Port Authority shall deliver a notice to the Lessee, with an informational copy sent to the Leasehold Mortgagee solely for informational purposes, which notice shall state that from and after the forty-sixth (46th) day after such tender of the Proposed Extension Supplement by the Port Authority to the Lessee (which 46th day is hereinafter called the 'Tender Rejection Date'), this Lease and the letting hereunder shall automatically terminate without notice to the Lessee (or to the Leasehold Mortgagee). From and after the Tender Rejection Date, this Lease and the letting hereunder shall automatically terminate without notice to the Lessee (or to the Leasehold Mortgagee), with such termination to be effective on the date that was the Expiration Date in effect prior to the automatic extension of the term of the letting hereunder by operation of the terms and provisions of paragraph (b) of this Section by virtue of the due execution of the Applicable Airport Lease Extension giving rise to said Proposed Extension Supplement. Such termination shall be and operate as a conditional limitation. In the event any court of competent jurisdiction shall not give full and complete effect to this termination provision and its operation as a conditional limitation, the Lessee and the Port Authority agree, as a condition of this Agreement, and not merely as a covenant, that this Agreement and the stated term of the letting hereunder shall nonetheless, from and after the effective date of termination provided above, be deemed to have expired.

(bb) Upon the due execution by the Port Authority and the Lessee of any Proposed Extension Supplement and delivery thereof by the Port Authority to the Lessee, such Proposed Extension Supplement shall be and become an 'Extension Supplement'. The Additional Rental payable under all Extension Supplements is herein collectively called the 'Extension Rentals'."

(d) The following new subparagraph (iv) shall be inserted immediately after subparagraph (iii) of paragraph (e)(2) thereof to read as follows:

"(iv) Notwithstanding anything to the contrary in subparagraph (ii) above, the Port Authority recognizes that the Lessee and The City of New York intend to enter into (A) an Agreement Towards Entering Into a Lease in the form attached hereto and marked 'Exhibit 3.1' (hereinafter called the 'American-City Agreement'), (B) a lease, which will be entered into pursuant to the American-City Agreement, containing, among other terms and conditions, substantially the terms and conditions set forth in Exhibit A to the American-City Agreement, and (C) a recognition, non-disturbance and attornment agreement substantially in the form attached hereto and marked 'Exhibit 3.2' (hereinafter called the 'RNDA', and the American-City Agreement, the City-American Lease and the RNDA being hereinafter collectively called the 'City Agreements'); *provided, however,* that the City Agreements may not be amended in any way that the Port Authority determines would have a material adverse effect on the Port Authority without the express prior written consent of the Port Authority. In addition to and without limiting the foregoing, the City Agreements may not be amended, without the express prior written consent of the Port Authority, in any way that would have the effect of providing for a term of the City-American Lease other than as specified in Section 94 (a) (1) of the Lease, whether or not such amendment would have a material adverse effect on the Port Authority. The Port Authority agrees that the City Agreements shall not be and shall not be deemed to be a breach of this Lease; *provided, however,* that without limiting Section 94 hereof or any other term or condition of the Lease or the Consent Agreement (as defined in Section 92 hereof), the Lessee shall deliver a copy of the City-American Lease to the Port Authority not later than five (5) business days after the execution thereof by the City and the Lessee (as such term is defined in Section 3(e)(2)(iv) of the Lease); *provided, further, however,* that the receipt of such copy of the City-American Lease by the Port Authority shall not be binding on the Port Authority or waive or impair any rights or remedies of the Port Authority or require any action on the part of the Port Authority, and any action, or inaction, in connection with the receipt shall not be deemed to be a waiver or impairment of any rights or remedies that the Port Authority may have under the Lease or the Consent Agreement or otherwise. "

(e) A new paragraph (h) shall be inserted immediately after paragraph (g) thereof to read as follows:

"(h) (1) The following terms when used in this paragraph (h) shall have the respective meanings given below:

(i) 'Current Airport Lease' shall mean as of any particular date, the Airport Lease in effect on such date.

(ii) 'Current Airport Lease Expiration Date' shall mean as of the Supplement One Effective Date, the date December 31, 2015 (the then expiration date of the Basic Lease) and shall mean as of any date subsequent to the

Supplement One Effective Date, the date set forth in the Current Airport Lease for the expiration of the term of the letting under such Current Airport Lease.

(iii) 'Gap Period' shall mean the period occurring from 12:01 a.m. of the next day after the Current Lease Expiration Date to either (x) if there is an Applicable Airport Lease Extension Agreement, 11:59 p.m. of the Current Airport Lease Expiration Date first occurring after the commencement of such Gap Period or (y) if there is no Applicable Airport Lease Extension Agreement, 11:59 p.m. on December 31, 2015.

(2) Notwithstanding anything to the contrary in this Section 3, as long as the Port Authority has not given a notice of termination of the letting under this Lease in accordance with the requirements of such Lease, then during the Gap Period the Port Authority shall not commence any action against the Lessee seeking possession of the Premises or dispossession of the Lessee from the Premises unless the Port Authority is required to do so (whether required by contract, lease, law, court order or otherwise)."

1A. The last sentence of Section 4 II.(d)(1) of the Lease shall be amended to read as follows: "From and after the Building Rental End Date, if any, there shall be no Area II Building Rental payable under the Lease."

2. Section 32 of the Lease entitled "Notices" shall be amended by deleting the address, "One World Trade Center, New York, New York 10048" appearing in the eleventh (11th) line thereof and by inserting in lieu thereof the address "225 Park Avenue South, New York, New York 10003."

3. Section 37 of the Lease entitled "Termination by Lessee" shall be amended as follows:

(a) The first line of paragraph (a) thereof commencing with the word "If" and ending with a colon, shall be amended as follows:

"Except as otherwise provided in paragraph (d) of this Section, if any one or more of the following events shall occur:"

(b) The following new paragraph (d) shall be inserted immediately after paragraph (c) thereof to read as follows:

"(d) Notwithstanding paragraphs (a), (b) and (c) of this Section, the Lessee shall not have the right to terminate the Lease without the consent of the Leasehold Mortgagee (as defined in Section 92 hereof) prior to the date that the Leasehold Mortgage and the Reletting Rights (as defined in Section 92) of the Leasehold Mortgagee automatically terminate pursuant to paragraph (e) of Section 92 of this Lease."

4. The Section of the Lease entitled "Entire Agreement" shall be renumbered as "Section 95" and the reference in the first sentence thereof to "Section 92" shall be amended to read "Section 95" and the following new Sections 92, 93 and 94 are hereby added to the Lease to read as follows:

"Section 92. Reletting Rights-Leasehold Mortgagee

(a) As used in this Section 92 the following terms shall have the following meanings:

'Act' shall mean, collectively, the New York State Industrial Development Agency Act (constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York), as amended, and Chapter 1082 of the 1974 Laws of New York, as amended.

'Additional Bond Resolutions' shall mean the resolutions adopted by the IDA in connection with the issuance and sale of Additional Bonds.

'Additional Bonds' shall mean all series of bonds that are issued by the IDA, subsequent to the issuance of the Series 2002 Bonds, in accordance with the terms and conditions of Section 6.2 of the Consent Agreement, pursuant to the Subleases and Indenture, to finance the costs of the Redevelopment Work (including all reserves, costs of issuance and capitalized interest).

'Additional Section 91 Redevelopment Work Investment Certificate' and **'Additional Section 91 Redevelopment Work Investment Certificates'** shall have the meaning set forth in paragraph (d) of this Section 92.

'Additional Supplemental Indentures' shall mean such indentures supplemental or amendatory to the Master Indenture, which are executed subsequent to the execution of the 2002 Supplemental Indentures in accordance with the terms and conditions of Section 6.2 of the Consent Agreement.

'Approved Successor Lessee' shall mean a major domestic or international Scheduled Aircraft Operator, or a consortium of such major domestic or international Scheduled Aircraft Operators each of which would be jointly and severally obligated to the Port Authority with respect to all of the consortium's obligations under this Lease, who shall each meet all of the requirements set forth in paragraphs (t) and (u) of this Section including but not limited to the entering into with the Port Authority of the Lease Assignment/Assumption and Consent Agreement (as defined in paragraph (t) of this Section), and thereby become the assignee/purchaser of this Lease with respect to the Mortgaged Premises resulting from the exercise by the Leasehold Mortgagee of its Reletting Rights, whether by foreclosure and sale or by assignment in lieu of foreclosure.

'Audit Confirmation Notice' shall have the meaning set forth in paragraph (d) of this Section 92.

'Audit Nonconfirmation Notice' shall have the meaning set forth in paragraph (d) of this Section 92.

'Bankruptcy Code' shall mean the United States Bankruptcy Reform Act of 1978, as amended, including without limitation amendments made by the Bankruptcy Reform Act of 1994, and as the same may be further amended or supplemented, or any Federal bankruptcy law or laws replacing the foregoing.

'Bankruptcy Rejection Date' shall have the meaning as defined in paragraph (r)(1)(i)(B) of this Section.

'Bondholder' and 'Bondholders' shall mean, respectively, (i) each holder of a Bond or Bonds and (ii) all holders of all the Bonds.

'Bonds' shall mean, collectively, the Series 2002 Bonds and Additional Bonds; provided, however, that the principal amount of Bonds issued under the Indenture and secured by the Leasehold Mortgage shall be limited to a maximum amount of Two Billion Three Hundred Million Dollars and No Cents ($2,300,000,000.00), determined without taking into account any prepayments, redemptions or refundings made pursuant to any of the Financing Documents.

'Bonds Default' shall mean either (i) a failure to make payment of any and all amounts required when due for the payment of the principal, purchase price, premium or interest on the Bonds resulting in the occurrence and continuance of an Event of Default under and as defined in the Indenture, or (ii) a failure to make payment under the Guaranties with respect to the payment of any and all amounts required when due for the payment of the principal, purchase price, premium or interest on the Bonds, which failure has resulted in the occurrence and continuance of an Event of Default under and as defined in the Indenture; provided, however, if any of the foregoing arises out of an act or omission of the Trustee, despite the payment of any such amounts to the Trustee, then such Event of Default shall not be a Bonds Default.

"Bonds Default Date' shall have the meaning set forth in paragraph (m) of this Section 92.

'Bond Resolutions' shall mean, collectively, (i) the resolution adopted by the IDA on December 9, 1999, (ii) the resolution adopted by the IDA on October 23, 2001, as amended November 13, 2001, and (iii) all Additional Bond Resolutions.

'Consent Agreement' shall mean the Consent to Subleases and Leasehold Mortgage Agreement, dated as of July 31, 2002, entered into by and among the Port Authority, the Lessee, AMR Corporation, the Trustee and the IDA.

'Deferred Reletting Fee' shall mean the fee payable by the Trustee or the Approved Successor Lessee to the Port Authority at the times and in the amounts as set forth in and pursuant to paragraph (u) of this Section.

'Deferred Reletting Fee Rental' shall mean the additional rental payable by the Approved Successor Lessee to the Port Authority as set forth in and pursuant to paragraph (u) of this Section.

'Deferred Reletting Fee Rental Commencement Date' shall have the meaning set forth in paragraph (u) of this Section.

'Deferred Reletting Fee Rental Period' shall have the meaning set forth in paragraph (u) of this Section.

'Fee Owner' shall have the meaning given to such term in the RNDA.

'Financing Documents' shall have the meaning given to such term in the Consent Agreement.

'Financing Transaction' shall mean the issuance of the Bonds for the financing of the costs of the Redevelopment Work (including all reserves, costs of issuance and capitalized interest) and all the transactions documented by the Financing Documents that support and facilitate such issuance.

'Foreclosure Period' shall mean an initial period of 270 days, subject to the conditions applicable to said initial period as set forth in paragraph (n) of this Section, and extendable to an aggregate total maximum period, including all such extensions, of seven hundred and twenty (720) days, subject (except as otherwise expressly provided) to the tolling of the running of the Foreclosure Period pursuant to the last sentence of this definition, paragraph (t)(3) of this Section or to the suspension of the running of the Foreclosure Period pursuant to paragraph (r)(1)(ii)(b) of this Section, and subject to the conditions set forth in paragraphs (l) and (n) of this Section, and which shall commence on Reletting Election Notice Service Date (subject to paragraph (l) of this Section) after the first to occur of any of the following (i) the Notice of Termination Service Date; (ii) the Bankruptcy Rejection Date; and (iii) the Bonds Default Date; and said Foreclosure Period shall expire, unless sooner terminated, on the earlier to occur of (x) the ninetieth consecutive day following such commencement if the conditions for the extension of the same under paragraph (n)(4) of this Section are not satisfied or, if there are one or more extensions thereof as provided in and subject and pursuant to subparagraphs (4), (5) and (6) of paragraph (n) of this Section, the last day of the final extension, or (y) the Lease Assignment/Assumption Commencement Date; the foregoing to be subject, however, to the provisions set forth in paragraphs (r)(1) and (q) of this Section; provided, however, that the Foreclosure Period shall not in any event continue after the transfer of title to the Lessee's interest in the Mortgaged Premises under the Lease pursuant to the issuance of a final judgment of foreclosure by a court of competent jurisdiction or after any termination or expiration of the Leasehold Mortgage as provided in this Section; and provided that the Foreclosure Period shall be subject to earlier termination as provided in paragraph (o) of this Section, and provided,

further, there shall be no Foreclosure Period if there is no Reletting Rights Effective Date. Notwithstanding anything herein to the contrary, if, during the pendancy of any Foreclosure Period, the Bonds Default and/or Lease Default giving rise to such Foreclosure Period, or any subsequent Bonds Defaults or Lease Defaults thereafter occurring, are cured, or waived by the Port Authority, as applicable, in accordance with the applicable agreement(s) prior to the Lease Assignment/Assumption Commencement Date and any pleading/proceedings based upon such Bonds Defaults or Lease Defaults are dismissed with prejudice, then such Foreclosure Period shall be deemed not to have occurred (provided that any amounts paid or owing to the Port Authority as of the date thereof shall be retained by, or continue to be owing to, the Port Authority, as applicable). In addition, as of the date and during the pendancy of any Lessee Bankruptcy, notwithstanding anything herein to the contrary, the counting of days and the Leasehold Mortgagee's Foreclosure Period Obligations in connection with any then-pending Foreclosure Period shall be deemed suspended and held in abeyance until the earlier of (i) the conclusion of the Lessee Bankruptcy or (ii) the Bankruptcy Rejection Date.

'Foreclosure Period Extension Fee' shall mean the fee payable to the Port Authority by the Leasehold Mortgagee for each applicable extension, and collectively for any and all applicable extensions, of the Foreclosure Period at the times and in the amounts set forth in and pursuant to paragraph (n) of this Section.

'Guaranties' shall have the meaning given to such term in the Consent Agreement.

'IDA' shall mean the New York City Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation created and existing under and by virtue of the laws of the State of New York.

'IDA Sublease' shall mean the IDA Sublease, as amended by all IDA Sublease Amendments.

'IDA Sublease Amendments' shall mean written amendments amendatory to the IDA Sublease, which are executed subsequent to the execution of the IDA Sublease in accordance with the terms and conditions of Section 6.2 of the Consent Agreement.

'Indenture' shall mean the Master Indenture, as amended, modified or supplemented by the 2002 Supplemental Indentures and all Additional Supplemental Indentures.

'Lease Assignment/Assumption and Consent Agreement' shall have the meaning as defined in paragraph (t)(2) of this Section.

'Lease Assignment/Assumption Commencement Date' shall have the meaning as defined in paragraph (t)(2) of this Section.

'Lease Termination' shall mean a breach of or default under the Lease for which the Port Authority has delivered a Notice of Termination in accordance with paragraph (l) of this Section 92.

'Leasehold Mortgage' shall mean the mortgage to be granted by the Lessee to the Leasehold Mortgagee, a form of which is attached to the Consent Agreement as *Exhibit G* and thereby made a part thereof, and which is subject to, controlled by and dependent upon the Lease, including this Section.

'Leasehold Mortgagee' shall mean the Trustee acting in its capacity as 'Leasehold Mortgagee' under the Leasehold Mortgage.

'Leasehold Mortgagee's Foreclosure Period Commencement Payments' shall have the meaning as defined in paragraph (n)(1) of this Section.

'Leasehold Mortgagee's Foreclosure Period Current Basis Payments' shall have the meaning as defined in paragraph (n)(2) of this Section.

'Leasehold Mortgagee's Foreclosure Period Obligations' shall have the meaning as defined in paragraph (n)(3) of this Section.

'Leasehold Mortgagee's Foreclosure Period Payments' shall mean the payments required to be made by the Leasehold Mortgagee to the Port Authority as set forth in paragraph (n) of this Section including the Leasehold Mortgagee's Foreclosure Period Commencement Payments, the Leasehold Mortgagee's Foreclosure Period Current Basis Payments, and the Foreclosure Period Extension Fees.

'Leasehold Mortgagee's Notice of Termination Effective Date First Extension Fees' shall mean:

(A) all amounts due and owing to the Port Authority under the Lease which have accrued for any and all periods up to the original Notice of Termination Effective Date, including without limitation, the Ground Rental, the Area IA and Area IB Building Rental, the Area I Building Rental, the Area II Building Rental, the Terminal Rental, the Extension Rentals, amounts for Hot Water and Chilled Water, the Cost of Assumable Maintenance and Repair, the Lessee's portion of the Costs of the Condition Survey, late charges, fees on In-Flight Meals, the Lessee's Parking Garage Contribution, handling fees, subletting fees, fees on consumer services, electrical, water and other utility charges, extermination services and additional rental under Section 16 of this Lease, to the extent such amounts have not been paid to the Port Authority by the Lessee or the Leasehold Mortgagee prior to the original Notice of Termination Effective Date (as defined in paragraph (l) (1) of this Section 92); and

(B) all amounts due and owing by the Lessee to the Port Authority under the General Airport Agreement and any successor or replacement agreement or arrangement covering the payment of flight fees and fueling fees which have accrued for any and all periods up to the original Notice of Termination Effective Date, to the extent such amounts have not been paid to the Port Authority by the Lessee or the Leasehold Mortgagee prior to the original Notice of Termination Effective Date (as defined in paragraph (l) (1) of this Section 92).

'Leasehold Mortgagee's Notice of Termination Effective Date Second Extension Fees' shall mean:

(A) all amounts due and owing to the Port Authority under the Lease which have accrued for any and all periods up to the thirtieth (30th) day after the original Notice of Termination Effective Date, including without limitation, the Ground Rental, the Area IA and Area IB Building Rental, the Area I Building Rental, the Area II Building Rental, the Terminal Rental, the Extension Rentals, amounts for Hot Water and Chilled Water, the Cost of Assumable Maintenance and Repair, the Lessee's portion of the Costs of the Condition Survey, late charges, fees on In-Flight Meals, the Lessee's Parking Garage Contribution, handling fees, subletting fees, fees on consumer services, electrical, water and other utility charges, extermination services and additional rental under Section 16 of this Lease, to the extent such amounts have not been paid to the Port Authority by the Lessee or the Leasehold Mortgagee prior to the end of the period of the first extension of the Notice of Termination Effective Date (as defined in paragraph (l) (1) of this Section 92) pursuant to paragraph (l) (2) of this Section 92; and

(B) all amounts due and owing by the Lessee to the Port Authority under the General Airport Agreement and any successor or replacement agreement or arrangement covering the payment of flight fees and fueling fees which have accrued for any and all periods up to the thirtieth (30th) day after the original Notice of Termination Effective Date, to the extent such amounts have not been paid to the Port Authority by the Lessee or the Leasehold Mortgagee prior to the end of the period of the first extension of the Notice of Termination Effective Date (as defined in paragraph (l) (1) of this Section 92) pursuant to paragraph (l) (2) of this Section 92.

'Lessee Bankruptcy' shall mean the filing by the Lessee of a voluntary petition under the Bankruptcy Code or the filing of an involuntary petition against the Lessee under the Bankruptcy Code, and the pendency of proceedings pursuant thereto.

'Lessee's Notice of Intent to Deliver the Leasehold Mortgage to the Leasehold Mortgagee' shall have the meaning as set forth in paragraph (d)(2)(i)(B) of this Section 92.

'Master Indenture' shall have the meaning given to such term in the Consent Agreement.

'Monthly Factor' shall have the meaning set forth in paragraph (u) of this Section.

'Mortgage Amount' shall mean the amount equal to the lesser of (i) the principal amount of Bonds issued, determined without taking into account any prepayments, redemptions or refundings made pursuant to any of the Financing Documents, and (ii) Two Billion Three Hundred Million Dollars and No Cents ($2,300,000,000.00).

'Mortgaged Premises' shall mean the Premises under this Lease on the Supplement One Effective Date, as such Premises may be increased and decreased from time to time pursuant to the terms of the Lease, as amended, supplemented and modified.

'Notice of Proposed Successor Lessee' shall have the meaning set forth in paragraph (n)(3) of this Section.

'Notice of Termination' shall have the meaning set forth in paragraph (1)(1) of this Section.

'Notice of Termination Effective Date' shall have the meaning set forth in paragraph (1)(1) of this Section.

'Notice of Termination Service Date' shall have the meaning set forth in paragraph (1)(1) of this Section.

'Outstanding' shall have the meaning given to such term in the Indenture.

'Proposed Successor Lessee' shall have the meaning set forth in paragraph (t)(1) of this Section.

'Redevelopment Work' shall have the meaning set forth in Section 2B of this Lease.

'Reletting Election Notice' shall mean the written notice required to be given by the Leasehold Mortgagee to the Port Authority pursuant to paragraph (l)(2), (m)(1) or (r)(l)(i)(B) of this Section affirmatively stating the Leasehold Mortgagee's election to (i) exercise its Reletting Rights hereunder and (ii) to exercise its rights under the Leasehold Mortgage to foreclose upon the Leasehold Mortgage or to have the Lease with respect to the Mortgaged Premises assigned to an Approved Successor Lessee in accordance with the provisions of this Section.

'Reletting Election Notice Service Date' shall mean the actual date of the service on the Port Authority by the Leasehold Mortgagee of its Reletting Election Notice provided that such service is duly and timely made in accordance with the terms and provisions of this Lease.

'Reletting Election Period' shall mean the period during which the Leasehold Mortgagee must decide whether it shall exercise its Reletting Rights hereunder and serve its Reletting Election Notice on the Port Authority prior to the expiration thereof, and which period shall commence on the earliest to occur of (i) the Notice of Termination Service Date, (ii) the Bankruptcy Rejection Date, and (iii) the Bonds Default Date, and which period shall expire at 11:59 p.m. New York City time on the thirtieth (30th) consecutive day following said commencement, unless extended in accordance with the terms of paragraph (l)(2) of this Section.

'Subleases' shall mean collectively, the Company Sublease, the IDA Sublease and all IDA Sublease Amendments.

'Subsequent Non-Bonds Default' shall have the meaning set forth in paragraph (n)(7)(i) of this Section.

'Subsequent Notice of Termination' shall have the meaning as set forth in paragraph (l)(3) of this Section.

'Subsequent Notice of Termination Service Date' shall have the meaning as set forth in paragraph (l)(3) of this Section.

'Successor Trustee' shall mean a successor to the Trustee selected and appointed in accordance with the Indenture, which has delivered a Certificate of Assumption and Agreement in accordance with the Indenture and Section 6.4 of the Consent Agreement.

'Trustee' shall mean shall mean The Bank of New York, or any Successor Trustee under the Indenture.

'Wrongful Recording of the Leasehold Mortgage' shall have the meaning as set forth in paragraph (d) (2) (ii) of this Section 92.

'2002 Supplemental Indentures' shall have the meaning given to such term in the Consent Agreement.

(b) (1) The Lessee hereby represents to the Port Authority that the Lessee intends to finance the costs of the Redevelopment Work (including reserves, costs of issuance and capitalized interest), together with associated personal property, with the proceeds of the Bonds issued by the IDA pursuant to the Financing Transaction, and that contemporaneously with the execution of Supplement No. 1 to this Lease the Lessee will be executing certain of the Financing Documents subject to the execution by the Lessee, the Port Authority, the Trustee, AMR and the IDA of the Consent Agreement.

(2) It is expressly acknowledged that the intent of the parties hereto is that the Leasehold Mortgage is to be granted by the Lessee to the Trustee pursuant to the provisions hereof, solely for the purposes of allowing the Trustee in its capacity as Leasehold Mortgagee to exercise its Reletting Rights with respect to the Mortgaged Premises, as the implementation of the security afforded to the Bondholders solely with respect to the Mortgaged Premises by virtue of the Leasehold Mortgage, and to obtain an Approved Successor Lessee during the Foreclosure Period if it elects to do so pursuant to this Section.

(c) (1) Notwithstanding the provisions of Section 19 of this Lease and any other provision of this Lease, and without otherwise limiting the generality thereof, the Lessee, but only as part of the Financing Transaction, shall have the right (exercisable one time only) to execute the Leasehold Mortgage and to date, execute, deliver and record the same in accordance with this Lease including without limitation this Section 92 and the Consent Agreement,

provided that, the Consent Agreement shall have been duly executed by all the parties thereto and have been delivered by the Port Authority to the other parties thereto, and, provided, further, that on or prior to the date this Supplement No. 1 to the Lease is executed, the terms and conditions of Section 4.3 of the Consent Agreement shall have been met.

(2) It is hereby understood and agreed that in no event shall the principal amount of Bonds issued under the Indenture and secured by the Leasehold Mortgage exceed the amount of Two Billion Three Hundred Million Dollars and No Cents ($2,300,000,000.00), determined without taking into account any prepayments, redemptions or refundings made pursuant to any of the Financing Documents.

(3) It is hereby understood and agreed that there shall be only one (1) Leasehold Mortgage and the Leasehold Mortgage shall only mortgage the leasehold interest of American Airlines, Inc. (the Lessee on the Supplement One Effective Date) or of a Section 19 Assignee (in the event of a permitted assignment of the Lease to a Section 19 Assignee prior to the Reletting Rights Effective Date) in the Mortgaged Premises under the Lease; provided, however, that if the Lessee granting the Leasehold Mortgage is also a Section 19 Assignee it may make such granting of the Leasehold Mortgage only if it also assumes all of the obligations of the Lessee under the Consent Agreement and also assumes all of the obligations of the Guarantor under the American Airlines Guaranty to pay principal, interest, purchase price and premium on the Bonds.

(4) It is hereby understood and agreed that the Leasehold Mortgage shall only secure the obligations of (i) American Airlines, Inc. (including its permitted successors as Guarantor pursuant to and under the American Airlines Guaranty, provided that each such permitted successor is then the Lessee under this Lease) under the American Airlines Guaranty to pay principal, interest, purchase price and premium on the Bonds and (ii) AMR Corporation (including its permitted successors as Guarantor pursuant to and under the AMR Guaranty) under the AMR Guaranty to pay principal, interest, purchase price and premium on the Bonds.

(5) The Leasehold Mortgage shall not be executed, delivered, dated or recorded, or otherwise become effective, except as provided in and in accordance with paragraph (d) of this Section and shall terminate as provided in and in accordance with paragraph (e) of this Section and Article 5.2 of the Consent Agreement.

(d) (1) Without limiting Section 19 or any other term or provision of this Lease or any term or provision of the Consent Agreement, and notwithstanding anything herein or in the Financing Documents, the Leasehold Mortgage or any consent or approval of the Port Authority thereto to the contrary, (i) the Leasehold Mortgage shall not be effective, (ii) the lien created by the Leasehold Mortgage shall not attach, (iii) the Leasehold Mortgagee shall have no rights under the Leasehold Mortgage, (iv) the Leasehold Mortgage shall not be executed, dated, delivered or recorded and (v) the Reletting Rights shall not be exercisable, unless all of the Reletting Rights Effective Date Conditions (set forth in items (i) through (v) of this paragraph (d) shall have occurred:

(i) the Port Authority shall have received from the Lessee the certificates required to be delivered to the Port Authority by paragraph (n)(1) of Section 2B of this Lease, certifying that there has been substantial completion of the Redevelopment Work;

(ii) the Redevelopment Work Completion Date shall have occurred;

(iii) the Lessee shall have received from the Port Authority the Port Authority certificate pursuant to Section 2B(n)(1) of this Lease;

(iv) the Lessee shall have made a Redevelopment Work Investment in the Premises of not less than Eight Hundred Fifty Million Dollars and No Cents ($850,000,000.00), as such investment shall have been evidenced as set forth in the definition of Redevelopment Work Investment in Section 91 of the Lease, and the Lessee shall have received from the Port Authority either (A) an Audit Confirmation Notice or (B) a Reliance Notice in accordance with subparagraph (3) below of this paragraph (d);

(v) the Port Authority shall have received from the Lessee a certificate signed by a responsible officer of the Lessee certifying that the Premises contains not less than fifty-five (55) aircraft loading and unloading gate positions of which at least thirty-five (35) are to accommodate wide-body aircraft and of which at least two (2) are to accommodate narrowbody aircraft, or such other number of aircraft gate positions as shall have been approved in writing by the Director of the Port Authority's Aviation Department as being the number of aircraft gate positions as shall satisfy the requirement for item (iii) of the Required Conditions set forth in the definition of Required Conditions in Section 91 of the Lease.

(2) (i) (A) The Leasehold Mortgagee shall, at such time it deems appropriate following its receipt of the Lessee's Notice of Intent to Deliver the Leasehold Mortgage to the Leasehold Mortgagee (after the occurrence of all of the Reletting Rights Effective Date Conditions set forth in items (i) through (v) above), record or present for recording the Leasehold Mortgage in the appropriate filing office as required by and in compliance with all applicable law.

(B) In no event shall the Leasehold Mortgage be recorded until the Port Authority and the Leasehold Mortgagee shall have received from the Lessee a notice (in the form attached to the Consent Agreement as Exhibit P thereof) indicating the Lessee's intention to date, execute and deliver to the Leasehold Mortgagee for recording the Leasehold Mortgage not earlier than fifteen (15) business days after the date of the delivery of such notice to the Port Authority, and containing the Lessee's certification that such dating, execution, delivery and recording of the Leasehold Mortgage is and shall be in compliance with the Lease and the Consent Agreement and that that the conditions set forth in the foregoing items (i) through (v) of this paragraph (d) have been fulfilled, and which notice shall have attached thereto a copy of the Leasehold Mortgage to be recorded as dated, signed, and acknowledged by the Lessee (the "Lessee's Notice of Intent to Deliver the Leasehold Mortgage to the Leasehold Mortgagee").

(ii) Notwithstanding the foregoing, it is expressly understood and agreed that any dating, execution, delivery or recording of the Leasehold Mortgage by the Lessee, the Leasehold Mortgagee or any other person prior to the occurrence of all of the Reletting Rights Effective Date Conditions set forth in items (i) through (v) above or in violation or contravention of any of the terms, provisions, covenants and conditions of the Lease or the Consent Agreement including but not limited to any recording of a form of the Leasehold Mortgage which is not the same as the form attached to the Consent Agreement, or any dating, executing, delivery or recording of the Leasehold Mortgage by the Lessee, the Leasehold Mortgagee or any other person which is in violation of any term, covenant, condition, provision or representation contained or made in the Lease or the Consent Agreement, or, without limiting any of the foregoing, any recording of the Leasehold Mortgage by any person other than the Leasehold Mortgagee (each of the foregoing, a "Wrongful Recording of the Leasehold Mortgage") shall constitute a material breach of this Lease by the Lessee and an event of default under Section 20 hereof permitting the Port Authority to terminate the Lease in accordance with Section 20 hereof, in addition to and without limiting any other rights or remedies of the Port Authority, legal, equitable or otherwise, under the Lease or otherwise; and any such Wrongful Recording of Leasehold Mortgage shall not constitute the Trustee as the Leasehold Mortgagee nor entitle the Trustee to any of the Reletting Rights or rights thereunder or any other rights against the Lease or the Premises or the Port Authority. Without limiting any of the foregoing or any of the indemnities given in favor of the Port Authority under the Lease or otherwise, the Lessee hereby expressly covenants, represents and warrants to the Port Authority that the Lessee shall cooperate with the Port Authority and shall promptly take or cause to be taken any and all actions requested or required by the Port Authority or required under applicable law to remove and discharge the Leasehold Mortgage and any lien created by such Wrongful Recording of the Leasehold Mortgage including but not limited to the execution and filing of all appropriate instruments; and the Lessee shall ensure that its agreements with the Trustee, including but not limited to the Indenture and the Leasehold Mortgage incorporate the provisions of this subparagraph (d) (2), including similar obligations of the Trustee with respect to the foregoing. The foregoing covenant, representation and warranty of the Lessee shall survive any such termination of the Lease. Failure of the Port Authority to object to any Wrongful Recording of the Leasehold Mortgage shall not be deemed to constitute a waiver of any of the foregoing terms and covenants of this paragraph (d) or to be a waiver of any claim, right or remedy or defense of the Port Authority legal, equitable or otherwise, under the Lease or otherwise or to bar or preclude the Port Authority from asserting any such claim, right, remedy or defense.

(3) (i) It is acknowledged that Section 91 of the Lease sets forth the definition of the "Redevelopment Work Investment" in the Premises and the requirements for the certification of said Redevelopment Work Investment by the Lessee to the Port Authority including without limitation the obligation of the Lessee to deliver certificates to the Port Authority evidencing from time to time the amounts comprising the Redevelopment Work Investment, with such certificates to be signed by a responsible fiscal officer of the Lessee and sworn to before a notary public and which certificates are to set forth specified information and be accompanied by specified documentation, all as set forth in said Section 91 of the Lease (each such certificate meeting all of the requirements and conditions of Section 91 of the Lease is, for purposes of this paragraph (d) including the requirement for cumulative totals as stated in the following sentence, hereinafter referred to as a "Section 91 Redevelopment Work Investment

Certificate" and used in the plural as "Section 91 Redevelopment Work Investment Certificates"). Each Section 91 Redevelopment Work Investment Certificate shall contain the certification of the Lessee under the Lease of the amount of the Redevelopment Work Investment during the applicable period covered thereby, and shall, pursuant to and without limiting Section 91 of the Lease, also contain the certification of the Lessee under the Lease of the cumulative total amount of the Redevelopment Work Investment in the Premises (as defined in the Lease) during all periods from September 24, 1998 through the end of the period covered by the particular Section 91 Redevelopment Work Investment Certificate.

(ii) Without limiting Section 91 of the Lease or any other term, provision, covenant, or condition of the Lease, it is hereby agreed, solely for purposes of determining the fulfillment of the condition set forth in item (1) (iv) of this paragraph (d) (whether the Lessee has made a Redevelopment Work Investment, as defined in Section 91 of the Lease, in the Premises of not less than $850,000,000) with respect to the determination hereunder of when the Leasehold Mortgage is to be dated, executed, delivered and recorded, that when, and only if, the Port Authority has actually received from the Lessee Section 91 Redevelopment Work Investment Certificates cumulatively totaling at least Eight Hundred Fifty Million Dollars and No Cents ($850,000,000.00), provided the Lessee shall have submitted such Section 91 Redevelopment Work Investment Certificates equaling or exceeding the aforesaid cumulative amount not later than December 1, 2014, the Port Authority shall, not later than one year after the date on which the Port Authority shall have received a Section 91 Redevelopment Work Investment Certificate that sets forth a cumulative total equaling or exceeding Eight Hundred Fifty Million Dollars and No Cents ($850,000,000.00) deliver to the Lessee, with a copy to the Leasehold Mortgagee, a written notice that either (A) the Port Authority audit confirms Redevelopment Work Investment by the Lessee of not less than $850,000,000 ("Audit Confirmation Notice"), or (B) that the Port Authority audit does not confirm Redevelopment Work Investment by the Lessee of not less than $850,000,000 including or setting forth the Port Authority audit findings applicable thereto which shall include specification of any unqualified costs ("Audit Nonconfirmation Notice") or (C) that the Port Authority elects, solely for purposes of the condition set forth above in item (1) (iv) of this paragraph (d) in connection with the dating, executing, delivery and recording of the Leasehold Mortgage, to rely on the Lessee's Section 91 Redevelopment Work Investment Certificates as submitted by the Lessee to the Port Authority without completion of an audit ("Reliance Notice"). The Lessee expressly acknowledges and agrees that in delivering any and all Section 91 Redevelopment Work Investment Certificates to the Port Authority that the Lessee expressly authorizes the Port Authority and the Leasehold Mortgagee to rely on the same for the aforesaid purposes hereof including without limitation the election by the Port Authority to deliver the Reliance Notice.

(iii) In the event the Port Authority delivers to the Lessee and the Leasehold Mortgagee the Audit Confirmation Notice or the Reliance Notice, the aforesaid condition set forth above in item (1) (iv) of this paragraph (d) shall be deemed fulfilled, solely for purposes in connection with the determination under this Section 92 of whether the Leasehold Mortgage is to be dated, executed, delivered and recorded.

(iv) In the event the Port Authority delivers to the Lessee and the Leasehold Mortgagee an Audit Nonconfirmation Notice, as above described, it is expressly understood and

agreed that, without limiting any rights or remedies of the Port Authority under the Lease or otherwise, the condition set forth above in item (1) (iv) of this paragraph (d) shall be deemed to have not been fulfilled and the Leasehold Mortgage shall not be dated, executed, delivered or recorded.

(v) In the event that, subsequent to the delivery by the Port Authority of an Audit Nonconfirmation Notice, as described above, the Lessee continues to submit additional (not previously submitted) Section 91 Redevelopment Work Investment Certificates (each, an "Additional Section 91 Redevelopment Work Investment Certificate", and in the plural, "Additional Section 91 Redevelopment Work Investment Certificates") in accordance with, and meeting all of the requirements of, Section 91 of the Lease (including without limitation all documentation and information required under the Lease) and subparagraph (i) of this paragraph (d) (3) (but in no event later than December 1, 2014), when, and only if, the Port Authority actually receives such Additional Section 91 Redevelopment Work Investment Certificates that cumulatively, with the qualified costs under any Section 91 Redevelopment Work Certificates previously submitted, total not less than Eight Hundred Fifty Million Dollars and No Cents ($850,000,000.00), the Port Authority within one year thereafter will, with respect to such Additional Section 91 Redevelopment Work Investment Certificates, deliver to the Lessee, with a copy to the Leasehold Mortgagee, either (A) an Audit Confirmation Notice, in which case the condition set forth above in item (1) (iv) of this paragraph (d) shall be deemed fulfilled, solely for purposes in connection with the determination of whether the Leasehold Mortgage is to be dated, executed and recorded; or (B) an Audit Nonconfirmation Notice, in which case, without limiting any rights or remedies of the Port Authority under the Lease or otherwise, the condition set forth above in item (1) (iv) of this paragraph (d) shall be deemed to have not been fulfilled and the Leasehold Mortgage shall not be dated, executed, delivered or recorded or (C) a Reliance Notice, stating that the Port Authority elects, solely for purposes of the condition set forth above in item (1) (iv) of this paragraph (d) in connection with the dating, executing, delivery and recording of the Leasehold Mortgage, to rely on the Lessee's Additional Section 91 Redevelopment Work Investment Certificates without completion of an audit. The Lessee expressly acknowledges and agrees that in delivering the Additional Section 91 Redevelopment Work Investment Certificates to the Port Authority that the Lessee expressly authorizes the Port Authority and the Leasehold Mortgagee to rely on the same for the aforesaid purposes hereof including without limitation the election by the Port Authority to deliver the Reliance Notice.

