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.)

. 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. _____

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. Assumption of Maintenance and Repair of the Premises by the Port Authority

(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. Club Rooms

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 direc 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. Off-Premises Roads-No Restriction of Port Authority Right

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;

(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)2a 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

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

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	5.5E+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
cPAHs (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	*2.6E+01*	Table 4-6
Benzene	3.4E-01	3.4E-01	25 yr U/M
2-Butanone	3.5E+03	*2.6E+01*	Table 4-6
Carbon disulfide	7.0E+01	7.0E+01	25 yr U/M
1,1-Dichloroethane	3.9E+03	*2.6E+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, 1998).
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.*

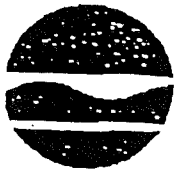
For The Port Authority

Initialled:

For the Lessee

TOTAL P.04

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.
Ezra 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

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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.

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Ilze Avtles - Mary Lee Clanton - Barry Lucas - Port Authority of NY & NJ
Denise Branch - JFKIA Environmental, Port Authority of NY & NJ; *Rich Lauls* - PA JFKIA Airport Facilities Division

EXHIBIT 29.1

EXHIBIT H PROPERTY

The following are personal property located in Building No. 56 of the Premises, title to which shall have passed to the Port Authority upon the installation thereof as part of the Phase I Construction Work performed by the Lessee pursuant to Section 2A of Lease AYB-085.

1. New Airside Outbound Baggage Handling Facility

   (a) Baggage sortation system capable of serving all gates on Concourse D.

   (b) Ticket counter feeder belts ; and

   (c) Curbside conveyors.

2. Inbound Baggage Claim Renovation

   (a) Three new American Airlines standard widebody-capable inbound claim units.

3. Jetbridge and Ramp Upgrades in Concourse D

   (a) Five new jet bridges and foundations

   (b) Five 480v ground power units

   (c) Potable water cabinets., and

   (d) Three late bag chutes

4. Jetbridge and Ramp Upgrades in Concourse C

   (a) Two late bag chutes

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

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 Dec. in the year 2000, before me, the undersigned, a Notary Public in and for said state, personally appeared E. 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 E. Eastman
(notarial seal and stamp)
KAREN E. 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

FAX

Date 10/30/00

Number of pages including cover sheet

TO: Doug Hore

Phone

Fax Phone (617) 967-3111

CC:

FROM: Tom Maher
The Port Authority of NY & NJ
Property Development & Mgt.
Building #14, 2nd Floor
Kennedy International Airport
Jamaica, NY 11430

Phone (718) 244-3651

Fax Phone (718) 244-3639

REMARKS: ☐ Urgent ☐ For your review ☐ Reply ASAP ☐ Please Comment

Draft Dated 11/1/00

RECEIVED
NOV 2 - 2000
CORPORATE REAL ESTATE

November 1, 2000

American Airlines, Inc.
MD 5317
4333 Amon Carter Blvd.
Fort Worth, Texas 76155

Re: JOHN F. KENNEDY INTERNATIONAL AIRPORT - AGREEMENT NO. AYB-085 - SUPPLEMENT NO. 6 TO LETTER AGREEMENT - CONSTRUCTION APPLICATIONS Y-7100.07, Y-7100.08, Y-7100.09, Y-7100.11, Y-7100.12, Y-7100.14, Y-7100.17, Y-7100.18 and Y-7411

Mesdames and Messrs:

The Port Authority of New York and New Jersey (hereinafter called the "Port Authority") and American Airlines, Inc. (hereinafter called "American") have heretofore entered into an agreement of lease identified by Port Authority Lease No. AYB-085 made as of the first day of August, 1976 (which agreement of lease, as the same has been and may hereinafter be supplemented, amended and extended, is hereinafter called the "Lease") covering unit terminal premises as more particularly set forth in the Lease (which premises are hereinafter called the "Premises") at John F. Kennedy International Airport. Additionally, the Port Authority and American have previously entered into a letter agreement dated September 24, 1998 (which letter agreement as previously supplemented and amended is hereinafter called the "Letter Agreement") covering construction application nos. Y-7100.01, Y-7100.02, Y-7100.03, Y-7100.04, Y-7100.05, Y- 7251,Y-7252 and Y-7254.

American has previously filed with the Port Authority for approval construction application no. Y-7100.07 covering the construction of an underground tunnel, and construction application no. Y-7100.08 covering the construction of certain piles and foundation work, and construction application no. Y-7100.09 covering the construction of a temporary walkway between Terminals 8 and 9 and the demolition of the east side of Terminal 9 and Concourse C, and construction application no. Y-7100.11 covering the construction of landside roads and elevated roadway structures, and construction application no. Y-7100.12 covering the relocation of certain aircraft fueling distribution lines, and construction application no. Y-7100.14 covering

the installation of a 5KV high voltage pre-purchase package, and construction application no. Y-7100.17 covering the construction of a new Concourse C, and construction application no. Y-7100.18 covering the mechanical, electrical, plumbing and fire protection work for new Concourse C, and construction application no. Y-7411 covering the fabrication and installation of a baggage conveyor system within the new temporary baggage facility, all in connection with American's proposed Redevelopment Work (as defined in the Letter Agreement), said applications as submitted by American but not approved by the Port Authority are hereinafter respectively called "Construction Application Y-7100.07", "Construction Application Y-7100.08", "Construction Application Y-7100.09", "Construction Application Y-7100.11" "Construction Application Y-7100.12", "Construction Application Y-7100.14", "Construction Application Y-7100.17","Construction Application Y-7100.18" and "Construction Application Y-7411" and collectively called the "Supplement No. 6 Construction Applications".

American has requested that it be allowed to perform the work under the Supplement No. 6 Construction Applications at its sole cost and expense to expedite the performance of the Redevelopment Work if, as and when the Proposed Agreement (as defined in the Letter Agreement) is entered into and the Proposed Redevelopment Plan (as defined in the Letter Agreement) and the Redevelopment Work are approved by the Port Authority, even though a final draft of the Proposed Agreement has not been prepared or the Proposed Agreement duly executed by the parties and even though all the essential terms of the Proposed Agreement have not been negotiated and agreed to, and that the Letter Agreement be supplemented to include the work to be performed under the Supplement No. 6 Construction Applications, if, when and as approved by the Port Authority, as part of the "Preparation Work" under the Letter Agreement as herein amended. Accordingly, the Port Authority and American hereby agree as follows:

1. Effective as of November 1, 2000, the Letter Agreement, as previously amended, shall be further amended as follows:

(a) Paragraph 3 thereof shall be amended to read as follows:

"3. The work American desires to perform shall be as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.01 covering the performance of certain test boring work as set forth in said application to be performed in connection with foundation design of American's proposed Redevelopment Work, and as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.02 covering certain utility and other related work as set forth in said application, and as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.03 covering certain other utility and other related work as set forth in said application, and as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.04

covering the installation of a groundwater extraction and treatment system at Gate 23 as set forth in said application, and as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.05 covering the installation of a multi-phase extraction and treatment system at Concourse D of Terminal 9 as set forth in said application, and as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.07 covering the construction of an underground tunnel as set forth in said application, and as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.08 covering the construction of certain piles and foundations as set forth in said application, and as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.09 covering the construction of a temporary walkway and certain demolition work at Terminal 9 as set forth in said application, and as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.11 covering the construction of landside roads and elevated roadway structures as set forth in said application, and construction application no. Y-7100.12 covering the relocation of certain aircraft fueling distribution lines, and construction application no. Y-7100.14 covering the installation of a 5KV high voltage pre-purchase package, and construction application no. Y-7100.17 covering the construction of a new Concourse C, and construction application no. Y-7100.18 covering the mechanical, electrical, plumbing and fire protection work for new Concourse C, and as set forth in plans and specifications which are or shall become part of construction application no. Y-7251 covering the construction of a temporary outbound bag room as set forth in said application, and as set forth in plans and specifications which are or shall become part of construction application no. Y-7252 covering the construction of a temporary hold room as set forth in said application, and as set forth in plans and specifications which are or shall become part of construction application no. Y-7254 covering the relocation of jetbridges from Concourse C to Concourse D at Terminal 9 as set forth in said application, and construction application no. Y-7411 covering the fabrication and installation of a baggage conveyor system within the new temporary baggage facility (which construction applications as submitted by American but not approved by the Port Authority are hereinafter individually called a "Pending Construction Application" and collectively called the "Pending Construction Applications"). The Pending Construction Applications shall contain such terms and conditions as the Port Authority may include and shall set forth in detail and by complete plans and specifications the work American desires to perform and the manner and time periods for performing the same (the foregoing construction applications as approved by the Port Authority are hereinafter individually called a "Construction Application" and collectively called the "Construction Applications" and all of the work as set forth in said Construction Applications and as approved by the Port Authority is herein called the "Preparation Work"). If American wishes to proceed with the proposed preparation work, American shall redo and resubmit the Pending Construction Applications until

approved by the Port Authority. American shall not commence performance of the work covered by construction application no. Y-7100.01 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7100.02 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7100.03 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7100.04 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7100.05 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7100.07 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7100.08 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7100.09 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7100.11 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7100.12 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7100.14 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7100.17 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7100.18 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7251 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7252 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7254 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7411 until said construction application is approved by the Port Authority , it being understood and agreed that the Port Authority may in its sole discretion disapprove all or any portion of the work American proposes to do for any reason whatsoever. All locations where the Preparation Work is to be performed shall be as specified in the Construction Applications and except where expressly stated to the contrary herein where constructed or installed at the Premises the Preparation Work shall become a part of the Premises under the Lease. Notwithstanding the performance of the

Preparation Work nor any approval of the Construction Applications and notwithstanding any reference therein to American or to various proposed property lines or to space to be occupied by American it is hereby understood and agreed that the areas upon which American shall perform the Preparation Work shall be as set forth in the Construction Applications and said approvals, references and areas shall not be nor be deemed to be a part of or imply any lease, permit or other agreement covering the leasing, use or occupancy of said areas by American except as set forth in the Lease."

(b) Paragraph 6 of the Letter Agreement shall be amended to read as follows:

"6. (a) American 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 ("CTA") during the period of time American is performing the Preparation 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. American further acknowledges that the Preparation 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. American hereby expressly assumes all of the foregoing risks. Without limiting the foregoing, American shall and expressly hereby agrees to perform, and to require each of its contractors and subcontractors to perform, the Preparation 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. American 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 Preparation Work, and American shall coordinate and work in harmony with all said persons, including without limitation the users and occupants of the Premises and Port Authority contractors. American 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 Preparation Work. American shall include in each of its contracts and subcontracts covering the Preparation Work or any portion thereof the foregoing requirements for minimization of disruption and for contractor cooperation, communication and coordination.

(b) American shall perform and schedule and shall require each of its contractors and subcontractors to perform and schedule the Preparation Work with a high degree of coordination with the Port Authority's plans and schedules for the construction of the AirTrain and the plans and schedules for utility work at the Airport and

American shall at all times during the construction of the AirTrain 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 contractor for the AirTrain and the contractor(s) performing such utility work. American shall include in each of its contracts and subcontracts covering the Preparation Work or any portion thereof the foregoing requirements for contractor cooperation, communication and coordination.

(c) 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 Preparation Work, American, not less than sixty (60) days prior to the commencement of any portion of the Preparation 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 10 hereof, including, but not limited to, certifications of American and American's licensed architect or engineer and the issuance of a certificate of completion therefor by the Port Authority."

(c) The first sentence of Paragraph 4(q)(2) of the Letter Agreement shall be amended to read as follows:

"The performance by American of the Preparation Work will be at its sole risk and if for any reason the Proposed Redevelopment Plan or the plans and specifications for any Pending Construction Application or for the Redevelopment Work are not approved by the Port Authority or if the approval thereof calls for modifications or changes in the Preparation Work undertaken by American, American will, as directed by the Port Authority, at its sole cost and expense, either restore and rebuild the Premises (subject to Section 33 of the Lease) to a condition ~~of at least~~ equal function, utility, efficiency and capacity as that existing prior to the performance of any of the Preparation Work and as required and approved by the Port Authority or make such modifications and changes in any such Preparation Work as may be required by the Port Authority."

(d) Paragraph 13 of the Letter Agreement shall be amended as follows:

(i) Paragraph (a) thereof shall be amended by inserting the phrase, ", and American may be required to restore and rebuild the Premises as provided for herein" in the twenty-fourth (24th) line thereof immediately after the phrase "may ever be

performed" and before the period appearing in said 24th line.

(ii) Paragraph (a) thereof shall further amended by inserting the phrase, "including without limitation any based upon unjust enrichment" immediately after the word "proceeding" and before the word "because" appearing in the fourth (4th) to the last line thereof.

(iii) A new paragraph (c) shall be inserted at the end thereof to read as follows:

"(c) American specifically acknowledges and agrees that the Port Authority shall have the right, without cause, to require American to suspend or to cease the performance of the Preparation Work or any portion thereof and thereafter to require American to restore and rebuild the Premises to a condition of ~~at least equal~~ function, utility, efficiency and capacity as that existing prior to the performance of any of the Preparation Work as required by the Port Authority which right may be exercised by the Port Authority at any time, and upon receipt of a written notice from the Port Authority to such effect, American shall at the sole cost and expense of American promptly and expeditiously, subject to Section 33 hereof, restore and rebuild the Premises to such function, utility, efficiency and capacity and as required and approved by the Port Authority."

(e) Paragraph 4(k) of the Letter Agreement shall be amended as follows:

(i) The phrase, "and including the Port Authority as an Insured, as Owner" shall be inserted in the seventh (7th) line from the end of page 8 after the word "Work" and before the comma appearing therein.

(ii) The twentieth (20th) line of paragraph (x) thereof shall be amended by inserting the number and letter "27(b)" immediately after the number "17" and the first "and" appearing therein.

(iii) Paragraph (x) thereof shall be further amended by deleting the last paragraph thereof setting forth the minimum limits for Pollution Liability Insurance commencing with the heading "Pollution Liability" and ending with the amount "$10,000,000.00" and the following new paragraph shall be inserted in lieu thereof:

"Pollution 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"

(f) The following new paragraphs 27 and 28 shall be and be deemed to be added thereto to read as follows:

"27. (a) The following terms when used in this Letter Agreement 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 American by the Port Authority pursuant to sub-paragraph (c) of this paragraph 27 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 American by the Port Authority pursuant to sub-paragraph (c) of this paragraph 27 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 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 term is 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 (b) 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 Lines or the Abandoned Fuel Lines, including but not limited to, all Defects (as such term is 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 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 Line Work" shall have the meaning set forth in subparagraph (b) 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 A" and which exhibit is herein referred to as "Exhibit A") 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 American in proposed Isolation Valve Vault IW-C6 with respect to Premises Distribution Lines 403-1, 403-2, 408-1 and 408-2 as shown on Exhibit A 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 A 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 American.

(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 American 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 **(What about Ogden?)** 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 A 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 American 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 A 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.

(b) As part of American's Preparation Work, American 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 American as part of the Preparation Work and which may be approved by the Port Authority pursuant to this Letter Agreement 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 American's proposed construction of a new sewer line in the vicinity of proposed Isolation Valve Vault IW-C6 and in connection with American's proposed construction of a tunnel in the vicinity as generally

shown on Exhibit A (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 A and identified as "Isolation Valve Vault IW-C6". All Fuel Lines Work performed by American 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 American and, further, American 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 Lines for any reason whatsoever are not included or includable in or not allowed to become a part of, the System Costs, that American 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 American 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 the Lease, this Letter Agreement and of the General Airport Agreement.

(iii) In addition to and without limiting the obligations set forth in paragraph 6(c) of this Letter Agreement, all portions of the Fuel Lines Work which under the Airport Fueling Agreements are to be performed by the System Operator, such as but not limited to all testing and flushing of the System and the Fuel Lines Work, shall be performed by the System Operator on behalf of American and at American's sole cost and expense. American shall assure that the costs and expenses of all Fuel Lines Work are separately allocated and billed to American 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, American 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. American 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) American shall in the performance of the Fuel Lines Work and in fulfillment of its obligations pursuant to subparagraph (x) 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 American's commencement of the Fuel Lines Work or any portion thereof, American 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 flush and test 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. American understands and agrees that no approval of the Port Authority shall relieve or release American from its obligations under this subparagraph (iv). The Port Authority shall have the right from time to time to require American to make changes to the plan and American 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 American 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, American shall register, license and/or permit the Airline Terminal Portion of the System in accordance with Environmental Requirements in the name of American as the owner thereof and the System Operator as the operator thereof.

(vi) Notwithstanding paragraph 10 of this Letter Agreement, title to the Airline Terminal Portion Work shall remain in American 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 American 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 93 of the Lease entitled "Fuel Storage Tanks") and all the terms and conditions of Section 93 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 93 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 American 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) American hereby agrees as the Lessee under the Lease, as the lessee under the General Airport Agreement and as a User and in addition to and without limiting its obligations under subparagraphs (x) and (xi) hereof, 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, 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.

(x) 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

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existence of any patent or trade name, or any other facts or circumstances which could or could be construed to affect or relieve American from its obligations under this paragraph 27(b)(x), American 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 Letter Agreement, the Lease and the General Airport Agreement,

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

(cc) the New System Components and the System shall 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 its 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 American 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),

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(ff), (gg) and (hh) and the warranties described in paragraph 4(e) hereof being herein called a "Warranty").

Upon American'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 American 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"), American shall in accordance with all the terms and conditions of this Agreement including without limitation Section 33 of the Lease 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 Letter Agreement, the Lease, at law or equity, or otherwise.

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

(xii) (aa) Without limiting any other term or provision hereof and in addition thereto, American 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 American of any term or provision of this paragraph 27, or any breach of the General Airport Agreement with respect to this paragraph 27, 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 American or of any contractors of American, 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 American shall not be required to indemnify the Port Authority pursuant to this paragraph 27 (xii) where indemnity would be precluded pursuant to provisions of any statute.