(vi) Neither the foregoing provisions nor the procedure set forth therein nor any action or notice thereunder shall be deemed to extend the term of the letting under the Lease as stated in, and subject to the conditions of, Section 3 thereof, nor to alter, amend or waive any of the terms, provisions, covenants and conditions of the Lease, including, without limitation, Sections 3 and 4 thereof. The foregoing provisions shall not be deemed to release or relieve the Lessee from any of the terms, provisions, covenants and conditions of the Lease on the part of the Lessee to be kept performed and observed, including without limitation the requirements and conditions for the Lessee's evidencing, documentation and certification of the Redevelopment Work Investment as set forth in the definition of Redevelopment Work Investment in Section 91 of the Lease. The provisions of this paragraph (d) (3) are intended only to establish a procedure for determining the fulfillment of the condition set forth above in item (1) (iv) of this paragraph (d) in connection with the Lessee's dating, executing, delivery and recording of the Leasehold

Mortgage. The election whether to conduct an audit or to deliver a Reliance Notice shall be at the sole discretion of the Port Authority; neither this paragraph (d) nor anything contained herein shall be deemed to obligate the Port Authority to conduct an audit. It is expressly understood and agreed that in the event the Port Authority delivers a Reliance Notice, the foregoing provisions of this paragraph (d) (3) are not intended to, and shall not, be binding on the Port Authority with respect to the determination of the Redevelopment Work Investment for any other purposes under the Lease, including without limitation Sections 4 and 18 thereof. The delivery by the Lessee of one or more Section 91 Redevelopment Work Investment Certificates or Additional Section 91 Redevelopment Work Investment Certificates to the Port Authority in accordance with the foregoing shall not be binding on the Port Authority and shall not waive, restrict, impair or limit Port Authority rights under the Lease, the Consent Agreement or otherwise to review and audit the Redevelopment Work Investment or any of the Section 91 Redevelopment Work Investment Certificates or Additional Section 91 Redevelopment Work Investment Certificates.

(vii) The agreement of the Lessee to the terms and provisions of this paragraph (d) (3) is a special inducement and consideration to the Port Authority in entering into this Supplement No. 1 to the Lease.

(e) Notwithstanding anything herein or in the Financing Documents, the Leasehold Mortgage or any consent or approval of the Port Authority thereto to the contrary, the Leasehold Mortgage and the Reletting Rights shall automatically terminate and end in any event upon the earliest to occur of:

(1) the expiration, surrender or termination of the Basic Lease except that the Leasehold Mortgage and the Reletting Rights (but only if the Leasehold Mortgage shall not have terminated pursuant to any of subparagraphs (2) through (10) of this paragraph (e), or for any other reason) shall not terminate solely by reason of the termination of the Basic Lease if there is a RNDA Effective Date upon the termination of the Basic Lease, to the extent and for the period, if any, that the Fee Owner, pursuant to the terms of the RNDA, recognizes the Leasehold Mortgage and the Reletting Rights;

(2) the expiration, surrender or termination of the Lease, except that the Leasehold Mortgage and the Reletting Rights (but only if the Leasehold Mortgage shall not have terminated pursuant to any of subparagraph (1) or subparagraphs (3) through (10) of this paragraph (e)), (i) shall not terminate solely by reason of the termination of the Basic Lease if there is a RNDA Effective Date upon the termination of the Basic Lease, to the extent and for the period, if any, that the Fee Owner, pursuant to the terms of the RNDA, recognizes the Leasehold Mortgage and the Reletting Rights and (ii) shall not terminate solely due to a deemed termination of this Lease, pursuant to Section 52(a) of this Lease, solely due to the occurrence of a Triggering Event;

(3) the termination of the consent granted under the Consent Agreement as to the Leasehold Mortgage pursuant to Section 5.2 of the Consent Agreement.

(4) the termination, expiration or surrender (including without limitation discharge or release) of both of (i) the American Airlines Guaranty (except that if

payment obligations of American Airlines, Inc. (including its permitted successors pursuant to and under the American Airlines Guaranty as the Guarantor thereunder provided each such permitted successor is then the Lessee under this Lease), thereunder with respect to the payment of principal, interest, purchase price or premium on the Bonds remain outstanding and unpaid, then upon the date when there are no such payment obligations remaining outstanding and unpaid); and (ii) the AMR Guaranty (except that if payment obligations of AMR (including its permitted successors pursuant to and under the AMR Guaranty as the Guarantor thereunder) thereunder with respect to the payment of principal, interest, purchase price or premium on the Bonds remain outstanding and unpaid, then upon the date when there are no such obligations remaining outstanding and unpaid);

(5) the date on which no Bonds shall be Outstanding;

(6) the expiration of the Reletting Election Period without the timely exercise by the Leasehold Mortgagee of its election to exercise its Reletting Rights by service of its Reletting Election Notice on the Port Authority in accordance with the terms hereof;

(7) the date of any written notice given by the Leasehold Mortgagee stating its election not to exercise its Reletting Rights hereunder;

(8) the effective date of the letting of the Mortgaged Premises hereunder, whether for the full Term or otherwise, to an Approved Successor Lessee, whether resulting from a foreclosure of the Leasehold Mortgage, the exercise by the Leasehold Mortgagee of its Reletting Rights, an assignment in lieu of foreclosure or otherwise without the occurrence of a Lease Assignment/Assumption Commencement Date, provided, however, nothing contained in this paragraph (e)(8) shall or shall be deemed to have changed any term or provision of this Section 92 including without limitation paragraph (t) hereof;

(9) the Lease Assignment/Assumption Commencement Date; and

(10) the expiration or earlier termination or cancellation of the Foreclosure Period.

(f) The Leasehold Mortgagee shall not assign or transfer the Leasehold Mortgage to any Person other than a Successor Trustee. Each Successor Trustee shall be obligated under this Section and also under the Consent Agreement, pursuant to the terms of Section 6.4 of the Consent Agreement, and shall hold the Leasehold Mortgage subject to all the terms and provisions of this Section as if it were the original Leasehold Mortgagee.

(g) Provided that nothing in this paragraph shall in any way impair or limit the rights of the Leasehold Mortgagee under this Section or the Leasehold Mortgagee's rights against the Lessee under the Leasehold Mortgage which shall be in accordance with and subject to this Section, and notwithstanding anything contained in the Leasehold Mortgage or any consent or approval of the Port Authority thereto, it is understood and agreed that the rights of the Leasehold Mortgagee shall in all respects be as specified in the Leasehold Mortgage (provided

that a copy of this Section and a copy of the Consent Agreement is attached thereto) and this Section, and shall be subject to, controlled by and dependent upon the terms, covenants, conditions and provisions set forth in this Lease and the Consent Agreement. The terms, covenants, conditions and provisions of this Lease shall govern as between the Port Authority and the Lessee. As between the Port Authority and the Leasehold Mortgagee, in the event of any inconsistency between the terms, covenants, conditions and provisions of this Lease and the terms, covenants, conditions and provisions of the Leasehold Mortgage or the Indenture or any of the other Financing Documents, the terms, covenants, conditions and provisions of this Lease shall control. Notwithstanding any provisions of the Leasehold Mortgage to the contrary, the Lessee for all purposes (except for purposes of paragraph (r) (2) of this Section) shall be deemed to be the Lessee hereunder (subject to the Leasehold Mortgagee's Reletting Rights herein granted) unless and until the Leasehold Mortgagee shall have obtained an Approved Successor Lessee.

(h) (1) Any approval or consent by the Port Authority hereunder whether to the Leasehold Mortgage or to any assignment thereof shall apply only to the specific transaction thereby authorized and shall not relieve the Lessee or the Leasehold Mortgagee from the requirement of obtaining the prior approval or consent of the Port Authority to each and every further assignment of the Leasehold Mortgage (except if otherwise expressly permitted hereunder without such approval).

(2) Neither this Section nor the Leasehold Mortgage shall prevent the Lessee hereunder from amending this Lease without the approval of the Leasehold Mortgagee, provided, however, that:

(i) until the Leasehold Mortgage shall have terminated as provided in paragraph (e) of this Section, no amendment shall be made to this Section 92 without the prior written consent of the Leasehold Mortgagee; and

(ii) until the Leasehold Mortgage shall have terminated as provided in paragraph (e) of this Section, no amendment which shall only affect an Approved Successor Lessee, without affecting the Lessee, shall be made to this Lease without the prior written consent of the Leasehold Mortgagee.

(i) (1) Except as expressly authorized in above paragraph (c) of this Section, the Lessee shall not mortgage the Lessee's interest in this Lease or the letting hereunder in whole or in part, or any portion of the Mortgaged Premises or the Lessee's subleasehold interests under the Subleases or either of them in whole or in part. The foregoing shall not prohibit the IDA's pledge, pursuant to the Indenture, of its interests under the IDA Sublease and the execution of any financing statements relating to the same.

(2) Neither the Approved Successor Lessee nor any other Person purchasing or succeeding to the leasehold hereunder shall have any right to pledge or mortgage the leasehold hereunder or any portion of the Premises.

(j) (1) On and after (but in no event before) the Reletting Rights Effective Date, the Port Authority shall send to the Leasehold Mortgagee a copy of each notice of default given under the Section of this Lease entitled 'Termination by the Port Authority' or otherwise at the same time as and whenever any such notice of default shall have been sent to the Lessee, and no notice of default given by the Port Authority from and after the Reletting Rights Effective Date shall be deemed to have been given by the Port Authority unless and until a copy thereof shall have been so given to the Leasehold Mortgagee. Effective as of the Reletting Rights Effective Date, but not before, the Lessee irrevocably directs that the Port Authority accept, and the Port Authority agrees to accept, the curing of such default with respect to the Mortgaged Premises by the Leasehold Mortgagee as if and with the same force and effect as though cured by the Lessee. Anything to the contrary herein notwithstanding, it is expressly understood and agreed that the right of the Port Authority to terminate the Lease based on the Wrongful Recording of Leasehold Mortgage shall not be subject to the Reletting Rights of the Leasehold Mortgagee or to the immediately preceding sentences of this paragraph (j), and that any notice of termination given by the Port Authority to the Lessee based on such right of termination shall not be required to be given to the Leasehold Mortgagee, and the Leasehold Mortgagee shall not have any rights to cure such default by the Lessee.

(2) The copies of notices of events of default to be sent to the Leasehold Mortgagee as provided in paragraph (j)(1) of this Section and all other notices to be given to the Leasehold Mortgagee pursuant to this Section, shall be sent to 101 Barclay Street, New York, New York 10286 or to such other address as The Bank of New York or a Successor Trustee shall have last furnished to the Port Authority in writing for the purpose of sending of notices to the Leasehold Mortgagee pursuant to this Section.

(k) The Leasehold Mortgagee shall not have any right in or to the occupancy or use of the Mortgaged Premises except (i) to the extent necessary to cure Lessee's default in accordance with paragraph (j) of this Section and (ii) to fulfill the Leasehold Mortgagee's obligations under paragraph (n)(3)(i) of this Section. The Leasehold Mortgagee shall not enter into or be entitled to enter into possession of the Mortgaged Premises under this Lease except to the extent afforded to it under this Lease.

(l) Lease Termination-Service of Notice of Termination:

(1) If on or after (but in no event shall the following apply before) the Reletting Rights Effective Date, the Port Authority shall elect to terminate the letting of the Premises under this Lease pursuant to Section 20 of this Lease entitled "Termination by the Port Authority", or otherwise, then, except as otherwise provided in subparagraph (1) of paragraph (j) of this Section 92 with respect to a Wrongful Recording of Leasehold Mortgage, the Port Authority shall at the same time send a copy of the written notice of such termination ('Notice of Termination') to the Leasehold Mortgagee (the date of the sending of such Notice of Termination to the Leasehold Mortgagee being herein called the 'Notice of Termination Service Date'). The Notice of Termination shall specify the effective time and date of such termination (the 'Notice of Termination Effective Date'), which time and date must not be before 11:59 p.m. New York City time on the thirtieth (30th) day after the Notice of Termination Service Date, subject to extension as provided in paragraph (l)(2) below. If there is a first extension of the

Notice of Termination Effective Date pursuant to paragraph (l)(2) below, then the term 'Notice of Termination Effective Date' shall be deemed to then be the date which is the thirtieth (30th) day immediately succeeding the original Notice of Termination Effective Date; and if there is thereafter a second extension of the Notice of Termination Effective Date, then the 'Notice of Termination Effective Date' shall be deemed to be the date which is the sixtieth (60th) day immediately succeeding the original Notice of Termination Effective Date.

(2) Except as otherwise provided in subparagraph (1) of paragraph (j) of this Section 92, the serving of the Notice of Termination on or after (but in no event before) the Reletting Rights Effective Date by the Port Authority on the Leasehold Mortgagee in accordance with the foregoing shall trigger the Leasehold Mortgagee's Reletting Rights (solely with respect to the Mortgaged Premises) and the commencement of the Reletting Election Period (unless the Leasehold Mortgagee has previously exercised its Reletting Rights and the Reletting Election Period has previously commenced based on a Bonds Default pursuant to paragraph (m) of this Section or a Bankruptcy Rejection Date pursuant to paragraph (r) of this Section). The Leasehold Mortgagee shall have the right to extend the Notice of Termination Effective Date for a period of thirty (30) days beyond the original Notice of Termination Effective Date, but only if the Leasehold Mortgagee shall pay to the Port Authority, on or before the original Notice of Termination Effective Date, the Leasehold Mortgagee's Notice of Termination Effective Date First Extension Fees as set forth in the statement from the Port Authority referred to in the following sentence. For purposes of the making of said payment by the Leasehold Mortgagee, the Port Authority agrees to send to the Leasehold Mortgagee at least ten (10) days before the original Notice of Termination Effective Date a statement setting forth the Leasehold Mortgagee's Notice of Termination Effective Date First Extension Fees; provided, that such statement shall not be conclusive (except for purposes of determining the amount required to be paid pursuant to the preceding sentence) and shall not release or relieve the Lessee or the Leasehold Mortgagee from any amounts due for such period notwithstanding any failure to include amounts due and owing in the said statement nor preclude the Port Authority from rendering a billing for the same. In the event there is an extension of the Notice of Termination Effective Date in accordance with the two foregoing sentences, the Leasehold Mortgagee shall have the right to extend the Notice of Termination Effective Date for a period of sixty (60) days beyond the original Notice of Termination Effective Date, but only if the Leasehold Mortgagee shall pay to the Port Authority, on or before the thirtieth (30th) day after the original Notice of Termination Effective Date, the Leasehold Mortgagee's Notice of Termination Effective Date Second Extension Fees, and any unpaid Leasehold Mortgagee's Notice of Termination Effective Date First Extension Fees, as set forth in the statement from the Port Authority referred to in the following sentence. For purposes of the making of said payment by the Leasehold Mortgagee, the Port Authority agrees to send to the Leasehold Mortgagee at least ten (10) days before the thirtieth (30th) day after the original Notice of Termination Effective Date a statement setting forth the Leasehold Mortgagee's Notice of Termination Effective Date Second Extension Fees, and any unpaid Leasehold Mortgagee's Notice of Termination Effective Date First Extension Fees; provided, that such statement shall not be conclusive (except for purposes of determining the amount required to be paid pursuant to the preceding sentence) and shall not release or relieve the Lessee or the Leasehold Mortgagee from any amounts due for such period notwithstanding any failure to include amounts due and owing in the said statement nor preclude the Port Authority from rendering a billing for the same. The Notice of Termination Service Date

shall be the date of commencement of the Reletting Election Period (unless the Leasehold Mortgagee has previously exercised its Reletting Rights or the Reletting Election Period has previously commenced based on a Bonds Default pursuant to paragraph (m) of this Section or a Bankruptcy Rejection Date pursuant to paragraph (r) of this Section), which Reletting Election Period may extend to a maximum of ninety (90) days subject to and in accordance with the terms of this paragraph; provided, however, that there shall be no Reletting Rights prior to the Reletting Rights Effective Date. The Leasehold Mortgagee shall serve its Reletting Election Notice on the Port Authority on or prior to the Notice of Termination Effective Date, as such date may be extended as provided herein, stating the Leasehold Mortgagee's affirmative election to exercise its Reletting Rights with respect to the Mortgaged Premises and, provided, further, that the Leasehold Mortgagee simultaneously with the giving of its Reletting Election Notice to the Port Authority shall pay to the Port Authority the Leasehold Mortgagee's Foreclosure Period Commencement Payments as defined and set forth in paragraph (n)(1) of this Section. Neither the provisions of this paragraph (l) nor any statement given by the Port Authority pursuant to this paragraph (l) shall be deemed to impair, restrict, limit, alter or affect any claim, right or remedy of the Port Authority under the Lease or otherwise, including without limitation the right to serve a Notice of Termination under the Lease, or to limit the amounts forming the basis for any termination of the Lease by the Port Authority or for which the Lessee may be liable under Section 23 of the Lease entitled 'Survival of the Obligations of the Lessee', nor shall the same impose or create any liability on the Port Authority to, or be the basis of any claim against the Port Authority by, the Lessee, the Leasehold Mortgagee, the Bondholders, the IDA or any other party or Person with respect to any such statement provided the Port Authority has provided the same in good faith, nor shall any such statement be binding on the Port Authority or constitute or be deemed to constitute any waiver or estoppel of any claim, right or remedy of the Port Authority; provided that nothing in this sentence shall limit the rights of the Leasehold Mortgagee to extend the Notice of Termination Effective Date by paying the amount set forth in the applicable notice from the Port Authority as provided in this paragraph (l).

(3) In the event that prior to the Notice of Termination Service Date there has previously occurred a Bonds Default pursuant to paragraph (m) of this Section or a Bankruptcy Rejection Date pursuant to paragraph (r) of this Section, such subsequent occurrence of the Notice of Termination Service Date ('Subsequent Notice of Termination Service Date') shall not commence a new Reletting Election Period or, if applicable, a new Foreclosure Period, and the subsequent Notice of Termination ('Subsequent Notice of Termination') shall be deemed stayed during the balance of the previously commenced Foreclosure Period and such Foreclosure Period may continue (as the same may be extended under paragraph (n) of this Section) if and only if the Leasehold Mortgagee shall, in addition to its continued compliance with all of the Leasehold Mortgagee's Foreclosure Period Obligations including its continued payments of the Leasehold Mortgagee's Foreclosure Period Payments, pay to the Port Authority any applicable Foreclosure Period Extension Fees as set forth in paragraph (n) of this Section.

(m) Bonds Default:

(1) In the event on or after the Reletting Rights Effective Date a Bonds Default shall occur, the Leasehold Mortgagee's Reletting Election Period shall be deemed to

commence upon the date of said Bonds Default ('Bonds Default Date'), but only if such Bonds Default also constitutes an event of default under the Leasehold Mortgage giving the Leasehold Mortgagee the right to foreclose the Leasehold Mortgage. The Leasehold Mortgagee shall serve its Reletting Election Notice on the Port Authority prior to the expiration of said Reletting Election Period. Notwithstanding the foregoing, in the event either a Notice of Termination Service Date or a Bankruptcy Rejection Date occurs prior to a Bonds Default, such Bonds Default shall not trigger a new Reletting Election Period or Foreclosure Period.

(2) After the written request of the Leasehold Mortgagee to the Port Authority which may be made from time to time (but not more frequently than once per calendar month) during that portion of the term of the letting to the Lessee of the Mortgaged Premises from and after the Reletting Rights Effective Date up to the occurrence of the earlier of (i) a Notice of Termination Service Date and (ii) a Bankruptcy Rejection Date or (iii) a Bonds Default Date, the Port Authority shall promptly provide to the Leasehold Mortgagee a statement of amounts invoiced by the Port Authority to the Lessee during the sixty (60) day period preceding the date of each request and setting forth the unpaid amounts, if any, owing or estimated to be owing to the Port Authority by the Lessee under the Lease at the date of the request; provided that the Port Authority in supplying any such statement or statements to the Leasehold Mortgagee shall do so without any warranty or representation to the Leasehold Mortgagee and the Port Authority shall not be liable to the Leasehold Mortgagee, the Lessee, Bondholders or any of them, the IDA or any other party or person with respect to any information contained or not contained therein or the accuracy of the same provided it has submitted such information in good faith (each such statement of amounts invoiced, an 'Information Statement'). Neither the provisions of this paragraph (m) nor any Information Statement shall be deemed to impair, restrict, limit, alter or affect any claim, right or remedy of the Port Authority under the Lease or otherwise, including without limitation the right to serve a Notice of Termination under the Lease, or to limit the amounts forming the basis for any termination of the Lease by the Port Authority or for which the Lessee may be liable under Section 23 of the Lease entitled 'Survival of the Obligations of the Lessee', nor shall the same impose or create any liability on the Port Authority to, or be the basis of any claim against the Port Authority by, the Lessee, the Leasehold Mortgagee, the Bondholders or any of them, the IDA or any other party or Person with respect to the Information Statement provided the Port Authority has provided the same in good faith, nor shall any such Information Statement be binding on the Port Authority or constitute or be deemed to constitute any waiver or estoppel of any claim, right or remedy of the Port Authority.

(n) Leasehold Mortgagee's Foreclosure Period Obligations/Foreclosure Period Extensions

The Trustee as Leasehold Mortgagee shall have all of the following obligations upon the commencement of and during the Foreclosure Period including all extensions thereof (all of the following obligations herein collectively called the 'Leasehold Mortgagee's Foreclosure Period Obligations'):

(1) Leasehold Mortgagee's Foreclosure Period Commencement Payments- Delivery of Reletting Election Notice:

Any commencement of the Foreclosure Period, whether triggered by the delivery of a Reletting Election Notice following a Notice of Termination Service Date or a Bankruptcy Rejection Date or a Bonds Default, shall be further conditioned on the payment of the following by the Leasehold Mortgagee, and the Leasehold Mortgagee shall pay to the Port Authority simultaneously with the Leasehold Mortgagee's service of the Reletting Election Notice the following amounts ('Leasehold Mortgagee's Foreclosure Period Commencement Payments') (provided that the Port Authority shall be obligated to give the Leasehold Mortgagee at least ten (10) days' prior written notice of the amounts due under this subparagraph (n)(1) and all other subparagraphs under this paragraph (n) except as otherwise expressly provided herein):

(A) All amounts due and owing to the Port Authority under the Lease which have accrued for any and all periods up to the Reletting Election Notice Service Date, including without limitation, the Ground Rental, the Area IA and Area IB Building Rental, the Area I Building Rental, the Area II Building Rental, the Terminal Rental, the Extension Rentals, amounts for Hot Water and Chilled Water, the Cost of Assumable Maintenance and Repair, the Lessee's portion of the Costs of the Condition Survey, late charges, fees on In-Flight Meals, the Lessee's Parking Garage Contribution, handling fees, subletting fees, fees on consumer services, electrical, water, and other utility charges, extermination services and additional rental under Section 16 hereof; to the extent such amounts have not been paid to the Port Authority by the Lessee or the Leasehold Mortgagee prior to the commencement of the Foreclosure Period.

(B) All amounts due and owing by the Lessee to the Port Authority under the General Airport Agreement and any successor or replacement agreement or arrangement covering the payment of flight fees and fueling fees which have accrued for a period of sixty (60) days up to the Reletting Election Notice Service Date; to the extent such amounts have not been paid to the Port Authority by the Lessee or the Leasehold Mortgagee prior to the commencement of the Foreclosure Period.

(2) Leasehold Mortgagee's Foreclosure Period Current Basis Payments From and After the First (1st) Day of the Foreclosure Period:

After the initial commencement of the Foreclosure Period and at all times during the continuation of the Foreclosure Period including any and all extensions thereof (and in addition to the Foreclosure Period Commencement Payments set forth in subparagraph (1) of this paragraph (n) and in addition to the Foreclosure Period Extension Fees set forth in subparagraphs (5), (6) and (7) of this paragraph (n)) the Leasehold Mortgagee shall pay to the Port Authority the following amounts on a current basis (the 'Leasehold Mortgagee's Foreclosure Period Current Basis Payments'), as and when due under this Lease and under the General Airport Agreement (and any successor or replacement agreement or arrangement covering the payment of flight fees and fueling fees); to the extent such amounts are not paid by Lessee:

(A) All amounts due and owing to the Port Authority under this Lease on a current basis as the same become due and payable to the Port Authority under this Lease commencing as of the first day of the Foreclosure Period, including without limitation, the Ground Rental, the Area IA and Area IB Building Rental, the Area I Building Rental, the Area II Building Rental, the Terminal Rental, the Extension Rentals, amounts for Hot Water and Chilled

Water, the Cost of Assumable Maintenance and Repair, the Lessee's portion of the Costs of the Condition Survey, late charges, fees on In-Flight Meals, the Lessee's Parking Garage Contribution, handling fees, subletting fees, fees on consumer services, electrical, water, and other utility charges, extermination services and additional rental under Section 16 hereof, to the extent such amounts have not been paid to the Port Authority by the Lessee or the Leasehold Mortgagee.

(B) All amounts due and owing to the Port Authority by the Lessee under the General Airport Agreement and any successor or replacement agreement or arrangement covering the payment of flight fees and fueling fees on a current basis accrued on or after the commencement of the Foreclosure Period as the same become due and payable to the Port Authority commencing as of the first day of the Foreclosure Period; to the extent such amounts have not been paid to the Port Authority by the Lessee or the Leasehold Mortgagee.

(3) Other Leasehold Mortgagee's Foreclosure Period Obligations From and After the First (1st) Day of the Foreclosure Period:

(i) At all times during the Foreclosure Period the Leasehold Mortgagee shall use all reasonable efforts to preserve the value of the Mortgaged Premises hereunder until it has possession of the Mortgaged Premises under the Lease, and thereafter shall fulfill all obligations under the Lease with respect to the preservation of the Mortgaged Premises;

(ii) Immediately upon the commencement of the Foreclosure Period the Leasehold Mortgagee shall use commercially reasonable efforts to obtain an Approved Successor Lessee for the Mortgaged Premises for the balance of the term hereunder or such lesser term as it proposes to lease, subject to the consent of the Port Authority in accordance with and subject to paragraphs (t) and (u) of this Section; provided further, that if, within the Foreclosure Period, the Leasehold Mortgagee selects a Proposed Successor Lessee for the Mortgaged Premises it shall give prompt written notice thereof to the Port Authority including all information described in paragraph (t) of this Section (provided, however, that failure by the Leasehold Mortgagee to give such written notice promptly shall not be deemed to be a violation of the terms of this Section or the Consent Agreement and shall not be deemed to impair the Reletting Rights of the Leasehold Mortgagee except that there shall be no Approved Successor Lessee where the Port Authority is unable to make a determination under paragraph (t) (3) resulting from such failure of the Leasehold Mortgagee; provided, further, however, that such failure by the Leasehold Mortgagee to promptly give such notice and information to the Port Authority shall also mean that there shall be no tolling of the Foreclosure Period or of the Leasehold Mortgagee's obligation to pay the Foreclosure Period Extension Fees under paragraph (t) (3) hereof); it being understood and agreed that any such Approved Successor Lessee shall be obligated to pay to the Port Authority all the rentals, fees, charges and other amounts payable under the Lease, all of which shall be applicable to and paid by the Approved Successor Lessee during the reletting of the Mortgaged Premises to the Approved Successor Lessee, and shall be in addition to the Deferred Reletting Fee or the Deferred Reletting Fee Rental, as the case may be, required to be paid to the Port Authority as described in paragraph (u) of this Section.

(4) Initial Foreclosure Period - 91st to 180th days:

Upon any commencement of the Foreclosure Period, whether triggered by a Lease Default (Notice of Termination or Bankruptcy Rejection Date) or a Bonds Default, the Leasehold Mortgagee shall (to the extent permitted by law) promptly and diligently and in good faith commence and continue and seek to complete proceedings to foreclose upon the Leasehold Mortgage and, in the event the Lessee fails to vacate the Mortgaged Premises including eviction of the Lessee therefrom; provided that in the event the Leasehold Mortgagee continues diligently to continue and complete the foreclosure proceedings including eviction of the Lessee and, through no fault of its own, is unable to complete said foreclosure proceedings including eviction of the Lessee by 11:59 pm New York City time on the ninetieth (90th) day from the initial commencement of the Foreclosure Period, then, provided that not less than five (5) days prior to the expiration of said initial 90-day period the Leasehold Mortgagee shall give written notice to the Port Authority, which notice shall contain the Leasehold Mortgagee's certification of the foregoing to the Port Authority including the status of the aforesaid foreclosure proceedings and subject to the further condition set forth below, the initial Foreclosure Period shall be deemed extended for an additional ninety (90) days and shall expire on the earlier of (aa) the Lease Assignment/Assumption Commencement Date or (bb) 11:59 p.m. New York City time on the date which constitutes the one hundred and eightieth (180th) day from the initial commencement of the Foreclosure Period subject to the extension under subparagraph (5) of this paragraph (n); subject, however, to the further condition that during the said 91st to 180th days of the Foreclosure Period the Leasehold Mortgagee shall perform and pay all the Leasehold Mortgagee's Foreclosure Period Obligations, including without limitation, the payment to the Port Authority of the Leasehold Mortgagee's Foreclosure Period Current Basis Payments.

(5) Initial Foreclosure Period - 181st to 270th Days:

In the event the Leasehold Mortgagee, during the initial 90 days of the Foreclosure Period, as aforesaid, commenced in good faith and thereafter at all times diligently continued proceedings to foreclose upon the Leasehold Mortgage, including eviction of the Lessee, and the Leasehold Mortgagee, through no fault of its own, is unable to complete said foreclosure proceedings including eviction of the Lessee by 11:59 p.m. New York City time on the 180th day from the commencement of the Foreclosure Period, then, provided that not less than five (5) days prior to the expiration of said 180-day period the Leasehold Mortgagee shall give written notice to the Port Authority, which notice shall contain the Leasehold Mortgagee's certification of the foregoing to the Port Authority including the status of the aforesaid foreclosure proceedings, and subject to the further conditions set forth below, the Foreclosure Period shall be deemed extended for an additional 90 days which shall expire on the earlier of (aa) the Lease Assignment/Assumption Commencement Date or (bb) 11:59 p.m. New York City time on the date which constitutes the 270th day from the initial commencement of the Foreclosure Period); subject, however, to the following further conditions:

(i) that during the said 181st to 270th days of the Foreclosure Period the Leasehold Mortgagee shall perform and pay all the Leasehold Mortgagee's Foreclosure Period Obligations, including without limitation, the payment to the Port Authority of all the Leasehold Mortgagee's Foreclosure Period Current Basis Payments; and

(ii) that the Leasehold Mortgagee shall pay to the Port Authority for the said 181st to 270th day period a Foreclosure Period Extension Fee in the amount of Eight Million Ninety Thousand Dollars and No Cents ($8,090,000.00). The said Foreclosure Period Extension Fee shall be payable to the Port Authority in three equal 30-day installments; the first such installment shall be due and payable by the Leasehold Mortgagee at the same time the Leasehold Mortgagee delivers its aforesaid 5-day certification notice to the Port Authority; and the next two installments shall be due and payable by the Leasehold Mortgagee on the 210th day and on the 240th day of the Foreclosure Period; provided, however, that, subject to the provisions of subparagraph (2) of paragraph (t) of this Section, after the occurrence of the Lease Assignment/Assumption Commencement Date (as defined in subparagraph (2) of paragraph (t) of this Section) no installment(s) for any subsequent 30-day period of this extension shall be payable.

The foregoing Foreclosure Period Extension Fee payments shall apply as stated above where the Foreclosure Period initially commenced on any basis other than the sole occurrence of a Bonds Default; however, the same shall be subject the provisions of subparagraph (7) of this paragraph (n) in the event the Foreclosure Period initially commenced solely on the basis of a Bonds Default and thereafter a 'Subsequent Non-Bonds Default' as defined in subparagraph (7) of this paragraph (n) occurred during the Foreclosure Period.

(6) Foreclosure Period Additional Extensions - To Maximum Aggregate Total of 720 days/Foreclosure Period Extension Fees:

Pre-conditions to additional extensions: It is expressly understood and agreed that unless each of the following conditions is satisfied prior to 11:59 p.m. New York City time on the 270th day of the Foreclosure Period (as extended under the foregoing subparagraph (5)) there shall be no further extension of the Foreclosure Period beyond the 270th day: (aa) the Leasehold Mortgagee has previously identified and proposed to the Port Authority a Proposed Successor Lessee pursuant to and in accordance with the terms and provisions of paragraph (t) of this Section and in full compliance with all of the requirements and conditions of said paragraph (t), (bb) such Proposed Successor Lessee meets all of the requirements for becoming an Approved Successor Lessee, as determined by, and to the satisfaction of, the Port Authority, (cc) such Proposed Successor Lessee, the Leasehold Mortgagee, the Lessee (if required pursuant to paragraph (t) (2) hereof) and the Port Authority have executed the Lease Assignment/Assumption and Consent Agreement subject to, and under which the Proposed Successor Lessee will become the Approved Successor Lessee commencing only upon, the successful completion by the Leasehold Mortgagee of the foreclosure and eviction proceedings prior to the expiration of the Foreclosure Period (if and as extended not to exceed an aggregate maximum total of 720 days). The foregoing pre-conditions shall be in addition to the conditions set forth below which the Leasehold Mortgagee must satisfy with respect to each of the following additional extensions of the Foreclosure Period.

(A) Foreclosure Period extension 271st to 360th days/Foreclosure Period Extension Fee:

In the event the Leasehold Mortgagee, during the initial 90 days of the

Foreclosure Period, as aforesaid, commenced in good faith and thereafter at all times diligently continued proceedings to foreclose the Leasehold Mortgage and to evict the Lessee from the Mortgaged Premises and the Leasehold Mortgagee, through no fault of its own, is unable to complete said foreclosure proceedings including eviction of the Lessee from the Mortgaged Premises by 11:59 p.m. New York City time on the 270th day from the commencement of the Foreclosure Period and the pendency of the foreclosure proceedings in the State of New York is the sole impediment to such completion, then, provided that not less than five (5) days prior to the expiration of said 270-day period the Leasehold Mortgagee shall give written notice to the Port Authority, which notice shall contain the Leasehold Mortgagee's certification of the foregoing to the Port Authority including the status of the aforesaid foreclosure proceedings, the Foreclosure Period shall be deemed extended for an additional 90 days which shall expire on the earlier of (aa) the Lease Assignment/Assumption Commencement Date or (bb) 11:59 p.m. New York City time on the date which constitutes 360th day from the commencement of the Foreclosure Period; subject, however, to the following further conditions:

(i) that during the said 271st to 360th day extension of the Foreclosure Period the Leasehold Mortgagee shall perform and pay all of the Leasehold Mortgagee's Foreclosure Period Obligations, including without limitation, the payment to the Port Authority of all the Leasehold Mortgagee's Foreclosure Period Current Basis Payments.

(ii) that the Leasehold Mortgagee shall pay to the Port Authority for the said 271st to 360th day extension a Foreclosure Period Extension Fee in the amount of (Ex. 2.a.) The said Foreclosure Period Extension Fee shall be payable to the Port Authority in three equal 30-day installments; the first such installment shall be due and payable by the Leasehold Mortgagee at the same time the Leasehold Mortgagee delivers its aforesaid 5-day certification notice to the Port Authority; and the next two installments shall be due and payable by the Leasehold Mortgagee on the 301st day and on the 331st day of the Foreclosure Period; provided, however, that, subject to the provisions of subparagraph (2) of paragraph (t) of this Section, after the occurrence of the Lease Assignment/Assumption Commencement Date (as defined in subparagraph (2) of paragraph (t) of this Section) no installment(s) for any subsequent 30-day period of this extension shall be payable.

The foregoing Foreclosure Period Extension Fee payments shall apply as stated above where the Foreclosure Period initially commenced on any basis other than the sole occurrence of a Bonds Default; and the same shall be subject to the provisions of subparagraph (7) of this paragraph (n) in the event the Foreclosure Period initially commenced solely on the basis of a Bonds Default and thereafter a 'Subsequent Non-Bonds Default' as defined in subparagraph (7) of this paragraph (n) occurred during the Foreclosure Period.

(B) Foreclosure Period extension 361st to 540th days/Foreclosure Period Extension Fee:

In the event the Leasehold Mortgagee, during the initial 90 days of the Foreclosure Period, as aforesaid, commenced in good faith and thereafter at all times diligently

continued proceedings to foreclose the Leasehold Mortgage and to evict the Lessee from the Mortgaged Premises and the Leasehold Mortgagee, through no fault of its own, is unable to complete said foreclosure proceedings including eviction of the Lessee from the Mortgaged Premises by 11:59 p.m. New York City time on the 360th day from the commencement of the Foreclosure Period and the pendency of the foreclosure proceedings in the State of New York is the sole impediment to such completion, then, provided that not less than five (5) days prior to the expiration of said 360-day period the Leasehold Mortgagee shall give written notice to the Port Authority, which notice shall contain the Leasehold Mortgagee's certification of the foregoing to the Port Authority including the status of the aforesaid foreclosure proceedings, the Foreclosure Period shall be deemed extended for an additional period which shall expire on the earlier of (aa) the Lease Assignment/Assumption Commencement Date or (bb) 11:59 p.m. New York City time on the date which constitutes the 540th day from the initial commencement of the Foreclosure Period; subject, however, to the following further conditions:

(i) that during the said 361st to 540th day extension of the Foreclosure Period the Leasehold Mortgagee shall perform and pay all of the Leasehold Mortgagee's Foreclosure Period Obligations, including without limitation, the payment to the Port Authority of the Leasehold Mortgagee's Foreclosure Period Current Basis Payments; and

(ii) that the Leasehold Mortgagee shall pay to the Port Authority for the said 361st to 540th day extension a Foreclosure Period Extension Fee in the amount of (Ex. 2.a.) . The said Foreclosure Period Extension Fee shall be payable to the Port Authority in six equal 30-day installments; the first such installment shall be due and payable by the Leasehold Mortgagee at the same time the Leasehold Mortgagee delivers its aforesaid 5-day certification notice to the Port Authority; and the next five installments shall be due and payable by the Leasehold Mortgagee on the 39lst day, on the 421st day, on the 451st day, on the 481st day, and on the 511th day of the Foreclosure Period; provided, however, that, subject to the provisions of subparagraph (2) of paragraph (t) of this Section, after the occurrence of the Lease Assignment/Assumption Commencement Date (as defined in subparagraph (2) of paragraph (t) of this Section) no installment(s) for any subsequent 30-day period of this extension shall be payable.

The foregoing Foreclosure Period Extension Fee payments shall apply as stated above where the Foreclosure Period initially commenced on any basis other than the sole occurrence of a Bonds Default; and the same shall be subject to the provisions of subparagraph (7) of this paragraph (n) in the event the Foreclosure Period initially commenced solely on the basis of a Bonds Default and thereafter a 'Subsequent Non-Bonds Default' as defined in subparagraph (7) of this paragraph (n) occurred during the Foreclosure Period.

(C) Foreclosure Period final extension 541st to 720th days/Foreclosure Period Extension Fee:

In the event the Leasehold Mortgagee, during the initial 90 days of the

Foreclosure Period, as aforesaid, commenced in good faith and thereafter at all times diligently continued proceedings to foreclose the Leasehold Mortgage and to evict the Lessee from the Mortgaged Premises and the Leasehold Mortgagee, through no fault of its own, is unable to complete said foreclosure proceedings including eviction of the Lessee from the Mortgaged Premises by 11:59 p.m. New York City time on the 540th day from the commencement of the Foreclosure Period and the pendancy of the foreclosure proceedings in the State of New York is the sole impediment to such completion, then, provided that not less than five (5) days prior to the expiration of said 540-day period the Leasehold Mortgagee shall give written notice to the Port Authority, which notice shall contain the Leasehold Mortgagee's certification of the foregoing to the Port Authority including the status of the aforesaid foreclosure proceedings, the Foreclosure Period shall be deemed extended for a final period which shall expire on the earlier of (aa) the Lease Assignment/Assumption Commencement Date or (bb) 11:59 p.m. New York City time on the date which constitutes the 720th day from the initial commencement of the Foreclosure Period; subject, however, to the following further conditions:

(i) that during the said 541st to 720th day extension of the Foreclosure Period the Leasehold Mortgagee shall perform and pay all of the Leasehold Mortgagee's Foreclosure Period Obligations, including without limitation, the payment to the Port Authority of all the Leasehold Mortgagee's Foreclosure Period Current Basis Payments; and

(ii) that the Leasehold Mortgagee shall pay to the Port Authority for the said 541st to 720th day extension a Foreclosure Period Extension Fee in the amount of . The said Foreclosure Period Extension Fee shall be payable to the Port Authority in six equal 30-day installments; the first such installment shall be due and payable by the Leasehold Mortgagee at the same time the Leasehold Mortgagee delivers its aforesaid 5-day certification notice to the Port Authority; and the next five installments shall be due and payable by the Leasehold Mortgagee on the 571st day, on the 601st day, on the 631st day, on the 661st day, and on the 691st day of the Foreclosure Period; provided, however, that, subject to the provisions of subparagraph (2) of paragraph (t) of this Section, after the occurrence of the Lease Assignment/Assumption Commencement Date (as defined in subparagraph (2) of paragraph (t) of this Section) no installment(s) for any subsequent 30-day period of this extension shall be payable.