(bb) If so directed, American 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.

(xiii) The terms and conditions set forth in subparagraphs (i), (ix), (x), (xi) and (xii) of this paragraph 27 shall inure to the benefit of the Other Users.

(xiv) The Port Authority's acceptance of the Fuel Lines Work in part or in whole whether as set forth in subparagraph (c) of this paragraph 27, in paragraph 10 of this Letter Agreement or otherwise, shall not in part or in whole, release or relieve American from its obligations under this paragraph 27or otherwise. Moreover, neither the enumeration in this paragraph 27 nor the enumeration elsewhere in this Letter Agreement of particular risks assumed by American or of particular claims for which it is responsible shall be deemed (x) to limit the effect of the provisions of this paragraph 27 or of any other paragraph of this Letter Agreement relating to such risks or claims, (y) to imply that American assumes or is responsible for risks or claims only of the type enumerated in this paragraph 27 or in any other portion of this Letter Agreement, or (z) to limit the risks which American would assume or the claims or demands for which it would be responsible in the absence of such enumeration.

(l) In addition to and without affecting the obligations of American pursuant to paragraph 10 of this Letter Agreement, 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, American shall so advise the Port Authority and shall deliver to the Port Authority a certificate signed by an authorized officer of American and also signed by American'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 this Letter Agreement, 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 American 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, conditions and risks of and as set forth in this Letter Agreement, the Lease and the General Airport Agreement.

28. The Lessee acknowledges and agrees none of the notes or references in Exhibit A regarding any work that American has proposed to perform shall constitute or be deemed to constitute or imply that approval of the Port Authority will be granted to any proposed construction by American nor shall the same grant or be deemed to grant any right or permission to American now or in the future to erect any structures, make any improvements or do any other construction work in the Premises or to the System, 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 under the Lease or install any fixtures on the Premises or on the System, and that the provisions of this Letter Agreement shall be read and construed as if there were no notes or other references to proposed construction on Exhibit A."

2. American understands that Supplement No. 6 Construction Applications and the proposed work thereunder have not been approved by the Port Authority and nothing contained in this Supplement No. 6 nor the Letter Agreement shall be or be deemed to grant such approval or constitute any agreement that such approval will be granted.

3. American hereby agrees and understands that it shall in no event be entitled to any abatement, reduction or other adjustment to the rentals payable under the Lease as a result of or in connection with the Preparation Work or this Letter Agreement, as herein amended.

4. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof shall be charged personally by American with any liability or held liable to American under any term or provision of this Supplement No. 6 to the Letter Agreement or because of its execution or attempted execution or because of any breach thereof.

5. As hereby amended, all of the terms, provisions and agreements of the Letter

Agreement shall be and remain in full force and effect.

6. This Supplement No. 6 to the Letter Agreement and the Letter Agreement which it amends constitute the entire agreement between the Port Authority and American 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 American. American agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in the Letter Agreement or this Supplement No. 6 to the Letter Agreement.

7. In the event that the terms and provisions of this Letter Agreement as herein amended are inconsistent with or otherwise conflict with one or more terms and provisions of the Lease or of the General Airport Agreement, the terms and provisions of this Letter Agreement as herein amended shall control and be determinative.

If the foregoing is acceptable to American, please indicate your acceptance of the same by signing the enclosed two copies of this Supplement No. 6 to the Letter Agreement by a duly authorized officer and returning them to the Port Authority's Business, Properties and Commercial Development Division, Building 14, Second Floor, John F. Kennedy International Airport, Jamaica, New York 11430. The return of a copy thereof to you executed by the Port Authority shall place this Supplement No. 6 to the Letter Agreement in effect as of November 1, 2000.

Very truly yours,

William R. DeCota
Director of Aviation

ACCEPTED:

AMERICAN AIRLINES, INC.

By_____

(Title)_____President

THE PORT AUTHORITY OF NY & NJ

WILLIAM R. DECOTA
DIRECTOR
AVIATION DEPARTMENT

ONE WORLD TRADE CENTER
NEW YORK, NY 10048

(212) 435-2116
(973) 961-6600 X2116

September 7, 2000

American Airlines, Inc.
MD 5317
4333 Amon Carter Blvd.
Fort Worth, Texas 76155

Re: JOHN F. KENNEDY INTERNATIONAL AIRPORT - AGREEMENT NO. AYB-085 - SUPPLEMENT NO. 6 TO LETTER AGREEMENT - CONSTRUCTION APPLICATIONS Y-7100.07, Y-7100.08, Y-7100.09 and Y-7100.11

Mesdames and Messrs:

The Port Authority of New York and New Jersey (hereinafter called the "Port Authority") and American Airlines, Inc. (hereinafter called "American") have heretofore entered into an agreement of lease identified by Port Authority Lease No. AYB-085 made as of the first day of August, 1976 (which agreement of lease, as the same has been and may hereinafter be supplemented, amended and extended, is hereinafter called the "Lease") covering unit terminal premises as more particularly set forth in the Lease (which premises are hereinafter called the "Premises") at John F. Kennedy International Airport. Additionally, the Port Authority and American have previously entered into a letter agreement dated September 24, 1998 (which letter agreement as previously supplemented and amended is hereinafter called the "Letter Agreement") covering construction application nos. Y-7100.01, Y-7100.02, Y-7100.03, Y-7100.04, Y-7100.05, Y- 7251,Y-7252 and Y-7254.

American has previously filed with the Port Authority for approval construction application no. Y-7100.07 covering the construction of an underground tunnel, and construction application no. Y-7100.08 covering the construction of certain piles and foundation work, and construction application no. Y-7100.09 covering the construction of a temporary walkway between Terminals 8 and 9 and the demolition of the east side of Terminal 9 and Concourse C and construction application no. Y-7100.11 covering the construction of landside roads and elevated roadway structures, all in connection with American's proposed Redevelopment Work (as defined in the Letter Agreement), said applications as submitted by American but not approved by the Port Authority are hereinafter respectively called "Construction Application Y-7100.07", "Construction Application Y-7100.08", "Construction Application Y-7100.09" and "Construction Application Y-7100.11".

American has requested that it be allowed to perform the work under Construction Application Y-7100.07, Construction Application Y-7100.08, Construction Application Y-7100.09 and Construction Application Y-7100.11 at its sole cost and expense to expedite the performance of the Redevelopment Work if, as and when the Proposed Agreement (as defined in the Letter Agreement) is entered into and the Proposed Redevelopment Plan (as defined in the Letter Agreement) and the Redevelopment Work are approved by the Port Authority, even though a final draft of the Proposed Agreement has not been prepared or the Proposed Agreement duly executed by the parties and even though all the essential terms of the Proposed Agreement have not been negotiated and agreed to, and that the Letter Agreement be supplemented to include the work to be performed under Construction Application Y-7100.07, Construction Application Y-7100.08, Construction Application Y-7100.09 and Construction Application Y-7100.11, if, when and as approved by the Port Authority, as part of the "Preparation Work" under the Letter Agreement. Accordingly, the Port Authority and American hereby agree as follows:

1. Effective as of September 7, 2000, the Letter Agreement, as previously amended, shall be further amended as follows:

(a) Paragraph 3 thereof shall be amended to read as follows:

"3. The work American desires to perform shall be as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.01 covering the performance of certain test boring work as set forth in said application to be performed in connection with foundation design of American's proposed Redevelopment Work, and as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.02 covering certain utility and other related work as set forth in said application, and as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.03 covering certain other utility and other related work as set forth in said application, and as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.04 covering the installation of a groundwater extraction and treatment system at Gate 23 as set forth in said application, and as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.05 covering the installation of a multi-phase extraction and treatment system at Concourse D of Terminal 9 as set forth in said application, and as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.07 covering the construction of an underground tunnel as set forth in said application, and as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.08 covering the construction of certain piles and foundations as set forth in said application, and as set forth in plans and specifications which are or shall become part of construction application no. Y-

7100.09 covering the construction of a temporary walkway and certain demolition work at Terminal 9 as set forth in said application, and as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.11 covering the construction of landside roads and elevated roadway structures as set forth in said application, and as set forth in plans and specifications which are or shall become part of construction application no. Y-7251 covering the construction of a temporary outbound bag room as set forth in said application, and as set forth in plans and specifications which are or shall become part of construction application no. Y-7252 covering the construction of a temporary hold room as set forth in said application and as set forth in plans and specifications which are or shall become part of construction application no. Y-7254 covering the relocation of jetbridges from Concourse C to Concourse D at Terminal 9 as set forth in said application (which construction applications as submitted by American but not approved by the Port Authority are hereinafter individually called a "Pending Construction Application" and collectively called the "Pending Construction Applications"). The Pending Construction Applications shall contain such terms and conditions as the Port Authority may include and shall set forth in detail and by complete plans and specifications the work American desires to perform and the manner and time periods for performing the same (the foregoing construction applications as approved by the Port Authority are hereinafter individually called a "Construction Application" and collectively called the "Construction Applications" and all of the work as set forth in said Construction Applications and as approved by the Port Authority is herein called the "Preparation Work"). If American wishes to proceed with the proposed preparation work, American shall redo and resubmit the Pending Construction Applications until approved by the Port Authority. American shall not commence performance of the work covered by construction application no. Y-7100.01 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7100.02 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7100.03 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7100.04 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7100.05 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7100.07 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7100.08 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7100.09 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by

construction application no. Y-7100.11 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7251 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7252 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7254 until said construction application is approved by the Port Authority, it being understood and agreed that the Port Authority may in its sole discretion disapprove all or any portion of the work American proposes to do for any reason whatsoever. All locations where the Preparation Work is to be performed shall be as specified in the Construction Applications and except where expressly stated to the contrary herein where constructed or installed at the Premises the Preparation Work shall become a part of the Premises under the Lease. Notwithstanding the performance of the Preparation Work nor any approval of the Construction Applications and notwithstanding any reference therein to American or to various proposed property lines or to space to be occupied by American it is hereby understood and agreed that the areas upon which American shall perform the Preparation Work shall be as set forth in the Construction Applications and said approvals, references and areas shall not be nor be deemed to be a part of or imply any lease, permit or other agreement covering the leasing, use or occupancy of said areas by American except as set forth in the Lease."

(b) Paragraph 6 of the Letter Agreement shall be amended to read as follows:

"6. (a) American 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 ("CTA") during the period of time American is performing the Preparation 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. American further acknowledges that the Preparation 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. American hereby expressly assumes all of the foregoing risks. Without limiting the foregoing, American shall and expressly hereby agrees to perform, and to require each of its contractors and subcontractors to perform, the Preparation 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. American 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 Preparation Work, and American shall coordinate and work in

harmony with all said Persons, including without limitation the users and occupants of the Premises and Port Authority contractors. American 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 Preparation Work. American shall include in each of its contracts and subcontracts covering the Preparation Work or any portion thereof the foregoing requirements for minimization of disruption and for contractor cooperation, communication and coordination.

(b) American shall perform and schedule and shall require each of its contractors and subcontractors to perform and schedule the Preparation Work with a high degree of coordination with the Port Authority's plans and schedules for the construction of the AirTrain and the plans and schedules for utility work at the Airport and American shall at all times during the construction of the AirTrain 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 contractor for the AirTrain and the contractor(s) performing such utility work. American shall include in each of its contracts and subcontracts covering the Preparation Work or any portion thereof the foregoing requirements for contractor cooperation, communication and coordination.

(c) 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 Preparation Work, American, not less than sixty (60) days prior to the commencement of any portion of the Preparation 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 10 hereof, including, but not limited to, certifications of American and American's licensed architect or engineer and the issuance of a certificate of completion therefor by the Port Authority."

(c) The first sentence of Paragraph 4(q)(2) of the Letter Agreement shall be amended to read as follows:

"The performance by American of the Preparation Work will be at its sole risk and if for any reason the Proposed Redevelopment Plan or the plans and specifications for any Pending Construction Application or for the Redevelopment Work are not approved by the

Port Authority or if the approval thereof calls for modifications or changes in the Preparation Work undertaken by American, American will, as directed by the Port Authority, at its sole cost and expense, either restore the area affected to the condition existing prior to the commencement of any such Preparation Work or make such modifications and changes in any such Preparation Work as may be required by the Port Authority."

(d) Paragraph 13 of the Letter Agreement shall be amended as follows:

(i) Paragraph (a) thereof shall amended by inserting the phrase, ", and American may be required to restore the Premises as provided for herein" in the twenty-fourth (24th) line thereof immediately after the phrase "may ever be performed" and before the period appearing in said 24th line.

(ii) A new paragraph (c) shall be deemed to have been inserted at the end thereof to read as follows:

> "(c) American specifically acknowledges and agrees that the Port Authority shall have the right, without cause, to require American to suspend or to cease the performance of the Preparation Work or any portion thereof and thereafter to require American to remove all or such portion of the Preparation Work as has been theretofore completed by American which right may be exercised by the Port Authority at any time, and upon receipt of a written notice from the Port Authority to such effect, American shall at the sole cost and expense of American promptly and expeditiously remove all or such portion of the Preparation Work as stated in the Port Authority's notice and restore the areas affected to the condition existing prior to the performance of the Preparation Work."

2. (a) American understands that Construction Application Y-7100.07, Construction Application Y-7100.08, Construction Application Y-7100.09 and Construction Application Y-7100.11 and the proposed work thereunder have not been approved by the Port Authority and nothing contained in this Supplement No. 6 nor the Letter Agreement shall be or be deemed to grant such approval or constitute any agreement that such approval will be granted.

(b) American hereby acknowledges that it has advised the Port Authority that it would like to make certain additions and modifications to the underground fuel distribution system at the Airport including without limitation the Distribution Portion of the Underground Fuel System (as such term is defined in Section 4.021 of the General Airport Agreement) and that such modifications and additions are required in order to complete the

Preparation Work. American further acknowledges that the Port Authority has advised American that there are many issues which must be resolved before any such additions or modifications can be made, including without limitation, addressing the potential impacts of such modifications and additions on the fueling arrangement at the Airport and the users of the underground fuel distribution system at the Airport. American agrees that notwithstanding anything contained in any Construction Application or the performance by it of any of the Preparation Work or the approval by the Port Authority of any Preparation Work that American shall not modify or alter nor shall American have or be deemed to have any right to modify or alter the Distribution Portion of the Underground Fuel System unless and until a supplemental agreement to this Letter Agreement prepared by the Port Authority and containing such terms and conditions as shall be determined by the Port Authority which expressly covers the approval of the Port Authority to make additions and modifications to the Distribution Portion of the Underground Fuel System and the additional risks, obligations and conditions to be assumed by American in connection therewith, is duly executed by the Port Authority and American; it being further understood and agreed that the Port Authority shall have no obligation to prepare or execute any such supplemental agreement.

3. American hereby agrees and understands that it shall in no event be entitled to any abatement, reduction or other adjustment to the rentals payable under the Lease as a result of or in connection with the Preparation Work or this Letter Agreement, as herein amended.

4. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof shall be charged personally by American with any liability or held liable to American under any term or provision of this Supplement No. 6 to the Letter Agreement or because of its execution or attempted execution or because of any breach thereof.

5. As hereby amended, all of the terms, provisions and agreements of the Letter Agreement shall be and remain in full force and effect.

6. This Supplement No. 6 to the Letter Agreement and the Letter Agreement which it amends constitute the entire agreement between the Port Authority and American 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 American. American agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in the Letter Agreement or this Supplement No. 6 to the Letter Agreement.

If the foregoing is acceptable to American, please indicate your acceptance of the same by signing the enclosed two copies of this Supplement No. 6 to the Letter Agreement by a duly authorized officer and returning them to the Port Authority's Business, Properties and Commercial Development Division, Building 14, Second Floor, John F. Kennedy International

Airport, Jamaica, New York 11430. The return of a copy thereof to you executed by the Port Authority shall place the Letter Agreement in effect as of September 7, 2000.

Very truly yours,

William R. DeCota
Director of Aviation

ACCEPTED:

AMERICAN AIRLINES, INC.

By_____

(Title)_____President

Draft Dated 10/25/00

Issues:

1. **Exhibit**
2. **New Airline Portion Lines same protections in case deemed still a part of the Distribution Portion**
3. **Environmental Damages**
4. **Change (n), cooperation language and description of fuel line work in (a).**

VII. TO BE INCLUDED AT THE END OF PARAGRAPH (a) OF SECTION 42. GENERAL AIRPORT AGREEMENT:

"including without limitation those set forth in Section 2B hereof.

II NEW PARAGRAPH TO BE ADDED AT THE END OF THE CONSTRUCTION SECTION

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

(aa) "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.

(bb) "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**.

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

(dd) "Airport Fueling Agreements" shall mean the General Airport Agreement, the other Dewey Leases and any other agreements covering aircraft fueling at the Airport which are contemplated by the Dewey Leases.

(ee) "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 is not **Distribution Portion Work**.

(ff) "Distribution Portion Work" shall mean that portion of the Fuel Lines Work which is performed on that portion of the Distribution Portion of the System that shall not become a portion of the New Airline Terminal Portion of the System, the New Non-Premises Distribution Lines (as defined in subparagraph (2) hereof), and the hydrant valves.

(gg) "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**, the Inert Lines or the Abandoned Fuel Lines, including but not limited to, all Defects (as such term is 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**, the Abandoned Lines or the Inert Lines included in the System Costs, and the failure or refusal of the Users or any of them to pay any such costs or expenses.

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

(ii) "Inert Fuel Lines" shall mean the **Distribution Portion** of **Premises Distribution Lines 403-3 and 408-3** which as part of the Fuel Lines Work are capped and taken out of service but are not abandoned.

(jj) "**New 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 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 of the points identified as the "**Distribution Line End Points**" on Exhibit 2B-? where the caps are to be installed on such Lines as part of the Fuel Lines Work but the New Airline Terminal Portion of the System shall not included such caps.

(kk) "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-?) with respect to **Premises Distribution Lines 403-1, 403-2, 408-1 and 408-2** as part of the Fuel Lines Work.

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

(mm) "Non-Premises Distribution Lines" shall mean all of those distribution fuel lines identified on Exhibit 2B-? as Line 401-1, Line 401-2, Line 401-3, Line 409-01, Line 409-02 and Line 409-03 as such Lines commence at the dike wall on the supply side of the Satellite Portion of the System (as such terms are defined in Section 4.021 of the General Airport Agreement) [and the appurtenances and ? thereto].

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

(oo) "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 of such modification, relocation, alteration, addition, replacement or capital improvement are not **includable** or included in System Costs, (ii) such modification, relocation, alteration, addition, replacement or capital improvement will not adversely affect the System including without limitation its use, operation or performance or the costs and expenses thereof and (iii) such modification, relocation, alteration, addition, replacement or capital improvement shall been approved by the Port Authority, provided, further, however, that shut downs and other disruptions in the operation, use or performance of the System occasioned by the performance of such modification, relocation, alteration, addition, replacement or capital improvement shall not be or be deemed to be an adverse affect on the System.

(pp) "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 the exhibit attached hereto, hereby made a part hereof and marked "Exhibit 2B-?" (which exhibit is herein referred to as "Exhibit 2B-?") as such Lines commence at the dike wall on the supply side of the Satellite Portion of the System [and the appurtances and ? thereto].

(qq) "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**.

(rr) "Satellite Portion Work" shall mean that portion of the Fuel Lines Work that is performed at the Satellite Portion of the System.

(ss) "System Contractor" shall mean Ogden New York Services, Inc. or any other Person who shall operate, repair or maintain the System pursuant to the **Airport Fueling Agreements**.

(tt) "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**.

(uu) "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.

(vvv) "Users" shall mean any Persons who use the System or are obligated 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 in the vicinity as generally shown on Exhibit 2B-7 (which new distribution fuel lines which exclusively serve the Premises [and their appurtenances] are herein called the "**New Premises Fuel Lines**" and which new distribution fuel lines which do not serve the Premises [and their 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-7 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 terms and conditions:

(i) All Fuel Lines Work shall be performed at the sole cost and expense of the Lessee and, further, the Lessee 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 Lines for any reason whatsoever are not included in or not allowed to become a part of, the System Costs, that it 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, all portions of the Fuel Lines Work which under the **Airport Fueling Agreements** are to be performed by the System Contractor, such as but not limited to all testing and flushing of the System and the Fuel Lines Work, shall be performed by the System Contractor on behalf of the Lessee and at the Lessee's sole cost and expense. 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 and coordination.

(iv) 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 minimize to the greatest extent possible any disruption, interruption, delay or interference in the operation, performance, maintenance, repair or use of the System. 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 flush and test 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.

(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 shall be and become a Tank (as such term is defined in Section

65 hereof entitled "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**, the that portion of such **Premises Distribution Line** constituting a portion of the **New 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 effective as of such Redesignation Date and, without limiting the generality of any other term or provision of this Agreement, from and after the Redesignation Date for each such **New Airline Terminal Portion of the System** the Lessee shall take title to the same in its "as is" condition and shall relieve the Port Authority and Other Users from and shall assume all risks, costs, expenses, responsibilities and liabilities in connection with such **New 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 hereby agrees as the lessee hereunder, as the lessee under the General Airport Agreement and as a User and in addition to and without limiting its obligations under subparagraphs (x) and (xi) hereof, that it shall not object to 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, on account of or in connection with (x) 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 (y) the inclusion in the System Costs of any maintenance, repair, replacement, operational or other costs and expenses with respect to a **Permitted Modification.**

(x) 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 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)(x), 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 shall be of first-class quality and design and shall fully fit to perform the functions and purposes for which it was designed and as required by and set forth in the General Airport Agreement,

(cc) the New System shall be equal to or better than the System as it existed prior to the commencement of the Fuel Lines Work in all respects, including without limitation, in capacity, integrity, functional capability, efficiency and operation,

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

(ee) the New System shall at all times throughout its 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, and

(ff) the cathodic protection system to be installed by the Lessee as part of the Airline Terminal Portion Work shall be fully compatible with the cathodic protection system for the Distribution Portion of the System existing prior to or subsequent to the commencement of the Fuel Lines Work (any of the foregoing described in (aa), (bb), (cc), (dd), (ee), and (ff) being herein called a "Warranty").

Upon the Lessee's receipt of notice from the Port Authority or any Governmental Authority that a Warranty has been breached or not complied with (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, repair, modify or replace at the Lessee's sole cost and expense 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 and all necessary and required work to accomplish the foregoing. 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 or the **New System** whether pursuant to the **Airport Fueling Agreements**, this Agreement, at law or equity, or otherwise.

(xi) 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 the Port Authority and the Other Users from and assumes all the **Fuel Line Risks**.

(xii) (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**, the Abandoned Fuel Lines, the Inert Fuel Lines, the **Fuel Line Risks**, 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.

(xiii) The terms and conditions set forth in subparagraphs (ix), (x), (xi) and (xii) of this paragraph (q) shall inure to the benefit of the Other Users, except, however, that the Port Authority may at any time in its sole discretion and without liability on its part cancel the benefit conferred on any of them by this subparagraph (xiii), whether or not the occasion for invoking such benefit has already arisen at the time of such cancellation.

(xiv) 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 (i) 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, (ii) 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 (iii) 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 the System Operator] 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 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.

THE PORT AUTHORITY OF NY & NJ

WILLIAM R. DECOTA
DIRECTOR
AVIATION DEPARTMENT

ONE WORLD TRADE CENTER
NEW YORK, NY 10048

(212) 435-2116
(973) 961-6600 X2116

April 7, 2000

American Airlines, Inc.
MD 5317
4333 Amon Carter Blvd.
Fort Worth, Texas 76155

Re: JOHN F. KENNEDY INTERNATIONAL AIRPORT - AGREEMENT NO. AYB-085 - SUPPLEMENT NO. 5 TO LETTER AGREEMENT - CONSTRUCTION APPLICATION NO. Y-7251

Mesdames and Messrs:

The Port Authority of New York and New Jersey (hereinafter called the "Port Authority") and American Airlines, Inc. (hereinafter called "American") have heretofore entered into an agreement of lease identified by Port Authority Lease No. AYB-085 made as of the first day of August, 1976 (which agreement of lease, as the same has been and may hereinafter be supplemented, amended and extended, is hereinafter called the "Lease") covering unit terminal premises as more particularly set forth in the Lease (which premises are hereinafter called the "Premises") at John F. Kennedy International Airport. Additionally, the Port Authority and American have previously entered into a letter agreement dated September 24, 1998 (which letter agreement as previously supplemented and amended is hereinafter called the "Letter Agreement") covering construction application nos. Y-7100.01, Y-7100.02, Y-7100.03, Y-7100.04, Y-7100.05, Y-7252 and Y-7254.

American has previously filed with the Port Authority for approval construction application No. Y-7251 covering work American desires to perform in connection with the construction of a temporary outbound bag room in the Premises as part of the phasing for the Redevelopment Work (as defined in the Letter Agreement), said application as submitted by American and so revised but not approved by the Port Authority is hereinafter called "Construction Application No. Y-7251".

American has requested that it be allowed to perform the work under Construction Application No. Y-7251 at its sole cost and expense to expedite the performance of the Redevelopment Work if, as and when the Proposed Agreement (as defined in the Letter Agreement) is entered into and the Proposed Redevelopment Plan (as defined in the Letter

Agreement) and the Redevelopment Work are approved by the Port Authority, even though the Proposed Agreement has not been prepared or duly executed by the parties and even though all the essential terms of the Proposed Agreement have not been negotiated and agreed to, and that the Letter Agreement be supplemented to include the work to be performed under Construction Application No. 7251, if, when and as approved by the Port Authority, as part of the "Preparation Work" under the Letter Agreement. Accordingly, the Port Authority and American hereby agree as follows:

1. Effective as of April 7, 2000, paragraph 3 of the Letter Agreement, as previously amended, shall be amended to read as follows:

"3. The work American desires to perform shall be as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.01 covering the performance of certain test boring work as set forth in said application to be performed in connection with foundation design of American's proposed Redevelopment Work, and as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.02 covering certain utility and other related work as set forth in said application, and as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.03 covering certain other utility and other related work as set forth in said application, and as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.04 covering the installation of a groundwater extraction and treatment system at Gate 23 as set forth in said application, and as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.05 covering the installation of a multi-phase extraction and treatment system at Concourse D of Terminal 9 as set forth in said application, and as set forth in plans and specifications which are or shall become part of construction application no. Y-7254 covering the relocation of jetbridges from Concourse C to Concourse D at Terminal 9 as set forth in said application, and as set forth in plans and specifications which are or shall become part of construction application no. Y-7251 covering the construction of a temporary outbound bag room as set forth in said application, and as set forth in plans and specifications which are or shall become part of construction application no. Y-7252 covering the construction of a temporary hold room as set forth in said application (which construction applications as submitted by American but not approved by the Port Authority are hereinafter individually called a "Pending Construction Application" and collectively called the "Pending Construction Applications"). The Pending Construction Applications shall contain such terms and conditions as the Port Authority may include and shall set forth in detail and by complete plans and specifications the work American desires to perform and the manner and time periods for performing the same (the foregoing construction applications as approved by the Port Authority are hereinafter individually called a "Construction Application" and

collectively called the "Construction Applications" and all of the work as set forth in said Construction Applications and as approved by the Port Authority is herein called the "Preparation Work"). If American wishes to proceed with the proposed preparation work, American shall redo and resubmit the Pending Construction Applications until approved by the Port Authority. American shall not commence performance of the work covered by construction application no. Y-7100.01 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7100.02 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7100.03 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7100.04 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7100.05 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7254 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7251 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7252 until said construction application is approved by the Port Authority, it being understood and agreed that the Port Authority may in its sole discretion disapprove all or any portion of the work American proposes to do for any reason whatsoever. All locations where the Preparation Work is to be performed shall be as specified in the Construction Applications and except where expressly stated to the contrary herein where constructed or installed at the Premises the Preparation Work shall become a part of the Premises under the Lease. Notwithstanding the performance of the Preparation Work nor any approval of the Construction Applications and notwithstanding any reference therein to American or to various proposed property lines or to space to be occupied by American it is hereby understood and agreed that the areas upon which American shall perform the Preparation Work shall be as set forth in the Construction Applications and said approvals, references and areas shall not be nor be deemed to be a part of or imply any lease, permit or other agreement covering the leasing, use or occupancy of said areas by American except as set forth in the Lease."

2. American understands that neither Construction Application No. Y-7251 nor the proposed work thereunder has been approved by the Port Authority and nothing contained in this Supplement No. 5 nor the Letter Agreement shall be or be deemed to grant such approval or constitute any agreement that such approval will be granted.

3. Neither the Commissioners of the Port Authority nor any of them, nor any officer,

agent or employee thereof shall be charged personally by American with any liability or held liable to American under any term or provision of this Supplement No. 5 to the Letter Agreement or because of its execution or attempted execution or because of any breach thereof.

4. As hereby amended, all of the terms, provisions and agreements of the Letter Agreement shall be and remain in full force and effect.

5. This Supplement No. 5 to the Letter Agreement and the Letter Agreement which it amends constitute the entire agreement between the Port Authority and American 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 American. American agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in the Letter Agreement or this Supplement No. 5 to the Letter Agreement.

If the foregoing is acceptable to American, please indicate your acceptance of the same by signing the enclosed two copies of this Supplement No. 5 to the Letter Agreement by a duly authorized officer and returning them to the Port Authority's Business, Properties and Commercial Development Division, Building 14, Second Floor, John F. Kennedy International Airport, Jamaica, New York 11430. The return of a copy thereof to you executed by the Port Authority shall place the Letter Agreement in effect as of April 7, 2000.

Very truly yours,

William R. DeCota
Director of Aviation

ACCEPTED:

AMERICAN AIRLINES, INC.

By _____

(Title) ~~President~~

THE PORT AUTHORITY OF NY & NJ

MEMORANDUM COPY

This Agreement shall not be binding upon the Port Authority until duly executed by an executive officer thereof, and delivered by an authorized representative of the Port Authority.

WILLIAM R. DECOTA
DIRECTOR
AVIATION DEPARTMENT

ONE WORLD TRADE CENTER
NEW YORK, NY 10048

(212) 435-2116
(973) 961-6600 X2116

March 16, 2000

American Airlines, Inc.
MD 5317
4333 Amon Carter Blvd.
Fort Worth, Texas 76155

Re: JOHN F. KENNEDY INTERNATIONAL AIRPORT - AGREEMENT NO. AYB-085 - SUPPLEMENT NO. 4 TO LETTER AGREEMENT - CONSTRUCTION APPLICATION NO. Y-7252

Mesdames and Messrs:

The Port Authority of New York and New Jersey (hereinafter called the "Port Authority") and American Airlines, Inc. (hereinafter called "American") have heretofore entered into an agreement of lease identified by Port Authority Lease No. AYB-085 made as of the first day of August, 1976 (which agreement of lease, as the same has been and may hereinafter be supplemented, amended and extended, is hereinafter called the "Lease") covering unit terminal premises as more particularly set forth in the Lease (which premises are hereinafter called the "Premises") at John F. Kennedy International Airport. Additionally, the Port Authority and American have previously entered into a letter agreement dated September 24, 1998 (which letter agreement as previously supplemented and amended is hereinafter called the "Letter Agreement") covering construction application nos. Y-7100.01, Y-7100.02, Y-7100.03, Y-7100.04, Y-7100.05 and Y-7254.

American has previously filed with the Port Authority for approval construction application No. Y-7252 covering work American desires to perform in connection with the construction of a temporary hold room in the Premises as part of the phasing for the Redevelopment Work (as defined in the Letter Agreement), said application as submitted by American and so revised but not approved by the Port Authority is hereinafter called "Construction Application No. Y-7252".

American has requested that it be allowed to perform the work under Construction Application No. Y-7252 at its sole cost and expense to expedite the performance of the Redevelopment Work if, as and when the Proposed Agreement (as defined in the Letter Agreement) is entered into and the Proposed Redevelopment Plan (as defined in the Letter

THE PORT AUTHORITY OF NY & NJ

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NEW YORK, NEW YORK 10048

(212) 435-7000
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Agreement) and the Redevelopment Work are approved by the Port Authority, even though the Proposed Agreement has not been prepared or duly executed by the parties and even though all the essential terms of the Proposed Agreement have not been negotiated and agreed to, and that the Letter Agreement be supplemented to include the work to be performed under Construction Application No. 7252, if, when and as approved by the Port Authority, as part of the "Preparation Work" under the Letter Agreement. Accordingly, the Port Authority and American hereby agree as follows:

1. Effective as of March 16, 2000, paragraph 3 of the Letter Agreement, as previously amended, shall be amended to read as follows:

"3. The work American desires to perform shall be as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.01 covering the performance of certain test boring work as set forth in said application to be performed in connection with foundation design of American's proposed Redevelopment Work, and as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.02 covering certain utility and other related work as set forth in said application, and as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.03 covering certain other utility and other related work as set forth in said application, and as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.04 covering the installation of a groundwater extraction and treatment system at Gate 23 as set forth in said application, and as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.05 covering the installation of a multi-phase extraction and treatment system at Concourse D of Terminal 9 as set forth in said application and as set forth in plans and specifications which are or shall become part of construction application no. Y-7254 covering the relocation of jetbridges from Concourse C to Concourse D at Terminal 9 as set forth in said application and as set forth in plans and specifications which are or shall become part of construction application no. Y-7252 covering the construction of a temporary hold room as set forth in said application (which construction applications as submitted by American but not approved by the Port Authority are hereinafter individually called a "Pending Construction Application" and collectively called the "Pending Construction Applications"). The Pending Construction Applications shall contain such terms and conditions as the Port Authority may include and shall set forth in detail and by complete plans and specifications the work American desires to perform and the manner and time periods for performing the same (the foregoing construction applications as approved by the Port Authority are hereinafter individually called a "Construction Application" and collectively called the "Construction Applications" and all of the work as set forth in said Construction Applications and as approved by the Port Authority is herein called the "Preparation Work"). If American

wishes to proceed with the proposed preparation work, American shall redo and resubmit the Pending Construction Applications until approved by the Port Authority. American shall not commence performance of the work covered by construction application no. Y-7100.01 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7100.02 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7100.03 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7100.04 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7100.05 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7254 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7252 until said construction application is approved by the Port Authority, it being understood and agreed that the Port Authority may in its sole discretion disapprove all or any portion of the work American proposes to do for any reason whatsoever. All locations where the Preparation Work is to be performed shall be as specified in the Construction Applications and except where expressly stated to the contrary herein where constructed or installed at the Premises the Preparation Work shall become a part of the Premises under the Lease. Notwithstanding the performance of the Preparation Work nor any approval of the Construction Applications and notwithstanding any reference therein to American or to various proposed property lines or to space to be occupied by American it is hereby understood and agreed that the areas upon which American shall perform the Preparation Work shall be as set forth in the Construction Applications and said approvals, references and areas shall not be nor be deemed to be a part of or imply any lease, permit or other agreement covering the leasing, use or occupancy of said areas by American except as set forth in the Lease."

2. American understands that neither Construction Application No. Y-7252 nor the proposed work thereunder has been approved by the Port Authority and nothing contained in this Supplement No. 4 nor the Letter Agreement shall be or be deemed to grant such approval or constitute any agreement that such approval will be granted.

3. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof shall be charged personally by American with any liability or held liable to American under any term or provision of this Supplement No. 4 to the Letter Agreement or because of its execution or attempted execution or because of any breach thereof.