The foregoing Foreclosure Period Extension Fee payments shall apply as stated above where the Foreclosure Period initially commenced on any basis other than the sole occurrence of a Bonds Default; and the same shall be subject to the provisions of subparagraph (7) of this paragraph (n) in the event the Foreclosure Period initially commenced solely on the basis of a Bonds Default and thereafter a 'Subsequent Non-Bonds Default' as defined in subparagraph (7) of this paragraph (n) occurred during the Foreclosure Period.

(7) Foreclosure Period Extension Fees/initial Bonds Default followed by a Lease Termination or Bankruptcy Rejection Date.

(i) For purposes of this subparagraph (7) the term 'Subsequent Non-Bonds Default' shall mean the occurrence of either a Notice of Termination Service Date or a Bankruptcy Rejection Date (whichever is first to occur) subsequent to the initial commencement of the Foreclosure Period which commencement was based solely on the occurrence of a Bonds Default. In the event that the Foreclosure Period initially commences as a result solely of a Bonds Default, the Foreclosure Period Extension Fees shall not be payable unless and until there occurs a Subsequent Non-Bonds Default; provided that such Subsequent Non-Bonds Default shall neither commence a new Foreclosure Period nor extend the total aggregate Foreclosure Period (including all available extensions) beyond the allowable maximum aggregate total of 720 days. In the event of such Subsequent Non-Bonds Default the obligation of the Leasehold Mortgagee to pay to the Port Authority the Foreclosure Period Extension Fees, set forth in subparagraphs (5) and (6) (A), (B) and (C) of this paragraph (n), shall be deemed to commence at the installment rate determined in accordance with the following: if the Subsequent Non-Bonds Default occurs during the initial 90 days after the commencement the Foreclosure Period the actual date of said Subsequent Non-Bonds Default shall be treated as day 1 of the Foreclosure Period and the Foreclosure Period Extension Fees set forth above shall commence on the 181st day following the date of said Subsequent Non-Bonds Default at the applicable 30-day installment rate in accordance with the subparagraph (5) of this paragraph (n); if such Subsequent Non-Bonds Default occurs after the 90th day of the Foreclosure Period the 90th day of the Foreclosure Period shall be treated as day 1 of the Foreclosure Period and the Foreclosure Period Extension Fees shall, where the Subsequent Non-Bonds Default occurs between the 91st and the 270th days of the Foreclosure Period, commence on the 271st day of the Foreclosure Period at the 30-day installment rate applicable on the 181st day thereof (271 minus 90); and where the Subsequent Non-Bonds Default occurs between the 271st and the 720th days of the Foreclosure Period the Foreclosure Period Extension Fees shall commence on the actual date of the Subsequent Non-Bonds Default at the 30-day installment rate applicable on the 90th day preceding such actual date.

For illustrative purposes only the following two examples of the foregoing are provided:

Example 1. If the Foreclosure Period commenced based on a Bonds Default only and the Subsequent Non-Bonds Default occurred on the 20th day after such commencement of the Foreclosure Period, the 20th day of the Foreclosure Period would be treated as day 1 for purposes of the determination of the applicable Foreclosure Period Extension Fee and the obligation of the Leasehold Mortgagee to pay to the Port Authority the Foreclosure Period Extension Fees would commence on the 200th day of the Foreclosure Period at the 30-day installment rate set forth in subparagraph (5) of this paragraph (n) (the 181st-270th day installment rate); alternatively, if the Subsequent Non-Bonds Default occurred on the 150th day after such commencement of the Foreclosure Period, the 90th day of the Foreclosure Period shall be treated as day 1 and said 150th day would be treated as day 60 for purposes of the determination of the applicable Foreclosure Period Extension Fee and the obligation of the Leasehold Mortgagee to pay to the Port Authority the Foreclosure Period Extension Fees would commence 121 days thereafter (i.e. on the 271st day of the Foreclosure Period) at the 30-day installment rate applicable on the 181st day as set forth in subparagraph (5) of this paragraph (n) (the 181st-270th days rate) and continue thereafter during the Foreclosure Period and payable on the first day of each 30-day period thereafter occurring during the Foreclosure

Period at the 30-day installment rates set forth in subparagraphs (6) (A), (B) and (C) of this paragraph (n).

Example 2. If the Foreclosure Period commenced based on a Bonds Default only and the Subsequent Non-Bonds Default occurred on the 70th day after such commencement of the Foreclosure Period, the 70th day of the Foreclosure Period would be treated as day 1 for purposes of the determination of the applicable Foreclosure Period Extension Fee and the obligation of the Leasehold Mortgagee to pay to the Port Authority the Foreclosure Period Extension Fees would commence on the 251st day of the Foreclosure Period at the 30-day installment rate set forth in subparagraph (5) of this paragraph (n) (the 181st-270th installment rate) and continue thereafter during the Foreclosure Period and payable on the first day of each 30-day period thereafter occurring during the Foreclosure Period at the 30-day installment rates set forth in subparagraphs (6) (A), (B) and (C) of this paragraph (n); alternatively, if the Foreclosure Period commenced based on a Bonds Default only and the Subsequent Non-Bonds Default occurred on the 600th day after such commencement of the Foreclosure Period, the 90th day of the Foreclosure Period shall be treated as day 1 and the said 600th day would be treated as day 510 for purposes of the determination of the applicable Foreclosure Period Extension Fee and the obligation of the Leasehold Mortgagee to pay to the Port Authority the Foreclosure Period Extension Fees would commence on the 600th day of the Foreclosure Period at the 30-day installment rate which would be in effect on the 510th day as set forth in subparagraph (6) of this paragraph (n) (the 361st - 540th days rate) and continue thereafter during the Foreclosure Period and payable on the first day of each 30-day period thereafter occurring during the Foreclosure Period at the 30-day installment rates set forth in subparagraphs (6) (B) and (C) of this paragraph (n).

(ii) The Leasehold Mortgagee shall pay to the Port Authority the Foreclosure Period Extension Fees in the monthly installments determined in accordance with the foregoing immediately upon the commencement date established in accordance with the foregoing and on the first day of each 30-day period thereafter occurring during the Foreclosure Period.

(iii) The foregoing provisions of this subparagraph (7), however, shall not in any event extend, or be construed to extend, the Foreclosure Period beyond the maximum permissible aggregate total of 720 days (including all extensions) but subject to the tolling of the running of the Foreclosure Period pursuant to paragraph (t)(3) of this Section 92 or from the suspension of the running of the Foreclosure Period pursuant to the last sentence of the definition of the Foreclosure Period or paragraph (r)(1)(ii)(b) of this Section 92) from the initial commencement date of the Foreclosure Period.

(o) (1) The failure of the Leasehold Mortgagee to pay the Foreclosure Period Commencement Payments when due shall result in the automatic cancellation of the Leasehold Mortgagee's Reletting Rights (and of any Foreclosure Period) and of the Leasehold Mortgage, such cancellation to be deemed effective as of the Reletting Election Notice Service Date and there shall be no further Reletting Rights or Leasehold Mortgage with respect to the Mortgaged Premises hereunder and any Notice of Termination previously stayed shall become fully effective as described below. The failure of the Leasehold Mortgagee to timely pay any of the

Leasehold Mortgagee's Foreclosure Period Payments or to fully and duly perform any of the Leasehold Mortgagee's Foreclosure Period Obligations shall result in the termination of the Foreclosure Period and the Reletting Rights and the Leasehold Mortgage automatically without any further act on the part of the Port Authority and any Notice of Termination previously stayed shall become fully effective as described below. The failure of the Leasehold Mortgagee to pay any Foreclosure Period Extension Fee when due shall result in the automatic termination and non-extension of the Foreclosure Period and the automatic termination of the Leasehold Mortgage and the Reletting Rights without any further act on the part of the Port Authority and any Notice of Termination previously stayed shall become effective as described below. Notwithstanding anything herein to the contrary but without limiting subparagraph (2) below or paragraph (s) of this Section, the sole right or remedy of the Port Authority for the failure of the Leasehold Mortgagee to pay the Leasehold Mortgagee's Foreclosure Period Payments shall be the cancellation or termination (including non-extension) of the Leasehold Mortgagee's Reletting Rights (and of any Foreclosure Period) and of the Leasehold Mortgage.

(2) Upon any such termination or cancellation of the Foreclosure Period or any non-extension of the Foreclosure Period, the Port Authority's termination under the Notice of Termination shall be deemed effective with respect to the Mortgaged Premises and the Lease with respect to the Mortgaged Premises shall be deemed terminated effective immediately on said expiration, termination or cancellation of the Foreclosure Period in accordance with the Section of the Lease entitled 'Termination by the Port Authority' and the Port Authority, in addition to pursuing any or all of its rights and remedies under the Lease, or otherwise, shall be entitled to elect to use, alter or demolish any of the improvements on the Mortgaged Premises free of any claim, right or interest of the Lessee, the Leasehold Mortgagee, the IDA, the Trustee or the Bondholders.

(p) Without limiting the terms and conditions of Sections 45 and 46 hereof and in addition thereto, during the Foreclosure Period, as to any and all portions of the Mortgaged Premises which the Lessee has vacated or from which the Lessee has been evicted, the Port Authority, until such time as the Trustee obtains an Approved Successor Lessee, may use or grant the use of a portion or portions of the Mortgaged Premises on a temporary basis (subject to a thirty (30) day right of termination by the Port Authority without cause) to other Aircraft Operators who have not conducted scheduled passenger aircraft operations at the Airport within the immediately prior thirty-six (36) calendar months, which shall be deemed a subuse under this Lease and shall not impair or limit any of the obligations or liabilities of the Lessee or the Leasehold Mortgagee; any net amount received by the Port Authority (after deducting all expenses, costs and disbursements incurred or paid by the Port Authority in connection therewith) shall be credited, as the Port Authority shall determine, either to the obligations of the Lessee to the Port Authority under this Lease and/or those obligations set forth in paragraph (n)(2)(B) of this Section. No such subuse shall be or be construed to be an acceptance of a surrender or a waiver of any claims, rights or remedies of the Port Authority or to be a reletting by the Leasehold Mortgagee or to limit the Reletting Rights of the Leasehold Mortgagee under this Section.

(q) In the event that at the expiration of the Foreclosure Period the Trustee has

failed to obtain an Approved Successor Lessee for the Mortgaged Premises in accordance with and subject to paragraphs (t) and (u) of this Section, the Reletting Rights and the Leasehold Mortgage shall terminate automatically and the Trustee shall have no further rights or obligations with respect to reletting, the Port Authority's termination under the Notice of Termination shall be deemed effective with respect to the Mortgaged Premises and the Lease with respect to the Mortgaged Premises shall be deemed terminated effective immediately on said expiration of the Foreclosure Period in accordance with the Section of the Lease entitled 'Termination by the Port Authority' and the Port Authority, in addition to pursuing any or all of its rights and remedies under the Lease, or otherwise, shall be entitled to elect to use, alter or demolish any of the improvements on the Mortgaged Premises free of any claim, right or interest of the Lessee, the Leasehold Mortgagee, the IDA, the Trustee or the Bondholders.

(r) Lease Default-Lessee Bankruptcy

(1) (i) In the event of the occurrence of a Lessee Bankruptcy on or after the Reletting Rights Effective Date and the Foreclosure Period has not previously commenced,

(A) if the Lessee as debtor in possession or the bankruptcy trustee assumes and assigns the Lease to an assignee which assignee also assumes the Lease subject to the encumbrance created by the Leasehold Mortgage (by operation of law or otherwise) (whether or not such assignee also assumes the Subleases and the Lessee's obligations to pay the principal, purchase price, redemption premium and interest on any of the Bonds) and there are then Bonds Outstanding then the Reletting Rights of the Leasehold Mortgagee and the Leasehold Mortgage shall continue to obtain and apply to the tenancy of said assignee of the assigned Lease of the Mortgaged Premises with Reletting Rights to a new Foreclosure Period as to such assignee in accordance with and subject to this Section;

(B) if the Lessee as debtor in possession or the bankruptcy trustee rejects the Lease, then the Reletting Election Period shall commence upon the Bankruptcy Rejection Date and the provisions of paragraphs (l)(2) and (n) hereof shall apply. For purposes hereof the term 'Bankruptcy Rejection Date' shall mean the later of (x) the date set forth in the order of the bankruptcy court as the effective date thereof for the rejection (or deemed rejection) of the Lease by the Lessee and (y) the actual date of such order of the bankruptcy court, and said Bankruptcy Rejection Date shall trigger the Reletting Election Period, provided, that the Leasehold Mortgagee shall submit to the Port Authority its Reletting Election Notice stating its election to exercise its Reletting Rights under this Lease, as above described, within the time provided in paragraph (l)(2) of this Section; and provided, further, however, that the foregoing shall not constitute any waiver, impairment or limitation of any claims, rights or remedies of the Port Authority with respect to such rejection of the Lease or the Lessee Bankruptcy. The foregoing shall not limit the rights granted hereunder to the Leasehold Mortgagee.

(ii) In the event of the occurrence of a Lessee Bankruptcy on or after the Reletting Rights Effective Date and the Foreclosure Period has previously commenced,

(A) if the Lessee as debtor in possession or the bankruptcy trustee assumes and assigns the Lease to an assignee which assignee also assumes the Lease

subject to the encumbrance created by the Leasehold Mortgage (by operation of law or otherwise) (whether or not such assignee also assumes the Subleases and the Lessee's obligations to pay the principal, redemption premium and interest on the Bonds) and there are then Bonds Outstanding then the Reletting Rights of the Leasehold Mortgagee and the Leasehold Mortgage shall continue to obtain and apply to the tenancy of said assignee of the assigned Lease of the Mortgaged Premises with Reletting Rights to a new Foreclosure Period as to such assignee in accordance with and subject to this Section;

(B) if the Lessee as debtor in possession or the bankruptcy trustee rejects the Lease, then the running of the previously commenced Foreclosure Period shall be deemed suspended as of the date of the Lessee Bankruptcy and shall resume as of the occurrence of a Bankruptcy Rejection Date; provided, however, that the foregoing shall not constitute any waiver, impairment or limitation of any claims, rights or remedies of the Port Authority with respect to such rejection of the Lease or with respect to a Lessee Bankruptcy. The foregoing shall not limit the rights granted hereunder to the Leasehold Mortgagee, provided that the Leasehold Mortgagee fulfills all Leasehold Mortgagee's Foreclosure Period Obligations, including without limitation, the payment to the Port Authority of the Leasehold Mortgagee's Foreclosure Period Payments.

(2) Upon the Bankruptcy Rejection Date the Leasehold Mortgagee shall, for purposes of this Section only, be the 'deemed Lessee' under this Lease and shall simultaneously with the service of its Reletting Election Notice pay the Leasehold Mortgagee's Foreclosure Period Commencement Payments, if not already paid, and shall thereafter satisfy all of the Leasehold Mortgagee's Foreclosure Period Obligations, including without limitation, the payment to the Port Authority of the Leasehold Mortgagee's Foreclosure Period Payments.

(s) In the event of the failure of the Leasehold Mortgagee to exercise its Reletting Rights by the timely service of its Reletting Election Notice and the payment to the Port Authority of the Leasehold Mortgagee's Foreclosure Period Commencement Payments in accordance with this Section, the Lease and the letting of the Mortgaged Premises shall be deemed terminated effective immediately on the Notice of Termination Effective Date (as such date may be extended subject to and in accordance with the terms of paragraph (l)(2) of this Section), or on the effective date of any other notice of termination served by the Port Authority in accordance with the Section of the Lease entitled 'Termination by the Port Authority', and the Port Authority, in addition to pursuing any or all of its rights and remedies under the Lease, or otherwise, shall be entitled to elect to use, alter or demolish any of the improvements on the Mortgaged Premises free of any claim, right or interest of the Lessee, the Trustee, the Mortgagee, the IDA or the Bondholders.

(t) (1) No entity, party or person other than an Approved Successor Lessee shall be entitled to become the owner of or acquire any interest in this Lease pursuant to a judgment of foreclosure and sale or as a result of an assignment in lieu of foreclosure or as a result of the exercise by the Leasehold Mortgagee of its Reletting Rights or otherwise; and any entity, person or party proposed to become an Approved Successor Lessee ('Proposed Successor Lessee') shall become an Approved Successor Lessee only if the Leasehold Mortgagee duly exercises its Reletting Rights by submitting to the Port Authority its Reletting Election Notice stating its

election to exercise its Reletting Rights under this Lease (including as applicable the Leasehold Mortgagee's Notice of Termination Effective Date First Extension Fees and the Leasehold Mortgagee's Notice of Termination Effective Date Second Extension Fees) and including therewith the payment to the Port Authority of the Leasehold Mortgagee's Foreclosure Period Commencement Payments and fulfills all the other Leasehold Mortgagee's Foreclosure Period Obligations, including without limitation, the payment to the Port Authority of the Leasehold Mortgagee's Foreclosure Period Payments, and said Proposed Successor Lessee receives the approval of the Port Authority in advance. In determining whether to approve or disapprove a Proposed Successor Lessee, the Port Authority shall consider all relevant factors, including but not limited to, the following factors, but it is agreed that the Port Authority shall analyze all such factors in a reasonable manner:

(i) whether the Proposed Successor Lessee will be able to fulfill all of the Lessee's obligations under this Lease with respect to the Mortgaged Premises throughout the balance of the term of the letting hereunder or such lesser term as it proposes to lease;

(ii) whether the financial standing of the Proposed Successor Lessee as of the effective date of its acquisition of the leasehold hereunder is sufficient, in the opinion of the Port Authority, to assure the Port Authority that the Proposed Successor Lessee is able to fulfill all of the Lessee's obligations with respect to the Mortgaged Premises under this Lease throughout the balance of the term of the letting of the Mortgaged Premises hereunder or such lesser term as it proposes to lease which shall constitute the term of the proposed reletting; including without limitation the submission to the Port Authority of such security or guaranty in such form and amount as the Port Authority may find satisfactory and shall also submit such financial statements and other financial information as the Port Authority may require;

(iii) whether the Proposed Successor Lessee and any officer, director or partner thereof and any person, firm or corporation having an outright or beneficial interest in twenty percent (20%) or more of the monies invested in the Proposed Successor Lessee, if said Proposed Successor Lessee is a corporation or partnership, by loans thereto, stock ownership therein or any other form of financial interest has as of the date of the proposed assignment/assumption a good reputation for integrity and financial responsibility and has not been convicted of or under current indictment for any crime and is not currently involved in material civil anti-trust or fraud litigation (other than as a plaintiff); and

(iv) whether the Port Authority has had any 'unfavorable experience' with the Proposed Successor Lessee, or any of its officers, directors, or partners, or any person, firm or corporation (such officers, directors, partners, person, firm and corporation, being herein in this item (iv) individually and collectively referred to as a 'Reletting Party') having an outright or beneficial interest in twenty percent (20%) or more of the monies invested in the Proposed Successor Lessee, if said Proposed Successor Lessee is a corporation or partnership, by loans thereto, stock ownership therein or any other form of financial interest; 'unfavorable experience' as used herein shall mean any one or more of the following: (A) a material default by said Proposed Successor Lessee or any such Reletting Party of any obligation (monetary or non-monetary) to the Port Authority; (B) any assertion made by said Proposed Successor Lessee or any such Reletting Party against the Port Authority in any frivolous, false, malicious, or

unsupportable claim, demand or allegation or suit or proceeding; (C) any act or omission of said Proposed Successor Lessee or any such Reletting Party causing or resulting in any loss, damage or injury to the Port Authority or the imposition or threatened imposition of any fine or penalty on the Port Authority or the commencement or threatened commencement of any action, suit or proceeding against the Port Authority; (D) any failure or refusal of said Proposed Successor Lessee or any such Reletting Party to comply with any law, governmental order, directive, ordinance or requirement, including without limitation, Environmental Requirements, at any Port Authority facility; (E) any failure to comply with, or breach of, the Port Authority's Code of Ethics and Financial Disclosure by said Proposed Successor Lessee or any such Reletting Party; or (F) any breach by said Proposed Successor Lessee or any such Reletting Party of any fiduciary obligation, trust, confidence or other duty to the Port Authority or of any confidentiality agreement with the Port Authority;

(v) whether the Proposed Successor Lessee or any officer, director or partner thereof or any Person, firm or corporation having an outright or beneficial interest in twenty percent (20%) or more of the monies invested in the proposed assignee, if said Proposed Successor Lessee is a corporation or partnership, by loans thereto, stock ownership therein or any other form of financial interest is in conflict of interest, as defined under the laws of the States of New York and New Jersey or Port Authority policy, with any Commissioner of the Port Authority as of the date of the proposed acquisition; and

(vi) whether the Proposed Successor Lessee or any officer, director or partner thereof or any Person, firm or corporation having an outright or beneficial interest in twenty percent (20%) or more of the monies invested in the proposed assignee, if said Proposed Successor Lessee is a corporation or partnership, by loans thereto, stock ownership therein or any other form of financial interest has filed a voluntary petition in bankruptcy or has been adjudicated a bankrupt within five (5) years prior to the date of the proposed acquisition.

Without limiting any other term or provision hereof, the Proposed Successor Lessee must also agree in the Lease Assignment/Assumption and Consent Agreement, to pay all of the rentals, fees, charges and other amounts payable under and in accordance with the Lease, including without limitation the amounts described in paragraph (n) (2) (A) of this Section, and the amounts set forth in paragraph (n)(2)(B) of this Section. The Proposed Successor Lessee shall use and occupy the Mortgaged Premises for the purposes set forth in Section 5 hereof and shall be a major domestic or international Scheduled Aircraft Operator or consortium thereof and shall agree (or, if a consortium, shall agree jointly and severally) in the Lease Assignment/Assumption and Consent Agreement to use and occupy the Mortgaged Premises in accordance with all the terms and conditions of this Lease.

(2) Notwithstanding the foregoing, no acquisition, assignment, sale or transfer pursuant to this paragraph (t) shall be effective, and no Proposed Successor Lessee shall become an Approved Successor Lessee, or have any right to possess, use or occupy the Mortgaged Premises unless and until an assignment and assumption agreement, in the event of an assignment in lieu of foreclosure, or an assumption agreement, in the event of a foreclosure, whereby the Proposed Successor Lessee, effective on a date prior to or simultaneously with the expiration of the Foreclosure Period, assumes the obligations of the Lessee as if it were the

original tenant hereunder, has been executed by the Port Authority, the Lessee (except in the case of an assumption agreement, in the event of a foreclosure, in which case the signature of the Lessee shall not be required and the Lessee hereby expressly so agrees), the Proposed Successor Lessee and the Leasehold Mortgagee (said fully executed agreement in either case, the 'Lease Assignment/Assumption and Consent Agreement'); subject to the payment of the Deferred Reletting Fee as set forth in paragraph (u) of this Section. The said effective date of the Lease Assignment/Assumption and Consent Agreement is herein referred to as the 'Lease Assignment/Assumption Commencement Date', provided that where the Leasehold Mortgagee has commenced proceedings to foreclose the Leasehold Mortgage, and for purposes of the continuation of the Foreclosure Period Extension Fees (as provided in paragraph (n) of this Section), such date shall be deemed to have occurred only upon the successful completion by the Leasehold Mortgagee prior to the expiration of the Foreclosure Period (subject to the aggregate total maximum of 720 days) (except as the running of said 720 day Foreclosure Period may be tolled as provided in paragraph (t)(3) of this Section or suspended as provided in the last sentence of the definition of the Foreclosure Period or paragraph (r)(1)(ii)(B) of this Section) of the foreclosure and eviction proceedings described in paragraph (n) (4) of this Section; provided, further, however, that in the event the Leasehold Mortgagee does not in fact successfully complete the foreclosure of the Leasehold Mortgage and eviction proceedings as described in paragraph (n) (4) of this Section prior to the expiration of the Foreclosure Period (subject to the aggregate total maximum of 720 days (except as the running of said 720 day Foreclosure Period may be tolled as provided in the last sentence of the definition of the Foreclosure Period or paragraph (t)(3) of this Section or suspended as provided in paragraph (r)(1)(ii)(B) of this Section) the Lease Assignment/Assumption and Consent Agreement shall be null and void and of no force or effect. The Lease Assignment/Assumption Agreement shall be substantially in the forms used by the Port Authority at the time of the foreclosure or assignment in lieu of foreclosure for the assignment and assumption or assumption, as the case shall be, of leases at the Airport and shall contain such other terms and conditions as the Port Authority may determine to be necessary or desireable to effectuate such assignment and assumption or assumption.

(3) It is understood and agreed that after the Leasehold Mortgagee has obtained a Proposed Successor Lessee and has promptly submitted to the Port Authority all required and necessary information and materials (provided, however, that failure by the Leasehold Mortgagee to give such written notice promptly shall not be deemed to be a violation of the terms of this Section or the Consent Agreement and shall not be deemed to impair the Reletting Rights of the Leasehold Mortgagee except that there shall be no Approved Successor Lessee where the Port Authority is unable to make a determination resulting from such failure of the Leasehold Mortgagee; provided, further, however, that such failure by the Leasehold Mortgagee to promptly give such notice and information to the Port Authority shall also mean that there shall be no tolling of the Foreclosure Period or of the Leasehold Mortgagee's obligation to pay the Foreclosure Period Extension Fees under this paragraph (t) (3)), in accordance with subparagraph (1) of this paragraph (t), to enable the Port Authority to determine whether it will approve such Proposed Successor Lessee as an Approved Successor Lessee (which determination includes the signing by the Port Authority, the Lessee (in the case of an assignment in lieu of foreclosure) and the Approved Successor Lessee of the Lease Assignment/Assumption and Consent Agreement), the running of the Foreclosure Period shall be

deemed tolled pending such determination by the Port Authority, such determination to be made promptly and reasonably by the Port Authority, provided, however, that no such tolling shall be effective unless the Leasehold Mortgagee promptly continues to submit such additional information and material as may be reasonably required by the Port Authority for its making of its determination. Such tolling shall also toll the Leasehold Mortgagee's obligation to pay the Foreclosure Period Extension Fees, but none of the other Leasehold Mortgagee's Foreclosure Period Obligations.

(u) Deferred Reletting Fee:

(1) Anything to the contrary herein notwithstanding, (i) no Port Authority consent shall be granted to any Approved Successor Lessee and no Proposed Successor Lessee or any other entity, person or party shall become an Approved Successor Lessee unless and until either (A) the Leasehold Mortgagee or the Proposed Successor Lessee shall pay to the Port Authority prior to the effective date of any right of the Approved Successor Lessee to possess or commence any use or occupancy of the Mortgaged Premises and prior to any such actual possession or commencement by any such Approved Successor Lessee in a single lump sum payment the full amount of the Deferred Reletting Fee, as defined below, or (B) at the election of the Approved Successor Lessee, in lieu of said single lump sum payment, the Approved Successor Lessee shall agree to pay the Deferred Reletting Fee over time in Deferred Reletting Fee Rental, as defined below, commencing as of the Lease Assignment/Assumption Commencement Date which election shall be stated in the Lease Assignment/Assumption and Consent Agreement subject to subparagraph (4) of this paragraph (u); and (ii) in the case of the foregoing (i) (B), any such Port Authority consent to any Approved Successor Lessee is and shall be expressly conditioned on the agreement of the Proposed Successor Lessee to make continuing payments to the Port Authority of the Deferred Reletting Fee Rental under subparagraph (4) of this paragraph (u); provided, however, that the Approved Successor Lessee shall also submit to the Port Authority such additional security as the Port Authority may reasonably require and in such amount and form as the Port Authority may determine to be appropriate to secure the obligation of the Approved Successor Lessee to pay said Deferred Reletting Fee Rental.

(2) 'Deferred Reletting Fee' shall mean the fee payable to the Port Authority in a single lump sum payment by the Leasehold Mortgagee or the Approved Successor Lessee, as aforesaid, and which shall be determined by applying the following formula:

$$\mathbf{DRF = MA \times Y \times C}$$

Where DRF equals the Deferred Reletting Fee.

MA equals the Mortgage Amount hereunder.

Y equals a fraction the numerator of which shall be the greater of (i) the actual number of full years then remaining in the term of the letting of the Mortgaged Premises hereunder at the Reletting Election Notice Service Date and (ii) the number five (5), and the denominator of which shall be the total number of years between the Supplement One Effective Date, as defined in Supplement No. 1 of

this Lease and the earlier of (i) the day preceding the thirtieth (30th) anniversary of the Redevelopment Work Completion Date or (ii) December 21, 2036.

C equals (i) 2% in the event the Foreclosure Period commenced on the basis of a Bonds Default, and a Subsequent Non-Bonds Default did not occur thereafter during the Foreclosure Period; (ii) 3% in the event the Foreclosure Period commenced on the basis of the occurrence of a Lease Termination or Bankruptcy Rejection Date, and a Bonds Default did not subsequently occur; or (iii) 4% in the event the Foreclosure Period commenced on the basis of a Bonds Default and thereafter a Subsequent Non-Bonds Default occurred, or the Foreclosure Period commenced on the basis of a Lease Termination or Bankruptcy Rejection Date, and thereafter a Bonds Default occurred.

(3) Subject to (4) below, the Deferred Reletting Fee shall be due and payable in full to the Port Authority by the Leasehold Mortgagee or the Approved Successor Lessee in a single lump sum payment on the Lease Assignment/Assumption Commencement Date (and in any event prior to any use, occupancy or possession of the Premises by the Approved Successor Lessee).

(4) In the event the Approved Successor Lessee elects to pay to the Port Authority the Deferred Reletting Fee in accordance with clause (i) (B) of subparagraph (1) of this paragraph (u) then the following provisions shall be and become immediately effective as part of the rental obligations of the Approved Successor Lessee as the lessee under the Lease and as part of the rental obligations assumed by the Approved Successor Lessee under the Lease Assignment/Assumption and Consent Agreement:

"(A) 1. 'Deferred Reletting Fee' shall have the meaning as defined in paragraph (u)(2) of Section 92 of the Lease.

2. 'Deferred Reletting Fee Rental Commencement Date' shall mean, with respect to the Deferred Reletting Fee Rental established on the basis of the Deferred Reletting Fee, the Lease Assignment/Assumption Commencement Date; provided, however, that if the Deferred Reletting Fee Rental Commencement Date shall occur on other than the first day of a calendar month, the Deferred Reletting Fee Rental Commencement Date shall mean the first day of the calendar month immediately following the month in which the aforesaid Lease Assignment/Assumption Commencement Date occurs.

3. 'Deferred Reletting Fee Rental Period' shall mean the period commencing on the Deferred Reletting Fee Rental Commencement Date and ending on the earlier of (i) the day preceding the tenth (10th) year anniversary of the Deferred Reletting Fee Rental Commencement Date and (ii) the expiration date of the then remaining term of the letting of the Mortgaged Premises after the Deferred Reletting Fee Rental Commencement Date.

4. 'Monthly Factor' shall mean the factor derived in accordance herewith by the application of the following formula:

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

Where i is an annual percentage rate expressed in decimal form equal to the sum of (x) the Fixed RBI Rate (as herein defined in item 5 below) plus (y) 1.5% (150 basis points), divided by twelve (12); and where t (a power) equals the number of calendar months (expressed in whole numbers) from the Deferred Reletting Fee Rental Commencement Date to the earlier of (i) the day preceding the tenth (10th) year anniversary of the Deferred Reletting Fee Rental Commencement Date and (ii) the expiration date of the then remaining term of the letting of the Mortgaged Premises after the Deferred Reletting Fee Rental Commencement Date.

5. 'Fixed RBI Rate' as applicable to and determined for the Deferred Reletting Fee Rental hereunder shall mean the percentage reported as the weekly index of the Bond Buyer Revenue Bond Index as reported in the publication 'The Bond Buyer' during the calendar week immediately preceding the Deferred Reletting Fee Rental Commencement Date. In the event that the Bond Buyer or its weekly Bond Buyer Revenue Bond Index shall be discontinued during the term of this Lease, a comparable substitute for such Index shall be mutually agreed upon in writing by the Lessee and the Port Authority within thirty (30) days after such discontinuance. In the event that the Lessee and the Port Authority shall fail to agree upon such a substitute within the time hereinabove specified then upon notice of either party such dispute shall be disposed of by arbitration in accordance with then existing rules of the American Arbitration Association or any successor association. One half of the cost of said arbitration shall be borne by the Port Authority and the other half of said cost shall be borne by the Lessee.

(B) Computation and Payment

Commencing on the Deferred Reletting Fee Rental Commencement Date the Lessee shall pay to the Port Authority a rental (herein called the 'Deferred Reletting Fee Rental') which Deferred Reletting Fee Rental shall be an amount payable on the first day of each and every calendar month during the Deferred Reletting Fee Rental Period which shall be equal to the product obtained by multiplying the Monthly Factor by the Deferred Reletting Fee (as defined in paragraph (u)(2) of this Section) as determined on the day immediately preceding the Deferred Reletting Fee Rental Commencement Date.

(C) The Deferred Reletting Fee Rental shall be payable in the same manner and collectible with like remedies as if the same were part of the Rentals (as defined in Section 4 of this Lease), except that such payment shall not be subject to abatement or suspension for any reason whatsoever.

(D) Notwithstanding any obligation of the Lessee to pay the Deferred Reletting Fee Rental as part of the rental obligations of the Lessee hereunder, the Lessee hereby, as a separate and independent covenant, agrees and promises to pay to the Port Authority the 'Deferred Reletting Fee Payment Amount' which for purposes hereof shall mean the total amount of installments and payments to be paid by the Lessee as Deferred Reletting Fee Rental to the extent not actually paid by the Lessee as Deferred Reletting Fee Rental as set forth above. The Deferred Reletting Fee Payment Amount shall be due and payable by the Lessee to the Port Authority immediately upon any termination, expiration, non-extension or cancellation of the Lease. Said obligation and agreement of the Lessee to pay the Deferred Reletting Fee Payment Amount to the Port Authority shall survive any termination, expiration, non-extension or cancellation of the Lease."

(v) The Leasehold Mortgagee shall not be entitled to foreclose its Leasehold Mortgage or to have the Lessee's interest assigned in lieu of such foreclosure unless at least thirty (30) days prior to commencing such foreclosure or requesting such assignment in lieu of foreclosure, the Leasehold Mortgagee shall have given the Port Authority written notice of its intention to foreclose or to have this Lease assigned with respect to the Mortgaged Premises which notice shall state the principal amount of the Bonds then Outstanding, the amount of accrued and unpaid interest thereon, and the per diem interest which will accrue on the principal amount of the Bonds then Outstanding from and after the giving of such notice. The Port Authority shall have the right, following the giving of such notice by the Leasehold Mortgagee, to tender to the Leasehold Mortgagee the total amount specified in such notice from the Leasehold Mortgagee, including per diem interest through the date of such tender, and upon such tender the Leasehold Mortgage shall terminate and be of no further force and effect. Promptly following the tender of such amount specified in such notice from the Leasehold Mortgagee by the Port Authority, the Lessee shall cause to be executed a satisfaction of the Leasehold Mortgage, cause the same to be filed in the Office of the City Register for Queens County and take all other and additional actions that are required in order to discharge the lien of the Leasehold Mortgage as of record. If the Port Authority shall fail to notify the Leasehold Mortgagee within the thirty (30) day period specified in the notice of its intention to terminate the Leasehold Mortgage the Leasehold Mortgagee shall be entitled with respect to the Mortgaged Premises to proceed to foreclose the Leasehold Mortgage or to accept an assignment in lieu of foreclosure in accordance with the provisions of this Lease.

(w) No sale, transfer or assignment by the Lessee of its interest in this Lease to the Port Authority shall create a merger between the estates of the Port Authority and the Lessee unless the Port Authority, the Lessee and the Leasehold Mortgagee shall specifically consent to such merger in writing, nor shall any such sale, transfer or assignment be deemed to affect or

diminish the liabilities of the Lessee named in this Lease, whether for survived damages or otherwise.

(x) Each and every provision stated herein to be or become a right or an obligation of the Trustee or of the Leasehold Mortgagee shall be included in the Consent Agreement (by reference to this Lease or otherwise) as among the rights and obligations of the Trustee, and in Leasehold Mortgage as among the rights and obligations of the Leasehold Mortgagee under the Leasehold Mortgage, and each and every provision stated herein to be or become an obligation of the Approved Successor Lessee shall be deemed included in the obligations assumed by the Approved Successor Lessee by its acquisition of the Mortgaged Premises, the Lease with respect thereto and by its execution of the Lease Assignment/Assumption and Consent Agreement.

(y) (1) If the Leasehold Mortgagee shall obtain an Approved Successor Lessee such Approved Successor Lessee shall acquire the Lease with respect to the Mortgaged Premises with no further right to mortgage or pledge the leasehold, and shall have no right to assign the Lease with respect to the Mortgaged Premises other than the limited right of assignment provided under Section 19 hereof.

(2) Nothing herein shall or shall be deemed to release or relieve the Lessee from any terms, provisions, covenants or conditions to be kept, performed or observed by the Lessee under this Lease or under the Consent Agreement.

(3) Nothing herein shall constitute or be deemed to constitute any waiver by the Port Authority of any of its rights or remedies to evict the Lessee in the event the Port Authority terminates the Lease pursuant to the Section of this Lease entitled 'Termination by the Port Authority' and the Leasehold Mortgagee fails to properly exercise its Reletting Rights or to obtain an Approved Successor Lessee in accordance with the provisions hereof.

(5) Except for the rights granted herein to the Leasehold Mortgagee, nothing herein shall constitute any waiver, impairment or limitation of any of claims, rights or remedies of the Port Authority based upon any event of default or based on any rejection of the Lease resulting from a Lessee Bankruptcy or based on any Lessee Bankruptcy.

(6) This Section and the right of the Lessee to grant the Leasehold Mortgage and the right of the Trustee to take the Leasehold Mortgage are and shall be rights granted and effective only as to the Lessee hereunder and are exercisable one time only as above provided, and shall not extend, obtain or apply to any Approved Successor Lessee or other entity or Person who may become a tenant or lessee of the Premises or any portion thereof with no further right to grant a Leasehold Mortgage. Any Scheduled Aircraft Operator, including without limitation any Section 19 Assignee, to which the Lease is assigned with the consent of the Port Authority shall take the Lease subject to this Section 92 and the prior exercise by the Lessee of said one time right to grant a Leasehold Mortgage and shall not have any further right to grant a Leasehold Mortgage.

(7) Neither this Section nor anything contained herein nor any action taken or

not taken hereunder shall impair, restrict or limit the rights of the Port Authority under Section 46 hereof.

(z) Notices, statements and requests by or to the Trustee (Leasehold Mortgagee) under the provisions of this Section shall be governed by Section 32 of the Lease entitled 'Notices' and shall be given to the Trustee at its address specified in paragraph (j)(2) of this Section.

"Section 93. No Third Party Beneficiary

There shall be no third-party beneficiaries of this Agreement. This Agreement shall be effective only as between the parties hereto (and their successors and assigns, if, as and to the extent permitted under this Agreement), and shall not be construed as creating or conferring upon any Person or entity any right, remedy or claim under or by reason of this Agreement. Notwithstanding the foregoing, nothing in this Section 93 shall deprive the Leasehold Mortgagee of any of the rights granted to the Leasehold Mortgagee under Section 92 of the Lease."

"Section 94. Additional Lessee Covenants

(a) (1) The Lessee agrees that, except as provided in subparagraph (a)(2) below, that in negotiating the provisions of the City-American Lease with the City or its designee, which designee shall for the purposes of this Section 94 exclude the Port Authority, the Lessee will not, without the prior written permission of the Port Authority, execute the City-American Lease unless the term of the City-American Lease shall commence on the day first following the day after the Expiration Date and shall end on the earlier to occur of (i) the day immediately preceding the thirtieth (30th) anniversary of the Redevelopment Work Completion Date or (ii) December 21, 2036.