THE PORT AUTHORITY OF NY & NJ

ONE WORLD TRADE CENTER
NEW YORK, NEW YORK 10048

(212) 435-7000
(973) 961-6600

4. As hereby amended, all of the terms, provisions and agreements of the Letter Agreement shall be and remain in full force and effect.

5. This Supplement No. 4 to the Letter Agreement and the Letter Agreement which it amends constitute the entire agreement between the Port Authority and American 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 American. American agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in the Letter Agreement or this Supplement No. 4 to the Letter Agreement.

If the foregoing is acceptable to American, please indicate your acceptance of the same by signing the enclosed two copies of this Supplement No. 4 to the Letter Agreement by a duly authorized officer and returning them to the Port Authority's Business, Properties and Commercial Development Division, Building 14, Second Floor, John F. Kennedy International Airport, Jamaica, New York 11430. The return of a copy thereof to you executed by the Port Authority shall place the Letter Agreement in effect as of March 16, 2000.

Very truly yours,

William R. DeCota
Director of Aviation

ACCEPTED:

AMERICAN AIRLINES, INC.

By_____

(Title)_____President

THE PORT AUTHORITY OF NY & NJ

WILLIAM R. DECOTA
DIRECTOR
AVIATION DEPARTMENT

ONE WORLD TRADE CENTER
NEW YORK, NY 10048

(212) 435-2116
(973) 961-6600 X2116

MEMORANDUM COPY

This Agreement shall not be binding upon the Port Authority until duly executed by an executive officer thereof, and delivered by an authorized representative of the Port Authority.

February 14, 2000

American Airlines, Inc.
MD 5317
4333 Amon Carter Blvd.
Fort Worth, Texas 76155

Re: JOHN F. KENNEDY INTERNATIONAL AIRPORT - AGREEMENT NO. AYB-085 - SUPPLEMENT NO. 3 TO LETTER AGREEMENT - CONSTRUCTION APPLICATION NO. Y-7254

Mesdames and Messrs:

The Port Authority of New York and New Jersey (hereinafter called the "Port Authority") and American Airlines, Inc. (hereinafter called "American") have heretofore entered into an agreement of lease identified by Port Authority Lease No. AYB-085 made as of the first day of August, 1976 (which agreement of lease, as the same has been and may hereinafter be supplemented, amended and extended, is hereinafter called the "Lease") covering unit terminal premises as more particularly set forth in the Lease (which premises are hereinafter called the "Premises") at John F. Kennedy International Airport. Additionally, the Port Authority and American have previously entered into a letter agreement dated September 24, 1998 (which letter agreement as previously supplemented and amended is hereinafter called the "Letter Agreement") covering construction application nos. Y-7100.01, Y-7100.02, Y-7100.03, Y-7100.04 and Y-7100.05.

American has previously filed with the Port Authority for approval construction application No. Y-7254 covering work American desires to perform in connection with the relocation of existing jetbridges from Concourse C to Concourse D of the Premises as part of the phasing for the Redevelopment Work (as defined in the Letter Agreement), said application as submitted by American and so revised but not approved by the Port Authority is hereinafter called "Construction Application No. Y-7254".

American has requested that it be allowed to perform the work under Construction Application No. Y-7254 at its sole cost and expense to expedite the performance of the Redevelopment Work if, as and when the Proposed Agreement (as defined in the Letter Agreement) is entered into and the Proposed Redevelopment Plan (as defined in the Letter

Agreement) and the Redevelopment Work are approved by the Port Authority, even though the Proposed Agreement has not been prepared or duly executed by the parties and even though all the essential terms of the Proposed Agreement have not been negotiated and agreed to, and that the Letter Agreement be supplemented to include the work to be performed under Construction Application No. 7254, if, when and as approved by the Port Authority, as part of the "Preparation Work" under the Letter Agreement. Accordingly, the Port Authority and American hereby agree as follows:

1. Effective as of February 14, 2000, paragraph 3 of the Letter Agreement, as previously amended, shall be amended to read as follows:

"3. The work American desires to perform shall be as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.01 covering the performance of certain test boring work as set forth in said application to be performed in connection with foundation design of American's proposed Redevelopment Work, and as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.02 covering certain utility and other related work as set forth in said application, and as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.03 covering certain other utility and other related work as set forth in said application, and as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.04 covering the installation of a groundwater extraction and treatment system at Gate 23 as set forth in said application, and as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.05 covering the installation of a multi-phase extraction and treatment system at Concourse D of Terminal 9 as set forth in said application and as set forth in plans and specifications which are or shall become part of construction application no. Y-7254 covering the relocation of jetbridges from Concourse C to Concourse D at Terminal 9 as set forth in said application (which construction applications as submitted by American but not approved by the Port Authority are hereinafter individually called a "Pending Construction Application" and collectively called the "Pending Construction Applications"). The Pending Construction Applications shall contain such terms and conditions as the Port Authority may include and shall set forth in detail and by complete plans and specifications the work American desires to perform and the manner and time periods for performing the same (the foregoing construction applications as approved by the Port Authority are hereinafter individually called a "Construction Application" and collectively called the "Construction Applications" and all of the work as set forth in said Construction Applications and as approved by the Port Authority is herein called the "Preparation Work"). If American wishes to proceed with the proposed preparation work, American shall redo and resubmit the Pending Construction Applications until approved by the Port Authority. American

shall not commence performance of the work covered by construction application no. Y-7100.01 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7100.02 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7100.03 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7100.04 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7100.05 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7254 until said construction application is approved by the Port Authority, it being understood and agreed that the Port Authority may in its sole discretion disapprove all or any portion of the work American proposes to do for any reason whatsoever. All locations where the Preparation Work is to be performed shall be as specified in the Construction Applications and except where expressly stated to the contrary herein where constructed or installed at the Premises the Preparation Work shall become a part of the Premises under the Lease. Notwithstanding the performance of the Preparation Work nor any approval of the Construction Applications and notwithstanding any reference therein to American or to various proposed property lines or to space to be occupied by American it is hereby understood and agreed that the areas upon which American shall perform the Preparation Work shall be as set forth in the Construction Applications and said approvals, references and areas shall not be nor be deemed to be a part of or imply any lease, permit or other agreement covering the leasing, use or occupancy of said areas by American except as set forth in the Lease."

2. American understands that neither Construction Application No. Y-7254 nor the proposed work thereunder has been approved by the Port Authority and nothing contained in this Supplement No. 3 nor the Letter Agreement shall be or be deemed to grant such approval or constitute any agreement that such approval will be granted.

3. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof shall be charged personally by American with any liability or held liable to American under any term or provision of this Supplement No. 3 to the Letter Agreement or because of its execution or attempted execution or because of any breach thereof.

4. As hereby amended, all of the terms, provisions and agreements of the Letter Agreement shall be and remain in full force and effect.

5. This Supplement No. 3 to the Letter Agreement and the Letter Agreement which it

THE PORT AUTHORITY OF NY & NJ

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NEW YORK, NEW YORK 10048

(212) 435-7000
(973) 961-6600

amends constitute the entire agreement between the Port Authority and American 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 American. American agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in the Letter Agreement or this Supplement No. 3 to the Letter Agreement.

If the foregoing is acceptable to American, please indicate your acceptance of the same by signing the enclosed two copies of this Supplement No. 3 to the Letter Agreement by a duly authorized officer and returning them to the Port Authority's Business, Properties and Commercial Development Division, Building 14, Second Floor, John F. Kennedy International Airport, Jamaica, New York 11430. The return of a copy thereof to you executed by the Port Authority shall place the Letter Agreement in effect as of February 14, 2000.

Very truly yours,

William R. DeCota
Director of Aviation

ACCEPTED:

AMERICAN AIRLINES, INC.

By Original signed 2/24 KRL

(Title) ~~President~~
KENNETH R. LEMKE

THE PORT AUTHORITY OF NY & NJ

WILLIAM R. DECOTA
DIRECTOR
AVIATION DEPARTMENT

ONE WORLD TRADE CENTER
NEW YORK, NY 10048

(212) 435-2116
(973) 961-6600 X2116

January 14, 2000

American Airlines, Inc.
MD ~~4213~~ 5317
~~4333~~ ~~4255~~ Amon Carter Blvd.
Fort Worth, Texas 76155

Re: JOHN F. KENNEDY INTERNATIONAL AIRPORT - AGREEMENT NO. AYB-085 - SUPPLEMENT NO. 1 TO LETTER AGREEMENT - CONSTRUCTION APPLICATION NO. Y-7100.05

Mesdames and Messrs:

The Port Authority of New York and New Jersey (hereinafter called the "Port Authority") and American Airlines, Inc. (hereinafter called "American") have heretofore entered into an agreement of lease identified by Port Authority Lease No. AYB-085 made as of the first day of August, 1976 (which agreement of lease, as the same has been and may hereinafter be supplemented, amended and extended, is hereinafter called the "Lease") covering unit terminal premises as more particularly set forth in the Lease (which premises are hereinafter called the "Premises") at John F. Kennedy International Airport. Additionally, the Port Authority and American have previously entered into a letter agreement dated September 24, 1998 (which letter agreement is hereinafter called the "Letter Agreement") covering construction application nos. Y-7100.01, Y-7100.02 and Y-7100.04.

American has filed with the Port Authority for approval by the Port Authority construction application No. Y-7100. 05 covering the installation of a multi-phase extraction and treatment system at Concourse D of Terminal 9 and as set forth in said application and in plans and specifications which are or shall become a part of said construction application No. Y-7100.05 (which construction application as submitted by American but not approved by the Port Authority is hereinafter called "Construction Application No. Y-7100.05").

American has requested that it be allowed to perform the work under Construction Application No. Y-7100.05 at its sole cost and expense to expedite the performance of the Redevelopment Work (as defined in the Letter Agreement) if, as and when the Proposed Agreement (as defined in the Letter Agreement) is entered into and the Proposed Redevelopment

Plan (as defined in the Letter Agreement) and the Redevelopment Work are approved by the Port Authority even though the Proposed Agreement has not been prepared or duly executed by the parties and even though all the essential terms of the Proposed Agreement have not been negotiated and agreed to and that the Letter Agreement be supplemented to include the work to be performed under Construction Application No. 7100.05 if, when and as approved by the Port Authority as part of the "Preparation Work" under the Letter Agreement. Accordingly, the Port Authority and American hereby agree as follows:

1. Effective as of January 14, 2000, paragraph 3 of the Letter Agreement shall be amended as follows:

(a) The phrase, ", and as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.05 covering the installation of a multi-phase extraction and treatment system at Concourse D of Terminal 9" shall be deemed to have been inserted in the ninth (9th) line thereof immediately after the word "application" and before the parenthetical appearing therein.

(b) The phrase, "and shall not commence performance of the work covered by construction application no. Y-7100.05 until said construction application is approved by the Port Authority" shall be deemed to have been inserted in the twenty-fifth (25th) line thereof immediately after the word "Authority" and before the comma appearing therein.

2. American understands that neither Construction Application No. Y-7100.05 nor the proposed work thereunder has been approved by the Port Authority and nothing contained in this Supplement No. 1 nor the Letter Agreement shall be or be deemed to grant such approval or constitute any agreement that such approval will be granted.

3. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof shall be charged personally by American with any liability or held liable to American under any term or provision of this Supplement No. 1 to the Letter Agreement or because of its execution or attempted execution or because of any breach thereof.

4. As hereby amended, all of the terms, provisions and agreements of the Letter Agreement shall be and remain in full force and effect.

5. This Supplement No. 1 to the Letter Agreement and the Letter Agreement which it amends constitute the entire agreement between the Port Authority and American 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 American. American agrees

that no representations or warranties shall be binding upon the Port Authority unless expressed in the Letter Agreement or this Supplement No. 1 to the Letter Agreement.

If the foregoing is acceptable to American, please indicate your acceptance of the same by signing the enclosed two copies of this Supplement No. 1 to the Letter Agreement by a duly authorized officer and returning them to the Port Authority's Business, Properties and Commercial Development Division, Building 14, Second Floor, John F. Kennedy International Airport, Jamaica, New York 11430. The return of a copy thereof to you executed by the Port Authority shall place the Letter Agreement in effect as of January 14, 2000.

Very truly yours,

William R. DeCota
Director of Aviation

ACCEPTED:

AMERICAN AIRLINES, INC.

By _____
GARY F KENNEDY

(Title) VICE President
CORP. REAL ESTATE

APPROVED:
FORM | TERMS

THE PORT AUTHORITY OF NY & NJ

MEMORANDUM COPY

This Agreement shall not be binding upon the Port Authority until duly executed by an executive officer thereof, and delivered by an authorized representative of the Port Authority.

WILLIAM R. DECOTA
DIRECTOR
AVIATION DEPARTMENT

ONE WORLD TRADE CENTER
NEW YORK, NY 10048

(212) 435-2116
(973) 961-6600 X2116

January 4, 2000

American Airlines, Inc.
MD 4213
4255 Amon Carter Blvd.
Fort Worth, Texas 76155

Re: JOHN F. KENNEDY INTERNATIONAL AIRPORT - AGREEMENT NO. AYB-085 - SUPPLEMENT NO. 2 TO LETTER AGREEMENT - REVISED CONSTRUCTION APPLICATION NO. Y-7100.03

Mesdames and Messrs:

The Port Authority of New York and New Jersey (hereinafter called the "Port Authority") and American Airlines, Inc. (hereinafter called "American") have heretofore entered into an agreement of lease identified by Port Authority Lease No. AYB-085 made as of the first day of August, 1976 (which agreement of lease, as the same has been and may hereinafter be supplemented, amended and extended, is hereinafter called the "Lease") covering unit terminal premises as more particularly set forth in the Lease (which premises are hereinafter called the "Premises") at John F. Kennedy International Airport. Additionally, the Port Authority and American have previously entered into a letter agreement dated September 24, 1998 (which letter agreement as previously supplemented and amended is hereinafter called the "Letter Agreement") covering construction application nos. Y-7100.01, Y-7100.02, Y-7100.04 and Y-7100.05.

American has previously filed with the Port Authority for approval construction application No. Y-7100.03 covering certain utility and other related work, which application contained, among other work, fuel line work and signage work. Said application was subsequently revised to exclude the fuel line work and signage work (said application as submitted by American and so revised but not approved by the Port Authority is hereinafter called "Construction Application No. Y-7100.03").

American has requested that it be allowed to perform the work under Construction Application No. Y-7100.03 at its sole cost and expense to expedite the performance of the Redevelopment Work (as defined in the Letter Agreement) if, as and when the Proposed Agreement (as defined in the Letter Agreement) is entered into and the Proposed Redevelopment

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Plan (as defined in the Letter Agreement) and the Redevelopment Work are approved by the Port Authority, even though American has estimated the cost of the proposed work to be performed under Construction Application No. 7100.03 at $19,000,000.00 and even though the Proposed Agreement has not been prepared or duly executed by the parties and even though all the essential terms of the Proposed Agreement have not been negotiated and agreed to, and that the Letter Agreement be supplemented to include the work to be performed under Construction Application No. 7100.03 if, when and as approved by the Port Authority as part of the "Preparation Work" under the Letter Agreement. Accordingly, the Port Authority and American hereby agree as follows:

1. Effective as of January 4, 2000, paragraph 3 of the Letter Agreement shall be amended to read as follows:

"3. The work American desires to perform shall be as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.01 covering the performance of certain test boring work as set forth in said application to be performed in connection with foundation design of American's proposed Redevelopment Work, and as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.02 covering certain utility and other related work as set forth in said application, and as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.03 covering certain other utility and other related work as set forth in said application, and as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.04 covering the installation of a groundwater extraction and treatment system at Gate 23 as set forth in said application, and as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.05 covering the installation of a multi-phase extraction and treatment system at Concourse D of Terminal 9 as set forth in said application (which construction applications as submitted by American but not approved by the Port Authority are hereinafter individually called a "Pending Construction Application" and collectively called the "Pending Construction Applications"). The Pending Construction Applications shall contain such terms and conditions as the Port Authority may include and shall set forth in detail and by complete plans and specifications the work American desires to perform and the manner and time periods for performing the same (the foregoing construction applications as approved by the Port Authority are hereinafter individually called a "Construction Application" and collectively called the "Construction Applications" and all of the work as set forth in said Construction Applications and as approved by the Port Authority is herein called the "Preparation Work"). If American wishes to proceed with the proposed preparation work, American shall redo and resubmit the Pending Construction Applications until approved by the Port Authority. American shall not commence performance of the work

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NEW YORK, NEW YORK 10048

(212) 435-7000
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4. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof shall be charged personally by American with any liability or held liable to American under any term or provision of this Supplement No. 2 to the Letter Agreement or because of its execution or attempted execution or because of any breach thereof.

5. As hereby amended, all of the terms, provisions and agreements of the Letter Agreement shall be and remain in full force and effect.

6. This Supplement No. 2 to the Letter Agreement and the Letter Agreement which it amends constitute the entire agreement between the Port Authority and American 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 American. American agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in the Letter Agreement or this Supplement No. 2 to the Letter Agreement.

If the foregoing is acceptable to American, please indicate your acceptance of the same by signing the enclosed two copies of this Supplement No. 2 to the Letter Agreement by a duly authorized officer and returning them to the Port Authority's Business, Properties and Commercial Development Division, Building 14, Second Floor, John F. Kennedy International Airport, Jamaica, New York 11430. The return of a copy thereof to you executed by the Port Authority shall place the Letter Agreement in effect as of January 4, 2000.

Very truly yours,

William R. DeCota
Director of Aviation

ACCEPTED:

AMERICAN AIRLINES, INC.

By _____

(Title) KENNETH R. LEMKE ~~President~~
SR REAL ESTATE COUNSEL

THE PORT AUTHORITY OF NY & NJ

ONE WORLD TRADE CENTER
NEW YORK, NY 10048

(212) 435-7000
(973) 961-6600

File
JFK
0748

VIA FEDERAL EXPRESS -

December 3, 1999

Mr. Kenneth R. Lemke,
Sr. Counsel
Corporate Real Estate
American Airlines
4333 Amon Carter Blvd.
MD 5317
Ft. Worth, TX 76155

Re: JFK – Preparation Work – Construction Applications Nos. Y-7100.01, Y-7100.02 and Y-7100.04

Dear Ken:

Attached is a fully executed copy of the referenced agreement for your file.

Congratulations, and let the digging begin!

Sincerely,

Erica Stempler
Manager, Central Business Division
Aviation Department

Att.

THE PORT AUTHORITY OF NY & NJ

ROBERT J. KELLY
DIRECTOR
AVIATION DEPARTMENT

ONE WORLD TRADE CENTER
NEW YORK, NY 10048

(212) 435-7000
(973) 961-6600 x7000

September 24, 1998

American Airlines, Inc.
MD 4213
4255 Amon Carter Blvd.
Fort Worth, Texas 76155

Re: John F. Kennedy International Airport - Preparation Work - Construction Applications Nos. Y-7100.01, Y-7100.02 and Y-7100.04

Mesdames and Messrs:

The Port Authority of New York and New Jersey (hereinafter called the "Port Authority") and American Airlines, Inc. (hereinafter called "American") have heretofore entered into an agreement of lease identified by Port Authority Lease No. AYB-085 made as of the first day of August, 1976 (which agreement of lease, as the same has heretofore been supplemented, amended and extended, is hereinafter called "Lease No. AYB-085" and Lease No. AYB-085 as the same may hereafter be supplemented and amended is hereinafter called the "Lease") covering unit terminal premises as more particularly set forth in the Lease (hereinafter called the "Premises") at John F. Kennedy International Airport (hereinafter called the "Airport").

As you know, American and the Port Authority have been conducting negotiations with respect to an agreement covering American's plan to redevelop the Premises, including without limitation the demolition of Buildings Nos. 56 and 57 (which redevelopment plan, as the same may be changed from time to time, is hereinafter called the "Proposed Redevelopment Plan" and the construction and demolition work to be performed to implement such plan is hereinafter called the "Redevelopment Work"), the extension of the term of the letting under Lease No. AYB-085 and certain other matters in connection with American's use, occupancy and redevelopment of the Premises (which proposed redevelopment of the Premises together with such other matters are hereinafter called the "Proposed Arrangement"). The said negotiations concerning the Proposed Arrangement have not been completed nor has the agreement covering the Proposed Arrangement been prepared or duly executed by the parties (which proposed agreement, if any is hereinafter called the "Proposed Agreement").

AAJFK 073805

American has requested that it be allowed to perform at its sole cost and expense certain Preparation Work, as hereafter defined, to expedite the performance of the Redevelopment Work if, as and when the Proposed Agreement is entered into and the Proposed Redevelopment Plan and the Redevelopment Work is approved by the Port Authority even though the Proposed Agreement has not been prepared or duly executed by the parties and even though all the essential terms of the Proposed Agreement have not been negotiated and agreed to.

Notwithstanding the fact that American has estimated the cost of the proposed work to be in excess of $25,000.000.00 nor the fact that the staffs of American and the Port Authority have not reached agreement on all the essential aspects of the Proposed Arrangement or on all the terms and provisions of the Proposed Agreement, nor the fact that the Proposed Agreement nor any other agreement covering the Proposed Arrangement or American's Proposed Redevelopment Plan has not been prepared nor duly executed by the parties, nor the fact that the Port Authority has not approved the Proposed Redevelopment Plan or the Redevelopment Work, American believes that it is in its best interest to commence performance of the Preparation Work at this time in that it will be beneficial to American to expedite the completion of its proposed redevelopment of the Premises if, as and when the aforesaid Proposed Agreement, if any, is duly executed by the parties and delivered by the Port Authority to American and the Proposed Redevelopment Plan and the Redevelopment Work are approved by the Port Authority. Notwithstanding the further fact that the Port Authority is reluctant to grant permission to American to do any work with respect to American's proposed redevelopment of the Premises unless and until the Proposed Agreement is duly executed by the parties and delivered to American, American has requested permission from the Port Authority to commence performance of portions of the Redevelopment Work and by acceptance of this Letter Agreement specifically reiterates such request. American is therefore willing to accept and assume all the risks, costs, expenses and obligations set forth herein and accordingly, at American's specific request, the Port Authority hereby sets forth below for American's acceptance the basis and terms upon which the Port Authority is willing to grant to American permission to perform the Preparation Work.

Further, in connection with the Proposed Arrangement, Ms. Erica Stempler, Manager, Central Business Division of the Port Authority heretofore transmitted a letter dated October 27, 1998 to Mr. Ken Lemke of American, which letter was concurred to by Mr. Lemke (which letter as concurred to by Mr. Lemke is hereinafter called the "Status Letter"). American and the Port Authority desire to set forth and clarify herein their intent and other matters with respect to the Status Letter.

American and the Port Authority hereby agree as follows:

1. Unless defined herein, all capitalized terms used in this Letter Agreement shall have the meaning given to them in the Lease.

2. American and the Port Authority hereby each acknowledge and agree that the Status Letter was intended by American and the Port Authority to help provide a framework for the preparation of the Proposed Arrangement and it is and was the intention of the parties that the Status Letter is not and shall not be binding in anyway whatsoever on either the Port Authority or American, that the Status Letter created no obligation, legal, equitable or otherwise to negotiate or enter into the Proposed Agreement and that the Status Letter is not an agreement or approval of any kind whatsoever.

3. The work American desires to perform shall be as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.01 covering the performance of certain test boring work as set forth in said application to be performed in connection with foundation design of American's proposed Redevelopment Work, and as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.02 covering certain utility and other related work as set forth in said application and as set forth in plans and specifications which are or shall become part of construction application no. Y-7100.04 covering the installation of a groundwater extraction and treatment system at Gate 23 as set forth in said application (which construction applications as submitted by American but not approved by the Port Authority are hereinafter individually called a "Pending Construction Application" and collectively called the "Pending Construction Applications"). The Pending Construction Applications shall contain such terms and conditions as the Port Authority may include and shall set forth in detail and by complete plans and specifications the work American desires to perform and the manner and time periods for performing the same (the foregoing construction applications as approved by the Port Authority are hereinafter individually called a "Construction Application" and collectively called the "Construction Applications" and all of the work as set forth in said Construction Applications and as approved by the Port Authority is herein called the "Preparation Work"). If American wishes to proceed with the proposed preparation work, American shall redo and resubmit the Pending Construction Applications until approved by the Port Authority. American shall not commence performance of the work covered by construction application no. Y-7100.01 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7100.02 until said construction application is approved by the Port Authority and shall not commence performance of the work covered by construction application no. Y-7100.04 until said construction application is approved by the Port Authority, it being understood and agreed that the Port Authority may in its sole discretion disapprove all or any portion of the work American proposes to do for any reason whatsoever. All locations where the Preparation Work is to be performed shall be as specified in the Construction Applications and except where expressly stated to the contrary herein where constructed or installed at the Premises the Preparation Work shall become a part of the Premises under the Lease. Notwithstanding the performance of the Preparation Work nor any approval of the Construction Applications and notwithstanding any reference therein to American or to various proposed property lines or to space to be occupied by American it is hereby understood and agreed that the areas upon which

American shall perform the Preparation Work shall be as set forth in the Construction Applications and said approvals, references and areas shall not be nor be deemed to be a part of or imply any lease, permit or other agreement covering the leasing, use or occupancy of said areas by American except as set forth in the Lease.

4. The Preparation Work shall be done in accordance with the following terms and conditions:

(a) (1) American hereby assumes the risk of loss or damage to all of the Preparation 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 Preparation Work. In the event of such loss or damage, American shall forthwith repair, replace, remediate, clean-up and make good the Preparation Work and the property of the Port Authority without cost or expense to the Port Authority. American 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 and any Governmental Authority) arising or alleged to arise out of the performance of the Preparation Work and for all costs and 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, whether they arise from the acts or omissions of American, of any contractors of American, 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), all the foregoing to include without limitation all claims and demands arising out of or in connection with any Hazardous Substance but 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 Preparation Work, provided, however, that American shall not be required to indemnify the Port Authority pursuant to this subparagraph (a) 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.

(2) If so directed, American 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.

(b) Prior to engaging or retaining an architect or architects for the Preparation 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 Preparation 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 such Preparation Work and as set forth in paragraph 3 above.

(c) (1) Prior to entering into a contract for any part of the Preparation Work, American shall submit to the Port Authority for its approval the names of the contractors to whom American proposes to award said contracts. The Port Authority shall have the right to disapprove any contractor who may be unacceptable to it. American 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 American's construction contracts shall provide as follows: "If (i) the Contractor fails to perform any of its obligations under the Contract, including its obligation to American to pay any claims lawfully made against it 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 American or (iii) any subcontractor under the Contract fails to pay any claims lawfully made against it by any materialman, subcontractor, workman or other third persons which arise out of or in connection with the Contract or if in American's opinion any of the aforesaid contingencies is likely to arise, then American 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 American 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 American 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 American 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 American does not intend to exercise its right with respect to such contingency. Neither the above provisions for rights of American to withhold and apply monies nor any exercise, or attempted exercise of, or omission to exercise such rights by American shall create any obligation of any kind to such materialmen, subcontractors, workmen or other third persons. Until actual payment is made to the Contractor, its 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 American under this provision."

(2) American shall file with the Port Authority a copy of its contracts with its contractors prior to the start of the Preparation Work.

(d) American shall furnish or require its architect to furnish a full time resident engineer during the construction period. American 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. American shall submit all certifications and logs to the Port Authority's Resident Engineer.

(e) American 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 American 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 American or for any other matter in connection therewith and American 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 Preparation Work pursuant to the contracts between American and its contractors. Any warranties contained in any construction contract entered into by American for the performance of the Preparation Work hereunder shall be for the benefit of the Port Authority as well as American, and the contract shall so provide.

(f) The Port Authority shall have the right, through its duly designated representatives, to inspect the Preparation 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 Preparation Work.

(g) American agrees that it shall deliver to the Port Authority an electronic CADD data file on a CD Rom in a format to be designated by the Port Authority and which shall conform to the specifications of the Port Authority (the receipt of a copy of said specifications prior to the execution of this Letter Agreement being hereby acknowledged by American), and all engineering reports, engineering analysis, boring logs, survey information and engineering design calculations and operation and

maintenance manuals in a comprehensive, coordinated package. American 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.)

(h) American 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 Preparation 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.

(i) (1) Without limiting the generality of any other term or condition of this Letter Agreement, title to any soil, dirt, sand or other material on the Premises or the Airport excavated by American during the course of the Preparation Work (all the foregoing being hereinafter called the "Excavated Material") and not used at the Premises shall vest in American upon the excavation thereof and all such Excavated Material shall be delivered and deposited by American at American's sole cost and expense to any location off the Airport in accordance with the terms and conditions of this Letter Agreement, including without limitation this paragraph 4 (i) and all Environmental Requirements. The entire proceeds, if any, of the sale or other disposition of the Excavated Material shall belong to American.

(2) In addition, in its performance of the Preparation Work American 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 Environmental Requirements (including, if required, disposal of asbestos in a long-term disposal facility at American's sole cost and expense) and all in a manner satisfactory to the Port Authority, provided, however, the foregoing shall not require American 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 A" (hereinafter called "Exhibit A") 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 American to remove from the ground water in, on and under the Site those chemicals set forth with respect to ground water in Exhibit A 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 American 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 and all the requirements of the DEC pursuant to the ACO.

(3) Promptly upon any final disposition of any Hazardous Substance from the Premises or the Airport in the performance of the Preparation Work, American 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.

(j) American 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 Preparation 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 American 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 American within the meaning of this subparagraph (j) unless and until the same shall have been finally adjudicated. American 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 Premises or any other area of the Airport nor to create any rights in said third persons against the Port Authority.

(k) (l) American 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 completion of the Preparation Work, 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 American pursuant to subparagraphs (a) and (e) of this paragraph 4 and the obligations required of American's contractors pursuant to said subparagraph (a) hereof, and Commercial Automobile Liability Insurance covering

owned, non-owned and hired vehicles in not less than the minimum limit set forth below, and a policy of Pollution Liability Insurance, on an occurrence basis, for the Preparation Work, including without limitation, asbestos abatement, lead abatement, site specific to the Preparation Work, third party claims for both on-site and off-site bodily injury (including death) and property damage, on-site and off-site clean-up of new conditions arising after the Effective Date, gradual and sudden occurrences, defense costs and completed operations for a minimum of three years after the completion of the Preparation Work and with a contractual liability endorsement covering the obligations assumed by American pursuant to paragraphs 17 and 22 hereof and the obligations assumed by American and its contractors pursuant to paragraph 4 (a) hereof with respect to Hazardous Substances, and such other insurance as the Port Authority may require in connection with the performance of the Preparation Work. American may provide such insurance by requiring each contractor engaged by it for the Preparation Work to procure and maintain such insurance including such contractual liability endorsement, said insurance, whether procured by American 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 American 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, American shall provide and maintain or shall require each contractor engaged by it for the Preparation Work to provide and maintain property and equipment 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. Each of the said policy or policies of insurance shall also provide or contain an endorsement providing that the protections afforded American thereunder with respect to any claim or action against American by a third person shall pertain and apply with like effect with respect to any claim or action against American 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 American shall be the same as the protections afforded American thereunder with respect to any claim or action against American 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
Pollution Liability Combined single limit per occurrence for death, bodily injury and property damage liability for both gradual and sudden occurrences:	$4,000,000.00

(2) Without limiting the provisions hereof, in the event American 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.

(3) American 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.

(4) The insurance required hereunder in this subparagraph (k) shall be maintained in effect during the performance of the Preparation 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 Preparation 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 (k) 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, American 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.

(l) American shall procure and maintain Builder's Risk (All Risk) Completed Value Insurance covering the Preparation Work during the performance thereof including material delivered to the Premises or the construction site but not attached to the realty. Such insurance shall contain an endorsement waiving any rights of subrogation of the insurer against the Port Authority, shall be in compliance with and subject to the applicable provisions of Section 11 of the Lease and shall name the Port Authority, the City of New York and American and its contractors and subcontractors as additional insureds and such policy shall provide that the loss shall be adjusted with and payable to American. Such proceeds shall be used by American for the repair, replacement or rebuilding of the Preparation Work and any excess shall be paid over to the Port Authority. The policies or certificates representing insurance covered by this subparagraph (l) shall be delivered by American to the Port Authority at least fifteen (15) days prior to the commencement of construction of the Preparation 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. The insurance covered by this subparagraph (l) 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, American 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.

(m) American 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 American pursuant to this Letter Agreement. American 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 American 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 Letter Agreement 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 date of this Letter Agreement.

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

(o) The Preparation Work shall be performed strictly in accordance with and subject to all the terms, conditions and provisions of the Lease, this Letter Agreement and the approved Construction Applications. In the event any of the terms, conditions and provisions of any Construction Application are contrary to or conflict or are inconsistent with any of the terms, conditions and provisions of this Letter Agreement, the terms, conditions and provisions of this Letter Agreement shall be controlling, effective and determinative and in the event any of the terms, conditions and provisions of the Lease are contrary to or conflict or are inconsistent with any of the terms, conditions and provisions of this Letter Agreement, the terms, conditions and provisions of this Letter Agreement shall be controlling, effective and determinative. American, if it elects to perform the Preparation Work under this Letter Agreement, shall perform the Preparation Work at American's sole cost and expense. American shall remove, re-do, replace or reconstruct at its own cost and expense any and all portions of the Preparation Work not done in accordance with the Construction Application covering such portion of the Preparation Work, the provisions of this Letter Agreement, including without limitation subparagraph (q) hereof, the Lease and any further requirements of the

Port Authority. American agrees that the Preparation Work, including workmanship and materials, shall be of first-class quality. Notwithstanding the generality of any other term or provision hereof, American understands and agrees that it shall cease the Preparation Work or any portion thereof at any time and from time to time immediately upon notice from the General Manager of the Airport in accordance with and pursuant to paragraph 4 (q) hereof.

(p) (1) Without limiting any of the terms and conditions of the Lease, American understands and agrees that it shall put into effect prior to the commencement of any of the Preparation 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 Preparation Work . The provisions of said Schedule E shall be applicable to American's contractor or contractors and subcontractors at any tier of construction as well as to American itself and American 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. American 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 American and its contractor, contractors, and subcontractors at any tier of construction, and American 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.

(2) In addition to and without limiting any terms and provisions of this Letter Agreement, American shall provide in its contracts and all subcontracts covering the Preparation 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 American, 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 American 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 (aa) through (cc) of this paragraph 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.

(q) (1) American shall not commence the Preparation Work to be performed under each Construction Application unless and until it has met with the General Manager of the Airport or his designated representative and has given him at least 72 hours advance notice of its intention to perform such Preparation Work. Scheduling of the Preparation Work shall be coordinated with the General Manager of the Airport or his duly authorized representative.

(2) The performance by American of the Preparation Work will be at its sole risk and if for any reason the Proposed Redevelopment Plan or the plans and specifications for any Pending Construction Application or for the Redevelopment Work are not approved by the Port Authority or if the approval thereof calls for modifications or changes in the Preparation Work undertaken by American, American will, at its sole cost and expense, make such modifications and changes in any such Preparation Work as may be required by the Port Authority. No work performed under any Construction Application shall affect or limit the obligations of American under all prior Construction Applications.