(2) The Lessee further agrees that if the City and the Port Authority shall, either before or after the execution of the City-American Lease, reach mutual written agreement on a different date that the term of the City-American Lease shall commence, whether in the Basic Lease, the Airport Lease, a future agreement to enter into lease by another tenant with the City for a portion of the Airport, or some similar agreement affecting the Airport (which different date that the term of the City-American Lease shall commence is herein referred to as the 'New Commencement Date'), the Lessee will, at the written request of the City and the Port Authority, enter into an agreement or agreements amending the City Agreements to reflect that the commencement of the term of the City-American Lease shall be the New Commencement Date.

(b) (1) In the event that a deed is executed and delivered transferring fee title to the Airport to the Port Authority, the Lessee shall, at the written request of the City and the Port Authority, enter into an agreement or agreements providing, and/or furnish evidence satisfactory to the Port Authority, that each of the City Agreements and all other agreements relating to the Lessee's letting of the premises under this Lease with the City or its designee (excluding the Port

Authority) has been surrendered, cancelled, terminated or revoked or shall have expired, and are of no further force or effect.

(2) In the event that an Airport Lease Extension Agreement shall extend the Airport Lease to any date after the Final Lease Extension Date (as defined in Section 3 hereof), the Lessee agrees that it will at the written request of the City and the Port Authority, enter into an agreement or agreements amending the American-City Agreement and/or the City-American Lease or with respect to the American-City Agreement and/or the City-American Lease containing such terms and provisions as the City and the Port Authority shall both request in writing.

(c) (1) The Lessee agrees that in the event that after the commencement of the City-American Lease or after the Lessee has attorned to the City under the RNDA, if the City and the Port Authority come to an agreement and enter into an Airport Lease Extension Agreement (which includes the Premises), at the written request of the City and the Port Authority, the Lessee shall (i) enter into an agreement that confirms that the Lease continues, or is reinstated, as a Lease between the Lessee and the Port Authority on the terms set forth in the Lease without any modifications thereto and (ii) enter into any other agreement or agreements necessary to effectuate the purpose of such Airport Lease Extension Agreement (which includes the Premises).

(2) The Lessee agrees that in the event that after the commencement of the City-American Lease or after the Lessee has attorned to the City under the RNDA, a court of competent and final jurisdiction in the event that the City-American Lease has commenced, determines that the City-American Lease is not valid and that the Lease is still in full force and effect or in the event that the Lessee has attorned to the City under the RNDA, determines that the Airport Lease was not terminated, the Lessee shall (i) enter into an agreement that confirms that the Lease continues, or is reinstated, as a Lease between the Lessee and the Port Authority on the terms set forth in the Lease without any modifications thereto subject however to Section 3 (d) of this Lease and (ii) enter into any other agreement or agreements necessary to effectuate such final and non-appealable court decision.

(d) The Lessee agrees that it will not sell, convey, transfer, mortgage, pledge or assign any of the City Agreements unless the assignee agrees to be bound by the covenants contained in this Section 94. The Lessee further agrees that such assignment will provide that the term of the City-American Lease shall not be effective until the day first following the day after the Expiration Date, but if there is a New Commencement Date, then such assignment will provide that the term of the City-American Lease shall not be effective until the New Commencement Date.

(e) The Lessee agrees that if any of the City Agreements or such other lease have been recorded, the Lessee shall, if the City has consented in writing, cause to be recorded an amendment to each recorded City Agreement reflecting a New Commencement Date, or a release of such recorded City Agreement, as appropriate.

(f) The Lessee agrees that nothing contained in the City Agreements, or any

of them, or in Section 3 of this Lease, or in the First Supplemental Agreement, shall waive, relieve, excuse or forgive or shall be deemed to have waived, relieved, excused or forgiven the obligation of the Lessee to pay all rentals and other amounts payable to the Port Authority pursuant to this Lease.

(g) Without limiting the generality of the terms and conditions of Section 13 of the Lease entitled "Indemnity and Liability Insurance" or paragraph (e)(7) of Section 3 of this Lease, the Lessee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives, from and against (and shall reimburse the Port Authority for the Port Authority's costs and expenses including legal expenses, whether those of the Port Authority's Law Department or otherwise, incurred in connection with the defense of) all claims and demands whatsoever including without limitation direct, indirect, consequential or unforeseen damages, of third persons, including without limitation the City, resulting from or in connection with any breach or default of the Basic Lease by the Port Authority or the City arising out of or in connection with the City Agreements or any of them, the Leasehold Mortgage or any of the terms and provisions thereof, or the terms and provisions of paragraph (e)(2)(iv) of Section 3 of the Lease. If so directed, the Lessee shall at its own expense defend any suit based upon any such claim or demand (even if such claim or demand is groundless, false or fraudulent), and in handling such it shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority.

(h) The Lessee agrees that it shall not claim that the American-City Agreement constitutes or shall constitute or creates any estate or other property right or property interest in the Premises.

(i) Without limiting the generality of paragraph (h) of this Section 94, the Lessee further agrees that it shall not claim that the City Agreements constitute or create any estate, right or interest in the Premises subsequent to the Final Lease Extension Date.

(j) Paragraphs (a)(2), (b), (c)(1), (g) and (h) of this Section 94 shall survive the expiration or termination of this Lease."

5. Paragraph (a) of Section 19 of the Lease shall be amended to read as follows:

"(a) (1) (A) The Lessee covenants and agrees that it will not sell, convey, transfer, mortgage, pledge or assign this Agreement or any part thereof, or any rights created thereby or the letting thereunder or any part thereof without the prior written consent of the Port Authority; provided, however, that this Agreement may be assigned in its entirety (by operation of law or otherwise) without such consent to any successor in interest of the Lessee which is or is to be a Scheduled Aircraft Operator, and into which the Lessee may merge or with which the Lessee may consolidate, or which may succeed to the assets of the Lessee or the major portion of its assets related to its air transportation system, if immediately following the merger, consolidation or assignment either (i) the entity which then is the Lessee has a Tangible Net Worth equal to at least

95% of that of the Lessee immediately preceding the merger, consolidation or assignment or (ii) the entity which then is the Lessee has Debt (as defined below) that is rated by both Rating Agencies (as defined below) at or above Investment Grade (as defined below) provided that if the Lessee's Debt is then not rated by both Rating Agencies and is only rated by one of the Rating Agencies, the rating then given by that Rating Agency rating the Lessee's Debt shall be used (the tests stated in the foregoing clauses (i) and (ii) collectively the "Financial Tests"); or, in the event neither of the Financial Tests is satisfied, if the Lessee prior to the effectuation of such assignment submits to the Port Authority the Consent Security Deposit, but in any such events, such assignment shall not take effect before the assignee is actually engaged in the business of scheduled transportation by aircraft, and provided, further, that such succeeding entity or purchaser executes and delivers to the Port Authority an instrument in a form satisfactory to the Port Authority assuming the obligations of the Lessee as if it were the original tenant hereunder; such assignee but only after it has executed and delivered the said instrument to the Port Authority and submitted to the Port Authority the Consent Security Deposit and in compliance with all of the foregoing shall then be deemed to be the 'Lessee' under this Lease and all references to the 'Lessee' shall be deemed to refer to such assignee and in accordance with the said assumption instrument.

(B) As used in the preceding subparagraph (A), the term "Tangible Net Worth" shall mean the difference between the Lessee's total assets and the sum of (i) the Lessee's intangible assets and (ii) the Lessee's total liabilities; the term "Debt" shall mean all obligations of the entity which then is the Lessee that are evidenced by indebtedness which are considered or known as senior unsecured long-term indebtedness; the term "Grade" shall mean that evaluation of the quality of such Debt as determined by the Rating Agencies (as hereinafter defined); the term "Rating Agencies" shall mean Standard & Poor's Rating Services, a division of the McGraw Hill Companies, Inc. and Moody's Investors Service, Inc. or, in the event of the cessation of business of either, another nationally recognized rating agency firm or firms which is in the business of evaluating the degree of financial risk associated with debt securities and makes such information available to the investment community and as may be designated as a rating agency at any such time during the term of this Agreement by the Port Authority; the term "Investment Grade" shall mean a Grade of "BBB-" or higher by Standard & Poor's Rating Services, a division of the McGraw Hill Companies, Inc. or "Baa3" or higher by Moody's Investors Service, Inc. or such other equivalent designation that any of such Rating Agencies may use publicly in the future to designate the relative investment qualities of debt securities and to differentiate between those investments that are investment grade and those that are not;

(2) In the event that the Lessee becomes the possessor (surviving) corporation in a merger without the prior written approval of the Port Authority and neither of the Financial Tests is satisfied, the Lessee shall submit to the Port Authority within fifteen (15) days following such merger all appropriate information and documentation sufficient to allow the Port Authority to determine whether the Financial Tests are satisfied. Thereafter if the Port Authority determines that neither of the Financial Tests is satisfied the Port Authority shall by written notice advise the Lessee of the same and the Lessee shall submit the Consent Security Deposit to the Port Authority not later than fifteen (15) business days following said notice from the Port Authority (the 'Consent Security Deposit Delivery Date'). The Consent Security Deposit

required under subparagraphs (1) and (2) of this paragraph (a) shall be subject to the following subparagraphs (i) and (ii) as well as to subparagraph (4) below:

(i) Upon the Consent Security Deposit Delivery Date, the Lessee shall deposit with the Port Authority and shall keep deposited throughout the term of this Agreement, the Consent Security Deposit (as defined in subparagraph (3) hereof) in cash, or bonds of the United States of America, or of the Port Authority of New York and New Jersey, having a market value of that amount, as security for the full, faithful and prompt performance of and compliance with, on the part of the Lessee, all of the provisions, terms, covenants and conditions of this Agreement on its part to be fulfilled, kept, performed or observed and as security for the payment of all other rentals, fees, charges and obligations owed or which may become due and owing to the Port Authority arising from the Lessee's operations at the Airport, whether covered by a written agreement or otherwise the "Secured Obligations". Bonds qualifying for deposit hereunder shall be in bearer form but if bonds of that issue were offered only in registered form, then the Lessee may deposit such bond or bonds in registered form, provided, however, that the Port Authority shall be under no obligation to accept such deposit of a bond in registered form unless such bond has been reregistered in the name of the Port Authority (the expense of such re-registration to be borne by the Lessee) in a manner satisfactory to the Port Authority. The Lessee may request the Port Authority to accept a registered bond in the Lessee's name and if acceptable to the Port Authority the Lessee shall deposit such bond together with a bond power (and such other instruments or other documents as the Port Authority may require) in form and substance satisfactory to the Port Authority. In the event the Consent Security Deposit is returned to the Lessee, any expenses incurred by the Port Authority in re-registering a bond to the name of the Lessee shall be borne by the Lessee. In addition to any and all other remedies available to it, the Port Authority shall have the right, at its option, at any time and from time to time, with or without notice to use the said Consent Security Deposit or any part thereof in whole or partial satisfaction of any of its claims or demands against the Lessee. There shall be no obligation on the Port Authority to exercise such right and neither the existence of such right nor the holding of the Consent Security Deposit itself shall cure any default or breach of the Agreement on the part of the Lessee. In the event that the Port Authority shall at any time or times so use the Consent Security Deposit, or any part thereof, or if bonds shall have been deposited and the market value thereof shall have declined below the required amount of the Consent Security Deposit as specified in subparagraph (3) below, the Lessee shall, on demand of the Port Authority and within two (2) days thereafter, deposit with the Port Authority additional cash or bonds so as to maintain the Consent Security Deposit at all times to the full amount above stated, and such additional deposits shall be subject to all the conditions of paragraph (a)(2) of this Section 19. After the later to occur of (x) expiration or earlier termination of this Agreement or any extension thereof and (y) the cessation of activity of the Lessee at the Airport and upon condition that the Lessee shall then be in no wise in default under any part of this Agreement, as this Agreement may have been amended or extended, or other obligations to the Port Authority, arising from the Lessee's operations at the Airport and upon written request therefor by the Lessee, the Port Authority will return the said Consent Security Deposit to the Lessee less the amount of any and all unpaid claims and demands (including estimated damages) of the Port Authority by reason of any default or breach by the Lessee of this Agreement or any part thereof, or any other obligation of the Lessee to the Port Authority arising from the Lessee's operations at the Airport and less any other fees, charges and obligations owed to the Port Authority arising from the Lessee's

operations at the Airport. The Lessee agrees that it will not assign or encumber the said Consent Security Deposit and any such assignment or encumbrances shall be void as to the Port Authority. The Lessee may collect or receive annually any interest or income earned on bonds and interest paid on cash deposited in interest bearing bank accounts less any part thereof or amount which the Port Authority is or may hereafter be entitled or authorized by law to retain or to charge in connection therewith, whether as or in lieu of administrative expense or custodial charge, or otherwise, provided, however, that the Port Authority shall not be obligated by this provision to place or to keep cash deposited hereunder in interest bearing bank accounts. Without limiting the foregoing provisions of this Section, with respect to any bonds deposited by the Lessee, the Port Authority shall have the right, in order to satisfy any of its claims or demands against the Lessee, to sell the same in whole or in part, at any time and from time to time, with or without prior notice, at public or private sale, all as determined by the Port Authority together with the right to purchase the same at such sale free of any claims, equities or rights of redemption of the Lessee. The Lessee hereby waives all right to participate therein and all right to prior notice or demand of the amount or amounts of the Port Authority's claims or demands against the Lessee. The proceeds of any such sale shall be applied by the Port Authority first to the costs and expenses of the sale (including but not limited to any advertising or commission expenses) and then to the amounts due the Port Authority from the Lessee with respect to the Secured Obligations. Any balance remaining shall be retained in cash toward bringing the Consent Security Deposit to the sum specified in subparagraph (3) hereof provided that this shall not relieve the Lessee from maintaining the Consent Security Deposit in the full amount stated in subparagraph (3) hereof.

(ii) In lieu of the cash or bonds Consent Security Deposit described in paragraph (a)(2)(i) of this Section 19, the Lessee may, at its option cause to be delivered to the Port Authority on the Consent Security Deposit Delivery Date as security for the Secured Obligations, whether covered by a written agreement or otherwise, a clean irrevocable letter of credit issued to and in favor of the Port Authority, by a banking institution having an office within the Port of New York District and acceptable to the Port Authority, payable in the Port of New York District, in the amount of the Consent Security Deposit. The form and terms of such letter of credit, as well as the institution issuing it, shall be subject to the prior and continuing approval of the Port Authority. Such letter of credit shall provide that it shall continue during the term of this Agreement and for a period of not less than six (6) months thereafter; such continuance may be by provision for automatic renewal or by substitution of a subsequent satisfactory clean irrevocable letter of credit. If requested by the Port Authority, said letter of credit shall be accompanied by a letter expressing the opinion of counsel for the banking institution that the issuance of said clean, irrevocable letter of credit is an appropriate and valid exercise by the banking institution of the corporate power conferred upon it by law. Upon notice of cancellation of a letter of credit the Lessee agrees that unless, by a date twenty (20) days prior to the effective date of cancellation, the letter of credit is replaced by security in accordance with subparagraph (i) above or another letter of credit satisfactory to the Port Authority, the Port Authority may draw down the full amount thereof without statement of default and thereafter the Port Authority will hold the same as Consent Security Deposit under paragraph (a)(2)(i) of this Section 19. Failure to provide such a letter of credit, if required as the Consent Security Deposit, at any time during the term of this Agreement, valid and available to the Port Authority, including any failure of any banking institution issuing any such letter of credit previously

accepted by the Port Authority to make one or more payments as may be provided in such letter of credit shall be deemed to be a breach of this Agreement on the part of the Lessee. Upon acceptance of such letter of credit by the Port Authority, and upon request by the Lessee made thereafter, the Port Authority will return the Consent Security Deposit, if any, theretofore made under and in accordance with the provisions of paragraph (a)(2)(i) of this Section 19. The Lessee shall have the same rights to receive such Consent Security Deposit during the existence of a valid letter of credit as it would have to receive such sum upon expiration of the letting under this Agreement and fulfillment of the obligations of the Lessee hereunder and thereunder. If the Port Authority shall make any drawing under a letter of credit held by the Port Authority hereunder, the Lessee on demand of the Port Authority and within two (2) days thereafter, shall bring the letter of credit back up to its full amount. No action by the Port Authority pursuant to the terms of any letter of credit, or receipt by the Port Authority of funds from any bank issuing any such letter of credit, shall be or be deemed to be a waiver of any default by the Lessee under the terms of this Agreement and all remedies of this Agreement and of the Port Authority consequent upon such default shall not be affected by the existence of a recourse to any such letter of credit.

(iii) For purposes of the foregoing, the Lessee hereby certifies that its I.R.S. Employee Identification No. is (Ex. 1) . . , and in the event of a change in said I.R.S. Employee Identification No. resulting from a merger the Lessee shall immediately certify its new I.R.S. Employee Identification No. in writing to the Port Authority.

(3) For purposes of this paragraph (a) the term 'Consent Security Deposit' shall mean an aggregate amount equal to (x) the sum of all of the monetary obligations (including without limitation rent, fees, and charges of any type whatsoever) payable to the Port Authority by the Lessee arising out of or in connection with or due from its activities, operations, leases, permits or other agreements at the Airport, during the twelve (12) calendar month period immediately preceding the calendar month of the date of the merger, consolidation or assignment, such sum under this clause (x) being limited however to the aggregate of the three (3) highest monthly totals of said monetary obligations for any three (3) calendar months during said twelve (12) calendar month period with said sum to be determined by the Port Authority; plus (y) the sum of all of the monetary obligations (including without limitation rent, fees, and charges of any type whatsoever), if any, payable to the Port Authority by the entity with which the Lessee merges or consolidates or to which the Lease is assigned arising out of or in connection with or due to its activities, operations, leases, permits or other agreements, if any, at the Airport, during the twelve (12) calendar month period immediately preceding the calendar month of the date of the merger, consolidation or assignment, such sum under this clause (y) being limited however to the aggregate of the three (3) highest monthly totals of said monetary obligations for any three (3) calendar months during said twelve (12) calendar month period, with said sum to be determined by the Port Authority. In the event the Consent Security Deposit is delivered pursuant to subparagraph (1) above, the terms, provisions and conditions governing the use of said Consent Security Deposit shall be set forth in the assumption instrument referred to therein.

(4) In the event that a Consent Security Deposit is required to be posted under this Lease and at any time thereafter the entity which is then the Lessee does satisfy either of the Financial Tests and provides to the Port Authority satisfactory evidence thereof, the Port Authority promptly shall refund the Consent Security Deposit to the Lessee, less any amounts then due and unpaid by the Lessee under the Lease beyond the due date thereof."

6. The definition of "Lease AYB-085 Premises" set forth in Section 91 of the Lease is hereby amended as follows: the word "cross hatching" on the first line of said definition shall be deemed amended to read "stipple diagonal hatching".

7. Each party represents and warrants to the other that no broker has been concerned in the negotiation of this First Supplemental Agreement and that there is no broker who is or may be entitled to be paid a commission in connection therewith. Each party shall indemnify and save harmless the other party of and from any and all claims for commissions or brokerage made by any and all Persons, firms or corporations whatsoever for services provided to or on behalf of the indemnifying party in connection with the negotiation and execution of this First Supplemental Agreement.

8. No Commissioner, director, officer, agent or employee of any party to this First Supplemental Agreement shall be charged personally or held contractually liable by or to any other party under any term or provision of this First Supplemental Agreement or of any supplement, modification or amendment to the Lease or because of its or their execution or attempted execution or because of any breach or alleged or attempted breach thereof.

9. As hereby amended, all of the terms, covenants, provisions, conditions and agreements of the Lease shall be and remain in full force and effect.

10. This First Supplemental Agreement and the Lease which it amends constitute the entire agreement between the Port Authority and the Lessee on the subject matter, and may not be changed, modified, discharged or extended except by instrument in writing duly executed on behalf of both the Port Authority and the Lessee. The Lessee and the Port Authority agree that no representations or warranties shall be binding upon the other unless expressed in writing in the Lease or in this First Supplemental Agreement.

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

ATTEST:

Assistant Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By

Francis DiMola

(Title) Assistant Director - Aviation

(Corporate Seal)

ATTEST:

Secretary

AMERICAN AIRLINES, INC.

By

(Title) President

(Corporate Seal)

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

ATTEST:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

_____
Secretary

By_____

(Title)_____

(Corporate Seal)

ATTEST:

AMERICAN AIRLINES, INC.

Secretary

By Vice President

(Corporate Seal)

ACKNOWLEDGEMENT

FOR THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

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

On the 29th day of July in the year 2002, before me, the undersigned, a Notary Public in and for said state, personally appeared Francis DiMola, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

TIMOTHY G. STICKELMAN
Notary Public, State of New York
No. 01ST4817298
Qualified in Suffolk County
Commission Expires March 30, 2003

FOR AMERICAN AIRLINES, INC.

STATE OF TEXAS)
)ss.
COUNTY OF TARRANT)

On the 29th day of July in the year 2002, before me, the undersigned, a Notary Public in and for said state, personally appeared Beverly K. Goulet, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

(notarial seal and stamp)

EXHIBITS
3.1
3.2

refer to items

#4 - Agreement Towards Entering into a Lease
and
#5 - Recognition, Non-Disturbance and Attornment Agreement

of the records of proceedings

SECOND SUPPLEMENTAL AGREEMENT
TO LEASE NO. AYB-085R

dated as of November 8, 2005

between

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

and

AMERICAN AIRLINES, INC.

John F. Kennedy International Airport
AMERICAN AIRLINES, INC.
Port Authority Lease No. AYB-085R
Supplement No. 2

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

John F. Kennedy International Airport
Supplement No. 2
Port Authority Lease No. AYB-085R

SECOND SUPPLEMENTAL AGREEMENT

THIS SECOND SUPPLEMENTAL AGREEMENT, made as of November 8, 2005 by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (the "**Port Authority**") and AMERICAN AIRLINES, INC., a corporation organized under the laws of the State of Delaware (the "**Lessee**"; collectively with the Port Authority, the "**Parties**"),

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee as of the first day of August 1976 entered into an agreement of lease bearing Port Authority agreement number AYB-085 covering certain premises at John F. Kennedy International Airport (the "**Airport**") as therein set forth, which agreement of lease, as amended, supplemented and modified, was further amended, supplemented, modified, and restated, in an Amended and Restated Agreement of Lease made as of the 22nd day of December 2000 and bearing Port Authority Agreement No. AYB-085R (as heretofore amended, supplemented, modified and restated, the "**Lease**"); and

WHEREAS, the Lease requires that the Lessee construct on the premises demised under the Lease (the "**Premises**") a passenger terminal building containing fifty-five (55) aircraft loading and unloading gate positions, and the Parties desire to reduce such requirement to thirty-six (36) aircraft loading and unloading gate positions, as more fully provided herein; and

WHEREAS, the Port Authority and the Lessee desire to amend the Lease in certain other respects regarding the scope of the Redevelopment Work and the Lessee's mortgaging of its leasehold interest in the Lease and to otherwise amend and supplement the Lease as provided herein; and

WHEREAS, the Port Authority and the Lessee have entered into a certain *John F. Kennedy International Airport Flight Fees Agreement* dated as of January 1, 2004 (the "**JFK Flight Fees Agreement**") covering the payment of flight fees at the Airport and certain other matters, and the Parties desire to amend the Lease to reflect the terms of the JFK Flight Fees Agreement; and

WHEREAS, the Port Authority and the City of New York have entered into an *Amended and Restated Agreement of Lease of the Municipal Air Terminals* dated as of November 24, 2004 (the "**Amended and Restated Basic Lease**"), which, *inter alia*, extends the term of the Basic Lease through December 31, 2050 and imposes certain requirements with respect to the Port Authority's subleases at the Airport, and the Parties desire to amend the Lease to reflect the terms of the Amended and Restated Basic Lease;

NOW, THEREFORE, in consideration of the covenants and mutual agreements herein contained, the Port Authority and the Lessee hereby agree to supplement and amend the Lease, as follows:

1. Effective Date

Except as otherwise provided herein, this Second Supplemental Agreement shall be effective as of the date hereof (the "**Restructuring Effective Date**").

2. Partial Surrender

Effective as of the Restructuring Effective Date, the Lessee hereby surrenders to the Port Authority those portions of the Premises shown in wave hatching on Exhibit 1.1A (Detail 3, Detail 4)(the "**Restructuring Surrendered Premises**"), and the provisions of Section 1(c) of the Lease as they apply to the Surrendered Premises shall apply equally to the Restructuring Surrendered Premises; provided, that with respect to the Restructuring Surrendered Premises, all references to the Surrender Date shall be deemed to refer to the Restructuring Effective Date, and all references to the Lease shall be deemed to refer to the Lease as supplemented and amended hereby.

3. Amendment to Section 2B, *"Redevelopment of the Premises and Performance of the ACO Work by the Lessee"*

Section 2B of the Lease is hereby amended as follows:

(a) Items (i) and (ii) of subparagraph (2) of paragraph (a) shall be deleted in their entirety and the following new items (i) and (ii) shall be inserted in lieu thereof to read as follows:

> "(i) A three (3) level main passenger terminal building (the **"Main Terminal"**) and a two (2) level remote passenger terminal building (the **"Remote Terminal"**), consisting of approximately 1.4 million total square feet of floor space for both buildings and all associated and related areas and facilities, including without limitation Gates (as defined in Section 91 below), stairwells, stairways, escalators, elevators and United States government inspection areas (as described in Section 74 hereof entitled **"Federal Inspection"**);
>
> (ii) Not less than thirty-six (36) Gates, of which at least twenty-four (24) Gates are to accommodate wide-body aircraft and of which no more than ten (10) Gates are to accommodate regional jet aircraft;"

(b) Subdivision (aa) of paragraph (d)(9)(ii) of Section 2B is deleted in its entirety, and the following is inserted in its place:

> "(ii) (aa) In addition to subparagraph (9)(i) above and subject to the limitation set forth in subparagraph (9)(ii)(bb) below, in its performance of the Section 2B Work the Lessee shall perform at its cost and expense all appropriate, required and necessary work for the removal of all asbestos, lead, petroleum contamination and other Hazardous Substances from the Site including without limitation the groundwater thereunder, the foregoing to include without limitation the handling, transporting and off-Airport disposal thereof in accordance with applicable law, including without limitation, all applicable Environmental Requirements (including,

if required, disposal of asbestos in a long-term disposal facility at the Lessee's sole cost and expense) and all in a manner satisfactory to the Port Authority, provided, however, that if there is any conflict between applicable laws and Environmental Requirements, the Environmental Requirements shall control."

(c) A new paragraph (r) shall be added at the end of Section 2B of the Lease to read as follows:

"(r) The Expanded Terminal Work

(1) The **"Expanded Terminal Work"** shall mean the construction subsequent to the completion of the Redevelopment Work, on portions of the Premises, including Parcel M, of an expansion of the Main Terminal so that the Main Terminal, as expanded, together with the Remote Terminal shall in the aggregate contain a total of (x) fifty-five (55) Gates, of which at least thirty-five (35) are to accommodate wide-body aircraft and at least two (2) are to accommodate narrow-body aircraft, or, if the Lessee requests, (y) such lesser number of Gates, of such sizes and configurations, as the Port Authority's Director of Aviation shall determine in his or her sole discretion; together with all associated and related areas and facilities, including any off-Premises work, all as more fully provided herein.

The **"Expanded Terminal Work Completion Date"** shall mean the date appearing on the certificate issued by the Port Authority, after the substantial completion of the Expanded Terminal Work, in the manner provided in subparagraph (1) of paragraph (n) in connection with the substantial completion of the Redevelopment Work.

(2) Subject in all events to the provisions of Section 95 of this Lease, in the event that following the completion of the Redevelopment Work the Lessee wishes to elect to expand the Main Terminal pursuant to the provisions of this Section 2B(r), the Lessee shall notify the Port Authority of such election, and shall submit to the Port Authority, for its

approval, the Lessee's comprehensive plan for the construction of the Expanded Terminal Work, including but not limited to renderings, layouts, locations, models, estimated commencement, milestone and completion dates, staging plans and preliminary functional plans for the Expanded Terminal Work (such comprehensive plan, as approved by the Port Authority, the "**Expanded Terminal Work Comprehensive Plan**"). The Lessee shall keep the completion dates, staging plans and preliminary functional plans for the Expanded Terminal Work Comprehensive Plan up to date and shall submit to the Port Authority for its approval all amendments, supplements or modifications thereto, which amendments, supplements or modifications shall not become effective until the same have been approved by the Port Authority.

(3) Without limitation as to the foregoing, the Expanded Terminal Work Comprehensive Plan shall include the relevant items of on-Premises construction enumerated in Section 2B(a)(2) above and shall be in accordance with the requirements relating thereto.

(4) In addition to and without limitation as to the foregoing, the Expanded Terminal Work Comprehensive Plan shall include the relevant items of off-Premises construction enumerated in Section 2B(a)(3) above and shall be in accordance with the requirements relating thereto.

(5) Prior to the commencement of the Expanded Terminal Work, the Lessee shall deliver to the Port Authority complete plans and specifications for the construction thereof, which shall be consistent with the Expanded Terminal Work Comprehensive Plan and which shall otherwise be in accordance with and subject to the provisions of Section 2B(c) relating to the plans and specifications for the Section 2B Work.

(6) The Lessee agrees that the performance of the design and construction of the Expanded Terminal Work shall be at the Lessee's sole cost and expense and shall be subject to and performed in accordance with all the terms,

provisions and conditions of this Lease, and, without limiting any other term or provision of this Lease, also be subject to the terms of and in conformance with the design criteria contained in the Port Authority Tenant Construction Review Manual, as the same may be amended from time to time.

(7) All of the relevant terms and provisions of this Section 2B as they apply to the Section 2B Work shall equally and fully apply to the Expanded Terminal Work; and all of the relevant terms and provisions of this Section 2B as they apply to the Redevelopment Work, including without limitation paragraphs (f), (g), (h), (i), (k), (l), (n)(1), (n)(2), (n)(3) and (q), shall equally and fully apply to the Expanded Terminal Work; and all of the terms and provisions of paragraph (e) of this Section 2B as they apply to the Off-Premises Work shall equally and fully apply to the portion, if any, of the Expanded Terminal Work that is not performed on the Premises; and all of the terms and provisions of paragraph (d)(11) of this Section as they apply to the Redevelopment Work Completion Date shall equally and fully apply to the Expanded Terminal Work Completion Date. In addition to and without limitation as to the generality of the foregoing, and without limitation as to the generality of the Port Authority's rights of approval hereunder, all of the rights and obligations of the Port Authority and the Lessee as they apply to the Redevelopment Work shall equally and fully apply to the Expanded Terminal Work. To the extent any of these rights and obligations terminated on the Section 2B Work Completion Date, including without limitation certain of the Lessee's obligations under Section 2B(1)(2) and Section 59 hereof, such rights and obligations shall be reinstated upon (x) the Port Authority's approval of the Expanded Terminal Work Comprehensive Plan or (y) the Lessee's commencement of any portion of the Expanded Terminal Work, whichever is earlier, and shall terminate on the Expanded Terminal Work Completion Date.

(8) "**Expanded Terminal Work Investment**" shall have the meaning ascribed to the defined term "Redevelopment Work Investment" in Section 91 hereof, except that all references therein to "Redevelopment Work" and "Redevelopment Work Investment" shall, for purposes of this definition, be deemed to refer to "Expanded Terminal Work" and "Expanded Terminal Work Investment", respectively."

4. Amendment to Section 3, "*Term*"

Section 3 of the Lease, entitled "*Term*", as previously amended by Supplement No. 1 to the Lease, is hereby deleted in its entirety and the following new Section 3 is inserted in lieu thereof to read as follows:

"Section 3. Term

(a) The term of the letting under this Lease, as the same shall have commenced under Lease AYB-085, shall expire on December 31, 2036, unless sooner terminated in accordance with the terms and provisions of this Lease.

(b) Notwithstanding the foregoing, in the event that all of the Required Conditions shall not have occurred prior to December 30, 2015, then this Lease and the letting hereunder shall in any event automatically terminate without notice to the Lessee on December 30, 2015. Such termination shall be and operate as a conditional limitation. In the event any court of competent jurisdiction shall not give full and complete effect to this termination provision and its operation as a conditional limitation, the Lessee and the Port Authority agree, as a condition of this Agreement, and not merely as a covenant, that this Agreement and the stated term of the letting hereunder shall nonetheless, from and after the effective date of termination provided above in this paragraph (b), be deemed to have expired.

(c) Notwithstanding the preceding paragraphs (a) and (b), however, in the event that all of the Required Conditions have not occurred by December 31, 2010, then the Port

Authority shall have the option to terminate this Lease and the letting hereunder.

(d) **"Required Conditions"** shall mean all of the following conditions: (i) the Redevelopment Work Completion Date shall have occurred, (ii) the Lessee shall have made a Redevelopment Work Investment in the Premises of not less that Eight Hundred Fifty Million Dollars and No Cents ($850,000,000.00), and (iii) the Premises shall contain not less than thirty-six (36) Gates, of which at least twenty-four (24) are to accommodate wide-body aircraft and of which no more than ten (10) are to be Regional Gates."

5. Amendment to Section 4, *"Rental"*

Section 4 of the Lease, entitled *"Rental"*, is hereby amended as follows:

(a) Paragraph (q) of Subdivision I is deleted in its entirety, and the following is inserted in its place:

"(q) **"Rentals"** shall collectively mean the Ground Rental, the Area IA and IB Building Rental, the Area I Building Rental, the Area II Building Rental and the Additional Land Rental."

(b) Paragraph (a)(3) of Subdivision II is amended by deleting subdivision (ii) in its entirety and inserting the following new subdivisions (ii) and (iii) in its place:

"(ii) Effective on January 1, 2002 and on the first day of each Adjustment Period commencing prior to the Restructuring Effective Date, the Ground Rental shall be further increased for each Adjustment Period as follows: the amount of the Ground Rental set forth in paragraph (a)(1) above, as the same may have been last adjusted under this paragraph (a), shall be multiplied (x) by a percentage composed of ½ of the CPI Percentage Increase calculated using the two Reference Months immediately preceding the first day of the subject Adjustment Period plus 100% and (y) by 104%; and the greater of the amounts so obtained from the foregoing calculations set forth in clauses (x) and (y) shall be and become the Ground Rental in effect for the Adjustment Period.

(iii) Effective on the Restructuring Effective Date, the Ground Rental shall be at the rate of (Ex. 2.a.)

per annum; and on the first day of the Adjustment Period commencing on January 1, 2006, and on the first day of each Adjustment Period occurring thereafter during the remainder of the term of the letting under this Lease, the Ground Rental shall be further increased for each Adjustment Period as follows: the amount of the Ground Rental set forth in the first clause of this subdivision (iii), as the same may have been last adjusted under this subdivision (iii), shall be multiplied (x) by a percentage composed of ½ of the CPI Percentage Increase calculated using the two Reference Months immediately preceding the first day of the subject Adjustment Period plus 100% and (y) by 104%; and the greater of the amounts so obtained from the foregoing calculations set forth in clauses (x) and (y) shall be and become the Ground Rental in effect for the Adjustment Period."

(c) The following new paragraphs (i), (j) and (k) are inserted at the end of Subdivision II to read as follows:

"(i) ***Additional Land Rental.***

(1) **"Additional Land Rental Adjustment Year"** shall mean, as the context requires, (x) the period of twelve months commencing on the first anniversary of the Additional Land Rental Commencement Date and expiring on the day immediately preceding the second anniversary of the Additional Land Rental Commencement Date, (y) each succeeding period of twelve months occurring during the term of the letting under this Lease commencing on each anniversary of the Additional Land Rental Commencement Date and (z) in the event this Lease expires or is terminated on other than the day preceding an anniversary of the Additional Land Rental Commencement Date, the period of less than twelve months commencing on the anniversary of the Additional Land Rental Commencement Date last preceding the date of such

expiration or termination of this Lease and expiring on the date of such expiration or termination.

"Additional Land Rental Base Year" shall mean the period from the Additional Land Rental Commencement Date through the day before the first day of the first Additional Land Rental Adjustment Year to occur following the Additional Land Rental Commencement Date (such first Additional Land Rental Adjustment Year, the **"First Additional Land Rental Adjustment Year"**).

"Additional Land Rental Payment Period" shall mean the period commencing on the Building Rental End Date (such date of commencement, the **"Additional Land Rental Commencement Date"**) and expiring on the earliest to occur of (i) the expiration of the term of the letting under this Lease, (ii) the Expanded Terminal Work Completion Date and (iii) the Parcel M Surrender Date, as defined in Section 96 of this Lease.

(2) Effective as of the Additional Land Rental Commencement Date and throughout the Additional Land Rental Payment Period, the Lessee shall pay to the Port Authority an annual rental for the ground area shown in diagonal hatching on Exhibit 95.1 attached hereto and hereby made a part hereof and marked "Exhibit 95.1" (the **"Additional Land Rental"**). The rate of the Additional Land Rental shall be

(Ex. 2.a.)

per annum for the Additional Land Rental Base Year. The Additional Land Rental shall thereafter be adjusted on an annual basis as hereinbelow set forth during the Additional Land Rental Payment Period.

(3) The Port Authority shall ascertain the CPI for the first Reference Month and for each succeeding Reference Month after the same has been published, and the Port Authority shall also determine each CPI Percentage Increase.

(4) Effective on the first day of the First Additional Land Rental Adjustment Year, and on the first day of each following Additional

Land Rental Adjustment Year, the annual rate of the Additional Land Rental shall be increased as follows: the annual rate of the Additional Land Rental payable for the Additional Land Rental Base Year or for the Additional Land Rental Adjustment Year immediately preceding such first day, as the case may be, shall be multiplied by a percentage composed of the sum of (x) (Ex. 2.a.) (y) of the CPI Percentage Increase as calculated using the (Ex. 2.a.) immediately preceding such first day; and the amount obtained from the foregoing calculation shall be the Additional Land Rental in effect for such Additional Land Rental Adjustment Year.

(5) The Additional Land Rental hereunder shall be payable by the Lessee in advance on the Additional Land Rental Commencement Date and on the first day of each and every calendar month thereafter occurring during the Additional Land Rental Payment Period, in equal monthly installments, each in the amount of one-twelfth (1/12th) of the annual Additional Land Rental then in effect, provided, however, that if Additional Land Rental is payable hereunder for less than a full calendar month, the amount payable on the first day of such calendar month shall be the amount of the foregoing monthly installment prorated on a daily basis using the actual number of days in the said month.

(j) ***Leasehold Mortgage Rental.***

(1) **"Bond Debt Service"** shall mean the amount payable with respect to the Bonds, including any amounts required to be paid or set aside for any amortization, payment at maturity, redemption (including redemption premium, if any) or retirement of the Bonds (but excluding the principal portion of any purchase price paid in connection with a mandatory or optional tender of the Bonds pursuant to (x) Section 2.05 of the Second Series Supplemental Indenture of Trust dated as of July 1, 2002 between the IDA and the Trustee, (y) Section 2.05 of the Third Series Supplemental Indenture of Trust dated as of November 1, 2005 between the Agency and the

Trustee and (z) any Additional Supplemental Indenture which provides for the optional or mandatory tender for purchase of any Series of Additional Bonds).

"Leasehold Mortgage" and **"Leasehold Mortgage Termination Date"** shall have the meanings given such terms in Section 92 of this Lease.

"Leasehold Mortgage Annual Period" shall mean the twelve-month period commencing with the Restructuring Effective Date and expiring on the day preceding the first anniversary of the Restructuring Effective Date, and each succeeding twelve-month period thereafter commencing on each anniversary of the Restructuring Effective Date and expiring on the day preceding the next anniversary of the Restructuring Effective Date, and in the event that the Leasehold Mortgage Termination Date shall be other than the last day of a Leasehold Mortgage Annual Period, then in such event "Leasehold Mortgage Annual Period" shall mean the actual number of days from the commencement of the Leasehold Mortgage Annual Period in which the Leasehold Mortgage Termination Date shall occur to and including the Leasehold Mortgage Termination Date.