(3) Without limiting any other term or provision of this Letter Agreement including without limitation subparagraph (o) above, in the event that American shall at any time during the construction of any portion of the Preparation Work fail, in the opinion of the General Manager of the Airport, to comply with all of the provisions of the Lease, this Letter Agreement or the approved Construction Application covering said portion of the Preparation Work or be, in the opinion of the said General Manager, in breach of any of the provisions of the Lease, this Letter Agreement or the approved Construction Application covering such portion of the Preparation Work, the Port Authority shall have the right, acting through said General Manager, to cause American to cease all or such part of the Preparation Work as is being performed in violation of the Lease, this Letter Agreement or the approved Construction Application. Upon such written direction from the General Manager of the Airport, American shall promptly cease construction of the portion of the Preparation Work specified. American shall thereupon submit to the Port Authority for its written approval American's proposal for making modifications, corrections or changes in or to the Preparation Work that has been or is to be performed so that the same will comply with the provisions of the Lease, this Letter Agreement and the approved Construction Application. American shall not commence construction of the portion of the Preparation Work that has been halted until such written approval has been received.

(4) It is hereby expressly understood and agreed that neither the Resident Engineer nor the field engineer mentioned in subparagraph (t) below have any authority to approve any plans and specifications of American with respect to the Preparation Work or the Redevelopment Work, to approve the construction by American of any portion of the Preparation Work or the Redevelopment Work or to agree to any variation by American from compliance with the terms of the Lease, this Letter Agreement and the approved Construction Application. Notwithstanding the foregoing, should the Resident Engineer or said field engineer give any directions or approvals with respect to American's performance of any portion of the Preparation Work which are contrary to the provisions of the Lease, this Letter Agreement or the approved Construction Application covering said portion of the Redevelopment Work, said directions or approvals shall not affect the obligations of American as set forth herein nor release or relieve American from strict compliance therewith.

(5) 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 Preparation Work by American and the rights granted to the Port Authority under this Letter Agreement 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 American to cease its construction of all or any part of the Preparation Work shall not be or be deemed to be an agreement or acknowledgment on the part of the Port Authority that American has in fact performed

such portion of the Preparation Work in accordance with the terms of the Lease, this Letter Agreement and the approved Construction Application covering such portion of the Preparation Work nor shall such fact be or be deemed to be a waiver by the Port Authority from the requirement of strict compliance by American with the provisions of the Lease, this Letter Agreement and the approved Construction Application with respect to such Preparation Work.

(6) American hereby acknowledges that if it commences the Preparation Work pursuant to this Letter Agreement it shall do so with full knowledge that it may not be permitted to perform additional portions of the Preparation Work or the Redevelopment Work and/or that there may not be continuity by it in the performance of other portions of the Preparation Work or the Redevelopment Work under the procedures of this Letter Agreement or otherwise.

(7) No approval of any Pending Construction Application 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 with the Preparation Work or the Redevelopment Work. It is understood that no such approval shall release or relieve American from its obligation to submit complete plans and specifications for the Preparation Work and to obtain the Port Authority's approval of the same as required by the Lease and as set forth this Letter Agreement.

(r) In connection with the performance of the Preparation Work American shall be responsible for identifying the location of all utilities and shall prior to the commencement of any of the Preparation Work coordinate such Preparation Work with the New York City and Long Island One Call toll free 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 Preparation Work is to be performed. American shall provide the Port Authority with the written evidence of such coordination.

(s) In the performance of the Preparation Work American shall not employ any contractor nor shall American 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 American. Upon notice from the Port Authority, American 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 American shall or shall cause its contractor to immediately rectify any condition specified in the notice. In

the event of failure by American or any of its contractors to immediately comply with the requirements of this paragraph (whether or not such failure is due to American's fault), the Port Authority shall have the right to suspend American's right to perform the Preparation 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 American, 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.

(t) American will give the General Manager of the Airport at least 72 hours advance notice prior to the commencement of construction of the Preparation Work, or any portion thereof. The Port Authority will assign to the Preparation Work a full time field engineer or engineers. American shall pay to the Port Authority for the services of said engineer or engineers, the sum of Six Hundred Ninety-two Dollars and No Cents ($692.00) per engineer for each day or part thereof that the engineer or engineers are so assigned during the 1999 calendar year, and 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 2000 calendar year, 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 2001 calendar year, and for each and every calendar year thereafter, the rate that the Port Authority shall charge other lessees 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 American 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 American for the services of said field engineer(s) no less frequently than once a month. Nothing contained in this subparagraph (t) shall affect any of the provisions of or the rights of the Port Authority under this Letter Agreement.

(u) (1) The Preparation 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 American and from the operations of American under this Letter Agreement. Accordingly, and in addition to all other obligations imposed on American under this Letter Agreement and without diminishing, limiting, modifying or affecting any of the same, American shall be obligated to construct as part of the Preparation 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 Preparation

Work hereunder.

(2) Notwithstanding the provisions of subparagraph (u)(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 American, subsequent to the completion of the Preparation 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 (u)(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. American 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 subparagraph (u)(1) with respect to the Preparation Work shall apply and pertain with like effect to any work which American is obligated to perform pursuant to this subparagraph (u) and upon completion of each portion of such work it shall be and become a part of the Premises.

(v) Without limiting any other term or provision hereof, American shall complete the design of and perform the Preparation Work in a manner consistent with on-going roadway, frontage and utility improvements of the Port Authority or others at the Airport and the construction of the LRS.

(w) In the performance of the Preparation Work, American shall not exacerbate the environmental condition of the Premises or the Airport.

(x) In the event KIAC does not permit American 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 Preparation 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 American. 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.

(y) (1) The Port Authority shall have no responsibility for bringing to the Premises 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 date of this Letter Agreement appearing on page 1 hereof. If American 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 date of this Letter Agreement appearing on page 1 hereof, American 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 American at American's sole cost and expense in accordance with all the terms and provisions of this Letter Agreement, provided, however, that the Off-Site Utility Service Line Work shall not be or become a part of the Premises.

(2) [illegible] American 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"). American shall perform the Relocation Work subject to and in accordance with all the terms and provisions of this Letter Agreement and the Relocation Work shall be and become a part of the Preparation Work, it being understood, however, that the Relocation Work shall not be or become a part of the Premises.

5. Except as set forth in paragraph 4 (x) hereof, title to all the Preparation Work shall pass to the City of New York as the same or any part thereof is erected, construction or installed and the same except as expressly set forth in this Letter Agreement, including without limitation paragraphs 4(x) and 4(y) hereof shall be and become a part of the Premises if located on the Premises. Neither the foregoing provisions of this paragraph 5 nor the provisions of paragraph 4(i) above shall affect the risks and obligations assumed by American hereunder nor release American from the performance of its removal and restoration obligations as set forth in this Letter Agreement.

6. American acknowledges that it will be continuing its operations at the Premises under the Lease during the period of time it is performing the Preparation Work hereunder. American further acknowledges that this may involve among other things inconvenience, noise, dust, interference and disturbance to American in its operations at the Premises as well as to its customers, patrons, invitees and employees and possibly other risks as well. American 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 American under the Lease or otherwise on account of its performance of the Preparation Work and that the performance of the Preparation Work shall not constitute an eviction or constructive eviction of American nor be grounds for any abatement of rents, fees or charges payable by American under the Lease or otherwise nor give rise to or be the basis of any claim or demand by American against the Port Authority, its Commissioners, officers, employees or agents for damages, consequential or otherwise.

7. Without in any way limiting any rights of the Port Authority under this Letter Agreement or otherwise to not approve or not consent to any ACO Work or Redevelopment Work or to not enter into the Proposed Agreement or to not enter into a supplemental agreement to this Letter Agreement, American hereby understands, covenants and agrees that it shall not perform any ACO Work or Redevelopment Work that is not a part of the Preparation Work initially included in this Letter Agreement (any such ACO Work or Redevelopment Work being hereinafter called the "Additional Work") without the prior written

approval of the Port Authority and without a supplement to this Letter Agreement covering such Additional Work having been duly executed by the Port Authority and American or the Proposed Agreement, if any, having been duly executed by the Port Authority and American. In the event American performs any Additional Work prior to the Proposed Agreement, if any, having been duly executed by the parties hereto and without a supplement to this Letter Agreement covering such Additional Work having been duly executed by American and the Port Authority, American hereby agrees that such Additional Work shall and shall be deemed to be a part of the Preparation Work hereunder and all the terms, provisions and conditions of this Letter Agreement shall apply and pertain to such Additional Work. Further, it is understood if and when the Proposed Agreement is entered into that the terms and conditions of the Proposed Agreement, if any, will supersede this Letter Agreement.

8. Prior to the commencement of any of the Preparation Work, American shall, at its sole cost and expense, obtain from the New York State Department of Environmental Conservation ("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 American's own name covering the Preparation 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 Preparation Work. Maximum flow from the dewatering systems shall not exceed permissible limits defined in American's Permits. American 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, American shall notify the Port Authority by submitting to the Geotechnical Unit of the Port Authority the proposed dewatering design for review and approval.

9. Nothing contained in this Letter Agreement shall grant or be deemed to grant any contractor, architect, supplier, subcontractor or any other person engaged by American or any of its contractors in the performance of any part of the Preparation 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 Preparation 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 American or any of its contractors in the performance of any part of the Preparation 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 Preparation Work.

10. When the work to be performed pursuant to each Construction Application is substantially completed and ready for use, American shall advise the Port Authority to such effect and shall deliver to the Port Authority a certificate signed by an authorized officer of American and also signed by American's licensed architect or engineer certifying that such work has been constructed in accordance with the approved plans and specifications and the provisions

of the Lease and this Letter Agreement and in compliance with all applicable laws, ordinances and governmental rules, regulations and orders and specifying that such portion of the Preparation Work can be properly used. The Port Authority may in its sole discretion deliver a certificate to American with respect to each such portion of the Preparation Work permitting American to use such portion thereof for the purposes set forth in the Lease. In such event American may use such portion of the Preparation Work 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 American and further subject to the risks as set forth in this Letter Agreement including without limitation this paragraph 10 and paragraphs 4(o), 4(q), 6, 13, and 14 hereof.

11. Without limiting any other term, provision or condition hereof, American agrees to provide the General Manager of the Airport, at American's cost and expense, with such information, documentation, records, correspondence, notices, reports, test results, certifications and any other information necessary to carry out the terms, provisions and conditions of this Letter Agreement and to allow the Port Authority to determine whether American is in compliance with all of the terms, conditions and provisions of this Letter Agreement. In addition, American shall provide to the Port Authority copies of all information, documentation, records, correspondence, requests, approvals, notices, certifications, reports, test results, submittals and all other written communication between a Governmental Authority and American with respect to the Preparation Work and the ACO at the same time the same are provided by American to a Governmental Authority and within two (2) business days that the same are provided to American by a Governmental Authority.

12. Neither this Letter Agreement nor anything contained in any approval granted by the Port Authority in connection with the Preparation Work or otherwise pursuant to this Letter Agreement shall constitute a determination or indication by the Port Authority that American 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.

13. (a) American hereby specifically acknowledges and agrees that neither this Letter Agreement nor any approval of the Preparation Work by the Port Authority nor any performance of the Preparation Work nor any expenditure of monies thereon shall grant or shall be deemed to have granted any rights whatsoever in American to enter into the Proposed Agreement or any other agreement covering the extension of American's letting of the Premises, the demolition of Buildings Nos. 56 and/or 57 or any other aspects of the Proposed Arrangement, or to lease, use or occupy the Premises or any part thereof except as set forth in Lease No. AYB-085, or to lease, use or occupy any other land or building space at the Airport, or to any approval of the Redevelopment Work, or to be reimbursed by the Port Authority for American's cost of performing the Preparation Work or any portion thereof. American understands that there may be many problems to be resolved before the Proposed Agreement, if any, is agreed to and

executed, the Proposed Redevelopment Plan is approved by the Port Authority and American obtains financing for the Proposed Redevelopment Work and that all such problems may not be resolved. American hereby acknowledges and agrees that if it proceeds with the Preparation Work covered by this Letter Agreement, it shall do so at its sole risk being fully cognizant of the fact that the entire expenditure of monies by it on the performance of the Preparation Work may be of limited benefit to American and without consideration in that American may not enjoy any or only limited beneficial use of the Preparation Work in that all or portions of the Premises are or may be subject to termination by the Port Authority pursuant to the Lease, the Proposed Agreement or any other agreement covering the Proposed Arrangement and the Redevelopment Work may never be entered into and no portion of the Redevelopment Work, other than the Preparation Work, may ever be performed. American further acknowledges and agrees that the Port Authority shall have no obligation under the Lease or otherwise, including without limitation, upon any expiration or earlier termination of the letting under the Lease, with respect to the cost or financing of the Preparation Work, including but not limited to, any obligation to reimburse American for the cost of any portion thereof or to approve or enter into any agreement in connection with the financing of future improvements to the Premises, including without limitation, the Preparation Work. American hereby agrees it shall never introduce in any forum the fact that American performed the Preparation Work or any portion thereof as the basis for a contention there is in fact or by inference or by implication any agreement between American and the Port Authority to enter into the Proposed Agreement or any other agreement covering American's leasing, use or occupancy of the Premises except for Lease No. AYB-085, or to extend the letting under Lease No. AYB-085 or to otherwise amend, supplement, modify, supercede or replace Lease No. AYB-085, or for the Port Authority not to exercise its termination rights under the Lease or otherwise, or to lease other land or building space to American, or to permit American to demolish Building Nos. 56 and/or 57, or to reimburse American for the Preparation Work or any portion thereof, or to undertake or fail to undertake any action in connection with the financing of any improvements to the Premises or at the Airport, or to permit any additional Redevelopment Work to be performed and American agrees that it shall not claim that it is entitled in law or in equity to any of the foregoing or to any compensation, award, suit, action or proceeding because of this Letter Agreement or the Port Authority's approval of the Pending Construction Applications or the Preparation Work, or the performance of the Preparation Work or any portion thereof or the expenditure of monies thereon by American.

(b) American further specifically acknowledges and agrees that the Port Authority shall have as full discretion in negotiating the provisions of the Proposed Agreement irrespective of the Status Letter and as if there had been no permission granted by the Port Authority to perform the Preparation Work or any portion thereof and the Preparation Work had not been performed and monies expended thereon. Further, American hereby specifically acknowledges that the staffs of American and the Port

Authority may not reach agreement on the terms and provisions of the Proposed Agreement.

14. American specifically acknowledges and agrees that no statements, representations, promises or assurances other than as set forth in this Letter Agreement have been made or given to it by representatives of the Port Authority or shall be relied on by it with respect to the risks and obligations being assumed hereunder if it elects to proceed with the Preparation Work and that it shall never introduce in any forum any alleged statement, representation, promise or assurance, including without limitation, the Status Letter, to the extent that the same would change or affect the express and precise provisions of this Letter Agreement and the cost, expenses, risks and obligations assumed by American hereunder, and American hereby affirms its acceptance of all costs, expenses, risks and obligations hereunder.

15. The words "conditions", "terms" and "provisions" are used interchangeably in this Letter Agreement and each shall mean all of the terms, conditions and provisions including without limitation all indemnities of this Letter Agreement or all of the terms, conditions and provisions including without limitation all indemnities of the Lease or all of the terms, conditions and provisions including without limitation all indemnities of the Proposed Agreement or all of the terms, conditions and provisions including without limitation all indemnities of the ACO, as the case shall be.

16. Without limiting the generality of any other term or condition hereof and notwithstanding anything to the contrary contained in the Lease nor any other fact or circumstance to the contrary, it is hereby understood and agreed that neither Section 84 of the Lease nor any portion thereof shall pertain or apply to the Preparation Work or any other matter covered by this Letter Agreement and that this Letter Agreement shall and shall be deemed to have replaced and superceded said Section 84 with respect to the Preparation Work and any other matter covered by this Letter Agreement.

17. (a) Without limiting any other term, provision or condition contained in this Letter Agreement and in addition thereto and notwithstanding anything to the contrary in the Lease, the ACO, any Construction Application or any approval by the Port Authority and except as set forth in paragraph (b) below, American 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, a Risk-based Clean-up or any Environmental Requirement related to the Preparation Work (all the foregoing to include without

limitation the compliance with and/or violation of any Environmental Requirement, including without limitation, 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 American 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 American's obligations under this paragraph 17 or under this Letter Agreement 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 American under the Lease or on the Site prior to or after the commencement of the Preparation Work or out of the acts or omissions of American or of the Port Authority or of the contractors of American or of the Port Authority or of third persons or out of the acts of God or the public enemy or otherwise. If so directed, American 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.

(b) American shall not be required under this paragraph 17 to assume any Liabilities for any Environmental Restriction arising solely from the Existing Condition to the extent the Existing Condition was not caused by the acts or omissions of American or its sublessees or its other permitted users of the Premises, it being understood and agreed that American shall be required under this paragraph 17 to assume all Liabilities for all Environment Restrictions arising solely or in part from any Hazardous Substance that is not an Analyzed Item or solely or in part from any Hazardous Substance that is an Analyzed Item but is not a part of the Existing Condition or from any portion of the Existing Condition caused by the acts or omissions of American or its sublessees or its other permitted users of the Premises.

(c) Without limiting the generality of any other term or provision of this Letter Agreement or the Lease, American shall, if and as directed by the Port Authority, clean-up, remediate and restore the Site and the Premises and the groundwater thereunder and take any other action to remove any Environmental Restriction arising out of, caused by or resulting from any Risk-based Clean-up except for an Environmental Restriction arising solely from the Existing Condition to the extent the Existing

Condition was not caused by the acts or omissions of American or its sublessees or its other permitted users of the Premises, it being understood and agreed that American shall be required under this paragraph 17 to remove all Environment Restrictions arising out of, caused by or resulting from any Risk-based Clean-up solely or in part from any Hazardous Substance that is not an Analyzed Item or solely or in part from any Hazardous Substance that is an Analyzed Item but is not a part of the Existing Condition, including without limitation, if in the removal of any such Environmental Restriction any portion of the Existing Condition shall be cleaned-up, remediated or removed, then American shall assume all costs, expenses and responsibility whatsoever for such clean-up, remediation and removal of that portion of the Existing Condition.

(d) Nothing contained in nor not contained in this paragraph 17 shall nor shall be deemed to limit the generality thereof, except, however, it is hereby agreed that American shall not be required to indemnify the Port Authority pursuant to this paragraph 17 where such indemnity is precluded by statute.

18. No failure by the Port Authority to insist upon the strict performance of any agreement, term or condition of this Letter Agreement or to exercise any right or remedy consequent upon a breach or default thereof, and no supplement or amendment of this Letter Agreement or 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 pursuant to the Lease or this Letter Agreement in whole or in part after or during the continuance of any such breach or default, shall constitute a waiver of any such breach or default of such agreement, term or condition. No agreement, term or condition of this Letter Agreement to be performed or complied with by American, 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 American in performance of any of agreement, term or condition of this Letter Agreement shall affect or alter this Letter Agreement, but each and every agreement, term and condition thereof shall continue in full force and effect with respect to any other then existing or subsequent breach or default thereof.

19. It is hereby understood and agreed that the indemnities set forth in this Letter Agreement are in addition to and not a limitation on all indemnities set forth in the Lease.

20. (a) Neither the Commissioners of the Port Authority, nor any of them, nor any officer, agent or employee thereof shall be charged personally by American with any liability or held liable to American under any term or provision of this Letter Agreement or because of its execution or attempted execution or because of any breach or alleged or attempted breach thereof.

(b) The terms and conditions of this Letter Agreement are intended to allocate obligations and responsibilities between the Port Authority and American only, and nothing in this Letter Agreement shall limit, modify or otherwise alter the rights and

remedies which the Port Authority or American may have against third parties at law, equity or otherwise.

21. The terms, provisions and conditions of this Letter Agreement shall survive the completion of the Preparation Work and any portion thereof and any expiration or earlier termination of the letting or any portion thereof under the Lease.

22. Without limiting American's obligations under any Construction Application, the Lease or this Letter Agreement and notwithstanding anything to the contrary contained in the Lease, including without limitation, Section 84, Exhibit I and Exhibit L thereof, or any Construction Application, nor any other fact or circumstance to the contrary, American shall in the performance of the Preparation Work be fully responsible at its sole cost and expense and shall relieve the Port Authority for and from compliance with all Environmental Requirements applicable to American's performance of the Preparation Work. In the event that the Port Authority shall be ordered, requested or required to comply with any Environmental Requirement for which American is responsible pursuant to this Letter Agreement to comply with, American 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 such Environmental Requirement notwithstanding the issuance of any no further action letter or other release granted by the DEC pursuant to the ACO.

23. (a) 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 Letter Agreement 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 Letter Agreement but referred to in the ACO which under the Lease or this Letter Agreement 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 the Lease and this Letter Agreement shall in all respects be controlling, effective and determinative. Without limiting the generality of the foregoing, American acknowledges and agrees that pursuant to the Lease and this Letter Agreement 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 American from any of its obligations under the Lease or this Letter Agreement, provided, however, American may in its performance of the Preparation 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 American 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, American shall comply with all the agreements, terms and conditions of the Lease, this Letter Agreement and all applicable Port Authority approvals.

(b) 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 the Lease, as between the Port Authority and American, the terms, conditions and provisions of the Lease shall be controlling, effective and determinative and 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 Letter Agreement, as between the Port Authority and American, the terms, conditions and provisions of this Letter Agreement shall be controlling, effective and determinative. Further, in the event any of the terms, conditions and provisions of the ACO are not contrary to, or do not conflict with or are not inconsistent with the Lease but are contrary to or conflict or are inconsistent with any of the terms, conditions and provisions of this Letter Agreement, the terms, conditions and provisions of this Letter Agreement 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 the Lease, this Letter Agreement or as the operator of the Airport. Further, no fulfillment of American's obligations pursuant to the ACO or release of American 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 American has fulfilled all, or been released from any, of its obligations under the Lease or this Letter Agreement.

(c) Neither the ACO nor anything contained therein, nor any action taken, approval or release granted or performance pursuant thereto shall release, excuse or relieve American from any of its promises or obligations under the Lease or this Letter Agreement nor have affected any rights or remedies of the Port Authority with respect to

American or any rights or remedies of the Port Authority under this Letter Agreement or the 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.

(d) American acknowledges and agrees that the ACO has been entered into between American 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 American 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.

(e) American 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 in 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.

24. For the purposes of this Letter Agreement, the following terms shall have the respective meanings provided below:

(a) "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 or to be entered into, as the case shall be, by American with the New York State Department of Environmental Conservation covering the Premises, as the same may be amended and supplemented.

(b) "ACO Work" shall mean all work performed pursuant to the ACO.

(c) "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 A, the levels set forth for soil in the column entitled "Cleanup Criteria" on Exhibit A 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 A, the levels set forth for groundwater in the column entitled "Cleanup Criteria" on Exhibit A.

(d) "Effective Date" shall mean October 1, 1999.

(e) "Environmental Requirements" shall mean in the plural and "Environmental Requirement" shall mean in the singular 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 voluntary programs adopted and agreements made by the Port Authority with any governmental 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 of the health and safety of employees or the public;

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(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 ("FWPCA"), 33 U.S.C. Section 1251 et. seq.; the Clean Air Act ("CAA"), 42 U.S.C. Section 7401 et. seq.; the Federal Insecticide, Fungicide, and Rodenticide Act ("FIFRA"), 7 U.S.C. Section 136 et. seq.; the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), 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 ("EPCRA"), 42 U.S.C. Section 11001 et. seq.; the Occupational Safety and Health Act ("OSHA"), 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 (ECL"); 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.

(f) "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.

(g) "General Manager" and "General Manager of the Airport" shall each 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 Letter

Agreement; but until further notice from the Port Authority to American 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.

(h) "Hazardous Substances" shall mean and include in the plural and "Hazardous Substance" shall mean and include in the singular any pollutant, contaminant, toxic or hazardous waste, dangerous substance, potentially dangerous substance, noxious substance, toxic substance, flammable, explosive or radioactive material, urea formaldehyde foam insulation, asbestos, polychlorinated biphenyls ("PCBs"), chemicals known to cause cancer, endocrine disruption or reproductive toxicity, petroleum and petroleum products and 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 been 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 and whether or not a part of the Existing Condition.

(i) "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 American, 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.

(j) "Resident Engineer" shall mean the person designated as the Resident Engineer at the Airport by the Chief Engineer of the Port Authority.

(k) "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 Preparation Work 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 Preparation Work which shall or may result in any Environmental Restriction.

(l) "Site" shall mean all the locations where the Preparation Work is performed whether located on or off the Premises.

25. This Letter Agreement may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

26. This Letter Agreement 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 American. It is expressly agreed that any and all prior correspondence between the parties covering the Preparation Work, the Proposed Redevelopment Plan, the Redevelopment Work, the Proposed Arrangement and the Proposed Agreement, including without limitation the Status Letter, shall be deemed superseded by this Letter Agreement except that all requirements of the Port Authority given in connection with the Preparation Work shall continue in full force and effect. American agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in this Letter Agreement.

If American wishes to continue with the negotiations of the Proposed Arrangement and to proceed with the performance of the Preparation Work upon the basis of and under the terms of this Letter Agreement, please indicate your acceptance of the same by signing the enclosed two copies of this Letter Agreement by a duly authorized officer and returning them to the Port Authority's Central Business Administration Division at One World Trade Center, Suite 65S, New York, New York 10048. The return of a copy thereof to you executed by the

Final 11/29/99

Port Authority shall place the Letter Agreement in effect.

Very truly yours,

Linda K. Moses

(for) Robert J. Kelly
Director of Aviation

ACCEPTED AND AGREED TO:
AMERICAN AIRLINES, INC.

By _____
GARY F. KENNEDY
(Title) VICE PRESIDENT President
CORPORATE REA

APPROVED FOR TRANSMITTAL	
[illegible]	[illegible]
RA	12/1/99

AAJFK 073837

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 American and American shall require the Contractor, as hereinafter defined, to comply with the provisions set forth hereinafter in this Schedule E and in the Letter Agreement to which this Schedule is attached with AMERICAN AIRLINES, INC. (herein called "American"). 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.

American as well as each bidder, contractor and subcontractor of American 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"). American 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. American 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. American 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 American and American shall provide written notification to the Manager of the Office of Business and Job Opportunity of the Port Authority within 10 working days of award of any construction subcontract in excess of $10,000 at any tier for construction work. The notification shall list the name, address and telephone number of the subcontractor; employer identification number; estimated starting and completion dates of the subcontract; and the geographical area in which the subcontract is to be performed.

(c) As used in these specifications:

(1) "Employer identification number" means the Federal Social Security number used on the Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941:

(2) "Minority" includes:

(i) Black (all persons having origins in any of the Black African racial groups not of Hispanic origin);

(ii) Hispanic (all persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American culture or origin, regardless of race);

(iii) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands); and

(iv) American Indian or Alaskan Native (all persons having

origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).

(d) Whenever the Contractor, or any subcontractor at any tier, subcontracts a portion of the construction work involving any construction trade, it shall physically include in each subcontract in excess of $10,000 those provisions which include the applicable goals for minority and female participation.

(e) The Contractor shall implement the specific affirmative action standards provided in subparagraphs (1) through (16) of Paragraph (h) hereof. The goals set forth above are expressed as percentages of the total hours of employment and training of minority and female utilization the Contractor should reasonably be able to achieve in each construction trade in which it has employees in the Premises. The Contractor is expected to make substantially uniform progress toward its goals in each craft during the period specified.

(f) Neither the provisions of any collective bargaining agreement, nor the failure by a union with whom the Contractor has a collective bargaining agreement, to refer either minorities or women shall excuse the Contractor's obligations hereunder.

(g) In order for the nonworking training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees must be employed by the Contractor during the training period, and the Contractor must have made a commitment to employ the apprentices and trainees at the completion of their training subject to the availability of employment opportunities. Trainees must be trained pursuant to training programs approved by the U.S. Department of Labor.

(h) The Contractor shall take specific affirmative actions to ensure equal employment opportunity ("EEO").

The evaluation of the Contractor's compliance with these provisions shall be based upon its good faith efforts to achieve maximum results from its actions. The Contractor shall document these efforts fully, and shall implement affirmative action steps at least as extensive as the following:

(1) Ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which the Contractor's employees are assigned to work. The Contractor, where possible, will assign two or more women to each Phase of the construction project. The Contractor, shall specifically ensure that all foremen, superintendents, and other supervisory personnel at the Premises are aware of and carry out the Contractor's obligation to maintain such a working environment, with specific attention to minority or female individuals working at the

Premises.

(2) Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the Contractor or its unions have employment opportunities available, and maintain a record of the organizations' responses.

(3) Maintain a current file of the names, addresses and telephone number of each minority and female off-the-street applicant and minority or female referral from a union, a recruitment source or community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the Contractor by union or, if referred, not employed by the Contractor, this shall be documented in the file with the reason therefor, along with whatever additional actions the Contractor may have taken.

(4) Provide immediate written notification to American 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 American. 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, American shall proceed accordingly.

(o) The Contractor shall designate a responsible official to monitor all employment related activity to ensure that the company EEO policy is being carried out, to submit reports relating to the provisions hereof as may be required and to keep records. Records shall at least include for each employee the name, address, telephone numbers, construction trade, union affiliation if any, employee identification number when assigned, social security number, race, sex, status (e.g. mechanical apprentice, trainee, helper, or laborer), dates of changes in status, hours worked per week in the indicated trade, rate of pay, and location at which the work is performed. Records shall be maintained in an easily understandable and retrievable form; however, to the degree that existing records satisfy this requirement, contractors shall not be required to maintain separate records.

(p) Nothing herein provided shall be construed as a limitation upon the application of any laws which establish different standards of compliance or upon the application of requirements for the hiring of local or other area residents (e.g., those under the Public Works Employment Act of 1977 and the Community Development Block Grant Program).

(q) Without limiting any other obligation, term or provision under the Lease, the Contractor shall cooperate with all federal, state or local agencies established for the purpose of implementing affirmative action compliance programs and shall comply with all procedures and guidelines established or which may be established by the Port Authority.

PART II. MINORITY BUSINESS ENTERPRISES/WOMEN-OWNED BUSINESS ENTERPRISES

As a matter of policy the Port Authority requires American and American shall itself and shall require the general contractor or other construction supervisor and each of American'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 American and Contractor will meet their obligations hereunder.

(f) Insuring that provision is made to provide progress payments to MBEs and WBEs on a timely basis.

(g) Not requiring bonds from and/or providing bonds and insurance for MBEs and WBEs, where appropriate.

Certification of MBEs and WBEs hereunder shall be made by the Office of Business and Job Opportunity of the Port Authority. If the Contractor wishes to utilize a firm not already certified by the Port Authority, it shall submit to the Port Authority a written request for a determination that the proposed firm is eligible for certification. This shall be done by completing and forwarding such form as may be then required by the Port Authority. All such requests shall be in writing addressed to the Office of Business and Job Opportunity, the Port

Authority of New York and New Jersey, One World Trade Center, 63 East, New York, New York 10048 or such other address as the Port Authority may specify by notice to American. Certification shall be effective only if made in writing the Director in charge of the Office of Business and Job Opportunity of the Port Authority. The determination of the Port Authority shall be final and binding.

The Port Authority has compiled a list of the firms that the Port Authority has determined satisfy the criteria for MBE and WBE certification. This list may be supplemented and revised from time to time by the Port Authority. Such list shall be made available to the Contractor upon request. The Port Authority makes no representation as the financial responsibility or such, firms, their technical competence to perform, or any other performance-related qualifications.

Only MBE's and WBE's certified by the Port Authority will count toward the MBE and WBE goals.

Please note that only sixty percent (60%) of expenditures to MBE or WBE suppliers will count towards meeting the MBE and WBE goals. However, expenditures to MBEor 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 American

Exhibit A

JFKIA - Central Terminal Area - Remediation Cleanup Goals.

SOIL

CHEMICAL	Proposed PRAGS (mg/kg)	Cleanup Criteria (mg/kg)	Basis (see notes below)
Acetone	5.6E+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+06	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
cPAHs (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	2.6E+01	Table 4-6
Benzene	3.4E-01	3.4E-01	25 yr U/M
2-Butanone	3.5E+03	2.6E+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+06	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, 1998).
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 contents soil 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.*

AAJFK 073847

For The Port Authority

Initialled:

For American

AmericanAirlines

August 3, 1999

Ms. Erica Stempler
Manager, Central Business Division
NY & NJ Port Authority
1 World Trade Center
Room 65N
New York, NY 10048

Re: Supplemental Agreement No. 15 – JFK

Dear Erica:

Enclosed find 2 copies of the above referenced document that have been duly signed by American Airlines.

Sincerely,

Kenneth R. Lemke
Senior Real Estate Counsel

cc: C. Norton

AAJFK 073848

11/30/2015

LEASE TRANSACTION SUMMARY

Station Code: JFK

General Information:

Date: 7/13/99 Supp#15 provides add'l Fundage.

Lease Number: 0748

Type of Agreement: TERMINAL LEASE

Location: JFK Terminal

Description: Supp#15 provides additional fundage & took away SPACE

Landlord: PRIV-LS AR Number N/A THIS ADJUSTMENT IS PER THE TERMS OF THE EXISTING LEASE

Contact: User Department:

Phone: Who Approved Project:

Documents (X appropriate box): ☒ U. S. Mail ☐ Federal Express ☐ Other

Financial Detail:

Term Dates: 4/1/93 - 11/30/2015

Minimum Term: 11/30/2015

Square Footage: 364,407 SF

Security Deposit: -0-

Reimbursable: ☐ Yes ☒ No (If yes, please provide reimbursable provisions.)

Environmental Assessment Approval/Exemption: ☐ Yes ☒ No (If no, please provide details.)

U. S. Dollar/Foreign Currency Equivalents

Monthly Rent: —

Annual Rate per Sq. Ft.: —

Annual Rent: 11,603.30

Total Commitment: $185,652.80 (This total represents 4 yr over yr additional.)