(2) Effective on the Restructuring Effective Date and continuing thereafter to and including the Leasehold Mortgage Termination Date, the Lessee shall pay to the Port Authority a rental (the **"Leasehold Mortgage Rental"**) in the following amounts and at the following times:

(i) For the period commencing on the Restructuring Effective Date to and including the day preceding the first anniversary of the Restructuring Effective Date, on each date that the Lessee is obligated to pay Bond Debt Service (whether in the form of rental payments or otherwise), the Lessee shall pay to the Port Authority an amount equal to (2.a.) of the amount of Bond Debt Service payable on such date, and

(ii) For the period commencing on the first anniversary of the Restructuring Effective Date to and including the day preceding the second anniversary of the Restructuring Effective Date, on each date that the Lessee is obligated to pay Bond Debt Service (whether in the form of rental payments or otherwise), the Lessee shall pay to the Port Authority an amount equal to (2.a.) of the amount of Bond Debt Service payable on such date, and (2.a.)

(iii) For the period commencing on the second anniversary of the Restructuring Effective Date to and including the Leasehold Mortgage Termination Date, on each date that the Lessee is obligated to pay Bond Debt Service (whether in the form of rental payments or otherwise), the Lessee shall pay to the Port Authority an amount equal to (2.a.) of the amount of Bond Debt Service payable on such date; provided, however, that if the Leasehold Mortgage Termination Date is also the Refinancing Leasehold Mortgage Termination Date, no Leasehold Mortgage Rental shall be payable on (as well as after) the Leasehold Mortgage Termination Date, and the Lessee shall instead pay to the Port Authority a one-time Leasehold Mortgage Termination Fee, as provided in paragraph (k) below.

(3) Leasehold Mortgage Rental shall be due and payable to the Port Authority in the amounts and on the dates provided in the preceding subparagraph (j)(2), irrespective of whether the Lessee actually pays the amounts of Bond Debt Service payable on such dates.

(k) ***Leasehold Mortgage Termination Fee.***

Notwithstanding the foregoing, in the event that the Bonds are refinanced, and in connection therewith the Leasehold Mortgage is terminated, the Lessee shall pay to the Port Authority, as additional rent hereunder, a one-time fee (the "**Leasehold Mortgage Termination Fee**") in the amount of

(2.a.) of the Bond Debt Service payable in connection with such refinancing and termination of the Leasehold Mortgage. The Leasehold Mortgage Termination Fee shall be paid to the Port Authority not later than the date of such termination of the Leasehold Mortgage (the **"Refinancing Leasehold Mortgage Termination Date"**). It is understood, consistent with paragraph (j)(2)(iii) above, that if the Bonds are refinanced but the Leasehold Mortgage is not terminated in connection therewith (and thus no Leasehold Mortgage Termination Date or Refinancing Leasehold Mortgage Termination Date occurs in connection with such refinancing), no Leasehold Mortgage Termination Fee shall be payable hereunder in connection with such refinancing transaction, and Leasehold Mortgage Rental shall continue to be payable in accordance with the provisions of the foregoing paragraph (j)."

(d) Subparagraph (2) of paragraph (a) of Subdivision IV of the Lease is deleted in its entirety, and the following new subparagraphs (2) and (3) are inserted in its place:

"(2) For the portion of the term of the letting from January 1, 2001 through the day preceding the Restructuring Effective Date, at the daily rate of $191.78, as appropriately adjusted to reflect any and all adjustments in the Ground Rental pursuant to paragraph (a) of Subdivision II of this Section.

(3) For the portion of the term of the letting from the Restructuring Effective Date through the remainder of the term of the letting, at the daily rate of $234.76, as appropriately adjusted to reflect any and all adjustments in the Ground Rental pursuant to paragraph (a) of Subdivision II of this Section."

6. Amendment to Section 11, "*Insurance*" and Section 13, "*Indemnity and Liability Insurance*"

Notwithstanding anything to the contrary in Section 11 of the Lease, entitled "Insurance", or Section 13 of the Lease, entitled "Indemnity and Liability Insurance", The

City of New York shall be named as an additional insured or loss payee, as applicable, under each policy of insurance procured by the Lessee pursuant to the Lease.

7. Amendment to Section 18, *"Condemnation"*

Section 18 of the Lease, entitled "Condemnation", is deleted in its entirety, and the following is substituted in its place:

"Section 18. Condemnation

(a) ***Definitions.***

The following terms, when used in this Section 18, shall, unless the context shall require otherwise, have the respective meanings given below:

"Date of Taking" shall mean the date on which title to all or any portion of the Premises, as the case may be, has vested in any lawful power or authority pursuant to a Taking.

"Material Part" with reference to the Premises or with reference to the Public Landing Area shall mean such portion of the Premises or the Public Landing Area as when so taken would leave remaining a balance of the Premises, due either to the area so taken or the location of the part so taken in relation to the part not so taken, that would not under economic conditions and after performance by the Lessee of all covenants, agreements, terms and provisions contained herein or required by law to be observed or performed by the Lessee, permit the restoration of the Premises so as to enable the Lessee to operate, maintain and develop the Premises in accordance with Sections 2 and 5 of this Agreement and to continue to carry on its normal operations at the Airport without using such part taken.

"Taking" shall mean the acquisition of a real property interest, through condemnation or the exercise of the power of eminent domain, by any body having a superior power of eminent domain.

(b) ***Permanent Taking of All or a Portion of the Premises and the Public Landing Area.***

(1) If a Taking is permanent and covers the entire Premises, then this Agreement shall, as of the Date of Taking, cease and determine in the same manner and with the same effect as if such date were the original date of expiration hereof.

(2) If a Taking is permanent but covers less than all of the Premises, this Agreement and the term hereof shall continue as to the portion of the Premises not so taken, and the letting as to the part of the Premises so taken shall, as of the Date of Taking, cease and determine in the same manner and with the same effect as if the term of the letting had on that date expired, and the rentals shall be abated as provided in Section 4 hereof.

(3) If a Taking is permanent and covers a Material Part of the Premises or of the Public Landing Area, then the Lessee and the Port Authority shall each have an option exercisable by notice given within ten (10) days after the Date of Taking to terminate the letting hereunder with respect to the Premises not taken, as of the Date of Taking, and such termination shall be effective as if the Date of Taking were the original date of expiration hereof. If the Port Authority exercises this option, it shall purchase from the Lessee the Lessee's leasehold interest (excluding any personal property whatsoever) in the Premises not taken for a consideration equal to the Unamortized Redevelopment Investment, if any, of the Lessee in the Premises not taken. If the letting of the entire Premises is not terminated, the rentals shall be abated in accordance with Section 4 hereof after the date of surrender of possession of the portion of the Premises taken.

(4) If a Taking is permanent but covers less than the entire Premises and the letting of the portion of the Premises not taken is not terminated pursuant to paragraph (b)(3) of this Section, the Lessee shall proceed diligently to restore the remaining part of the Premises not

so taken so that the Premises shall be a complete, operable, self-contained architectural unit in good condition and repair and the proceeds of that portion of any award paid in trust to the Port Authority pursuant to Section 23.3 of the Basic Lease attributable to the improvements on the Premises not so taken shall be made available by the Port Authority to be used by the Lessee for that purpose. The Port Authority shall retain any excess of such award over the costs of the restoration.

(5) If a Taking (x) covers all or "substantially all of a Municipal Air Terminal", as defined in the Basic Lease, and (y) the Basic Lease (with respect to the Airport) and this Agreement are consequently terminated, then the Port Authority shall pay to the Lessee its Unamortized Redevelopment Investment, if any, in the Premises, provided, however, that the Port Authority's foregoing payment obligation to the Lessee shall be limited to a proportionate share (as determined by the Port Authority in its sole discretion following consultation with all of the Port Authority's tenants at the Airport) of the condemnation proceeds available to be paid to the Lessee and the Port Authority's other tenants at the Airport, and provided, further, that such available condemnation proceeds shall be limited to the amount of the condemnation proceeds received from the City remaining after the Port Authority has been compensated for (p) the value of its leasehold interest in the Airport or (q) the sum of the unamortized portion of the Port Authority's investment in improvements at the Airport and any remaining deferred charges for equipment acquired by the Port Authority for use at or in connection with its operation of the Airport, whichever of (p) or (q) is greater (such greater amount, the "**Port Authority Share**"). In making the determination of "proportionate share" provided in the first proviso of the preceding sentence, the Port Authority shall in no event be liable, in any respect, to the Lessee or any other party by reason of such determination or the resulting distribution of proceeds, and the Lessee shall, prior to receipt of any such

distribution, execute and deliver to the Port Authority such form of waiver, release and indemnification as the Port Authority may request. The Lessee understands and accepts that after payment of the Port Authority Share, there may be insufficient condemnation proceeds (or none at all) remaining to pay all or any portion of the Lessee's Unamortized Redevelopment Investment.

(c) ***Temporary Taking of All or Any Part of the Premises or the Public Landing Area.***

(1) If the temporary use of the whole or any part of the Premises shall be taken for any public or quasi-public purpose by any lawful power or authority pursuant to a Taking or by agreement between the Port Authority and such lawful power or authority, (w) the Lessee shall give prompt notice thereof to the Port Authority, (x) the Term shall not be reduced or affected in any way and (y) the Lessee shall continue to pay in full all rentals payable by the Lessee hereunder without reduction or abatement except as set forth in paragraph (c)(2) below.

(2) If a temporary Taking covers all or a Material Part of the Premises or the Public Landing Area, then the Lessee and the Port Authority shall each have an option, exercisable by notice given within ten (10) days after the Date of Taking, to suspend the term of the letting of such of the Premises as are not so taken during the period of the Taking, and, in that event, the rentals for such portion of the Premises not so taken shall abate for the period of the suspension in accordance with Section 4 hereof. If the Port Authority exercises this option, it shall purchase from the Lessee the Lessee's leasehold interest (excluding any personal property whatsoever) in the Premises not taken for the period of suspension for a consideration equal to the Unamortized Redevelopment Investment, if any, of the Lessee in such Premises which is to be amortized over the period of such suspension.

(d) ***Lessee's Cooperation.***

The Lessee shall execute any and all documents that may be reasonably required in order to facilitate collection by the appropriate party of awards or payments covered by this Section.

(e) ***Condemnation Claims by the Lessee.***

To the extent a condemnation claim by the Lessee shall not diminish any claim, award, compensation or damages of or to the City or of or to the Port Authority on account of any condemnation and such condemnation claim is permitted by Section 23 of the Basic Lease, the Lessee may file a claim in a condemnation proceeding."

8. Amendment to Section 20, "*Termination by the Port Authority*"

Paragraph (a) of Section 20 of the Lease, entitled "Termination by the Port Authority", shall be amended by inserting the word "or" immediately after the semi-colon appearing at the end of subparagraph (10) thereof and by inserting the following new subparagraph (11) immediately after said subparagraph (10) thereof to read as follows:

"(11) Any change in the identity of the Lessee hereunder, or the use of the Premises, shall cause the Port Authority to be in breach of the T-4 Covenant, and the condition causing such breach has not been remedied within ninety (90) days after the Lessee has received notice thereof from the Port Authority;"

9. Amendment to Section 23, "*Survival of the Obligations of the Lessee*"

Paragraph (b) of Section 23 of the Lease, entitled "Survival of the Obligations of the Lessee", is hereby amended by redesignating subparagraph "(6)" of paragraph (b) thereof as subparagraph "(8)" and by inserting the following new subparagraphs (6) and (7) immediately after subparagraph (5) thereof to read as follows:

"(6) If the Additional Land Rental Payment Period is in effect immediately prior to

such termination, the amount of the total of all annual Additional Land Rentals (such total being calculated on the basis that the Additional Land Rental Payment Period would have expired on the expiration of the term of the letting under this Lease), less the installments thereof payable prior to the effective date of termination except that the credit to be allowed for the installments payable on the first day of the month in which the termination is effective shall prorated for the part of the month the letting mains in effect on the basis of the actual number of days in said month, and

(7) The amount of the total of all monthly Leasehold Mortgage Rentals (such total being calculated on the basis of the total amount of Outstanding Bonds on the effective date of termination and on the assumption that the Leasehold Mortgage would have terminated on December 31, 2036), less the installments thereof payable prior to the effective date of termination, except that the credit to be allowed for the installments payable on the first day of the month in which the termination is effective shall be prorated for the part of the month the letting remains in effect on the basis of the actual number of days in said month, and".

10. Amendment to Section 45, *"Requesting Airlines at the Airport"*

Section 45 of the Lease, entitled "Requesting Airlines at the Airport", is hereby deleted in its entirety and the following is inserted in its place:

"Section 45. Requesting Airlines at the Airport

(a) ***Best Efforts Accommodations.***

(1) If a Scheduled Aircraft Operator advises the Lessee that it would like to be accommodated by the Lessee at the Premises (any such Scheduled Aircraft Operator being hereinafter called a "**Requesting Airline**"), the Lessee in furtherance of the public interest of having the Premises fully and most effectively utilized shall use its best efforts to

accommodate the request of said Requesting Airline. If the Lessee fails to reach agreement with said Requesting Airline for its accommodation, the Lessee shall advise the Port Authority to such effect. Thereafter, the Port Authority shall make a reasonable determination as to whether the Lessee should accommodate the Requesting Airline as requested and if so, whether there are any limitations on the nature, extent, cost, duration and extent of such accommodation. Such determinations of the Port Authority would take into consideration the then existing utilization of the Premises and the necessity for the flights, schedules, flight times, operations, operating practices and aircraft equipment of the Requesting Airline to be compatible with those of the Lessee, as well as the need for labor harmony. The Lessee agrees to comply with such determinations of the Port Authority made in accordance with this Section.

(2) Any arrangement between the Lessee and the Requesting Airline made in accordance with any of the foregoing provisions shall be submitted by the Lessee to the Port Authority for its consent, which will be in the form of a consent agreement prepared by the Port Authority and to be executed by the Lessee, the Requesting Airline and the Port Authority.

(3) The foregoing shall not be deemed to abrogate, change or affect any restrictions, limitations or prohibitions on assignment, subletting or use of the Premises by others under this Lease and shall not in any manner affect, waive or change any of the provisions thereof.

(b) ***Section 45 Notice to Provide Accommodations.***

(1) If the Port Authority shall make a determination under Section 45(a) above that the Lessee should accommodate the request of a Requesting Airline and the Lessee shall fail to comply with such determination, then, in addition to and without limiting each and every other right the Port Authority has under this Agreement or otherwise, the Port Authority, as to any and each such Requesting Airline, shall have the

right, upon ninety (90) days' notice to the Lessee (such notice, a "**Section 45 Notice to Provide Accommodations**", and such 90-day period, the "**Section 45 Notice Period**") to require the Lessee to make available and provide Accommodations to such Requesting Airline at the Premises as directed by the Port Authority. Each Section 45 Notice to Provide Accommodations shall specify the number and type of Gates that the Port Authority has determined shall be made available by the Lessee to the Requesting Airline.

(2) The Lessee shall, on or before the expiration of each Section 45 Notice Period, provide Accommodations to the Requesting Airline in accordance with the Section 45 Notice to Provide Accommodations. The Lessee shall accept information from the Requesting Airline and/or the Port Authority with respect to the Requesting Airline's scheduled arrivals and departures for each Gate specified in the Section 45 Notice to Provide Accommodations, and the Lessee shall provide Accommodations to the Requesting Airline in such manner so as to properly meet the Requesting Airline's schedule and needs as to each applicable Gate for its said scheduled arrivals and departures. Notwithstanding the foregoing, however, the Lessee shall not be required to provide Accommodations to the Requesting Airline at times that would conflict with the Lessee's present or future aircraft departure and arrival schedules, as shown by the Lessee's present or future schedules set forth in the Official Airline Guides (or successor publication).

(3) Without limiting the foregoing, upon its receipt of a Section 45 Notice to Provide Accommodations the Lessee shall also secure an arrangement with the Requesting Airline in accordance with the Section 45 Notice to Provide Accommodations and shall in good faith negotiate with the Requesting Airline as the Port Authority shall direct for Accommodations in the Premises, all in accordance herewith; provided, however, that so long as the Lessee shall have negotiated in good faith, the Lessee shall have

no obligation to execute an agreement providing for such Accommodations if the Requesting Airline refuses to agree to the Lessee's proposed reasonable and non-discriminatory rates, fees and charges, as described in paragraph (c)(6) of this Section.

(c) ***"Accommodations"***.

(1) The term **"Accommodations"** shall mean aircraft ramp and gate position capacity and related passenger terminal facilities, including but not limited to passenger ticketing, passenger check-in, baggage handling and flight information systems, passenger lounge and waiting areas and appropriate signage and public identification. Such Accommodations may be accomplished by the Lessee by making available and providing non-exclusive use of gate positions and other related facilities to Scheduled Aircraft Operators pursuant to a Handling Agreement between the Lessee and any such Scheduled Aircraft Operator (hereinafter called an **"Accommodated Handled Airline"**). Each such Handling Agreement shall be subject to the prior and continuing approval of the Port Authority and the execution among the Port Authority, the Lessee and the Accommodated Handled Airline of a form of consent agreement prepared by the Port Authority. Moreover, and without limiting the foregoing, the Lessee will at all times keep the Port Authority informed and advised and will consult with the Port Authority from time to time as to all aspects of its accommodation of Scheduled Aircraft Operators hereunder.

(2) It is understood furthermore that the Accommodations contemplated hereunder may involve the use of subleases of exclusive or preferential areas of the Premises in addition to or in lieu of Handling Agreements. Any sublease with a Scheduled Aircraft Operator (hereinafter called an **"Accommodated Sublessee Airline"**) will similarly be subject to the prior and continuing approval of the Port Authority and the execution of a consent agreement prepared by the Port Authority, and executed by the Port Authority, the Lessee and the Accommodated Sublessee

Airline. It is understood that American Eagle is an Accommodated Sublessee Airline pursuant to the American Eagle Arrangement.

(3) Nothing contained herein shall in any way affect the discretion of the Port Authority in granting or withholding its consent to a Handling Agreement or a sublease with an Accommodated Sublessee Airline, proposed by the Lessee or directed by the Port Authority, and such consent may contain such terms and conditions including but not limited to such financial or other conditions which may include a fixed charge or a charge based upon a percentage of the Lessee's gross receipts arising therefrom, as the Port Authority may, at that time, elect, and all provisions of the Lease requiring the prior written consent or approval of the Port Authority.

(4) Notwithstanding anything to the contrary contained herein, the Lessee understands and agrees that the Lessee shall not perform any services and functions pursuant to any Handling Agreement or sublease with a Accommodated Handled Airline or a Accommodated Sublessee Airline with respect to which the Port Authority has specifically withheld consent and approval in the consent agreement to such Handling Agreement or sublease. The Accommodated Handled Airline and the Accommodated Sublessee Airline may either perform said services and functions themselves or use the services of the authorized service organization, including but not limited to in-flight caterers, aircraft fuelers, and ramp handlers performing such services or functions at the Airport. The Lessee however may make the necessary arrangements with the authorized service organization performing such services and functions performed for the Accommodated Handled Airline or the Accommodated Sublessee Airline.

(5) The Lessee shall furnish to the Port Authority from time to time such itemization, details and information pertaining to the Handling Agreements and subleases as the Port Authority may from time to time reasonably request.

(6) The Lessee agrees that all Handling Agreements and subleases shall be at reasonable and at non-discriminatory rates, fees and charges, which rates, fees and charges shall be based upon the recovery by the Lessee of a pro rata share of the Lessee's costs of (i) operation and maintenance of the Premises, (ii) the services provided to the Accommodated Handled Airline or the Accommodated Sublessee Airline, and (iii) the Lessee's investment in the Premises not otherwise included in the above; plus costs, fees and standard industry markups associated with accommodating the Accommodated Handled Airline or the Accommodated Sublessee Airline at the Premises, provided, however, that it is understood and agreed that the following shall not be a reason for the Lessee to refuse a sublease or Handling Agreement or to impose any conditions or limitations on operations in connection therewith under this Section: (aa) possible or potential labor disharmony with an Accommodated Handled Airline or Accommodated Sublessee Airline, (bb) competitive nature of the routes, schedules or type of air transportation service to be provided by an Accommodated Handled Airline or Accommodated Sublessee Airline, provided, further, however, that with respect to item (aa) above if, after notice from the Port Authority to provide Accommodations to a specific Scheduled Aircraft Operator, the Lessee shall, in good faith, believe that the operations of such specific Scheduled Aircraft Operator on the Premises would cause such significant, immediate and unremediable labor disharmony which would seriously affect the operations of the Lessee, then, upon request by the Lessee to the Port Authority setting forth in specific detail satisfactory to the Port Authority the nature of the anticipated labor disharmony and requesting that the Lessee not be obligated under this Section to provide Accommodations for such specific Scheduled Aircraft Operator, the Port Authority shall, in good faith, consider the Lessee's request; and if the Port Authority finds that the labor disharmony described by the Lessee is reasonably likely to result if the Lessee were

to provide Accommodations to such Scheduled Aircraft Operator on the Premises, then the Port Authority shall notify the Lessee that the Port Authority's direction to provide Accommodations to such Scheduled Aircraft Operator is rescinded.

(d) ***Gate Termination***.

(1) **"Domestic Gate"** shall mean a non-FIS Gate capable of handing aircraft with 91 or more seats, but shall not include any International Gate located at the Premises and at Terminal 4.

"FIS" shall mean of or relating to Federal Inspection Facilities, or premises made available to the United States for inspection of airline passengers and their baggage by United States Customs and Immigration.

"International Gate" shall mean a Gate that has access to FIS facilities.

"Lessee's Net Investment" shall mean the difference obtained by subtracting the amount of all of the Bonds (as defined in Section 92 hereof) from the amount of (x) the Redevelopment Work Investment or, as the case may be, (y) the sum of the Redevelopment Work Investment and the Expanded Terminal Work Investment.

(2.a.)

(2.a.)

"**Regional Gate**" shall mean a non-FIS Gate incapable of handling aircraft with over 90 seats.

"**Required Conditions Attainment Date**" shall mean the date on which all of the Required Conditions shall have been met.

"**Terminated Gate**" shall mean a Gate with respect to which the letting is terminated pursuant to the provisions of Section 45 or of Section 46 hereof.

"**Unamortized Bond Obligation**" shall mean the Outstanding principal of the Bonds from time to time.

"**Unamortized Lessee's Net Investment**" shall mean the Lessee's Net Investment amortized on a straight line basis over the number of months from the earlier to occur of January 1, 2008 or the Required Conditions Attainment Date to December 31, 2031.

"**Unamortized Obligation**" shall mean (i) prior to the Expanded Terminal Work Completion Date, an amount equal to the sum of the Unamortized Lessee's Net Investment plus the Unamortized Bond Obligation, provided, however, that said sum shall be limited to a maximum amount of One Billion Two Hundred Seventy Four Million Dollars and No Cents ($1,274,000,000.00) amortized on a straight line basis over the number of months from the earlier to occur of January 1, 2008 or the Required Conditions Attainment Date to December 31, 2031, and (ii) from and after the Expanded Terminal Work Completion Date, an amount equal to the sum of the Unamortized Lessee's Net Investment plus the Unamortized Bond Obligation, provided, however, that said sum shall be limited to a maximum amount of One Billion Five Hundred Seventy One Million Dollars and No Cents ($1,571,000,000.00)

amortized on a straight line basis over the number of months from the earlier to occur of January 1, 2008 or the Required Conditions Attainment Date to December 31, 2031.

(2) In the event that at the expiration of the Section 45 Notice Period the Lessee shall fail to provide Accommodations to the Requesting Airline named in the Section 45 Notice to Provide Accommodations triggering such Notice Period, the Port Authority may, upon at least sixty (60) days' notice to the Lessee (the "**Section 45 Gate Termination Notice**"), terminate the letting of the number and type of Gates specified in said Section 45 Notice to Provide Accommodations, such termination to be effective on the date set forth in the Section 45 Gate Termination Notice (the "**Section 45 Gate Termination Date**"), provided that the Lessee and/or the Trustee, as applicable, shall have received the payments set forth in subparagraph (5) below.

(3) The Port Authority's rights to terminate one or more Gates set forth above in this Section 45 may be exercised as to one or more than one Requesting Airline, without waiving, limiting or impairing any other right of the Port Authority under this Agreement or otherwise.

(4) As to each Section 45 Gate Termination Notice, upon such termination, the term of the letting as to the Terminated Gates shall cease and expire on the Section 45 Gate Termination Date with the same force and effect as if said date were the date originally stated in this Agreement for the expiration of the term of the letting as to the Terminated Gates, provided that the Lessee and/or the Trustee, as applicable, shall have received the payments set forth in subparagraph (5) below. This Agreement and the letting as to all other portions of the Premises (excluding all other previously terminated portions thereof, if any) shall continue in full force and effect. Subject to and conditioned on the provisions of this Section, and only so long as the Lessee provides

full and unrestricted access, ingress and egress to and from the Terminated Gate to the Port Authority and each user of the Terminated Gate and its employees, agents, representatives and contractors, (i) the annual Ground Rental payable by the Lessee to the Port Authority hereunder shall, from and after the Section 45 Gate Termination Date, be reduced by an amount equal to the product obtained by multiplying the Pro-Rata Share for each Terminated Gate by the annual Ground Rental payable and in effect prior to such termination, (ii) the applicable annual Building Rental, if any, payable by the Lessee to the Port Authority hereunder shall, from and after the Section 45 Gate Termination Date, be reduced by an amount equal to the product obtained by multiplying the Pro-Rata Share for each Terminated Gate by the applicable annual Building Rental, if any, payable and in effect prior to such termination, and (iii) the applicable annual Terminal Rental, if any, payable by the Lessee to the Port Authority hereunder shall, from and after the Section 45 Gate Termination Date, be reduced by an amount equal to the product obtained by multiplying the Pro-Rata Share for each Terminated Gate by the applicable annual Terminal Rental, if any, payable and in effect prior to such termination.

(5) (i) As a condition to the effectiveness of each Section 45 Gate Termination Date, but only if the Lessee actually surrenders and vacates each Terminated Gate in accordance with all applicable provisions of this Lease, the Port Authority shall be obligated, simultaneously with such surrender by the Lessee, to make a one-time payment to the Lessee and/or the Trustee, as applicable, in the lesser amount of (i) the product obtained by multiplying the Pro-Rata Share for such Terminated Gate by the Unamortized Obligation (such product, the "**Maximum Gate Investment Amount**") or (ii) the sum of (x) the product obtained by multiplying the Pro-Rata Share for such Terminated Gate by the Unamortized Bond Obligation (such product,

the "**Pro-Rata Bond Gate Investment Amount**") and (y) the product obtained by multiplying the Pro-Rata Share for such Terminated Gate by the Unamortized Lessee's Net Investment (said product, the "**Pro-Rata Lessee Gate Investment Amount**"). The Trustee shall, promptly upon the Port Authority's request, provide the Port Authority with the correct amount of the Unamortized Bond Obligation, certified by the Trustee, in sufficient detail as to enable the Port Authority to calculate the Pro-Rata Bond Gate Investment Amount to be paid with respect to each Terminated Gate.

(ii) In accordance with the foregoing subdivision (i), on or before the Section 45 Gate Termination Date, the Port Authority shall pay (x) to the Trustee the portion of the payment constituting a portion of the Unamortized Bond Obligation and (y) to the Lessee the portion of the payment constituting a portion of the Lessee's Net Investment.

(iii) The foregoing and all payments to be made by the Port Authority hereunder shall be subject to Port Authority rights of audit and inspection rights, and shall be subject to the record-keeping obligations of the Lessee under Section 69 hereof.

(iv) For purposes of determining the amount payable in connection with a Terminated Gate under this Section 45, the Lessee shall certify the amounts of the Redevelopment Work Investment and the Expanded Terminal Work Investment, respectively, promptly following the Redevelopment Work Completion Date and the Expanded Terminal Work Completion Date, and the Port Authority shall perform (and the Lessee shall fully cooperate in) an audit of the Redevelopment Work and the Expanded Terminal Work within one year following the date of such respective certification; provided, however, that any such audit shall

not preclude the Port Authority, prior to a Gate Termination Date, from revising any such determination based on updated or corrected audit results.

(6) The Lessee shall cooperate with the Port Authority in arrangements at the Premises so that each Aircraft Operator who uses a Terminated Gate may handle itself or be handled by a handling permittee of the Port Authority of its choice, subject to prior written consent of the Port Authority and payment of all applicable fees to the Port Authority. In the event that the Lessee wishes to perform handling services for any such Aircraft Operator, the Lessee shall not do so unless the Lessee has obtained an appropriate handling permit from the Port Authority covering the Lessee's handling of such Aircraft Operator, to be subject to the prior and continuing approval of the Port Authority and payment of all applicable fees to the Port Authority and, if the Port Authority deems appropriate, the execution among the Port Authority, the Lessee, and such Aircraft Operator of a form of consent agreement prepared by the Port Authority. Nothing contained herein shall in any way affect the discretion of the Port Authority in granting or withholding a permit or its consent to a handling agreement proposed by the Lessee and any such permit and/or consent may contain such terms and conditions including but not limited to such financial or other conditions which may include a fixed charge or a charge based upon a percentage of the Lessee's gross receipts arising therefrom, as the Port Authority may, at that time, elect. All such rates, fees and charges pursuant to any such handling agreement shall be at reasonable and at non-discriminatory rates, fees and charges.

(7) Effective from and after a Gate Termination Date as to each Terminated Gate, the Port Authority and each user of a Terminated Gate, and their respective officers, employees, passengers, patrons, invitees, contractors, suppliers of material and furnishers of services, shall (x) have the right of ingress and egress between the Terminated Gate and the public

streets outside the Premises, and also the right of ingress and egress between the Premises and the Public Landing Area at the Airport, by means of existing taxiways to be used in common with others having rights of passage thereon, as well as over the taxiway areas of the Premises, and (y) pay to the Lessee a pro rata share of the Lessee's operating and maintenance costs allocable to the Terminated Gate.

(8) Effective from and after a Gate Termination Date as to each Terminated Gate, the Lessee and its officers, employees, passengers, patrons, invitees, contractors, suppliers of material and furnishers of services, shall have the right of ingress and egress between public portions of the Terminated Gate and the public streets outside the Premises, and also the right of ingress and egress between the Premises and the Public Landing Area at the Airport, by means of existing taxiways to be used in common with others having rights of passage thereon, as well as over the taxiway areas of the Premises.

(9) Effective from and after a Gate Termination Date as to each Terminated Gate, each of the Port Authority and any user of the Terminated Gate, on the one hand, and the Lessee, on the other hand, shall indemnify and hold the other harmless for and against its negligence and intentional misconduct in connection with its use of the Terminated Gate and its exercise of its rights pursuant to the foregoing subparagraphs (7) and (8), as the case may be.

(10) So long as any Bonds are Outstanding, the Port Authority will endeavor to make arrangements such that within thirty (30) days after entering into an agreement for the use of any Terminated Gate with a term (including renewal option periods) of more than thirty (30) days or for the use of any Terminated Gate by an airline that does not provide scheduled passenger service as a common carrier, the Port Authority will notify the Lessee of the identity of the user and the term and all renewal option periods provided in such agreement (and, if requested by the Lessee, will provide the Lessee with

additional information regarding the terms of any such renewal options); provided, however, that the Port Authority shall have no liability to the Lessee or any other party for failing to so notify the Lessee, and provided, further, that any such failure shall not excuse the Lessee's or any other party's performance of any obligation to the Port Authority hereunder or under any other agreement.

(e) ***No Waiver.***

(1) The failure of the Port Authority to exercise any of its rights under this Section 45 during any period in which it may have such a right, shall not affect, waive or limit its right to exercise said rights at any subsequent time.

(2) Nothing in this Section shall be deemed to have abrogated, changed or affected any restrictions, limitations or prohibitions on assignment, subletting or use of the Premises by others under this Lease nor shall in any manner affect, waive or change any of the provisions thereof."

11. Amendment to Section 46 of the Lease, "*Additional Rights of the Port Authority as to Portions of the Premises*"

Section 46 of the Lease, entitled "Additional Rights of the Port Authority as to Portions of the Premises", is hereby deleted in its entirety and the following is inserted in its place:

"Section 46. Additional Rights of the Port Authority as to Portions of the Premises

(a) ***Lessee's Commencement Basic Schedule.***

It is hereby agreed that for the purpose of this Section the term the "**Lessee's Commencement Basic Schedule**" shall be and mean for the period from the December 22, 2000 to and including the day immediately preceding the Redevelopment Work Completion Date a "Revenue Seats Daily Average" (as said term is defined in paragraph (f) hereof) of (2.a.) and from and after the Redevelopment Work Completion Date

shall be and mean the Revenue Seats Daily Average for the first full calendar year from and after the Redevelopment Work Completion Date.

(b) ***Lessee's Basic Schedule.***

Commencing with calendar year 2000 and for each and every calendar year thereafter, the Port Authority may ascertain the Revenue Seats Daily Average of the Lessee for the Airport for the preceding calendar year in accordance with the provisions of paragraph (f) hereof, which Revenue Seats Daily Average shall be the Lessee's Basic Schedule for the preceding calendar year and shall be referred to as such. Thus, for example, in the case of the first calculation which would be based on the calendar year 1999 experience, said Revenue Seats Daily Average shall be called the "Lessee's Basic Schedule for 1999".

(c) ***Section 46 Notice to Provide Accommodations; Gate Termination.***

As of January 1, 2000 and as of January 1 of each succeeding calendar year (i) *in the event that* the Lessee's Basic Schedule for the immediately preceding calendar year for the Airport is less than (2.a.) of the Lessee's Commencement Basic Schedule or (ii) *in the event that* because of reasons beyond the control of the Lessee the Lessee's Basic Schedule for the immediately preceding two calendar years is less than (2.a.)) of the Lessee's Commencement Basic Schedule, *then in either of such events* and without limiting each and every other right the Port Authority has under this Agreement or otherwise, the Port Authority shall have the right, upon six (6) months' written notice to the Lessee, (x) to require the Lessee (and the Lessee hereby agrees) to make available Accommodations to Scheduled Aircraft Operators at the Premises in the number (which shall be as set forth in paragraph (g) of this Section) and type of Gates as directed by the Port Authority (such notice, a "**Section 46 Notice to Provide Accommodations**"); or (y) upon payment of the amounts set forth in Section 46(e)(4) below, to terminate the letting under

this Lease as to the number (which shall be as set forth in paragraph (g) of this Section) and type of Gates as the Port Authority may specify (such notice, a "**Section 46 Gate Termination Notice**"); or (z) to serve both a Section 46 Notice to Provide Accommodations and a Section 46 Gate Termination Notice as to any combination of Gates in the number set forth in paragraph (g) hereof. Notwithstanding the foregoing, however, the Port Authority shall give thirty (30) days' prior notice of its intention to give the Section 46 Gate Termination Notice, and it is expressly agreed that the Port Authority shall not exercise the aforementioned right of termination with respect to any portion or portions of the Premises if the Lessee has submitted to the Port Authority definite plans for the use of the entire Premises at least at the levels specified in this Section 46, *provided that* the Lessee in fact commences such use including the portions of the Premises proposed to be terminated by the Port Authority within ninety (90) days after the submission of such plans.

(d) ***Accommodations.***

The Lessee's obligation to provide Accommodations to Scheduled Aircraft Operators shall be effective on the date set forth in the Section 46 Notice to Provide Accommodations. Upon such Notice the Lessee shall use its best efforts to secure an arrangement with a Scheduled Aircraft Operator as directed by the Port Authority for Accommodations in the Premises and shall in good faith negotiate with any such Scheduled Aircraft Operator as the Port Authority shall direct for Accommodations in the Premises, all in accordance herewith; provided, however, that so long as the Lessee shall have negotiated in good faith, the Lessee shall have no obligation to execute an agreement providing for such Accommodations if the Scheduled Aircraft Operator refuses to agree to the Lessee's proposed reasonable and non-discriminatory rates, fees and charges, as described in Section 45(c)(6). The Lessee shall make such Accommodations available, in accordance with Section 45(c) above, from time to time during the

entire period commencing on the effective date set forth in the Section 46 Notice to Provide Accommodations and ending when the Lessee's Basic Schedule for a calendar year, determined in accordance with the foregoing, shall have been seventy percent (70%) or more of the Lessee's Commencement Basic Schedule.

(e) ***Section 46 Gate Termination.***

(1) In the event the Port Authority serves a Section 46 Gate Termination Notice in accordance with the foregoing paragraph (c), the termination of the number and type of Gate or Gates specified in such Notice shall be effective on the date set forth in said Section 46 Gate Termination Notice (the "**Section 46 Gate Termination Date**"), provided that the Lessee and/or the Trustee, as applicable, shall have received the payments set forth in subparagraph (4) below.

(2) As to each Section 46 Gate Termination Notice, upon such termination, the term of the letting as to the Terminated Gates shall cease and expire on the Section 46 Gate Termination Date with the same force and effect as if said date were the date originally stated in this Agreement for the expiration of the term of the letting as to the Terminated Gates. This Agreement and the letting as to all other portions of the Premises (excluding all other previously terminated portions thereof, if any) shall continue in full force and effect. Subject to and conditioned on the provisions of this Section, and only so long as the Lessee provides full and unrestricted access, ingress and egress to and from the Terminated Gate to the Port Authority and each user of the Terminated Gate and its employees, agents, representatives and contractors, (i) the annual Ground Rental payable by the Lessee to the Port Authority hereunder shall, from and after the Section 46 Gate Termination Date, be reduced by an amount equal to the product obtained by multiplying the Pro-Rata Share for each Terminated Gate by the annual Ground Rental payable and in effect prior to such termination, (ii) the applicable annual Building

Rental, if any, payable by the Lessee to the Port Authority hereunder shall, from and after the Section 46 Gate Termination Date, be reduced by an amount equal to the product obtained by multiplying the Pro-Rata Share for each Terminated Gate by the applicable annual Building Rental, if any, payable and in effect prior to such termination, and (iii) the applicable annual Terminal Rental, if any, payable by the Lessee to the Port Authority hereunder shall, from and after the Section 46 Gate Termination Date, be reduced by an amount equal to the product obtained by multiplying the Pro-Rata Share for each Terminated Gate by the applicable annual Terminal Rental, if any, payable and in effect prior to such termination.

(3) The Port Authority's rights to terminate one or more Gates set forth above may be exercised one or more times until the total applicable Gates have been terminated, without waiving, limiting or impairing any other right of the Port Authority under this Agreement or otherwise.

(4) (i) As a condition to the effectiveness of each Section 46 Gate Termination Date, but only if the Lessee actually surrenders and vacates each Terminated Gate in accordance with all applicable provisions of this Lease, the Port Authority shall be obligated, simultaneously with such surrender by the Lessee, to make a one-time payment to the Lessee and/or the Trustee, as applicable, in the lesser of the amount of (i) the product obtained by multiplying the Pro-Rata Share for such Terminated Gate by the Unamortized Obligation (such product, the **"Maximum Gate Investment Amount"**) or (ii) the sum of (x) the product obtained by multiplying the Pro-Rata Share for such Terminated Gate by the Unamortized Bond Obligation (such product, the **"Pro-Rata Bond Gate Investment Amount"**) and (y) the product obtained by multiplying the Pro-Rata Share for such Terminated Gate by the Unamortized Lessee's Net Investment (said product, the **"Pro-Rata Lessee Gate**

Investment Amount"). The Trustee shall, promptly upon the Port Authority's request, provide the Port Authority with the correct amount of the Unamortized Bond Obligation, certified by the Trustee, in sufficient detail as to enable the Port Authority to calculate the Pro-Rata Bond Gate Investment Amount to be paid with respect to each Terminated Gate.

(ii) In accordance with the foregoing subdivision (i), on or before the Section 46 Gate Termination Date, the Port Authority shall pay (x) to the Trustee the portion of the payment constituting a portion of the Unamortized Bond Obligation and (y) to the Lessee the portion of the payment constituting a portion of the Lessee's Net Investment.

(iii) The foregoing and all payments to be made by the Port Authority hereunder shall be subject to Port Authority rights of audit and inspection rights, and shall be subject to the record-keeping obligations of the Lessee under Section 69 hereof.

(iv) For purposes of determining the amount payable in connection with a Terminated Gate under this Section 46, the Lessee shall certify the amounts of the Redevelopment Work Investment and the Expanded Terminal Work Investment, respectively, promptly following the Redevelopment Work Completion Date and the Expanded Terminal Work Completion Date, and the Port Authority shall perform (and the Lessee shall fully cooperate in) an audit of the Redevelopment Work and the Expanded Terminal Work within one year following the date of such respective certification; provided, however, that any such audit shall not preclude the Port Authority, prior to a Gate Termination Date, from revising any such determination based on updated or corrected audit results.

(5) The Lessee shall cooperate with the Port Authority in arrangements at the Premises so that each Aircraft Operator who uses a Terminated Gate may handle itself or be handled by a handling permittee of the Port Authority of its choice, subject to prior written consent of the Port Authority and payment of all applicable fees to the Port Authority. In the event that the Lessee wishes to perform handling services for any such Aircraft Operator, the Lessee shall not do so unless the Lessee has obtained an appropriate handling permit from the Port Authority covering the Lessee's handling of such Aircraft Operator, to be subject to the prior and continuing approval of the Port Authority and payment of all applicable fees to the Port Authority and, if the Port Authority deems appropriate, the execution among the Port Authority, the Lessee, and such Aircraft Operator of a form of consent agreement prepared by the Port Authority. Nothing contained herein shall in any way affect the discretion of the Port Authority in granting or withholding a permit or its consent to a handling agreement proposed by the Lessee and any such permit and/or consent may contain such terms and conditions including but not limited to such financial or other conditions which may include a fixed charge or a charge based upon a percentage of the Lessee's gross receipts arising therefrom, as the Port Authority may, at that time, elect. All such rates, fees and charges pursuant to any such handling agreement shall be at reasonable and at non-discriminatory rates, fees and charges.

(6) Effective from and after a Gate Termination Date as to each Terminated Gate, the Port Authority and each user of a Terminated Gate, and their respective officers, employees, passengers, patrons, invitees, contractors, suppliers of material and furnishers of services, shall (x) have the right of ingress and egress between the Terminated Gate and the public streets outside the Premises, and also the right of ingress and egress between the Premises and the Public Landing Area at the Airport, by means of existing taxiways to be used in common with

others having rights of passage thereon, as well as over the taxiway areas of the Premises, and (y) pay to the Lessee a pro rata share of the Lessee's operating and maintenance costs allocable to the Terminated Gate.

(7) Effective from and after a Gate Termination Date as to each Terminated Gate, the Lessee and its officers, employees, passengers, patrons, invitees, contractors, suppliers of material and furnishers of services, shall have the right of ingress and egress between public portions of the Terminated Gate and the public streets outside the Premises, and also the right of ingress and egress between the Premises and the Public Landing Area at the Airport, by means of existing taxiways to be used in common with others having rights of passage thereon, as well as over the taxiway areas of the Premises.

(8) Effective from and after a Gate Termination Date as to each Terminated Gate, each of the Port Authority and any user of the Terminated Gate, on the one hand, and the Lessee, on the other hand, shall indemnify and hold the other harmless for and against its negligence and intentional misconduct in connection with its use of the Terminated Gate and its exercise of its rights pursuant to the foregoing subparagraphs (6) and (7), as the case may be.

(9) So long as any Bonds are Outstanding, the Port Authority will endeavor to make arrangements such that within thirty (30) days after entering into an agreement for the use of any Terminated Gate with a term (including renewal option periods) of more than thirty (30) days or for the use of any Terminated Gate by an airline that does not provide scheduled passenger service as a common carrier, the Port Authority will notify the Lessee of the identity of the user and the term and all renewal option periods provided in such agreement (and, if requested by the Lessee, will provide the Lessee with additional information regarding the terms of any such renewal options); provided, however, that the Port Authority shall have no liability to the Lessee or any other party for failing to so

notify the Lessee, and provided, further, that any such failure shall not excuse the Lessee's or any other party's performance of any obligation to the Port Authority hereunder or under any other agreement.

(f) ***Ascertainment of Revenue Seats Daily Average.***

(1) In the event the Port Authority decides to ascertain the Revenue Seats Daily Average of the Lessee for the preceding calendar year it shall do so as follows: based upon the Official Airlines Guide (herein called the "**Guide**"), or in the event that the Guide shall not list the Lessee's schedules, then based upon the generally accepted United States aviation industry standard published airline schedule reference which shall include the Lessee's published schedules, the Port Authority shall ascertain the total number of revenue seats that were accommodated on the aircraft equipment scheduled to have been used by the Lessee on its published aircraft departures at the Airport as set forth in the Guide during two specified calendar weeks (Sunday through Saturday), the first of which weeks is the one during which the fifteenth (15th) day of February of the prior calendar year fell and the second being the one during which the fifteenth (15th) day of August of the said prior calendar year fell (said week of February together with said week of August being hereinafter collectively called the "**Measuring Period**"), and shall total the said number of revenue seats which are hereinafter called the "**Total Revenue Seats**" of the Lessee. In determining the Total Revenue Seats of the Lessee,. the Total Revenue Seats as defined above of those Accommodated Handled Airlines, if any, of the Lessee who were Accommodated Handled Airlines as of the date of such determination and Accommodated Sublessee Airlines at the Premises who were Accommodated Sublessee Airlines on the date of such determination, with respect to the aircraft of the Accommodated Handled Airlines and aircraft of the Accommodated Sublessee Airlines operating at the Premises, shall be included.

(2) In making said determination, the Port Authority shall use the aircraft configurations as supplied by the Lessee for the Measuring Period in question with respect to the number of revenue seats that can be accommodated on the particular aircraft equipment scheduled to be used by the Lessee at the Airport. The Total Revenue Seats of the Lessee shall then be divided by fourteen, the resulting quotient being herein called the **"Revenue Seats Daily Average"** of the Lessee.

(g) (1) Effective from and after the Restructuring Effective Date to the Required Conditions Attainment Date, subject to subparagraph (4) below:

Column A Percentage of the Lessee's Basic Schedule Compared To the Lessee's Commencement Basic Schedule	Column B Number of Gate Positions the Port Authority May Require Accommodations at the Premises and/or May Terminate from the Premises
(2.a.)	(2.a.)

(2) Effective from and after the Required Conditions Attainment Date to the Expanded Terminal Work Completion Date, subject to subparagraph (4) below:

Column A Percentage of the Lessee's Basic Schedule Compared To the Lessee's Commencement Basic Schedule	Column B Number of Gate Positions the Port Authority May Require Accommodations at the Premises and/or May Terminate from the Premises

(3) From and after the Expanded Terminal Work Completion Date, subject to subparagraph (4) below:

Column A Percentage of the Lessee's Basic Schedule Compared To the Lessee's Commencement Basic Schedule	Column B Number of Gate Positions the Port Authority May Require Accommodations at the Premises and/or May Terminate from the Premises
(2.a.)	(2.a.)

(4) The following shall apply when at any time the total number of Gates in the Premises is other than as set forth in subparagraphs (1), (2) and (3) above.

If the number of Gates in the Premises shall decrease as a result of the Port Authority having exercised its rights of termination under this Lease as to a portion or portions of the Premises as set forth in above in this Section,

or if, after the Restructuring Effective Date, the number of Gates in the Premises shall increase (the date of each such increase or decrease of the number of Gates in the Premises being hereinafter called a "**Change Date**") then: commencing with the immediately succeeding Measuring Period following such Change Date the number of Gates which the Port Authority may require Accommodations or may terminate set forth in each Column B above for each percentage set forth in each Column A above shall be adjusted to equal the difference obtained by subtracting from the number of Gates in the Premises on the Change Date, the product obtained by multiplying said percentage by the number of Gates in the Premises on the Change Date, in accordance with the following formula:

$$G - (P \times G) = U$$

Where, G equals the total number of Gates in the Premises on the Change Date,

P equals the applicable percentage under each Column A, and

U equals the number of Gates that the Port Authority may require Accommodations or may terminate from the Premises.

(h) ***No Waiver.***

(1) The failure of the Port Authority to exercise any of its rights under this Section during any period in which it may have such a right, shall not affect, waive or limit its right to exercise said rights at any subsequent time.

(2) Nothing in this Section shall be deemed to have abrogated, changed or affected any restrictions, limitations or prohibitions on assignment, subletting or use of the Premises by others under this Lease nor shall in any manner affect, waive or change any of the provisions thereof."

(i) ***Port Authority's Use of Recaptured Portions of the Premises.***

The Lessee acknowledges and agrees that in the event of the Port Authority's recapture of

portions of the Premises pursuant to the provisions of Sections 45 and 46 of this Lease relating to Gate termination, (x) the Port Authority will use the portions of the Premises so recaptured in such manner as the Port Authority, as the operator of the Airport and the owner of such recaptured portions, may deem appropriate, including without limitation for the purpose of maximizing revenues, and (y) the Port Authority may be in competition with the Lessee in seeking tenants or other users of the portions of the Premises so recaptured.

12. Amendment to Section 91, *"Definitions"*

(a) Section 91 of the Lease is hereby amended, effective as of November 24, 2004, as follows:

(1) The definition of "Basic Lease" is deleted in its entirety and the following is substituted in its place:

> **"Basic Lease"** shall mean the Amended and Restated Agreement of Lease between the City of New York, as landlord, and the Port Authority, as tenant, dated as of November 24, 2004, as the same from time to time may be supplemented or amended and/or restated. Said agreement dated as of November 24, 2004, has been recorded in the Office of the Register of The City of New York, County of Queens, on December 3, 2004 with a City Register File Number of 2004000748687."

(2) The definition of "Environmental Requirement" and "Environmental Requirements" is deleted in its entirety and the following is substituted in its place (to conform to the definition contained in the Amended and Restated Basic Lease):

> **"Environmental Requirement"** shall mean in the singular and **"Environmental Requirements"** shall mean in the plural all common law and all past, present and future laws, statutes, enactments, resolutions, regulations, rules, directives, ordinances, codes, licenses, permits, orders, memoranda of understanding and memoranda of agreement, guidances, approvals, plans, authorizations, concessions, franchises,

requirements and similar items of all governmental agencies, departments, commissions, boards, bureaus or instrumentalities of the United States, states and political subdivisions thereof, all pollution prevention programs, "best management practices plans", and other programs adopted and agreements made by the Port Authority (whether adopted or made with or without consideration or with or without compulsion), with any government agencies, departments, commissions, boards, bureaus or instrumentalities of the United States, states and political subdivisions thereof, and all judicial, administrative, voluntary and regulatory decrees, judgments, orders and agreements relating to the protection of human health or the environment, the foregoing to include without limitation:

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

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

(iii) the Atomic Energy Act of 1954 , 42 U.S.C. Section 2011 *et seq.*; the Clean Water Act also known as the Federal Water Pollution Control Act, 33 U.S.C. Section 1251 *et seq.*; the Clean Air Act, 42 U.S.C. Section 7401 *et seq.*; the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. Section 136 *et seq.*; the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 *et seq.*; the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), Section 2701 *et seq.*; the

Emergency Planning and Community Right to Know Act, 42 U.S.C. Section 11001 *et seq.*; the Occupational Safety and Health Act, 29 U.S.C. Section 651 *et seq.*; the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101 *et seq.*; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 *et seq.*; the Toxic Substances Control Act, 15 U.S.C. Section 2601 *et seq.*; the Safe Drinking Water Act of 1974, 42 U.S.C. Sections 300f-300h-11 *et seq.*; the Oil Pollution Act, 33 U.S.C. Section 2701 *et seq*; the National Environmental Policy Act, 42 USC Section 4321 *et seq.*; the State Environmental Quality Review Act (SEQRA), NY ECL Section 8-0101 *et seq.*; the New York State Environmental Conservation Law; the New York State Navigation Law; together, in each case, with any amendment thereto, and the regulations adopted, guidances, memoranda and publications promulgated thereunder and all substitutions thereof and any other analogous current or future federal, state municipal, city or local laws;

and in the event that there shall be more than one compliance standard, the standard for any of the foregoing shall be that which requires the lowest level of a Hazardous Substance, provided, however, that with respect to removal from the soil and groundwater in the Site of those chemicals set forth in the exhibit attached hereto, hereby made a part hereof and marked "Exhibit 2B.3", the compliance standard shall be the respective Approved Cleanup Criteria therefor for so long as the DEC shall continue its approval and acceptance of such Approved Cleanup Criteria, and provided, further, that in the use of any Approved Cleanup Criteria the Lessee shall comply with all requirements of all Governmental Authorities for the use thereof, including without limitation those set forth in the letter dated June 28, 1996 from Steven Miller of the DEC to Marvin Kirshner of the Port Authority covering the DEC's conditional approval of the use of such

Approved Cleanup Criteria in certain areas of the Airport, which letter is attached hereto as part of Exhibit 2B.3, and all the requirements of the DEC pursuant to the ACO."

(2) The definition of "Hazardous Substance" and "Hazardous Substances" is deleted in its entirety and the following is substituted in its place (to conform to the definition contained in the Amended and Restated Basic Lease):

"**Hazardous Substance**" shall mean and include in the singular and "Hazardous Substances" shall mean and include in the plural any pollutant, contaminant, toxic or hazardous waste, dangerous substance, noxious substance, toxic substance, flammable, explosive or radioactive material, urea formaldehyde foam insulation, asbestos, polychlorinated biphenyls ("PCBs"), radon, chemicals known to cause cancer, endocrine disruption or reproductive toxicity, petroleum and petroleum products, fractions, derivatives and constituents thereof, of any kind and in any form, including without limitation oil, petroleum, fuel, fuel oil, sludge, crude oil, gasoline, kerosene, and mixtures of, or waste materials containing any of the foregoing, and other gases, chemicals, materials and substances which have been or in the future shall be declared to be hazardous or toxic, or the removal, containment or restriction of which have been or in the future shall be required, or the manufacture, preparation, production, generation, use, maintenance, treatment, storage, transfer, handling or ownership of which have or in the future shall be restricted, prohibited, regulated or penalized by any federal, state, county, or municipal or other local statute or law now or at any time hereafter in effect as amended or supplemented and by the regulations adopted and publications promulgated pursuant thereto."

(b) Section 91 of the Lease is hereby amended, effective as of the date hereof, as follows:

(1) The definition of "Required Conditions" is deleted in its entirety and the following is substituted in its place:

"**Required Conditions**" shall have the meaning provided in Section 3(d) hereof.

(2) The following new terms and definitions shall be deemed added:

"**Additional Land Rental**" shall have the meaning provided in Section 4(i) hereof.

"**Additional Land Rental Adjustment Year**" shall have the meaning provided in Section 4(i) hereof.

"**Additional Land Rental Base Year**" shall have the meaning provided in Section 4(i) hereof.

"**Additional Land Rental Commencement Date**" shall have the meaning provided in Section 4(i) hereof.

"**Additional Land Rental Payment Period**" shall have the meaning provided in Section 4(i) hereof.

"**Change Date**" shall have the meaning provided in Section 46 hereof.

"**Date of Taking**" shall have the meaning provided in Section 18 hereof.

"**Domestic Gate**" shall have the meaning provided in Section 45(d) hereof.

"**Expanded Terminal Work**" shall have the meaning provided in Section 2B(r) hereof.

"**Expanded Terminal Work Completion Date**" shall have the meaning provided in Section 2B(r) hereof.

"**Expanded Terminal Work Comprehensive Plan**" shall have the meaning provided in Section 2B(r) hereof.

"**Expanded Terminal Work Investment**" shall have the meaning provided in Section 2B(r) hereof.

"**FIS**" shall have the meaning provided in Section 45(d) hereof.

"**Gate**" shall mean an airline passenger aircraft loading and unloading gate position and all related (as reasonably determined by the Port

Authority) ramp and passenger terminal facilities, fixtures and space in the Premises, including but not limited to passenger ticketing, passenger check-in, baggage handling and flight information systems, passenger hold room and waiting areas and appropriate signage and public identification.

"Guide" shall have the meaning provided in Section 46(f) hereof.

"International Gate" shall have the meaning provided in Section 45(d) hereof.

"Leasehold Mortgage" shall have the meaning provided in Section 96 hereof.

"Leasehold Mortgage Annual Period" shall have the meaning provided in Section 4(j) hereof.

"Leasehold Mortgage Rental" shall have the meaning provided in Section 4(j) hereof.

"Leasehold Mortgage Termination Fee" shall have the meaning provided in Section 4(k) hereof.

"Leasehold Mortgage Termination Date" shall have the meaning provided in Section 96 hereof.

"Lessee's Net Investment" shall have the meaning provided in Section 45(d) hereof.

"Material Part" shall have the meaning provided in Section 18 hereof.

"Maximum Gate Investment Amount" shall have the meaning provided in Section 45(d) hereof.

"Measuring Period" shall have the meaning provided in Section 46(f) hereof.

"Parcel M" shall have the meaning set forth in Section 95(a) hereof.

"Parcel M Construction Notice" shall have the meaning set forth in Section 96(a) hereof.

"Parcel M Enlarged Terminal" shall have the meaning set forth in Section 96(a)(2) hereof.

"Parcel M Surrender Date" shall have the meaning set forth in Section 95(c) hereof.

"Parcel M Tenant" shall have the meaning set forth in Section 96(a) hereof.

"Parcel M Termination Notice" shall have the meaning set forth in Section 95(a) hereof.

"Pro Rata Bond Gate Investment Amount" shall have the meaning provided in Section 45(d) hereof.

"Pro Rata Lessee Gate Investment Amount" shall have the meaning provided in Section 45(d) hereof.

"Pro-Rata Share" shall have the meaning provided in Section 45(d) hereof.

"Refinancing Leasehold Mortgage Termination Date" shall have the meaning provided in Section 4(k) hereof.

"Regional Gate" shall have the meaning provided in Section 45(d).

"Requesting Airline" shall have the meaning provided in Section 45(a) hereof.

"Required Conditions Attainment Date" shall have the meaning provided in Section 45(d) hereof.

"Restructuring Effective Date" shall have the meaning provided in Section 1 of the Second Supplemental Agreement to this Lease.

"Restructuring Surrendered Premises" shall have the meaning provided in Section 2 of the Second Supplemental Agreement to this Lease.

"Revenue Seats Daily Average" shall have the meaning provided in Section 46(f) hereof.

"Section 45 Gate Termination Date" shall have the meaning provided in Section 45(d) hereof.

"Section 45 Gate Termination Notice" shall have the meaning provided in Section 45(d) hereof.

"**Section 45 Notice Period**" shall have the meaning provided in Section 45(b) hereof.

"**Section 45 Notice to Provide Accommodations**" shall have the meaning provided in Section 45(b) hereof.

"**Section 46 Gate Termination Date**" shall have the meaning provided in Section 46 hereof.

"**Section 46 Gate Termination Notice**" shall have the meaning provided in Section 46 hereof.

"**Section 46 Notice to Provide Accommodations**" shall have the meaning provided in Section 46(c) hereof.

"**T-4 Covenant**" shall mean the covenant of the Port Authority set forth in Section 76 of Lease AYC-685 between the Port Authority and JFK International Air Terminal LLC, as it has been amended as of the Restructuring Effective Date, a copy of which is attached hereto as Exhibit T-4; and as it may be further amended by any amendment that (x) renders such covenant less restrictive to the Port Authority but (y) does not restrict to a greater degree, or require the Port Authority to restrict to a greater degree, the use of the Premises.

"**Taking**" shall have the meaning provided in Section 18 hereof.

"**Terminated Gate**" shall have the meaning provided in Section 45(d) hereof.

"**Total Revenue Seats**" shall have the meaning provided in Section 46(f) hereof.

"**Unamortized Bond Obligation**" shall have the meaning provided in Section 45(d) hereof.

"**Unamortized Lessee's Net Investment**" shall have the meaning provided in Section 45(d) hereof.

"**Unamortized Obligation**" shall have the meaning provided in Section 45(d) hereof.

13. Substitution of a New Section 92, *"Leasehold Mortgage - Foreclosure Rights"*

Section 92 of the Lease shall be deleted in its entirety, and the following new Section 92 shall be inserted in lieu thereof to read as follows:

"Section 92. Leasehold Mortgage - Foreclosure Rights

(a) ***Definitions.***

As used in this Section 92 the following terms shall have the following meanings:

"Additional Bond Resolutions" shall mean the resolutions adopted by the IDA in connection with the issuance and sale of Additional Bonds.

"Additional Bonds" shall mean all series of bonds that are issued by the IDA, subsequent to the issuance of the Series 2002 Bonds and the Series 2005 Bonds, in accordance with the terms and conditions of Section 6.2 of the Consent Agreement, pursuant to the Subleases and Indenture, to finance (or reimburse the Lessee for payment of) the costs of the Redevelopment Work and the Expanded Terminal Work (including all reserves, costs of issuance and capitalized interest); provided, however, that each of the Additional Bonds shall mature on or before December 31, 2031 and further that after the issuance of any Additional Bonds, the outstanding debt service on all of the Bonds shall be on a substantially equal annual payment basis (that is, a level debt service), with the sole exception of the Series 2002 Bonds to the extent that the debt service on the Series 2002 Bonds requires a balloon payment of One Hundred Twenty Million Dollars ($120,000,000) on August 1, 2012, or such other payment basis as the Port Authority may agree.

"Additional Supplemental Indentures" shall mean such indentures supplemental or amendatory to the Indenture, which are executed subsequent to the execution of the 2005 Supplemental Indentures in accordance with the

terms and conditions of Section 6.2 of the Consent Agreement.

"Approved Successor Lessee" shall mean a Scheduled Aircraft Operator, or a consortium of Scheduled Aircraft Operators, who shall each meet all of the requirements set forth in paragraph (p) of this Section, including but not limited to the entering into with the Port Authority of the Lease Assignment/Assumption and Consent Agreement (as defined in paragraph (p) of this Section), and thereby become the assignee/purchaser of this Lease with respect to the Mortgaged Premises resulting from the exercise by the Leasehold Mortgagee of its Foreclosure Rights, whether by foreclosure and sale or by assignment in lieu of foreclosure. In the event that the Approved Successor Lessee is a consortium, each of the Scheduled Aircraft Operators which is a member of the consortium (each, a **"Signatory Carrier"**) shall have (x) a "joint and step-up obligation" to the Port Authority with respect to all of the consortium's monetary obligations under this Lease, *i.e.*, each Signatory Carrier is obligated with respect to its pro rata share of the consortium's monetary obligations under this Lease, including, in the event of a default by any other Signatory Carrier, a pro rata share of the defaulting Signatory Carrier's monetary obligations, and (y) a joint and several obligation with respect to all of the consortium's non-monetary obligations under this Lease.

"Bankruptcy Code" shall mean the United States Bankruptcy Reform Act of 1978, as amended, including without limitation amendments made by the Bankruptcy Reform Act of 1994, and as the same may be further amended or supplemented, or any Federal bankruptcy law or laws replacing the foregoing.

"Bankruptcy Rejection Date" shall have the meaning provided in Section 92(n)(1) below.

"Bondholder" and "Bondholders" shall mean, respectively, (i) each holder of a Bond or Bonds and (ii) all holders of all the Bonds.

"Bonds" shall mean, collectively, the Series 2002 Bonds, the Series 2005 Bonds and the Additional Bonds; provided, however, that the principal amount of Bonds issued under the Indenture and secured by the Leasehold Mortgage shall be limited to a maximum amount of Two Billion Dollars ($2,000,000,000) for the Redevelopment Work or, if the Lessee performs the Expanded Terminal Work, a maximum amount of Two Billion Three Hundred Million Dollars ($2,300,000,000), in each instance determined without taking into account any prepayments, redemptions or refundings made pursuant to any of the Financing Documents; and provided, further, however, that all Bonds shall have a maturity date on or before December 31, 2031 and that the outstanding debt service on all of the Bonds shall be on a substantially equal annual payment basis (that is, a level debt service), with the sole exception of the Series 2002 Bonds to the extent that the debt service on the Series 2002 Bonds requires a balloon payment of One Hundred Twenty Million Dollars ($120,000,000) on August 1, 2012, or such other payment basis as the Port Authority may agree. Nothing in the foregoing shall mean or be deemed to mean that the Port Authority shall have any obligation to consent to or approve the Expanded Terminal Work, it being understood and agreed that any such consent or approval shall be given only as provided in Section 2B of the Lease.

"Bonds Default" shall have the meaning provided in paragraph (g) of this Section.

"Bonds Default Foreclosure Election Notice" shall have the meaning provided in paragraph (g) of this Section.

"Bond Resolutions" shall mean, collectively, (x) the resolution adopted by the IDA on December 9, 1999, (y) the resolution adopted by the IDA on October 23, 2001, as amended November 13, 2001, September 13, 2005, and October 11, 2005, and (z) all Additional Bond Resolutions.

"Company Sublease" shall have the meaning given to such term in the Consent Agreement.

"Consent Agreement" shall mean the Amended and Restated Consent to Subleases and Leasehold Mortgage Agreement, dated as of the Restructuring Effective Date, entered into by and among the Port Authority, the Lessee, AMR Corporation, the Trustee and the IDA.

"Financing Documents" shall have the meaning given to such term in the Consent Agreement.

"Financing Transaction" shall mean the issuance of the Bonds for the financing of (or reimbursement to the Lessee for) the costs of the Redevelopment Work and the Expanded Terminal Work (including all reserves, costs of issuance and capitalized interest) and all the transactions documented by the Financing Documents that support and facilitate such issuance.

"Foreclosure Election Notice" shall have the meaning provided in Section 92(g) below.

"Foreclosure Election Notice Service Date" shall have the meaning provided in Section 92(g) below.

"Foreclosure Election Period" shall have the meaning provided in Section 92(g) below.

"Foreclosure Period" shall have the meaning provided in Section 92(i) below.

"Foreclosure Rights" shall mean the right, pursuant to the provisions of this Section 92, to foreclose upon the Leasehold Mortgage and to have this Lease with respect to the Mortgaged Premises assigned to an Approved Successor Lessee.

"Guaranties" shall have the meaning given to such term in the Consent Agreement.

"IDA" shall mean the New York City Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation

created and existing under and by virtue of the laws of the State of New York.

"IDA Sublease" shall have the meaning given to such term in the Consent Agreement, as amended by all IDA Sublease Amendments.

"IDA Sublease Amendments" shall mean written amendments amendatory to the IDA Sublease which are executed subsequent to the execution of the IDA Sublease in accordance with the terms and conditions of Section 6.2 of the Consent Agreement.

"Indenture" shall mean the Master Indenture of Trust dated as of July 1, 2002 by and between the IDA and The Bank of New York, as Trustee, as amended, modified or supplemented by the 2002 Supplemental Indentures, the 2005 Supplemental Indenture(s) and all Additional Supplemental Indentures.

"Lease Assignment/Assumption and Consent Agreement" shall have the meaning provided in paragraph (p)(3) of this Section.

"Lease Assignment/Assumption Commencement Date" shall have the meaning provided in paragraph (p)(3) of this Section.

"Leasehold Mortgage" shall mean the mortgage, dated as of the Restructuring Effective Date, to be granted by the Lessee to the Leasehold Mortgagee, a form of which is attached to the Consent Agreement as Exhibit G, and which is subject to this Lease, including this Section.

"Leasehold Mortgagee" shall mean the Trustee acting in its capacity as "Leasehold Mortgagee" under the Leasehold Mortgage.

"Leasehold Mortgagee's Foreclosure Period Commencement Payments" shall mean all amounts due and owing to the Port Authority under this Lease which have accrued for any and all periods up to the Foreclosure Election Notice Service Date, including without limitation the Ground Rental, the Area IA and Area IB Building Rental, the Area I Building Rental, the Area II Building Rental, the Terminal Rental, the Additional Land Rental, the Leasehold Mortgage

Rental, amounts for Hot Water and Chilled Water, the Cost of Assumable Maintenance and Repair, the Lessee's portion of the Costs of the Condition Survey, late charges, fees on In-Flight Meals, the Lessee's Parking Garage Contribution, handling fees, subletting fees, fees on consumer services, electrical, water and other utility charges, extermination services and additional rental under Section 16 of this Lease, to the extent such amounts have not been paid to the Port Authority by the Lessee or the Leasehold Mortgagee prior to the commencement of the Foreclosure Period.

"Leasehold Mortgagee's Foreclosure Period Current Basis Payments" shall mean all amounts due and owing to the Port Authority under this Lease on a current basis as the same become due and payable to the Port Authority under this Lease commencing as of the first day of the Foreclosure Period, including without limitation the Ground Rental, the Area IA and Area IB Building Rental, the Area I Building Rental, the Area II Building Rental, the Terminal Rental, the Additional Land Rental, the Leasehold Mortgage Rental, amounts for Hot Water and Chilled Water, the Cost of Assumable Maintenance and Repair, the Lessee's portion of the Costs of the Condition Survey, late charges, fees on In-Flight Meals, the Lessee's Parking Garage Contribution, handling fees, subletting fees, fees on consumer services, electrical, water and other utility charges, extermination services and additional rental under Section 16 of this Lease, to the extent such amounts have not been paid to the Port Authority by the Lessee or the Leasehold Mortgagee.

"Leasehold Mortgagee's Foreclosure Period Obligations" shall have the meaning provided in paragraph (j) of this Section.

"Leasehold Mortgage Termination Date" shall have the meaning provided in paragraph (b)(6) of this Section.

"Lessee Bankruptcy" shall have the meaning provided in Section 92(n)(1) below.

"Mortgaged Premises" shall mean the premises with respect to which the leasehold interest hereunder is mortgaged to the Leasehold Mortgagee pursuant to the Leasehold Mortgage.

"Notice of Termination" shall have the meaning set forth in paragraph (f) of this Section.

"Notice of Termination Service Date" shall have the meaning set forth in paragraph (f) of this Section.

"Outstanding" shall have the meaning given to such term in the Indenture.

"Proposed Successor Lessee" shall have the meaning set forth in paragraph (p)(1) of this Section.

"Related Party" shall have the meaning provided in paragraph (p)(2) of this Section.

"Section 19 Assignee" shall mean a Scheduled Aircraft Operator to whom the Lessee has assigned its leasehold interest under this Lease with the prior written consent of the Port Authority or as otherwise permitted in Section 19 of the Lease.

"Series 2002 Bonds" shall mean, collectively, the $120,000,000 Special Facility Revenue Bonds, Series 2002A (American Airlines, Inc. John F. Kennedy International Airport Project) and the $380,000,000 Special Facility Revenue Bonds, Series 2002B (American Airlines, Inc. John F. Kennedy International Airport Project) of the IDA issued, executed, authenticated and delivered under the Indenture.

"Series 2005 Bonds" shall mean, the $800,000,000 Special Facility Revenue Bonds, Series 2005 (American Airlines, Inc. John F. Kennedy International Airport Project) of the IDA issued, executed, authenticated and delivered under the Indenture.

"Subleases" shall mean, collectively, the Company Sublease and the IDA Sublease.

"Successor Trustee" shall mean a successor to the Trustee, selected and appointed

in accordance with the Indenture, which has delivered a Certificate of Assumption and Agreement in accordance with the Indenture and Section 6.4 of the Consent Agreement.

"Supplement No. 2 to the Lease" shall mean the supplemental agreement, dated as of the Restructuring Effective Date, supplementing and amending the Lease.

"Termination Effective Date" shall have the meaning set forth in paragraph (f) of this Section.

"Trustee" shall mean The Bank of New York, or any Successor Trustee under the Indenture.

"Unfavorable Experience" shall have the meaning provided in paragraph (p)(2) of this Section.

(b) ***Leasehold Mortgage.***

(1) The Lessee hereby represents to the Port Authority (x) that the Lessee intends to finance (and reimburse itself for) the costs of the Redevelopment Work and the Expanded Terminal Work (including reserves, costs of issuance and capitalized interest), together with associated personal property, with the proceeds of the Bonds issued by the IDA pursuant to the Financing Transaction, (y) that contemporaneously with the execution of Supplement No. 1 to this Lease, the Lessee executed certain of the Financing Documents and (z) that contemporaneously with the execution of Supplement No. 2 to this Lease, the Lessee has executed certain of the Financing Documents subject to the execution by the Lessee, the Port Authority, the Trustee, AMR and the IDA of the Consent Agreement.

(2) It is expressly acknowledged that the intent of the parties hereto is that the Leasehold Mortgage is to be granted by the Lessee to the Trustee pursuant to the provisions hereof, solely for the purposes of allowing the Trustee in its capacity as Leasehold Mortgagee to exercise its Foreclosure Rights with respect to the Mortgaged Premises, as the implementation of

the security afforded to the Bondholders solely with respect to the Mortgaged Premises by virtue of the Leasehold Mortgage, and to obtain an Approved Successor Lessee during the Foreclosure Period if it elects to do so pursuant to this Section.

(3) Notwithstanding the provisions of Section 19 of this Lease and any other provision of this Lease, and without otherwise limiting the generality thereof, American Airlines, Inc., the Lessee hereunder on the Restructuring Effective Date, shall have the right (**exercisable only one time and only as part of the Financing Transaction**) to execute the Leasehold Mortgage and to date, execute, deliver and record the same in accordance with this Lease, including without limitation this Section 92, and the Consent Agreement, provided that the Consent Agreement shall have been duly executed by all the parties thereto and have been delivered by the Port Authority to the other parties thereto. It is hereby understood and agreed that there shall be only one (1) Leasehold Mortgage.

(4) It is hereby understood and agreed that in no event shall the principal amount of Bonds issued under the Indenture and secured by the Leasehold Mortgage exceed the amount of Two Billion Dollars ($2,000,000,000), determined without taking into account any prepayments, redemptions or refundings made pursuant to any of the Financing Documents, provided, however, that if the Lessee shall have commenced the performance of the Expanded Terminal Work in accordance with all the terms and conditions of paragraph (r) of Section 2B of this Lease, then from and after such commencement the principal amount of Bonds issued under the Indenture and secured by the Leasehold Mortgage shall not exceed the amount of Two Billion Three Hundred Million Dollars ($2,300,000,000), determined without taking into account any prepayments, redemptions or refundings made pursuant to any of the Financing Documents. Nothing in the foregoing shall mean or be deemed to mean that the Port Authority shall have any obligation to consent to or approve the Expanded Terminal Work,

it being understood and agreed that any such consent or approval of the Expanded Terminal Work shall be given only as provided in Section 2B of this Lease.

(5) It is hereby understood and agreed that the Leasehold Mortgage shall only secure the obligations of (i) American Airlines, Inc. (including its permitted successors as Guarantor pursuant to and under the American Airlines Guaranty, provided that each such permitted successor is then the Lessee under this Lease) under the American Airlines Guaranty to pay principal, interest, purchase price and premium on the Bonds and (ii) AMR Corporation (including its permitted successors as Guarantor pursuant to and under the AMR Guaranty) under the AMR Guaranty to pay principal, interest, purchase price and premium on the Bonds.

(6) Without limiting Section 19 or any other term or provision of this Lease or any term or provision of the Consent Agreement, and notwithstanding anything herein or in the Financing Documents, the Leasehold Mortgage or any consent or approval of the Port Authority thereto to the contrary, the Leasehold Mortgage shall become effective only upon the Restructuring Effective Date, and the Leasehold Mortgage (and the Foreclosure Rights) shall automatically terminate and end in any event upon the date of the earliest to occur of the following (such date, the **"Leasehold Mortgage Termination Date"**):

(i) the expiration, surrender or termination of the Basic Lease;

(ii) the expiration, surrender or termination of this Lease, except that the Leasehold Mortgage and the Foreclosure Rights (but only if the Leasehold Mortgage shall not have terminated pursuant to any of subdivision (i) or subdivisions (iii) through (xi) of this Section 92(b)(6)) shall not terminate solely due to a deemed termination of this Lease, pursuant to Section 52(a) of this Lease, solely due to the occurrence of a Triggering Event;

(iii) the termination of the consent granted under the Consent Agreement as to the Leasehold Mortgage pursuant to Section 5.2 of the Consent Agreement;

(iv) the termination, expiration or surrender (including without limitation discharge or release) of both of (x) the American Airlines Guaranty, as such term is defined in the Consent Agreement (except that if payment obligations of American Airlines, Inc. {including its permitted successors pursuant to and under the American Airlines Guaranty as the Guarantor thereunder, provided each such permitted successor is then the Lessee under this Lease} thereunder with respect to the payment of principal, interest, or premium on the Bonds remain Outstanding and unpaid, then upon the date when there are no such payment obligations remaining Outstanding and unpaid); and (y) the AMR Guaranty, as such term is defined in the Consent Agreement (except that if payment obligations of AMR {including its permitted successors pursuant to and under the AMR Guaranty as the Guarantor thereunder} thereunder with respect to the payment of principal, interest, purchase price or premium on the Bonds remain Outstanding and unpaid, then upon the date when there are no such obligations remaining Outstanding and unpaid);

(v) the date on which no Bonds shall be Outstanding;

(vi) the expiration of the Foreclosure Election Period without the Leasehold Mortgagee's due and timely election to exercise its Foreclosure Rights in accordance with the terms of this Section;

(vii) the date of any written notice given by the Leasehold Mortgagee stating its election not to exercise its Foreclosure Rights hereunder;

(viii) the effective date of the letting of the Mortgaged Premises hereunder, whether for the full term or otherwise, to an Approved Successor Lessee, whether resulting from a foreclosure of the Leasehold Mortgage, the exercise by the Leasehold Mortgagee of its Foreclosure Rights, an assignment in lieu of foreclosure or otherwise without the occurrence of a Lease Assignment/Assumption Commencement Date, provided, however, that nothing contained in this subdivision (viii) shall or shall be deemed to have changed any term or provision of this Section 92, including without limitation paragraph (p) hereof;

(ix) the Lease Assignment/ Assumption Commencement Date;

(x) the expiration or earlier termination or cancellation of the Foreclosure Period; and

(xi) December 31, 2036.

(9) The Leasehold Mortgagee shall not assign or transfer the Leasehold Mortgage to any Person other than a Successor Trustee. Each Successor Trustee shall be obligated under this Section and also under the Consent Agreement, pursuant to the terms of Section 6.4 of the Consent Agreement, and shall hold the Leasehold Mortgage subject to all the terms and provisions of this Section as if it were the original Leasehold Mortgagee.

(10) Any approval or consent by the Port Authority hereunder, whether to the Leasehold Mortgage or to any assignment thereof, shall apply only to the specific transaction thereby authorized and shall not relieve the Lessee or the Leasehold Mortgagee from the requirement of obtaining the prior approval or consent of the Port Authority to each and every further assignment of the Leasehold Mortgage (except if otherwise expressly permitted hereunder without such approval).

(11) Provided that nothing in this paragraph shall in any way impair or limit the

rights of the Leasehold Mortgagee under this Section or the Leasehold Mortgagee's rights against the Lessee under the Leasehold Mortgage, which shall be in accordance with and subject to this Section, and notwithstanding anything contained in the Leasehold Mortgage or any consent or approval of the Port Authority thereto, it is understood and agreed that the rights of the Leasehold Mortgagee shall in all respects be as specified in the Leasehold Mortgage and this Section, and shall be subject to the terms, covenants, conditions and provisions set forth in this Lease and the Consent Agreement. The terms, covenants, conditions and provisions of this Lease shall govern as between the Port Authority and the Lessee. As between the Port Authority and the Leasehold Mortgagee, in the event of any inconsistency between the terms, covenants, conditions and provisions of this Lease and the terms, covenants, conditions and provisions of the Leasehold Mortgage or the Indenture or any of the other Financing Documents, the terms, covenants, conditions and provisions of this Lease shall control.

(12) Neither this Section nor the Leasehold Mortgage shall prevent the Lessee from amending this Lease without the approval of the Leasehold Mortgagee, provided, however, that:

(i) until the Leasehold Mortgage shall have terminated as provided in paragraph (b)(6) of this Section, no amendment shall be made to this Section 92 without the prior written consent of the Leasehold Mortgagee; and

(ii) until the Leasehold Mortgage shall have terminated as provided in paragraph (b)(6) of this Section, no amendment which shall only affect an Approved Successor Lessee who is not then the Lessee, without affecting the Lessee, shall be made to this Lease without the prior written consent of the Leasehold Mortgagee.

(13) Except as expressly authorized in this Section, the Lessee shall not mortgage the Lessee's interest in this Lease or the letting hereunder in whole or in part, or any portion of the Premises or the Lessee's subleasehold interests under the Subleases in whole or in part. The foregoing shall not prohibit the IDA's pledge, pursuant to the Indenture, of its interests under the IDA Sublease and the execution of any financing statements relating to the same.

(14) Neither an Approved Successor Lessee nor any other Person purchasing or succeeding to the leasehold hereunder shall have any right to pledge or mortgage the leasehold hereunder or any portion of the Premises.

(c) ***Limitations on Leasehold Mortgagee's Right to Use and Occupy Mortgaged Premises.***

The Leasehold Mortgagee shall not have any right in or to the occupancy or use of the Mortgaged Premises except (A) to the extent necessary to cure Lessee's default in accordance with paragraph (e) of this Section and (B) to fulfill the Leasehold Mortgagee's obligations under paragraph (i)(2) of this Section. The Leasehold Mortgagee shall not enter into or be entitled to enter into possession of the Mortgaged Premises under this Lease except to the extent afforded to it under this Lease.

(d) ***Leasehold Mortgagee Notices.***

Notices, statements and requests by or to the Leasehold Mortgagee under the provisions of this Section shall be governed by Section 32 of this Lease, entitled "Notices", and shall be given to the Leasehold Mortgagee at 101 Barclay Street, New York, New York 10286 or to such other address as The Bank of New York or a Successor Trustee shall have last furnished to the Port Authority in writing for the purpose of sending of notices to the Leasehold Mortgagee pursuant to this Section.

(e) ***Notices of Default.***

(1) The Port Authority shall send to the Leasehold Mortgagee a copy of each notice of default given under Section 20 of this Lease, entitled "Termination by the Port Authority", or otherwise at the same time as and whenever any such notice of default shall have been sent to the Lessee, and (so long as the Leasehold Mortgage is in effect) no notice of default given by the Port Authority shall be deemed to have been given by the Port Authority unless and until a copy thereof shall have been so given to the Leasehold Mortgagee.

(2) The Lessee irrevocably directs that the Port Authority accept, and the Port Authority agrees to accept, the curing of such default with respect to the Mortgaged Premises by the Leasehold Mortgagee as if and with the same force and effect as though cured by the Lessee. In addition, with respect to a Notice of Termination under Section 3(c), a copy of which is required to be sent to the Leasehold Mortgagee pursuant to the following paragraph (f), the Lessee also irrevocably directs that the Port Authority accept, and the Port Authority agrees to accept, the satisfaction of the Required Conditions by the Leasehold Mortgagee as if and with the same force and effect as though satisfied by the Lessee.

(f) ***Notices of Termination.***

If the Port Authority shall elect to terminate the letting of the Premises under this Lease pursuant to Section 20 of this Lease, entitled "Termination by the Port Authority", or otherwise (including a termination pursuant to an election by the Port Authority to terminate the letting of the Premises under this Lease (x) pursuant to Section 3(c) of this Lease or (y) during a month-to-month tenancy of this Lease following a Trigger Event as provided in Section 52 of this Lease), then, the Port Authority shall at the same time send to the Leasehold Mortgagee a copy of the written notice of such termination (the "**Notice of Termination**"; and the date of sending thereof, the "**Notice of Termination**

Service Date"), and (so long as the Leasehold Mortgage is in effect) no Notice of Termination given by the Port Authority shall be deemed to have been given by the Port Authority unless and until a copy thereof shall have been so given to the Leasehold Mortgagee. The effective time and date of such termination (the "**Termination Effective Date**"), so long as the Leasehold Mortgage is in effect (and notwithstanding Section 20(a) of this Lease), shall not be before 11:59 p.m. New York City time on the thirtieth (30th) day after the Notice of Termination Service Date, and shall be subject to the extension provided in paragraph (g)(2) of this Section and to the stay provided in paragraph (i)(2) of this Section.

(g) ***Election to Exercise Foreclosure Rights.***

(1) "**Bonds Default**" shall mean either (x) a failure to make payment of any and all amounts required when due for the payment of the principal, purchase price, premium or interest on the Bonds resulting in the occurrence and continuance of an Event of Default under and as defined in the Indenture, or (y) a failure to make payment under the Guaranties with respect to the payment of any and all amounts required when due for the payment of the principal, purchase price, premium or interest on the Bonds, which failure has resulted in the occurrence and continuance of an Event of Default under and as defined in the Indenture and an event of default under the Leasehold Mortgage giving the Leasehold Mortgagee the right to foreclose the Leasehold Mortgage.

"**Bonds Default Foreclosure Election Notice**" shall mean a notice given by the Leasehold Mortgagee to the Port Authority in accordance with the provisions of paragraph (g)(3) below, (A) certifying that a Bonds Default has occurred and is continuing, and (B) stating the Leasehold Mortgagee's affirmative election to exercise the Foreclosure Rights.

"**Foreclosure Election Notice**" shall mean a notice given by the Leasehold

Mortgagee to the Port Authority in accordance with the provisions of paragraph (g)(3) below, stating the Leasehold Mortgagee's affirmative election to exercise the Foreclosure Rights, and shall include a Bonds Default Foreclosure Election Notice.

"Foreclosure Election Notice Service Date" shall have the meaning provided in paragraph (g)(3) of this Section.

"Foreclosure Election Period" shall mean (except with respect to the Bonds Default Foreclosure Election Notice, for which there is no Foreclosure Election Period) the period commencing on the earlier to occur of (x) the Notice of Termination Service Date and (y) the Bankruptcy Rejection Date (such earlier date, the **"Foreclosure Election Commencement Date"**), and expiring at 11:59 p.m. New York City time on the thirtieth (30th) consecutive day thereafter or, if extended in accordance with the terms of the following subparagraph, on the one hundred fiftieth (150th) day thereafter (such date of expiration, the **"Foreclosure Election Expiration Date"**); provided, however, that as of the date and during the pendency of any Lessee Bankruptcy, the counting of days during the Foreclosure Election Period shall be tolled until (p) the conclusion of the Lessee Bankruptcy or (q) the Bankruptcy Rejection Date, whichever date is earlier, and provided, further, that in the event of such tolling, the Foreclosure Election Expiration Date shall be not less than thirty (30) days following the conclusion of the Lessee Bankruptcy.

(2) By giving notice to the Port Authority not later than 11:59 p.m. New York City time on the thirtieth (30th) consecutive day after the Foreclosure Election Commencement Date, the Leasehold Mortgagee shall have the right to extend the Foreclosure Election Period, and the Termination Effective Date (if applicable) to the date that is the one hundred fiftieth (150th) day after the Foreclosure Election Commencement Date.

(3) If the Leasehold Mortgagee desires to exercise the Foreclosure Rights, the Leasehold

Mortgagee shall, on or prior to the Foreclosure Election Expiration Date, (x) give to the Port Authority a Foreclosure Election Notice and (y) simultaneously pay to the Port Authority the Leasehold Mortgagee's Foreclosure Period Commencement Payments (the date of such timely service of notice and simultaneous payment, the "**Foreclosure Election Notice Service Date**"); for purposes of the foregoing, a Bonds Default Foreclosure Election Notice (with respect to which there is no Foreclosure Election Period) shall be deemed to have been given "prior to the Foreclosure Election Expiration Date" so long as it is given prior to the occurrence of any Foreclosure Election Commencement Date.

(4) In the event of the failure of the Leasehold Mortgagee to elect to exercise its Foreclosure Rights by the timely service of its Foreclosure Election Notice and the payment to the Port Authority of the Leasehold Mortgagee's Foreclosure Period Commencement Payments in accordance with this Section, this Lease and the letting of the Mortgaged Premises shall be deemed terminated effective immediately on the Foreclosure Election Expiration Date, or on the effective date of any other notice of termination served by the Port Authority in accordance with the Section of this Lease entitled "Termination by the Port Authority", and the Port Authority, in addition to pursuing any or all of its rights and remedies under this Lease, or otherwise, shall be entitled to elect to use, alter or demolish any of the improvements on the Mortgaged Premises free of any claim, right or interest of the Lessee, the Trustee, the Leasehold Mortgagee, the IDA or the Bondholders.

(h) ***Information Statements.***

(1) For purposes of the Leasehold Mortgagee's making of the Leasehold Mortgagee's Foreclosure Period Commencement Payments, the Port Authority agrees, upon the request of the Leasehold Mortgagee made not less than ten (10) days prior to the Foreclosure Election Expiration Date (or upon the Port Authority's receipt of notice from the Leasehold Mortgagee that the

Leasehold Mortgagee is considering a potential Bonds Default and needs to determine the amount of the Leasehold Mortgagee's Foreclosure Period Commencement Payments) to send to the Leasehold Mortgagee a statement setting forth the Leasehold Mortgagee's Foreclosure Period Commencement Payments.

(2) After the written request of the Leasehold Mortgagee to the Port Authority which may be made from time to time (but not more frequently than once per calendar month) up to the end of the Foreclosure Period, the Port Authority shall promptly provide to the Leasehold Mortgagee a statement of amounts invoiced by the Port Authority to the Lessee during the sixty-(60-) day period preceding the date of each request and setting forth the unpaid amounts, if any, owing or estimated to be owing to the Port Authority by the Lessee under this Lease at the date of the request.

(3) Any statement provided by the Port Authority pursuant to the foregoing paragraphs (h)(1) and (h)(2) shall not be conclusive as to the relevant amounts actually owed for the periods in question and shall not release or relieve the Lessee or the Leasehold Mortgagee from any amounts due for such periods, notwithstanding any failure to include all amounts due and owing, and shall not preclude the Port Authority from rendering a billing for the same. Notwithstanding the foregoing, however, the amounts set forth in the information statement to be provided pursuant to paragraph (h)(1) above, although not conclusive as to the amounts actually owed, shall be deemed sufficient for purposes of determining the amount to be paid as the Leasehold Mortgagee's Foreclosure Period Commencement Payments, in order to establish the Foreclosure Election Notice Service Date and the commencement of the Foreclosure Period.

(4) Neither the provisions of this paragraph (h) nor any information statement provided hereunder shall be deemed to impair, restrict, limit, alter or affect any claim, right or remedy of the Port Authority under this Lease

or otherwise, including without limitation the right to serve a Notice of Termination under the Lease, or to limit the amounts forming the basis for any termination of this Lease by the Port Authority or for which the Lessee may be liable under Section 23 of this Lease entitled "Survival of the Obligations of the Lessee", nor shall the same impose or create any liability on the Port Authority to, or be the basis of any claim against the Port Authority by, the Lessee, the Leasehold Mortgagee, the Bondholders or any of them, the IDA or any other party or Person with respect to such information statement, so long as the Port Authority has provided the same in good faith, and no such information statement shall be binding on the Port Authority or constitute or be deemed to constitute any waiver or estoppel of any claim, right or remedy of the Port Authority.

(i) ***Foreclosure Period***

(1) **"Foreclosure Period"** shall mean the period *commencing* on the Foreclosure Election Notice Service Date, provided, however, that the Foreclosure Period shall not commence if any of the terms and conditions of paragraph (g) of this Section shall not have been satisfied, including without limitation the payment of the Leasehold Mortgagee's Foreclosure Period Commencement Payments simultaneously with the giving of the Foreclosure Election Notice to the Port Authority, and *expiring* on the earliest to occur of (w) the one thousand ninety-fifth (1,095th) consecutive day following the Foreclosure Election Notice Service Date, (x) the Lease Assignment/Assumption Commencement Date, (y) the transfer of title to the Lessee's interest in the Mortgaged Premises under this Lease pursuant to the issuance of a final judgment of foreclosure by a court of competent jurisdiction and (z) any termination or expiration of the Leasehold Mortgage as provided in this Section; provided, however, that the Foreclosure Period shall be subject to earlier termination as provided in paragraph (k) of this Section and (except as otherwise expressly provided) to the tolling of the running of the Foreclosure Period pursuant to paragraphs (i)(3) and (p)(4) of this Section or

to the suspension of the running of the Foreclosure Period pursuant to paragraph (n)(3)(ii) of this Section.

(2) In the event that a Notice of Termination is served, or has been served and is pending, during the Foreclosure Period, such Notice of Termination shall be deemed stayed during the balance of the Foreclosure Period, and such Foreclosure Period may continue so long as the Leasehold Mortgagee shall comply with all of the Leasehold Mortgagee's Foreclosure Period Obligations, including without limitation its continued payments of the Leasehold Mortgagee's Foreclosure Period Current Basis Payments.

(3) As of the date and during the pendency of any Lessee Bankruptcy, notwithstanding anything herein to the contrary, the counting of days and the Leasehold Mortgagee's Foreclosure Period Obligations in connection with any then-pending Foreclosure Period shall be deemed suspended and held in abeyance until the earlier of (i) the conclusion of the Lessee Bankruptcy or (ii) the Bankruptcy Rejection Date, provided, however, that nothing in the foregoing shall or shall be deemed to suspend or hold in abeyance any of the Lessee's obligations under this Lease, all of which obligations shall remain in full force and effect.

(4) Notwithstanding anything herein to the contrary, if, during the pendency of any Foreclosure Period, the Bonds Default and/or Lease default giving rise to such Foreclosure Period, or any subsequent Bonds Defaults or Lease defaults thereafter occurring, are cured, or waived by the Port Authority (or the Leasehold Mortgagee in connection with a Bonds Default), as applicable, in accordance with the applicable agreement(s) prior to the Lease Assignment/Assumption Commencement Date and any pleading/proceedings based upon such Bonds Defaults or lease defaults are dismissed with prejudice, then such Foreclosure Period shall be deemed not to have occurred (provided that any amounts paid or owing to the Port Authority as of

the date thereof shall be retained by, or continue to be owing to, the Port Authority, as applicable).

(j) ***Leasehold Mortgagee's Foreclosure Period Obligations.***

The Trustee as Leasehold Mortgagee shall have all of the following obligations upon the commencement of and during the Foreclosure Period (all of the following obligations, collectively, the **"Leasehold Mortgagee's Foreclosure Period Obligations"**):

(i) From the first day of the Foreclosure Period and at all times during the continuation of the Foreclosure Period (and in addition to the Leasehold Mortgagee's Foreclosure Period Commencement Payments) the Leasehold Mortgagee shall pay to the Port Authority the Leasehold Mortgagee's Foreclosure Period Current Basis Payments on a current basis, as and when due under this Lease, to the extent such amounts are not paid by Lessee.

(ii) At all times during the Foreclosure Period the Leasehold Mortgagee shall use all reasonable efforts to preserve the value of the Mortgaged Premises until it has control of the Mortgaged Premises, and thereafter shall fulfill all obligations under this Lease with respect to the preservation of the Mortgaged Premises;

(iii) Promptly upon any commencement of the Foreclosure Period, whether triggered by a default under this Lease (Notice of Termination or Bankruptcy Rejection Date) or a Bonds Default, the Leasehold Mortgagee shall (to the extent permitted by law) commence, and throughout the Foreclosure Period diligently and in good faith continue and seek to complete, proceedings to foreclose upon the Leasehold Mortgage, including eviction of the Lessee in the event the Lessee fails to vacate the Mortgaged Premises.

(iv) From time to time, promptly following the Port Authority's request, the Leasehold Mortgagee shall deliver to the Port Authority the Leasehold Mortgagee's certified statement as to the status of the proceedings to foreclose upon the Leasehold Mortgage.

(k) ***Termination of Foreclosure Period.***

(1) If the Leasehold Mortgagee fails to timely pay any of the Leasehold Mortgagee's Foreclosure Period Current Basis Payments, and such failure has not been cured within twenty (20) days after notice from the Port Authority, or fails to fully and duly perform any of the other Leasehold Mortgagee's Foreclosure Period Obligations, and such failure has not been cured within thirty (30) days after notice from the Port Authority (except where fulfillment of the obligation requires activity over a period of time, and the Leasehold Mortgagee shall have commenced to perform whatever may be required for fulfillment within such thirty-day period and continues such performance without interruption except for causes beyond its control), the Foreclosure Period and the Foreclosure Rights and the Leasehold Mortgage shall automatically terminate without any further act on the part of the Port Authority, and any Notice of Termination previously stayed shall become fully effective as provided below. Notwithstanding anything herein to the contrary but without limiting subparagraph (2) below or paragraph (o) of this Section, the automatic termination of the Foreclosure Period, the Foreclosure Rights and the Leasehold Mortgage shall be the sole right or remedy of the Port Authority for the failure of the Leasehold Mortgagee to pay the Leasehold Mortgagee's Foreclosure Period Current Basis Payments, <u>provided</u>, <u>however</u>, that the foregoing shall not be deemed to preclude the Port Authority from charging any late payment or other fees and charges that the Port Authority would be entitled to collect under this Lease in the event of any late payment or performance of the Lessee's obligations under this Lease.

(2) Upon any expiration, termination or cancellation of the Foreclosure Period (other than by reason of a final judgment of foreclosure by a court of competent jurisdiction or an assignment of lease in lieu of foreclosure), the Port Authority's termination under the Notice of Termination shall be deemed effective with respect to the Mortgaged Premises, and this Lease with respect to the Mortgaged Premises shall be deemed terminated effective immediately on said termination of the Foreclosure Period in accordance with Section 20 of this Lease, entitled "Termination by the Port Authority", and the Port Authority, in addition to pursuing any or all of its rights and remedies under the Lease, or otherwise, shall be entitled to elect to use, alter or demolish any of the improvements on the Mortgaged Premises free of any claim, right or interest of the Lessee, the Leasehold Mortgagee, the IDA, the Trustee or the Bondholders.

(l) ***Port Authority Use of Mortgaged Premises during Foreclosure Period.***

Without limiting the terms and conditions of Sections 45, 46 and 95 hereof and in addition thereto, during the Foreclosure Period, as to any and all portions of the Mortgaged Premises which the Lessee has vacated or from which the Lessee has been evicted, the Port Authority, until such time as the Leasehold Mortgagee obtains an Approved Successor Lessee, may use or grant the use of such portion or portions of the Mortgaged Premises on a temporary basis (subject to a thirty (30) day right of termination by the Port Authority without cause) to other Aircraft Operators who have not conducted scheduled passenger aircraft operations at the Airport within the immediately prior thirty-six (36) calendar months, which shall be deemed a subuse under this Lease and shall not impair or limit any of the obligations or liabilities of the Lessee or the Leasehold Mortgagee; any net amount received by the Port Authority (after deducting all expenses, costs and disbursements incurred or paid by the Port Authority in connection therewith) shall be credited, as the Port

Authority shall determine, either to the obligations of the Lessee to the Port Authority under this Lease and/or the Leasehold Mortgagee's Foreclosure Period Current Basis Payments. No such subuse shall be or be construed to be an acceptance of a surrender or a waiver of any claims, rights or remedies of the Port Authority or to be a Foreclosure by the Leasehold Mortgagee, or to limit the Foreclosure Rights of the Leasehold Mortgagee under this Section.

(m) ***Termination of Foreclosure Rights on Expiration of Foreclosure Period.***

In the event that at the expiration of the Foreclosure Period there has not occurred (x) a transfer of title to the Lessee's interest in the Mortgaged Premises under this Lease pursuant to the issuance of a final judgment of foreclosure by a court of competent jurisdiction or (y) an assignment-in-lieu-of-foreclosure of the Lessee's interest in the Mortgaged Premises under this Lease, then upon the expiration of the Foreclosure Period the Foreclosure Rights and the Leasehold Mortgage shall terminate automatically and the Trustee shall have no further rights or obligations with respect to Foreclosure, the Port Authority's termination under the Notice of Termination shall be deemed effective with respect to the Mortgaged Premises and this Lease with respect to the Mortgaged Premises shall be deemed terminated effective immediately on said expiration of the Foreclosure Period in accordance with Section 20 of this Lease, entitled "Termination by the Port Authority", and the Port Authority, in addition to pursuing any or all of its rights and remedies under the Lease, or otherwise, shall be entitled to elect to use, alter or demolish any of the improvements on the Mortgaged Premises free of any claim, right or interest of the Lessee, the Leasehold Mortgagee, the IDA, the Trustee or the Bondholders.

(n) ***Lessee Bankruptcy.***

(1) **"Bankruptcy Rejection Date"** shall mean the later of (x) the date set forth in the final, non-appealable order of the bankruptcy

court as the effective date thereof for the rejection of this Lease by the Lessee and (y) the actual date that such order of the bankruptcy court becomes final and non-appealable.

"Lessee Bankruptcy" shall mean the filing by the Lessee of a voluntary petition under the Bankruptcy Code or the filing of an involuntary petition against the Lessee under the Bankruptcy Code, and the pendency of proceedings pursuant thereto.

(2) The fact that the Bankruptcy Rejection Date may trigger the Foreclosure Election Period pursuant to Section 92(g) above shall not constitute any waiver, impairment or limitation of any claims, rights or remedies of the Port Authority with respect to such rejection of this Lease or the Lessee Bankruptcy.

(3) In the event of the occurrence of a Lessee Bankruptcy prior to the commencement of the Foreclosure Period,

(i) if the Lessee as debtor in possession or the bankruptcy trustee assumes and assigns this Lease to an assignee which assignee also assumes this Lease subject to the encumbrance created by the Leasehold Mortgage (by operation of law or otherwise) (whether or not such assignee also assumes the Subleases and the Lessee's obligations to pay the principal, redemption premium and interest on any of the Bonds) and there are then Bonds Outstanding, then the Foreclosure Rights of the Leasehold Mortgagee and the Leasehold Mortgage shall continue to obtain and apply to the tenancy of said assignee of the assigned Lease of the Mortgaged Premises, with Foreclosure Rights and a new Foreclosure Period as to such assignee in accordance with and subject to this Section;

(ii) if the Lessee as debtor in possession or the bankruptcy trustee rejects this Lease, then the Foreclosure Election Period shall commence upon the Bankruptcy Rejection Date, and the provisions of paragraph (g) hereof shall apply.

(4) In the event of the occurrence of a Lessee Bankruptcy subsequent to the commencement of the Foreclosure Period,

(i) if the Lessee as debtor in possession or the bankruptcy trustee assumes and assigns this Lease to an assignee which assignee also assumes this Lease subject to the encumbrance created by the Leasehold Mortgage (by operation of law or otherwise) (whether or not such assignee also assumes the Subleases and the Lessee's obligations to pay the principal, redemption premium and interest on the Bonds) and there are then Bonds Outstanding, then the Foreclosure Rights of the Leasehold Mortgagee and the Leasehold Mortgage shall continue to obtain and apply to the tenancy of said assignee of the assigned Lease of the Mortgaged Premises, with Foreclosure Rights and a new Foreclosure Period as to such assignee in accordance with and subject to this Section;

(ii) if the Lessee as debtor in possession or the bankruptcy trustee rejects this Lease, then the running of the previously commenced Foreclosure Period shall be deemed suspended as of the date of the Lessee Bankruptcy and shall resume as of the occurrence of a Bankruptcy Rejection Date; provided, however, that the foregoing shall not constitute any waiver, impairment or limitation of any claims, rights or remedies of the Port Authority with respect to such rejection of this Lease or with respect to a Lessee Bankruptcy.

(5) The foregoing shall not limit the rights granted hereunder to the Leasehold Mortgagee, so long as the Leasehold Mortgagee fulfills all Leasehold Mortgagee's Foreclosure Period Obligations, including without limitation the payment to the Port Authority of the Leasehold Mortgagee's Foreclosure Period Current Basis Payments.

(6) In the event that title to the Lessee's interest in the Mortgaged Premises is transferred to the Leasehold Mortgagee, so that

the Leasehold Mortgagee becomes the lessee under this Lease, then, unless in the meantime an Approved Successor Lessee shall have become the Lessee hereunder, this Lease shall automatically terminate at 11:59 p.m. on the thirtieth (30th) day following such transfer of title.

(o) ***Port Authority Right to Pay Off Bonds.***

(1) At any time, upon the Port Authority's request, the Leasehold Mortgagee shall give the Port Authority a notice which shall state the principal amount of the Bonds then Outstanding, the amount of accrued and unpaid interest thereon, and the per diem interest which will accrue on the principal amount of the Bonds then Outstanding from and after the date of such notice.

(2) The Port Authority shall have the right, after the occurrence of a Leasehold Mortgage Default (as defined in the Leasehold Mortgage) to tender to the Leasehold Mortgagee the total amount specified in such notice, including per diem interest through the date of such tender, and upon such tender the Leasehold Mortgage and the Foreclosure Rights, if any, shall terminate and be of no further force and effect. Promptly following the Port Authority's tender of such amount specified in such notice, the Lessee shall cause to be executed, and the Leasehold Mortgagee shall execute a satisfaction of the Leasehold Mortgage, cause the same to be filed in the Office of the City Register for Queens County and take all other and additional actions that are required in order to discharge the lien of the Leasehold Mortgage as of record.

(p) ***Successor Lessee.***

(1) No entity, party or Person other than an Approved Successor Lessee shall be entitled to become the owner of or acquire any interest in this Lease pursuant to a judgment of foreclosure and sale or as a result of an assignment in lieu of foreclosure or as a result of the exercise by the Leasehold Mortgagee of its Foreclosure Rights or otherwise. Without limiting the foregoing, it is understood and acknowledged

that the transfer of this Lease to an entity, party or Person other than a Scheduled Aircraft Operator or a consortium of Scheduled Aircraft Operators in violation of the foregoing prohibition may cause irreparable and substantial harm, injury and liability to the Port Authority. Any entity, person or party proposed to become an Approved Successor Lessee (the "**Proposed Successor Lessee**") shall become an Approved Successor Lessee only if (x) the Leasehold Mortgagee duly exercises its Foreclosure Rights by submitting to the Port Authority its Foreclosure Election Notice stating its election to exercise its Foreclosure Rights under this Lease and including therewith the payment to the Port Authority of the Leasehold Mortgagee's Foreclosure Period Commencement Payments, and fulfills all the other Leasehold Mortgagee's Foreclosure Period Obligations, including without limitation the payment to the Port Authority of the Leasehold Mortgagee's Foreclosure Period Current Basis Payments, (y) said Proposed Successor Lessee meets all of the requirements for an Approved Successor Lessee and (z) said Proposed Successor Lessee receives the approval of the Port Authority in advance.

(2) In determining whether to approve or disapprove a Proposed Successor Lessee, the Port Authority shall consider all relevant factors, including without limitation the following factors, but it is agreed that the Port Authority shall analyze all such factors in a reasonable manner:

(i) whether the Proposed Successor Lessee will be able to fulfill all of the Lessee's obligations under this Lease with respect to the Mortgaged Premises throughout the balance of the term of the letting hereunder or such lesser term as it proposes to lease;

(ii) whether the financial standing of the Proposed Successor Lessee as of the effective date of its acquisition of the leasehold hereunder is sufficient, in the opinion of the Port Authority, to assure

the Port Authority that the Proposed Successor Lessee is able to fulfill all of the Lessee's obligations with respect to the Mortgaged Premises under this Lease throughout the balance of the term of the letting of the Mortgaged Premises hereunder or such lesser term as it proposes to lease which shall constitute the term of the proposed reletting to the Proposed Successor Lessee; including without limitation the submission to the Port Authority of such security or guaranty in such form and amount as the Port Authority may find satisfactory and shall also submit such financial statements and other financial information as the Port Authority may require;

(iii) whether the Proposed Successor Lessee and any officer, director or partner thereof and any person, firm or corporation having an outright or beneficial interest in twenty percent (20%) or more of the monies invested in the Proposed Successor Lessee, if said Proposed Successor Lessee is a corporation or partnership, by loans thereto, stock ownership therein or any other form of financial interest has as of the date of the proposed assignment/assumption a good reputation for integrity and financial responsibility and has not been convicted of or under current indictment for any crime and is not currently involved in material civil anti-trust or fraud litigation (other than as a plaintiff);

(iv) whether the Port Authority has had any "Unfavorable Experience" with the Proposed Successor Lessee, or any of its officers, directors, or partners, or any person, firm or corporation (such officers, directors, partners, person, firm and corporation, being herein in this item (iv) individually and collectively referred to as a **"Related Party"**) having an outright or beneficial interest in twenty percent (20%) or more of the monies invested in the Proposed Successor Lessee, if said Proposed

Successor Lessee is a corporation or partnership, by loans thereto, stock ownership therein or any other form of financial interest; **"Unfavorable Experience"** as used herein shall mean any one or more of the following: (A) a material default by said Proposed Successor Lessee or any such Related Party of any obligation (monetary or non-monetary) to the Port Authority; (B) any assertion made by said Proposed Successor Lessee or any such Related Party against the Port Authority in any frivolous, false, malicious, or unsupportable claim, demand or allegation or suit or proceeding; (C) any act or omission of said Proposed Successor Lessee or any such Related Party causing or resulting in any loss, damage or injury to the Port Authority or the imposition or threatened imposition of any fine or penalty on the Port Authority or the commencement or threatened commencement of any action, suit or proceeding against the Port Authority; (D) any failure or refusal of said Proposed Successor Lessee or any such Related Party to comply with any law, governmental order, directive, ordinance or requirement, including without limitation, Environmental Requirements, at any Port Authority facility; (E) any failure to comply with, or breach of, the Port Authority's Code of Ethics and Financial Disclosure by said Proposed Successor Lessee or any such Related Party; or (F) any breach by said Proposed Successor Lessee or any such Related Party of any fiduciary obligation, trust, confidence or other duty to the Port Authority or of any confidentiality agreement with the Port Authority; and

(v) whether the Proposed Successor Lessee or any officer, director or partner thereof or any Person, firm or corporation having an outright or beneficial interest in twenty percent (20%) or more of the monies invested in the proposed assignee, if said Proposed Successor Lessee is a corporation or partnership, by loans

thereto, stock ownership therein or any other form of financial interest is in conflict of interest, as defined under the laws of the States of New York and New Jersey or Port Authority policy, with any Commissioner of the Port Authority as of the date of the proposed acquisition.

Without limiting any other term or provision hereof, the Proposed Successor Lessee must also agree in the Lease Assignment/Assumption and Consent Agreement, to pay all of the rentals, fees, charges and other amounts payable under and in accordance with the Lease, including without limitation, any unpaid amount of the Leasehold Mortgagee's Foreclosure Period Current Basis Payments. The Proposed Successor Lessee shall use and occupy the Mortgaged Premises for the purposes set forth in Section 5 hereof and shall meet all of the requirements set forth in this Section for a Proposed Successor Lessee, including without limitation being a Scheduled Aircraft Operator or a consortium of such Scheduled Aircraft Operators and shall agree (and, if a consortium, shall agree jointly and severally) in the Lease Assignment/Assumption and Consent Agreement to use and occupy the Mortgaged Premises in accordance with all the terms and conditions of this Lease.

(3) Notwithstanding the foregoing, no acquisition, assignment, sale or transfer pursuant to this paragraph (p) shall be effective, and no Proposed Successor Lessee shall become an Approved Successor Lessee, or have any right to possess, use or occupy the Mortgaged Premises unless and until an assignment and assumption agreement, in the event of an assignment in lieu of foreclosure, or an assumption agreement, in the event of a foreclosure, whereby the Proposed Successor Lessee assumes the obligations of the Lessee as if it were the original tenant hereunder, has been executed by the Port Authority, the Lessee (except in the case of an assumption agreement,

in the event of a foreclosure, in which case the signature of the Lessee shall not be required and the Lessee hereby expressly so agrees), the Proposed Successor Lessee and the Leasehold Mortgagee (said fully executed agreement in either case, the **"Lease Assignment/Assumption and Consent Agreement"**). The effective date of the Lease Assignment/Assumption and Consent Agreement (the **"Lease Assignment/Assumption Commencement Date"**), shall be a date prior to or simultaneous with the expiration of the Foreclosure Period, provided, however, that where the Leasehold Mortgagee has commenced proceedings to foreclose the Leasehold Mortgage, such date shall be deemed to have occurred only upon the Leasehold Mortgagee's successful completion of foreclosure and eviction proceedings prior to the expiration of the Foreclosure Period (subject to the aggregate total maximum of 1,095 days, except as the running of the 1,095-day Foreclosure Period may be tolled as provided in paragraph (p)(4) of this Section or suspended as provided in the last sentence of the definition of the Foreclosure Period or paragraph (n)(3)(ii) of this Section); provided, further, however, that in the event the Leasehold Mortgagee does not in fact successfully complete the foreclosure of the Leasehold Mortgage and eviction proceedings prior to the expiration of the Foreclosure Period (subject to the aggregate total maximum of 1,095 days, except as the running of the 1,095-day Foreclosure Period may be tolled as provided paragraph (p)(4) of this Section or suspended as provided in the last sentence of the definition of the Foreclosure Period or paragraph (n)(3)(ii) of this Section) the Lease Assignment/Assumption and Consent Agreement shall be null and void and of no force or effect. The Lease Assignment/ Assumption Agreement shall be substantially in the form used by the Port Authority at the time of the foreclosure or assignment in lieu of foreclosure for the assignment and assumption or assumption, as the case shall be, of leases at the Airport and shall contain such other terms and conditions as the Port Authority may determine to be necessary or desirable to

effectuate such assignment and assumption or assumption.

(4) It is understood and agreed that after the Leasehold Mortgagee has obtained a Proposed Successor Lessee and has promptly submitted to the Port Authority all required and necessary information and materials (provided, however, that failure by the Leasehold Mortgagee to give such written notice promptly shall not be deemed to be a violation of the terms of this Section or the Consent Agreement and shall not be deemed to impair the Foreclosure Rights of the Leasehold Mortgagee except that there shall be no Approved Successor Lessee where the Port Authority is unable to make a determination resulting from such failure of the Leasehold Mortgagee; provided, further, however, that such failure by the Leasehold Mortgagee to promptly give such notice and information to the Port Authority shall also mean that there shall be no tolling of the Foreclosure Period pursuant to this paragraph (p)) to enable the Port Authority to determine whether it will approve such Proposed Successor Lessee as an Approved Successor Lessee (which determination includes the signing by the Port Authority, the Lessee (in the case of an assignment in lieu of foreclosure) and the Approved Successor Lessee of the Lease Assignment/Assumption and Consent Agreement), the running of the Foreclosure Period shall be deemed tolled pending such determination by the Port Authority, such determination to be made promptly and reasonably by the Port Authority, provided, however, that no such tolling shall be effective unless the Leasehold Mortgagee promptly continues to submit such additional information and material as may be reasonably required by the Port Authority for its making of its determination. Such tolling shall not toll the Leasehold Mortgagee's Foreclosure Period Obligations.

(q) ***No Merger.***

No sale, transfer or assignment by the Lessee of its interest in this Lease to the Port Authority shall create a merger between the

estates of the Port Authority and the Lessee unless the Port Authority, the Lessee and the Leasehold Mortgagee shall specifically consent to such merger in writing, nor shall any such sale, transfer or assignment be deemed to affect or diminish the liabilities of the Lessee named in this Lease, whether for survived damages or otherwise.

(r) ***Inclusion in Consent Agreement.***

Each and every provision stated herein to be or become a right or an obligation of the Trustee or of the Leasehold Mortgagee shall be included in the Consent Agreement (by reference to this Lease or otherwise) as among the rights and obligations of the Trustee, and in the Leasehold Mortgage as among the rights and obligations of the Leasehold Mortgagee under the Leasehold Mortgage, and each and every provision stated herein to be or become an obligation of the Approved Successor Lessee shall be deemed included in the obligations assumed by the Approved Successor Lessee by its acquisition of the Mortgaged Premises, the Lease with respect thereto and by its execution of the Lease Assignment/Assumption and Consent Agreement.

(s) ***No Waiver, etc.***

(1) If the Leasehold Mortgagee shall obtain an Approved Successor Lessee, such Approved Successor Lessee shall acquire the Lease with respect to the Mortgaged Premises with no further right to mortgage or pledge the leasehold, and shall have no right to assign the Lease with respect to the Mortgaged Premises other than the limited right of assignment provided under Section 19 hereof.

(2) Nothing herein shall or shall be deemed to release or relieve the Lessee from any terms, provisions, covenants or conditions to be kept, performed or observed by the Lessee under this Lease or under the Consent Agreement.

(3) Nothing herein shall constitute or be deemed to constitute any waiver by the Port Authority of any of its rights or remedies to evict the Lessee in the event the Port Authority

terminates this Lease pursuant to Section 20 of this Lease, entitled "Termination by the Port Authority", or otherwise and the Leasehold Mortgagee fails to properly exercise its Foreclosure Rights in accordance with the provisions hereof.

(4) Except for the rights granted herein to the Leasehold Mortgagee, nothing herein shall constitute any waiver, impairment or limitation of any of claims, rights or remedies of the Port Authority based upon any event of default or based on any rejection of this Lease resulting from a Lessee Bankruptcy or based on any Lessee Bankruptcy.

(5) This Section and the right of the Lessee to grant the Leasehold Mortgage and the right of the Trustee to take the Leasehold Mortgage are and shall be rights granted and effective only as to the Lessee hereunder and are exercisable one time only as above provided, and shall not extend, obtain or apply to any Approved Successor Lessee or other entity, party or Person who may become a tenant or lessee of the Premises or any portion thereof with no further right to grant a Leasehold Mortgage. Any Scheduled Aircraft Operator, including without limitation any Section 19 Assignee, to which this Lease is assigned with the consent of the Port Authority shall take this Lease subject to this Section 92 and the prior exercise by the Lessee of said one time right to grant a Leasehold Mortgage and shall not have any further right to grant a Leasehold Mortgage.

(6) Neither this Section nor anything contained herein nor any action taken or not taken hereunder shall impair, restrict or limit the rights of the Port Authority under Section 46 hereof.

(t) ***Leasehold Mortgagee's Right to Dispute.***

With respect to all obligations of the Lessee to be fulfilled by the Leasehold Mortgagee as a condition to the commencement or continuation of the Foreclosure Rights or the Foreclosure Period, including without limitation

with respect to the amounts constituting the Leasehold Mortgagee's Foreclosure Period Commencement Payments and the Leasehold Mortgagee's Foreclosure Period Current Basis Payments, the Leasehold Mortgagee shall be entitled to the same rights of dispute as the Lessee would have under the Lease with respect to the items in dispute.

14. Addition of New Sections 95 through 97

The Section of this Lease entitled "Entire Agreement", as amended by Supplemental Lease Agreement No. 1, shall be renumbered as "Section 100", the reference in the first sentence thereof to "Section 95" shall be amended to read "Section 100" and the following new Sections 95 through 97 are hereby added to the Lease to read as follows:

"Section 95. Termination of Parcel M by the Port Authority

(a) Without limiting any other rights of termination of the Port Authority under the Lease, from and after the earlier to occur of January 1, 2008 and the Redevelopment Work Completion Date, in addition to all of the rights of termination of the Port Authority under this Lease, the Port Authority shall have the right to terminate this Agreement and the letting thereunder with respect to that portion of the Premises shown in diagonal hatching on Exhibit 95.1 attached hereto and hereby made a part hereof (which portion of the Premises is herein called **"Parcel M"**), without cause, at any time on ninety (90) days' prior notice to the Lessee (the **"Parcel M Termination Notice"**), provided, however, this right of termination shall be suspended commencing on the date of the Lessee's notice to the Port Authority of the Lessee's election to perform the Expanded Terminal Work, and submittal of a tenant alteration application or applications and plans and specifications covering the Expanded Terminal Work as defined in Section 2B of this Lease as amended by Supplement No. 2 to this Lease and for so long thereafter as the Lessee diligently and in good faith commences and continues the Expanded Terminal Work,

provided, further, however, the Port Authority shall have no right to terminate this Agreement and the letting hereunder with respect to Parcel M from and after the date that the Expanded Terminal Work has been completed in accordance with the tenant alteration applications and plans and specifications therefor as approved by the Port Authority in accordance with Section 2B of this Lease.

(b) Nothing contained in this Section shall be or be deemed to be the Port Authority's consent to the Lessee's construction of additional Gates on the Premises or have limited or otherwise affected the rights and remedies of the Port Authority under this Lease or otherwise including without limitation Section 33 hereof entitled "Other Construction by the Lessee" nor shall have imposed any obligation whatsoever on the Port Authority, including without limitation, any obligation to consider or consent to the construction of additional Gates on the Premises, including without limitation the Expanded Terminal Work.

(c) Effective as of the date and time stated in the Parcel M Termination Notice which date and time (the **"Parcel M Surrender Date"**) shall be at least ninety (90) days after the date of the Parcel M Termination Notice, the Lessee has granted, bargained, sold, surrendered and yielded up and does by these presents grant, bargain, sell, surrender and yield up unto the Port Authority, its successors and assigns, forever, its rights in Parcel M and the term of years with respect thereto under this Lease yet to come and has given, granted, surrendered and by these presents does give, grant and surrender to the Port Authority, its successors and assigns, all the rights, rights of renewal, licenses, privileges and options of the Lessee granted by this Lease with respect to Parcel M, all to the intent and purpose that the said term under this Lease and the said rights of renewal, licenses, privileges and options may be wholly merged, extinguished and determined on the Parcel M Surrender Date, with the same force and effect as if the said term were in and by the provisions

of this Lease originally fixed to expire on the Parcel M Surrender Date, but this Lease and the letting thereunder shall continue in full force and effect as to the remainder of the Premises under this Lease and in accordance with all the terms and provisions thereof.

TO HAVE AND TO HOLD the same unto the Port Authority, its successors and assigns forever.

(d) The Lessee hereby covenants on behalf of itself, its successors and assigns that (x) as of the Parcel M Surrender Date, the Lessee has not done or suffered and will not do or suffer anything, other than the Leasehold Mortgage, whereby Parcel M or the Lessee's leasehold therein has been or shall be encumbered in any way whatsoever; (y) subject to the Leasehold Mortgage, the Lessee is and will remain until the Parcel M Surrender Date the sole and absolute owner of the leasehold estate in Parcel M and of the rights, rights of renewal, licenses, privileges and options granted by this Lease with respect thereto and that the same are and will remain until the Parcel M Surrender Date free and clear of all liens and encumbrances of whatsoever nature; and (z) the Lessee has full right and power to make this Agreement.

(e) All promises, covenants, agreements and obligations of the Lessee with respect to Parcel M which under the provisions thereof would have matured upon the date originally fixed in this Lease for the expiration of the term thereof, or upon the termination of this Lease prior to the said date, or within a stated period after expiration or termination shall, notwithstanding such provisions, mature upon the Parcel M Surrender Date and shall survive the delivery of the Parcel M Termination Notice by the Port Authority to the Lessee.

(f) The Lessee has released and discharged and does by these presents release and discharge the Port Authority from any and all obligations on the part of the Port Authority to be performed under this Lease with respect to Parcel M. The Port Authority does by these presents release and

discharge the Lessee from any and all obligations on the part of the Lessee to be performed under this Lease with respect to Parcel M for that portion of the term subsequent to the Parcel M Surrender Date; it being understood that nothing herein contained shall release, relieve or discharge the Lessee from any liability for rentals or for other charges that may be due or become due to the Port Authority under this Lease for any period or periods prior to the Parcel M Surrender Date, or for breach of any other obligation on the Lessee's part to be performed under this Lease for or during such period or periods or maturing pursuant to the foregoing paragraph, nor shall anything herein be deemed to release the Lessee from any liability for rentals or other charges that may be due or become due to the Port Authority under this Lease for any other portion of the Premises or for breach of any other obligation on the Lessee's part to be performed under the Lease.

(g) The Lessee hereby agrees to terminate its occupancy of Parcel M and to deliver actual, physical possession of Parcel M to the Port Authority, on or before the Parcel M Surrender Date, in the condition required by this Lease upon surrender. The Lessee further agrees that it shall remove all the Lessee's Personal Property from Parcel M prior to the Parcel M Surrender Date, and all the terms and conditions of Section 29 of this Lease with respect to termination of the letting shall apply to any of the Lessee's Personal Property not so removed.

(h) The Lessee hereby acknowledges that each and every term, provision and condition of this Lease shall continue to apply to the premises remaining after the termination of the Parcel M.

(i) From and after the day immediately following the Parcel M Surrender Date, the Lessee shall be entitled to an abatement of the Ground Rental in accordance with and pursuant to this Lease and the Additional Land Rental shall terminate as provided for in Section 4 hereof.

"Section 96. Continuing Rights and Obligations with Respect to Parcel M

In addition to all other terms or provisions of this Agreement, and without limiting any of the same and without limiting, impairing or diminishing any of the obligations, duties and liabilities of the Lessee under this Agreement, it is expressly understood and agreed that:

(a) ***Work to be Completed by Lessee after Surrender.***

After the Parcel M Surrender Date, the Port Authority shall give notice to the Lessee identifying the new tenant of Parcel M (the **"Parcel M Tenant"**) and detailing the basic footprint of such new tenant's planned construction on Parcel M (the **"Parcel M Construction Notice"**). The Lessee shall (x) promptly provide access to the Parcel M Tenant in accordance with the following and (y) promptly commence, and within 24 months thereafter complete, the following work at its sole cost and expense, subject to the further terms and conditions of a tenant alteration application (TAA) which the Lessee, in accordance with Section 33 hereof, shall submit to the Port Authority for its approval.

(1) In the event the Parcel M Construction Notice states that a stand-alone terminal building will be constructed on Parcel M, the Lessee shall provide the Parcel M Tenant access to the Premises for the purpose of performing the work necessary or appropriate to transfer and rededicate aviation fuel lines 403.1, 403.2 and 403.3 (as shown on Exhibit 2B.4) to serve Parcel M, and the Lessee shall cooperate in such transfer and rededication. The Lessee shall also perform the work necessary or appropriate to activate fuel line 408.3 (shown on Exhibit 2B.4), including the pumps, from the Satellite Fuel Farm at the Airport to the isolation valve vault (IVV-C6) located on the Premises.

(2) (i) In the event the Parcel M Construction Notice states that the terminal

building to be constructed on Parcel M will be an enlargement of the Lessee's Main Terminal (the "**Parcel M Enlarged Terminal**"), the Parcel M Tenant may agree with the Lessee to have the Parcel M Enlarged Terminal jointly served by the four functioning fuel lines located at the Premises as of the Restructuring Effective Date (403.1, 403.2, 408.1 and 408.2).

(ii) If, however, the Parcel M Tenant does not agree to the foregoing arrangement and prefers to have a separate fuel supply for its portion of the Parcel M Enlarged Terminal, the Lessee shall provide the Parcel M Tenant access to the Premises for the purpose of performing the work necessary or appropriate to transfer and rededicate aviation fuel lines 403.1, 403.2 and 403.3 (as shown on Exhibit 2B.4) to serve Parcel M, and the Lessee shall cooperate in such transfer and rededication. The Lessee shall also perform the work necessary or appropriate to activate fuel line 408.3, including the pumps, from the Satellite Fuel Farm at the Airport to the isolation valve vault (IVV-C6) located on the Premises.

(3) In the event the Parcel M Construction Notice states that the terminal building to be constructed on Parcel M will be the Parcel M Enlarged Terminal, the Lessee shall perform all work necessary or appropriate for the relocation of the fire hydrant line designated as "fire hydrant line E/S" serving the Main Terminal so that the same shall not be situated underneath the structure of the Main Terminal, the Parcel M Enlarged Terminal or any other building on the Premises or on Parcel M.

(4) In the event the Parcel M Construction Notice states that the terminal building to be constructed on Parcel M will be the Parcel M Enlarged Terminal, the Lessee shall perform all work necessary or appropriate for the relocation of the sanitary line and lift station designated as "E/S" serving the Main Terminal to and through such areas on the Premises so that the same shall not be situated underneath the structure of the Main Terminal, the Parcel M

Enlarged Terminal or any other building on the Premises or on Parcel M.

(5) The Lessee shall perform all work necessary or appropriate for the paving and grading of the aircraft taxiway areas shown in cross hatching (Area-1) on Exhibit 96.1.

(6) The Lessee shall perform all work necessary or appropriate for the relocation of the PPS operation from Parcel M.

(b) ***Lessee's Failure to Complete on Time.***

In the event of the Lessee's failure to complete the foregoing work within the time provided in the foregoing paragraph (a) of this Section, such work may be performed, at the Lessee's expense, by the Port Authority or any new tenant of Parcel M.

(c) ***Mutual Easements.***

From and after the Parcel M Surrender Date during the term of the Lease:

(1) The strip of land lying along and within the easterly boundary line of the Premises (which strip is shown in stipple/diagonal hatching [Area-2] on Exhibit 96.1), together with the corresponding contiguous strip of land lying along and within the westerly boundary of Parcel M and immediately abutting on the easterly side of the Premises (which strip is shown in cross hatching/diagonal triangular hatching [Area-1, Area-3] on Exhibit 96.1) shall be subject to a joint and mutual easement for a taxiway to be used jointly by the Lessee and the tenants, occupants and permittees of Parcel M or by any successors in interest of the Lessee or of said persons or by sublessees or other occupants or users who, pursuant to Port Authority permission, may occupy or use the Premises herein or Parcel M, and such rights of easement for such taxiway purposes shall continue during the effective periods of the respective agreements covering or which may cover the same.

(2) The roadway areas lying along and within the southerly boundary of the Premises and shown in stipple/cross hatching (Area-4) on

Exhibit 96.1 shall be subject to a non-exclusive easement right of way for purposes of vehicular roadway ingress and egress to Parcel M in favor of the lessee(s), tenant(s), occupant(s) and user(s) (and their invitees), now or in the future leasing, renting, occupying or using any of the areas or buildings on Parcel M.

(3) The roadway areas lying along and within the southerly boundary of Parcel M and shown in star/diagonal hatching (Area-5) on Exhibit 96.1 shall be subject to a non-exclusive easement right of way for purposes of vehicular roadway ingress and egress to the Premises in favor of the Lessee (and its invitees), now or in the future leasing, renting, occupying or using any of the areas or buildings on Parcel M.

(4) The Premises shall be subject to an easement in favor of the Port Authority, and the lessee(s), tenant(s), occupant(s) and user(s) of Parcel M (and their contractors and other invitees) for the purposes of the installation through the Premises of a fire hydrant system, fuel lines and sanitary lift stations to serve Parcel M (including ingress to and egress from the Premises for such purposes and for the maintenance and repair of the same), provided that no such activity shall interfere with the Lessee's operations on the Premises.

(5) In the event that a stand-alone terminal is to be constructed on Parcel M, Parcel M shall be subject to an easement of ingress and egress in favor of the Lessee (and its contractors and other invitees) for the purposes of accessing any fuel lines, the fire hydrant system or sanitary lines/lift stations serving the Premises in order to maintain and repair the same, provided that no such activity shall interfere with the Parcel M Tenant's operations on Parcel M.

(6) The portion of the AirTrain pedestrian connector shown in rectangular hatching (Detail 2) on Exhibit 96.1 shall be subject to an easement of ingress and egress in favor of the Parcel M Tenant and its invitees for the purpose of accessing the AirTrain station.

(7) The areas shown in diagonal hatching/honeycomb (Detail 2) on Exhibit 96.1 shall be subject to an easement of access in favor of the Lessee and its contractors for the purposes of inspection, maintenance and repair of the AirTrain pedestrian connector.

(d) ***Environmental Obligations.***

(1) Notwithstanding the Lessee's surrender of Parcel M, and notwithstanding anything to the contrary herein or elsewhere in this Agreement, the Lessee shall continue to be responsible and liable for compliance with all Environmental Requirements and remediation of all Environmental Damages with respect to Parcel M in accordance with the terms and provisions of this Agreement, including but not limited to Sections 2B, 6, 13, 57, 58 and 59, and for any and all costs or expenses that may be incurred by the Port Authority in connection therewith, but only to the extent arising out of the condition of Parcel M as of the date of such surrender. The foregoing shall not limit, alter or impair any of the indemnities from the Lessee to the Port Authority under this Agreement or otherwise or any other term or provision of this Agreement, or limit, alter or impair any other right or remedy of the Port Authority, whether in law, equity or otherwise.

(2) In order to limit its environmental liability with respect to Parcel M in accordance with the foregoing, the Lessee, at its own cost and expense, shall cause to performed, by properly qualified environmental engineers, a baseline survey of the condition of Parcel M as of the surrender date.

(3) Notwithstanding the Lessee's surrender of Parcel M, the Lessee shall continue to be responsible and liable for any portion of the ACO Work that relates to Parcel M.

(e) ***No Port Authority Reimbursement.***

The Lessee acknowledges and agrees that (x) the Port Authority has made Parcel M available to the Lessee as a part of the Premises in connection with the Lessee's option hereunder

to perform the Expanded Terminal Work, (y) the Lessee shall incur certain costs and make certain investments in consideration for such option and in anticipation of exercising such option, and (z) if the Lessee does not elect to exercise such option and the Port Authority accordingly terminates the letting hereunder with respect to Parcel M pursuant to Section 95 hereof, the Port Authority shall have no obligation to reimburse the Lessee for any costs incurred or investments made by the Lessee in connection with Parcel M.

"Section 97. Security

(a) ***Definitions.***

As used in this Section 97 the following terms shall have the following meanings:

(1) **"Effective Period"** shall mean the period commencing on the Restructuring Effective Date and expiring on the last day of the sixth full calendar month occurring after to occur the expiration or earlier termination or revocation of this Lease.

(3) **"Letter of Credit"** shall mean in the singular each of and **"Letter of Credits"** shall mean in the plural all of the letters of credit required to be delivered by the Lessee to the Port Authority pursuant to the provisions of this Section and which meet all the requirements set forth in paragraph (c) below.

(4) **"Obligations"** shall mean all of the provisions, terms and conditions of this Agreement on the part of the Lessee to be fulfilled, kept, performed or observed and (ii) the payment of all rentals, fees and other amounts, charges and obligations now or in the future to become due and owing to the Port Authority by the Lessee hereunder, and (iii) the performance of all other present and future obligations of the Lessee to the Port Authority covered by this Agreement.

(5) **"Security Amount"** shall mean Two Million Eight Hundred Thousand Dollars and No Cents ($2,800,000.00).

(b) ***Delivery of Letter of Credit.***

The Lessee hereby agrees that on or before the Restructuring Effective Date the Lessee shall cause to be delivered to the Port Authority a Letter of Credit in the Security Amount meeting all the requirements set forth in paragraph (c) below as security for the full, faithful and prompt performance of and compliance with, on the part of the Lessee of all of the Obligations.

(c) Each Letter of Credit shall be clean, irrevocable and issued to and in favor of the Port Authority by a banking institution acceptable to the Port Authority and having its main office in the Port of New York District. The form and terms of each Letter of Credit, as well as the institution issuing it, shall be subject to the prior and continuing approval of the Port Authority. Each Letter of Credit shall provide that it shall continue until the last day of the Effective Period. Such continuance may be by provision for automatic renewal or by delivery to the Port Authority of a substitute letter of credit satisfactory to the Port Authority and meeting all the requirements set forth in this paragraph (c) in an amount so that at all times during the Effective Period the Port Authority shall have a Letter of Credit or Letters of Credit in the Security Amount. If requested by the Port Authority, any Letter of Credit delivered pursuant to this Section shall be accompanied by a letter expressing the opinion of counsel for the banking institution issuing the Letter of Credit that the issuance of said Letter of Credit is an appropriate and valid exercise by the banking institution of the corporate power conferred upon it by law.

(d) Upon notice of cancellation of a Letter of Credit or upon notice that a Letter of Credit will not be extended the Lessee agrees that unless, by a date thirty (30) days prior to the effective date of such cancellation or

expiration, such Letter of Credit is replaced by another letter of credit satisfactory to the Port Authority and meeting all the requirements of paragraph (c) above in an amount so that at all times during the Effective Period the Port Authority shall have a Letter of Credit or Letters of Credit in the Security Amount, the Port Authority may draw down the full amount thereof and thereafter the Port Authority will hold the same as security under this Agreement.

(e) In addition to any and all other remedies available to it, the Port Authority shall have the right, at its option at any time and from time to time, with or without notice, to draw upon each Letter of Credit or any part thereof in whole or partial satisfaction of any of its claims or demands against the Lessee. There shall be no obligation on the Port Authority to exercise such right and neither the existence of such right nor the holding of a Letter of Credit or Letters of Credit shall cure any default or breach of the Obligations.

(f) If at any time any bank shall fail to make any payment to the Port Authority in accordance with any Letter of Credit issued by any such bank, the Lessee shall cause to be delivered to the Port Authority on demand another letter of credit satisfactory to the Port Authority and meeting all the requirements set forth in paragraph (c) above in an amount so that at all times during the Effective Period the Port Authority shall have a Letter of Credit or Letters of Credit in the Security Amount.

(g) If at any time and from time to time during the Effective Period a payment is made to the Port Authority under any Letter of Credit, the Lessee within ten (10) days thereafter shall bring the Letter of Credit back up to the Security Amount or shall cause to be delivered to the Port Authority an additional letter of credit satisfactory to the Port Authority and meeting all the requirements set forth in paragraph (c) above, in such an amount so that at all times during the Effective Period the Port Authority

shall have a Letter of Credit or Letters of Credit in the Security Amount.

(h) No action by the Port Authority pursuant to the terms of any Letter of Credit, or receipt by the Port Authority of funds from any bank issuing any Letter of Credit, shall be or be deemed to be a waiver of any breach or default by the Lessee of the Obligations and all rights and remedies under the Agreements, or otherwise consequent upon such breach or default shall not be affected by the existence of or recourse to any such Letter of Credit.

(i) After the expiration of the Effective Period, and upon the condition that the Lessee shall then be in no wise in default of any of the Obligations, and upon written request therefor by the Lessee, the Port Authority will return to the Lessee the Letter of Credit or Letters of Credit which have been caused to be delivered to the Port Authority by the Lessee hereunder and are in the possession of the Port Authority less the amount by partial or full drawings of any and all unpaid claims and demands (including estimated damages) of the Port Authority by reason of any default or breach by the Lessee of the Obligations.

(j) [Intentionally omitted]

(k) No failure by the Port Authority to insist upon the strict performance of any of the Obligations or any agreement, term, covenant, requirement or condition thereof or to exercise any right or remedy consequent upon a breach or default of any of the foregoing, and no extension, supplement or amendment of any of the Obligations during or after a breach thereof, unless expressly stated to be a waiver, and no acceptance by the Port Authority of rentals, fees, charges or other payments in whole or in part after or during the continuance of any such breach or default, shall constitute a waiver of any such breach or default of such Obligations or such agreement, term, covenant, requirement, obligation or condition. No agreement, term, covenant, requirement, obligation or condition of the Obligations to be performed or complied with

by the Lessee and no breach or default thereof, shall be waived, altered or modified except by a written instrument executed by the Port Authority. No waiver by the Port Authority of any default or breach on the part of the Lessee in performance of any of the Obligations or any agreement, term, covenant, requirement, obligation or condition thereof shall affect or alter any Obligation, but each and every agreement, term, covenant, requirement, obligation and condition thereof shall continue in full force and effect with respect to any other then existing or subsequent breach or default thereof.

(l) The Lessee hereby agrees that a breach or failure to perform or comply with any of the terms and conditions of this Agreement, including without limitation failure to provide a Letter of Credit or Letters of Credit in accordance with the terms and provisions of this Agreement at any time during the Effective Period valid and available to the Port Authority or any failure of any banking institution issuing a Letter of Credit to make one or more payments as provided in such Letter of Credit, shall constitute a material breach of each and every Obligation, thereby entitling the Port Authority to immediately exercise any and all rights available to it as fully as if such breach, failure or non-compliance were a breach of the Obligations, including without limitation, the right to terminate this Agreement for cause.

(m) The Lessee agrees that it will not assign or encumber any Letter of Credit and any such assignment or encumbrance shall be void as to the Port Authority.

(n) (1) In the event that the rentals payable by the Lessee under this Lease for two consecutive months shall exceed the existing Security Amount (the amount that such rentals shall exceed the existing Security Amount being herein called the **"Increased Bi-Monthly Rental"**), the Security Amount may be increased by the Port Authority upon thirty (30) days' notice to the Lessee in an amount equal to the Increased Bi-

Monthly Rental and the Lessee shall deliver to the Port Authority before the expiration of such thirty- (30-) day period a new Letter of Credit in the amount of the Increased Bi-Monthly Rental or an amendment to a Letter of Credit then being held by the Port Authority providing for the increase in the Letter of Credit to the new Security Amount set forth in such notice.

(2) In the event that the rentals payable by the Lessee under this Lease for two consecutive months shall be less than the existing Security Amount (the amount that the existing Security Amount shall exceed the two months consecutive rentals being herein called the "**Decreased Bi-Monthly Rental**"), the Security Amount may be decreased by the Lessee upon ten (10) days' notice to the Port Authority in an amount equal to the Decreased Bi-Weekly Rental, provided, however, in no event shall the Security Amount be so decreased or such notice be effective if (x) the Lessee shall have been in default at any time in the twelve-month period immediately preceding the date of the receipt of such notice by the Port Authority in the performance or observance of any term, provision, covenant, condition or agreement of this Agreement and (y) the Port Authority has not at any time during such twelve month period paid any sum or sums or incurred any obligations, expense or cost by reason of the failure, neglect or refusal of the Lessee to perform or fulfill any one or more of such terms, provisions, covenants, conditions and agreements. Such decrease in the Security Amount shall be effectuated by the delivery by the Lessee to the Port Authority of a substitute Letter of Credit in the reduced Security Amount. Upon the Lessee's delivery of such new Letter of Credit to the Port Authority in the new Security Amount meeting all the requirements of this Section 97, and provided that none of the events set forth in clauses (x) and (y) above shall be the case, the Port Authority shall return to the Lessee the Letter of Credit(s) then being held by the Port Authority for the old Security Amount.

15. Effective as of January 1, 2004: Amendments to various sections of the Lease relating to or resulting from new JFK Flight Fees Agreement

Effective as of January 1, 2004, the following amendments shall be made to the Lease in recognition that the JFK Flight Fees Agreement, as hereinafter defined, became effective and replaced the General Airport Agreement (except as to certain provisions thereof covering the aviation fuel system at the Airport) as of January 1, 2004.

(a) Section 2B of the Lease shall be deemed to be amended as follows:

(i) The phrase, "and as may be defined in the New Airport Fueling Agreements" shall be deemed inserted after the term "General Airport Agreement" and before the parenthesis appearing in the sixth (6th) line of paragraph (a)(2)(vi) thereof and in the sixth (6th) line of paragraph (a)(3)(iv) thereof, and in the third (3rd) line of paragraph (q)(1)(vi) thereof, and in the last line of paragraph (q)(1)(xii) thereof, and in the tenth (10th) and twelfth (12th) lines of paragraph (q)(1)(xiv) thereof.

(ii) The phrase, ", and shall also include the New Airport Fueling Agreements" shall be deemed inserted immediately after the word "operative" and before the period appearing in the last line of paragraph (q)(1)(iv) thereof.

(iii) The phrase, "or New Airport Fueling Agreements" shall be deemed inserted immediately after the word "Leases" and before the word "and" appearing in the third (3rd) to the last line of paragraph (q)(1)(xiv) thereof and after the word "Leases" and before the period appearing in the last line of paragraph (q)(1)(xix) thereof.

(iv) The word "Ogden" shall be deleted from the first line of paragraph (q)(1)(xix) thereof and the word "Allied" substituted in lieu thereof.

(v) The phrase, "and other Airport Fueling Agreements" shall be deemed inserted after the word "Agreement" and before the period appearing in the last line of paragraph (q)(2)(ii) thereof.

(vi) The phrase, "and, if as a party to any of the New Airport Fueling Agreements, if it becomes such a party" shall be deemed to have been inserted immediately

after the word "User" and before the first comma appearing in the second (2nd) line of paragraph (q)(2)(x) thereof.

(vii) The phrase, "other Airport Fueling Agreement" shall be deemed deleted from the fourth (4th) and fifth (5th) lines of paragraph (q)(2)(x) and the phrase, "of the other Airport Fueling Agreements" shall be deemed inserted in lieu thereof.

(viii) The phrase, "as the same may be replaced by New Airport Fueling Agreements" shall be deemed inserted immediately after the word "Agreement" and before the period appearing in both the last line of paragraph (q)(2)(xi)(aa) and in the last line of paragraph (q)(2)(xi)(bb) thereof.

(ix) The phrase, "or of the New Airport Fueling Agreements" shall be inserted immediately after the term "General Airport Agreement" in paragraph (q)(2)(xiii)(aa) thereof.

(x) The phrase, "and, if, there is in effect, New Airport Fueling Agreements" shall be inserted immediately after the term "General Airport Agreement" as it appears in the eight (8th), fourteenth (14th) and fifteenth (15th) lines of paragraph (q)(3) thereof.

(b) Paragraph (b) of Section 4 of the Lease, entitled "Use of Premises", shall be amended by deleting the phrase, "or Associated or Affiliated Companies" appearing in the fourth (4th) and (5th) lines thereof and by inserting the word "or" immediately after the comma and before the word "Accommodated" appearing the in the (4th) line thereof.

(c) Section 7 of the Lease, entitled "Rules and Regulations", shall be amended by deleted paragraph (c) thereof in its entirety and by redesignating paragraph (d) thereof as paragraph "(c)".

(d) Paragraph (k) of Section 9 of the Lease entitled "Prohibited Acts" shall be amended by deleting therefrom the term "General Airport Agreement" appearing in the second (2nd) and third (3rd) lines thereof and by substituting lieu thereof the term "Airport Fueling Agreements".

(e) Paragraphs (a), (b) and (c) of Section 42 of the Lease entitled "General Airport Agreement" shall be deemed deleted therefrom in their entirety and the following new unlettered paragraph shall be deemed to have been inserted in lieu thereof to read as follows:

"The parties hereto agree that in the event any provisions contained in the Lessee's JFK Flight Fees Agreement conflict with any one or more provisions of this Lease, the provisions of this Lease shall control with respect to all areas and subject matters covered by this Lease, provided, however, except only as to operations on the Public Aircraft Facilities at the Airport, to the extent that any of the provisions of this Lease conflict with the provisions of the Lessee's JFK Flight Fees Agreement concerning rights and obligations as to operations on the Public Aircraft Facilities at the Airport, the Lessee's JFK Flight Fees Agreement shall control with respect to rights and obligations as to operations on the Public Aircraft Facilities at the Airport."

(f) The unlettered paragraph constituting Section 43 of the Lease entitled "General Airport Agreement Expiration" shall be deemed deleted from the Lease in its entirety and the following new unlettered paragraph shall be deemed to have been inserted in lieu thereof to read as follows:

"It is recognized that the JFK Flight Fees Agreements and the principles and formula set forth therein for the calculation of flight fees, including the costs recovery accounting principles, have by agreement become the basis for determining flight fees payable by various Aircraft Operators at the Airport who are the actual signatories to JFK Flight Fees Agreements. In the event of the expiration and non-extension or non-renewal of the JFK Flight Fees Agreement, the same formula, accounting principles and costs recovery methodology now set forth in the JFK Flight Fees Agreements for the calculation of flight fees shall continue to be utilized for the calculation of flight fees at the Airport for the Lessee until such time as the JFK Flight Fees Agreements are formally replaced by a new agreement or agreements or by a new policy or policies. The Port Authority has advised the Lessee that it is the intention of the Port Authority that with respect to the formula, accounting principles and the costs recovery methodology for the calculation of flight fees

upon the expiration and non-extension or non-renewal of the JFK Flight Fees Agreements all Aircraft Operators at the Airport which are similarly situated will be treated in a similar manner."

(g) Section 44 of the Lease entitled "Associated and Affiliated Companies" shall be deleted from the Lease in its entirety.

(h) Section 49 of the Lease entitled "Restrictions on Use of Passenger Terminal Frontage Roadways - Use of Airport Taxi Dispatchers and Roadway Frontage Management" shall be deemed amended by inserting the phrase, "or the JFK Flight Fees Agreements, as applicable," immediately after the word "Agreement" and before the word "and" appearing in the fifth (5th) to the last line of paragraph (b) thereof and immediately after the word "Agreement" and before the period appearing at the end of paragraph (b) thereof.

(i) Section 62 of the Lease entitled "Future Airport Transportation Facilities and Operations Use of Portions of the Premises" shall be deemed amended by inserting the phrase, "or the JFK Flight Fees Agreements, as applicable," immediately after the word "Agreement" and before the word "for" appearing in the fifth (5th) to the last line of paragraph (d) thereof and immediately after the word "Agreement" and before the period appearing at the end of paragraph (d) thereof.

(j) Section 78 of the Lease entitled "In-Flight Meals" shall be deemed to have been amended as follows:

(1) The first sentence of paragraph (a) thereof shall be deemed deleted therefrom and the following new sentence shall be deemed to have been substituted in lieu thereof to read as follows:

"(a) It is recognized that Section 8.04 of Title VIII of the General Airport Agreement has expired and therefore is of no further force or effect and that the following paragraphs (a)(1), (a)(2) and (a)(3) shall be in full force and effect and a part hereof from and after January 1, 2004."

(2) The phrase, "Section 8.04 of Title VIII of the General Airport Agreement" shall be deleted from the second (2nd) and third (3rd) lines of paragraph (b)(1)

thereof and the phrase, "this Section 78" shall be deemed inserted in lieu thereof.

(3) Subparagraph (b)(3) shall be deleted therefrom in its entirety.

(k) The following amendments shall be deemed to have been made to Section 91 of the Lease as of January 1, 2004:

(1) The definition of "Distribution Portion of the System" shall be amended to read as follows:

> "'Distribution Portion of the System' shall mean the Distribution Portion of the System as described in the Airport Fueling Agreements."

(2) The definition of "General Airport Agreement" shall be amended by inserting the following phrase after the term "Airport" and before the period appearing at the end thereof.

> ", as the same has been extended by the Standstill Agreement and the Second Standstill Agreement".

(3) The definition of "Public Aircraft Facilities" shall be deemed amended by deleting in its entirety the parenthetical "(except as provided in Section 12.12 of the General Airport Agreement)" and inserting in lieu thereof the following:

> "(except as provided in Section 14 of the JFK Flight Fees Agreement)".

(4) The definition of Runways shall be amended to read as follows:

> "'Runways' shall mean runways (including aerial approaches) at the Airport used for the purpose of the landing and taking-off of Aircraft.

(5) The definition of Taxiways shall be amended to read as follows:

> "'Taxiways' shall mean taxiways at the Airport for the purpose of the ground movement of Aircraft to, from and between the Runways, the Public Ramp and Apron Area, the Public Aircraft Parking and Storage Area and other portions of the Airport (not including, however, any taxilanes, the exclusive use of which is granted

to the Lessee or any other Person by lease, permit or otherwise)."

(6) The following new definitions shall be deemed added to Section 91 to read as follows:

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

"JFK Flight Fees Agreement" shall mean the agreement designated therein as the JFK Flight Fees Agreement effective as of January 1, 2004 entered into between the Port Authority and the Lessee covering the payment of flight fees at the Airport and other matters covered therein

"New Airport Fueling Agreements" shall mean such of the separate agreement or agreements if and when entered into by the Port Authority and airlines operating at the Airport which would cover the operations of the Airport Fuel Storage and Distribution System in replacement of the aviation fuel provisions of the General Airport Agreement.

"Second Standstill Agreement" shall mean the certain agreement entered into between the Port Authority and the Lessee covering the extension of the General Airport Agreement through September 30, 2004, or through such later date as may thereafter be agreed upon by extension, restatement or modification of such agreement, with the extension of the fuel fee provisions of the General Airport Agreement extended through December 31, 2004, or through such later date as may thereafter be agreed upon by extension, restatement or modification of such agreement.

"Standstill Agreement" shall mean the certain agreement entered into between the Port Authority and the Lessee covering the extension of the General Airport Agreement through March 31, 2004.

"Standstill Agreements" shall mean collectively the Standstill Agreement and the Second Standstill Agreement.

(1) Subparagraph (ii) of paragraph (1) of Subdivision (II) of Exhibit 52.1 of the Lease shall be amended by

inserting the phrase, "or under the Lessee's JFK Flight Fees Agreement (with respect to flight fees)", immediately after the word "Agreement" and before the first comma appearing in the second line thereof; by deleting the phrase, "on or before the twentieth day of the following calendar month" appearing at the end thereof; and by inserting the phrase, "on or before the date required for payment in such agreements" immediately after the term "Port Authority" and before the semicolon appearing at the end thereof;

16. No Broker

Each party represents and warrants to the other that no broker has been concerned in the negotiation of this Second Supplemental Agreement and that there is no broker who is or may be entitled to be paid a commission in connection therewith. Each party shall indemnify and save harmless the other party of and from any and all claims for commissions or brokerage made by any and all Persons, firms or corporations whatsoever for services provided to or on behalf of the indemnifying party in connection with the negotiation and execution of this Second Supplemental Agreement.

17. Non-liability of Individuals

No Commissioner, director, officer, agent or employee of any party to this Second Supplemental Agreement shall be charged personally or held contractually liable by or to any other party under any term or provision of this Second Supplemental Agreement or of any supplement, modification or amendment to the Lease or because of its or their execution or attempted execution or because of any breach or alleged or attempted breach thereof.

18. Continued Effectiveness

As hereby amended, all of the terms, covenants, provisions, conditions and agreements of the Lease shall be and remain in full force and effect.

19. Entire Agreement

This Second Supplemental Agreement and the Lease which it amends constitute the entire agreement between the Port Authority and the Lessee on the subject matter, and may not be changed, modified, discharged or extended except by instrument in writing duly executed on behalf of both the Port Authority and the Lessee. The Lessee and the Port Authority agree that no representations or warranties shall be binding upon the other unless expressed in writing in the Lease or in this Second Supplemental Agreement.

20. Counterparts

This Second Supplemental Agreement may be signed in several counterparts, each of which shall be an original and all of which shall constitute the same instrument.

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

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

ATTEST:

Linda C. Handel
Assistant Secretary

Joanne Ciccolello
Manager, Properties and Commercial Development
Aviation Department

APPROVED

TERMS	FORM

AMERICAN AIRLINES, INC.

ATTEST:

(name)
(title)

(name)
(title)

American Airlines, Inc.
AYB-085R, Supp. 2

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

ATTEST:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

Secretary

(name)
(title)

ATTEST:

AMERICAN AIRLINES, INC.

Charles D. MarLett
Corporate Secretary

Laura A. Einspanier
Vice President - Corporate Real Estate

EXEMPTION (4) – DRAWINGS OF NON-PUBLIC AREAS

Section 76. Airport Operator Limitations

(a) In the Port Authority's operation of the Airport, including, without limitation, the formulation of the policies and procedures respecting such operation and/or the specific application of such policies and procedures and the allocation of costs, the Port Authority agrees that it will not unjustly discriminate against the Lessee or the Premises.

(b) (i) During the Term, for so long as the Lessee makes available Terminal FIS Premises (as hereinafter defined) on a twenty-four (24) hour basis, the Port Authority will not itself construct or operate an airline terminal which includes premises to be made available to the United States for inspection of airline passengers and their baggage by United States Customs and Immigration (such premises to be so used by the United States being called "Federal Inspection Service Premises" or "FIS Premises") or enter into an agreement at the Airport with any Person that is not either (i) a Scheduled Aircraft Operator, or (ii) wholly owned by one or more Scheduled Aircraft Operators and formed to provide air terminal operation services predominantly to such Scheduled Aircraft Operators; for the construction or operation of an airline terminal which includes FIS Premises, unless (i) the operation of such FIS Premises is necessary for the Port Authority to comply with United States Government requirements or (ii) the number of deplaned passengers entering the FIS Premises to be constructed by the Lessee as a portion of the Premises hereunder pursuant to Section 18 of this Agreement (the "Terminal FIS Premises") has exceeded the Design Capacity (as the Design Capacity may be increased from time to time with the written acknowledgment of the Port Authority as to the extent of any such increase, such acknowledgment not to be unreasonably withheld.) For purposes of this Section, the utilization of the Terminal FIS Premises shall be deemed to have exceeded Design Capacity (such event, a "Capacity Deficiency") if the Design Capacity is exceeded in accordance with subparagraph (iii) below.

(ii) In the event of a Capacity Deficiency, the Port Authority may by notice, annexing thereto

appropriate supporting documentation, inform the Lessee that the Port Authority shall thereafter not be subject to the restrictions set forth above in this paragraph (b).

(iii) There shall be a Capacity Deficiency upon the occurrence of all of the following events:

(A) The Average Peak Hourly Passenger Volume exceeds the Design Capacity in an Annual Period; and

(B) The Average Peak Waiting time for an Annual Period exceeds Forty-five (45) minutes; and

(C) The events described in subparagraphs (A) and (B) above occur for two successive Annual Periods.

(iv) (A) "Peak Day(s)" shall mean the three (3) busiest days during each of the eight consecutive calendar weeks (Sunday through Saturday) commencing with the calendar week during which July 1st occurs; and January 2nd, Good Friday, the Friday prior to Memorial Day, the Friday prior to Labor Day, Labor Day, the Wednesday prior to Thanksgiving, the Friday after Thanksgiving and December 22nd, 23rd and 24th for a total of 34 Peak Days during each Annual Period.

(B) "Peak Hours Period" shall mean the continuous two hundred forty (240) minute period on each Peak Day during which the highest volume of arriving international passengers enters the Terminal FIS Premises.

(C) The "Average Peak Hourly Passenger Volume" for each Annual Period shall be determined as follows: The number of arriving international passengers entering the Terminal FIS Premises during the Peak Hours Period on each Peak Day shall be ascertained; then, the sum total volume of such passengers during the Peak Hours Periods on all Peak Days in an Annual Period shall be ascertained. Such total number of passengers shall then be divided by one hundred thirty-six (136) and such quotient shall be the Average Peak Hourly Passenger Volume for such Annual Period.

(D) The "Average Peak Waiting Time" for each Annual Period shall mean the average of the time periods, expressed in minutes per passenger, that ten (10) randomly selected arriving international passengers entering the Terminal FIS Premises during each hour of each Peak Hours Period on each Peak Day in an Annual Period take to clear the Terminal FIS Facilities.

[Supplement No. 1 (8/10/01):]

15.1. *Additional Operators.* A new Section 76 (c) shall be added to the Lease and shall read as follows:

"(c) Notwithstanding the limitations set forth in paragraph (b) above, the Port Authority may itself construct or operate an airline terminal which includes FIS premises or enter into an agreement with another Person to construct an airline terminal which includes FIS premises which in either case is to be primarily utilized by one or more Scheduled Aircraft Operator(s) so long as such Scheduled Aircraft Operator(s) do not hold a Foreign Air Carrier Permit under the Federal Aviation Act of 1958 or a substantially similar permit under any similar federal statute."

EXHIBIT T-4

EXEMPTION (4) – DRAWINGS OF NON-PUBLIC AREAS

FOR THE PORT AUTHORITY

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

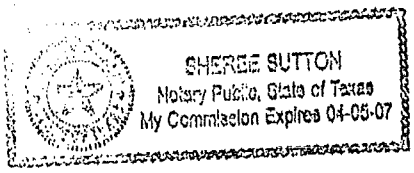
On the 7th day of November in the year 2005, before me, the undersigned, a Notary Public in and for said state, personally appeared JOANNE CICCOLELLO, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

JOHN JODY LEE
Notary Public, State of New York
No. 02LE4821762
Qualified in Queens County
Commission Expires On April 30, 20[illegible]

FOR THE LESSEE

STATE OF TEXAS)
) ss.
COUNTY OF TARRANT)

On the 4th day of November in the year 2005, before me, the undersigned, a Notary Public in and for said state, personally appeared LAURA A. EINSPANIER, Vice President-Corporate Real Estate, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Sheree Sutton
(notarial seal and stamp)