Approvals:

K. R. Lemke ($0 to $100K)

F. R. Erickson (>/100K<=$3M)

n/a
G. F. Kennedy (>$3M)

Administrator
C. E. Norton

TSUMDOC

SCROLL ===> HALF

P = PRINT PF1 = INFORMATION PF3 = PREVIOUS SCREEN
PF4 = MAIN PANEL PF7 = UP PF8 = DOWN

* * * * * * * * * * THE PORT AUTHORITY OF NY & NJ * * * * * * * * * *

AMERICAN AIRLINES
JFK INTL AIRPORT
TERMINAL 8
ATT: MARYANN KOSOFF
JAMAICA NY 11430

AR#	DATE OF INVOICE	INVOICE #
0100102	01/01/99	9A0138

RENT AND/OR SERVICE FEES AT JOHN F. KENNEDY INT'L AIRPORT
FOR JANUARY 1999 UNDER AGREEMENT(S):

AYB085R	BLDG 57 AREAS A,B,G	12,835.69
AYB085R	CPI INCR $493.68 EFF 01/99	
AYB085R2	BLDG 57 AREA D	12,097.50
AYB085R4	BLDG 56 AREA F	216,833.28
AYB085R4	CPI INCR $8339.74 EFF 01/99	
AYB085TA	BLDG 57 TERMINAL	291,666.67

F1=HELP F2=SPLIT F3=END F4=RETURN F5=RFIND F6=RCHANGE
F7=UP F8=DOWN F9=SWAP F10=LEFT F11=RIGHT F12=RETRIEVE

AAJFK 073851

SCROLL ===> HALF

P = PRINT PF1 = INFORMATION PF3 = PREVIOUS SCREEN
PF4 = MAIN PANEL PF7 = UP PF8 = DOWN

* * * * * * * * * * THE PORT AUTHORITY OF NY & NJ * * * * * * * * * *

AMERICAN AIRLINES
JFK INTL AIRPORT
TERMINAL 8
ATT: MARYANN KOSOFF
JAMAICA NY 11430

AR#	DATE OF INVOICE	INVOICE #
0100102	01/01/99	9A0138

AYB085SI	BLDG 56 SITE	162,460.80	
AYB085SI	CPI INCR $6248.49 EFF 01/99		
AYB085ST	BLDG 57 AREA C	42,809.00	
AYB085S3	BLDG 56 TERMINAL	748,879.20	
AYB085S3	CPI INCR $5839.92 EFF 01/99		
		TOTAL AMOUNT	1,487,582.14

********** Bottom of data **********

F1=HELP F2=SPLIT F3=END F4=RETURN F5=RFIND F6=RCHANGE
F7=UP F8=DOWN F9=SWAP F10=LEFT F11=RIGHT F12=RETRIEVE

AAJFK 073853

SCROLL ===> HALF

P = PRINT PF1 = INFORMATION PF3 = PREVIOUS SCREEN
PF4 = MAIN PANEL PF7 = UP PF8 = DOWN

* * * * * * * * * * THE PORT AUTHORITY OF NY & NJ * * * * * * * * * *

AMERICAN AIRLINES
JFK INTL AIRPORT
TERMINAL 8
ATT: MARYANN KOSOFF
JAMAICA NY 11430

AR#	DATE OF INVOICE	INVOICE #
0100102	02/01/99	9B0138

RENT AND/OR SERVICE FEES AT JOHN F. KENNEDY INT'L AIRPORT
FOR FEBRUARY 1999 UNDER AGREEMENT(S):

AYB085R	BLDG 57 AREAS A,B,G	
AYB085R2	BLDG 57 AREA D	12,835.69
AYB085R4	BLDG 56 AREA F	12,097.50
AYB085TA	BLDG 57 TERMINAL	216,833.28
AYB085SI	BLDG 56 SITE	291,666.67
AYB085ST	BLDG 57 AREA C	162,460.80
		42,809.00

F1=HELP F2=SPLIT F3=END F4=RETURN F5=RFIND F6=RCHANGE
F7=UP F8=DOWN F9=SWAP F10=LEFT F11=RIGHT F12=RETRIEVE

AAJFK 073854

COMMAND ===>

SCROLL ===> HALF

P = PRINT
PF4 = MAIN PANEL
PF1 = INFORMATION
PF7 = UP
PF3 = PREVIOUS SCREEN
PF8 = DOWN

* * * * * * * * * * THE PORT AUTHORITY OF NY & NJ * * * * * * * * * *

AMERICAN AIRLINES
JFK INTL AIRPORT
TERMINAL 8
ATT: MARYANN KOSOFF
JAMAICA NY 11430

AR#	DATE OF INVOICE	INVOICE #
0100102	02/01/99	9B0138

AYB085S3 BLDG 56 TERMINAL 748,879.20

TOTAL AMOUNT : 1,487,582.14

********** Bottom of data **********

F1=HELP F2=SPLIT F3=END F4=RETURN F5=RFIND F6=RCHANGE
F7=UP F8=DOWN F9=SWAP F10=LEFT F11=RIGHT F12=RETRIEVE

AAJFK 073855

94-95

105.8238
- 105.7098
0.1140 × 50,000

(5700.00)

95-96

105.7118
- 105.7098
0.0020 × 55,000

110.0

96-97

106.0155
- 105.7118
0.3037 × 57,

17371.64

97-98

106.0155
- 105.7118
58,488

17762.80

98-99

106.0155
- 105.6696
0.3459 × 51,168

(17,941.14)

TTL: 11,603.30

Gr. TTL: $ 185,652.80

12124353717 P.02/02
AAJFK 073858
08/21/99 MON 16:11 [TX/RX NO 7683]
UF-755 (NAM)V0.18 512K
JUN-20-1999 17:11

AMERICAN AIRLINES LEASE AYB-085 SUPPLEMENT 11 AS FURTHER AMENDED									
5/13/99									
	ACREAGES								
AREA	1/1/93	4/1/93	1/1/94	6/20/94	10/24/94	11/12/94	1/1/95	1/1/98	1/1/99
A	.904	.904	.904	.904	.904	.904	.904	.904	.904
B	1.3714	1.3714	1.3714	1.3714	1.3714	1.3714	1.3714	1.3714	1.3714
C	29.3526	29.3526	29.3526	29.3526	29.3526	29.3526	29.3526	29.3523	29.3523
D	3.34	3.34	3.34	3.34	3.34	3.226	3.226	3.226	3.226
E	29.9535	29.9535	29.9535	29.9535	29.9535	29.9535	29.9535	29.6397	29.6397
F				28.14	40.44	40.44	40.44	40.44	40.44
G			.1184	.1184	.1184	.1184	.1184	.1184	.1184
H	.0114								
J	.3439	.3439	.3439	.3439	.3439	.3439	.3459	.3459	
K								.6178	.6178
TOTAL	65.2768	65.2654	65.3838	93.5238	105.8238	105.7098	105.7118	106.0155	105.6696
						(5700)	110.		
AREA I	C,D,H	C,D							
AREA II	A,B,E,J		A,B,E,G,J					A,B,E,G,J,K	A,B,E,G,K
AREA III				F					
AREA I	32.704	32.6926	32.6926	32.6926	32.6926	32.5786	32.5786	32.5783	32.5783
AREA II	32.5728	32.5728	32.6912	32.6912	32.6912	32.6912	32.6932	32.9972	32.6513
AREA III				28.14	40.44	40.44	40.44	40.44	40.44
TOTAL	65.2768	65.2654	65.3838	93.5238	105.8238	105.7098	105.7118	106.0155	105.6696
NOTES:									
4/1/93:	area H (.0114 acres) surrendered							1996 "	
1/1/94:	area G (.1184 acres) permanently added							1997 "	
6/20/94:	first portion (28.14 acres) of T/W I/O given to AAL								
10/24/94:	last portion (12.3 acres) of T/W I/O given to AAL								
11/12/94:	surrendered .114 acres from Area D								
1/1/95:	added .002 acres to area J for relocated blast fence								
1/1/98:	surr. .3138 acres from E, .0003 from C, and add area K (.6178 acres) to frontage								
1/1/99:	surr. .(.3459 acres) from Area II								

[F2] Save Information, [F3]-Edit Line Item Detail, [Esc] To Cancel

Digest Detailed Rental

Digest #: JFK-0748 7/1 Location

Rental Description	Effective From	To	Number Of Units	U Of M	Exc Com N/A	Cost/ Unit	--Payment-- Monthly (USD)	Code
56: F (40.44 ◂	1/01/98	12/31/98	40.44	AC	E*	********	208,493.54	
56: F (40.44 G	1/01/99	11/30/2015	40.44	AC	E*	********	216,833.28	F
56: SITE (30.G	1/01/98	12/31/98	30.30	AC	E*	********	156,212.31	
56: SITE (30.G	1/01/99	11/30/2015	30.30	AC	E*	********	162,460.80	F
57: C SITE G	11/12/94	11/30/2015	325,029.00	SF	E*	0.000	42,809.00	F
57: B TAXI HOO	1/01/98	12/31/98	59,738.00	SF	N*	1.415	7,046.34	
57: B TAXI HOO	1/01/99	11/30/2015	59,738.00	SF	N*	1.472	7,328.19	F
57: D TAXIWAYO	11/12/94	11/30/2015	145,590.00	SF	N*	.997	12,097.50	F
57: G SPRVR PO	1/01/98	12/31/98	5,518.00	SF	N*	1.415	650.87	
57: G SPRVR PO	1/01/99	11/30/2015	5,518.00	SF	N*	1.472	676.91	F

Total Exclusive Sq.Ft.: 364,407.00 Fixed Rent: 1,487,582.14

[F2] Save Information, [F3]-Edit Line Item Detail, [Esc] To Cancel

Digest Detailed Rental

Digest #: JFK-0748 7/1 Location

Rental Description	Effective From	To	Number Of Units	U Of M	Exc Com N/A	Cost/ Unit	--Payment-- Monthly (USD)	Code
57: G SPRVR P◂	1/01/99	11/30/2015	5,518.00	SF	N*	1.472	676.91	F
56: BUILDINGT	1/01/98	12/31/98	306,467.00	SF	N*	29.094	743,039.28	
56: BUILDINGT	1/01/99	11/30/2015	306,467.00	SF	N*	29.323	748,879.20	F
57: A PAX LOAT	1/01/98	12/31/98	39,378.00	SF	E*	1.415	4,644.80	
57: A PAX LOAT	1/01/99	11/30/2015	39,378.00	SF	E*	1.472	4,830.59	F
57: TERMINAL T	7/25/95	11/30/2015	0.00	SF	E*	0.000	291,666.67	F

Total Exclusive Sq.Ft.: 364,407.00 Fixed Rent: 1,487,582.14

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

JFK-0748

John F. Kennedy International Airport
Port Authority Lease No. AYB-085
Supplement No. 14

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, dated as of the September 1, 1997 (hereinafter called the "Effective Date") by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority") and AMERICAN AIRLINES, INC. (hereinafter called the "Lessee");

WITNESSETH, That:

WHEREAS, by an agreement of lease made as of August 1, 1976, (which lease, as the same has been supplemented and amended, is hereinafter called the "Lease"), the Port Authority let to the Lessee and the Lessee hired and took from the Port Authority certain premises at John F. Kennedy Airport, all as more particularly described in the Lease; and

WHEREAS, the Port Authority and the Lessee desire to amend the Lease effective as of the Effective Date;

NOW, THEREFORE, for and in consideration of the covenants and mutual agreements herein contained, the Port Authority and the Lessee hereby agree as follows:

1. Section 65 of the Lease, as previously amended, entitled "Definitions" shall be deemed further amended by inserting the following new paragraphs (x) and (y) immediately after paragraph (w) thereof to read as follows:

"(x) 'Hazardous Substance' and 'Hazardous Substances' shall mean and include without limitation any pollutant, contaminant, toxic or hazardous waste, dangerous substance, potentially dangerous substance, noxious substance, toxic substance, flammable, explosive, radioactive material, urea formaldehyde foam insulation, asbestos, polychlorinated biphenyls (PCBs), chemicals known to cause cancer or reproductive toxicity, petroleum and petroleum products and other substances which have been or in the future shall be declared to be hazardous or toxic, or the removal 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 been 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 hereinafter in effect as amended or supplemented and by the regulations and publications promulgated pursuant thereto.

(y) 'Environmental Requirements' and 'Environmental Requirement' shall mean all applicable present and future laws, statues, enactments, resolutions, regulations, rules, directives, ordinances, codes, licenses, permits, orders, memoranda of understanding and memoranda of agreement, approvals, guidances, 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 voluntary programs adopted and agreements made by the Port Authority with any Governmental Authority and all applicable judicial, administrative, and regulatory decrees, judgments, and orders relating to the protection of human health or the environment, which are applicable to or affect (i) the premises, (ii) the operations of the Lessee at the premises or the operations of others at the premises with the consent of the Lessee or over whom it has control, (iii) the Lessee's operations at the Airport, (iv) the occupancy and use of the premises by the Lessee or by others with its consent or over whom it has control, or (v) any Hazardous Substance which has migrated from the premises, the foregoing to include without limitation:

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

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

2. Section 93 of the Lease, as previously amended, entitled "Entire Agreement" shall be redesignated "Section 94", the number "93" appearing therein shall be deemed deleted and the number "94" inserted in lieu thereof, and there shall be added to the Lease the following new Section 93 to read as follows:

"Section 93. Fuel 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, together with all [illegible] above [illegible] installed in the premises during the term or 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 subsequent to said Effective Date shall be installed pursuant to the terms and conditions of the Lease including without limitation Section 33 thereof and nothing in this Section 93 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 Environmental Requirements.

(c) (1) The Lessee shall remove all the Tanks from the premises on or before the expiration of the Lease and the Lessee agrees to dispose of the Tanks off the Airport in accordance with all 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

(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)

required by the Port Authority and shall, subject to Section 84 hereof, clean-up and remediate any contamination disclosed by said testing. In the event the Lessee does not remove the Tanks as required by subparagraph (1) 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 except as limited by Section 84.

(d) Without limiting the generality of any other term or provision of the Lease and subject to Section 84 of the Lease, the Lessee shall at its cost and expense comply with all Environmental Requirements pertaining 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 a Discharge 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 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) Without limiting the terms and provisions of Section 13 of the Lease and except as set forth in Section 84 of the Lease, 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 93 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 Environmental Requirements.

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.

(f) The Lessee's obligations under this Section 93 shall survive the expiration or earlier termination of the Lease.

(g) In addition to the requirements of Section 6 of the Lease and paragraph (d) hereof, 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) 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 93, "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 during the period the Lessee shall use or occupy the premises or use the Tanks.

3. As hereby amended, all the terms, covenants, provisions, conditions and agreements of the Lease shall be and remain in full force and effect.

4. The Lessee represents and warrants that no broker has been concerned in the negotiation or execution of this Supplement and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Lessee shall indemnify and save harmless the Port Authority of and from any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation or execution of this Supplement.

5. Neither the Commissioners of the Port Authority, nor any of them, nor any officer, agent or employee thereof, shall be charged personally by the Lessee with any liability, or held liable to it under any term or provision of this Supplement or because of its execution or attempted execution or because of any breach or attempted breach thereof or otherwise. The Lessee agrees that no representations or warranties with respect to this Supplement shall be binding upon the Port Authority unless expressed in writing herein.

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By

(Title) General Manager Business & Properties

(Seal)

ATTEST:

Secretary

AMERICAN AIRLINES, INC.

By

(Title) KENNETH R. LEMKE
SR. REAL ESTATE COUNSEL ~~President~~

(Corporate Seal)

APPROVED:
FORM TERMS

STATE OF NEW YORK)
)ss.:
COUNTY OF NEW YORK)

On the 14th day of November, 1997, before me personally came Joyce C Medici to me known, who, being by me duly sworn, did depose and say that (s)he resides at Ft Lee NJ; that (s)he is the Hm Business & Properties of the Port Authority of New York and New Jersey, one of the corporations described in and which executed the foregoing instrument; that (s)he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Commissioners of said corporation; and that (s)he signed (her)his name thereto by like order.

Karen Eastman

(notarial seal and stamp)

KAREN E. EASTMAN
Notary Public, State of New York
No. 4766314
Qualified in New York County
Commission Expires Feb. 26, 1999

STATE OF Texas)
)ss.:
COUNTY OF Tarrant)

On the 8th day of October, 1997, before me personally came K.R. Lemke to me known, who, being by me duly sworn, did depose and say that (s)he resides at 4333 Amon Carter Blvd. - Fort Worth, TX 76155; that (s)he is the Sr. Real Estate ~~President~~ Counsel of American Airlines, Inc., one of the corporations described in and which executed the foregoing instrument; that (s)he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that (s)he signed (her)his name thereto by like order.

Pamela F. Davis

(notarial seal and stamp)

FK 0748

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
Port Authority Lease No. AYB-085
Supplement No. 13

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, dated as of November 11, 1994, by and between the PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority") and AMERICAN AIRLINES, INC. (hereinafter called the "Lessee"),

WITNESSETH, THAT:

WHEREAS, the Port Authority and the Lessee have heretofore entered into an agreement of lease made as of August 1, 1976 and bearing Port Authority Lease No. AYB-085 (which agreement of lease, as the same has heretofore been and may hereafter be supplemented and amended, is hereinafter referred to as the "Lease") pursuant to which the Port Authority leased to the Lessee and the Lessee hired and took from the Port Authority certain premises (hereinafter called the "Premises") at John F. Kennedy International Airport (hereinafter called "the Airport"), all as more particularly described in the Lease; and

WHEREAS, the Port Authority and the Lessee desire to amend the Lease;

NOW, THEREFORE, for and in consideration of the covenants and agreements herein contained, the Port Authority and the Lessee hereby agree as follows:

1. (a) Effective as of November 11, 1994 at 11:59 o'clock P.M. (which date and hour are hereinafter collectively called the "Surrender Date"), the Lessee hereby surrenders and yields up and does by these presents grant, bargain, sell, surrender and yield up to the Port Authority, its successors and assigns forever the portion of Area D of the Premises shown in stipple on the sketch attached hereto, hereby made a part hereof marked "Exhibit L" and hereinafter called "Exhibit L" (such portion of the premises being hereinafter referred to as the "Surrendered Premises") and the term of the letting with respect thereto under the Lease yet to come and has given, granted and surrendered and by these presents does give, grant and surrender

to the Port Authority, its successors and assigns, all the rights, rights of renewal, licenses, privileges and options of the Lessee granted by the Lease with respect to the Surrendered 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 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.

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 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 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 Supplemental Agreement.

(b) All promises, covenants, agreements and obligations of the Lessee with respect to the Surrendered Premises under the Lease, or otherwise, which under the provisions thereof would have matured upon the date originally fixed in the Lease for the expiration of the term thereof, or upon the termination of the Lease prior to the Surrender 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 Supplemental Agreement.

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.

(c) In consideration of the making of this Agreement by the Port Authority, the Lessee hereby agrees to terminate its occupancy of the Surrendered Premises and to deliver actual physical possession of the same to the Port Authority on or before the Surrender Date in the condition required by the Lease upon surrender. The Lessee further agrees that it will remove from the Surrendered Premises prior to the Surrender Date all equipment, inventories, removable fixtures and other personal property of the Lessee or for which the Lessee is responsible.

2. Effective as of November 12, 1994, Section 4 II A.1.(a) of Supplement No. 11 to the Lease shall be deemed amended as follows:

(a) Paragraph (a) thereof shall be designated paragraph "(a)(i)" and the date "July 24, 1995" at the end of line four thereof shall be deemed deleted and the date "November 11, 1994" shall be deemed inserted in lieu thereof.

(b) A new subparagraph (ii) shall be deemed added at the end thereof to read as follows:

"(ii) A rental for the Area I Ground Area at the rate of (Ex. 2.a.) per annum for the portion of the term of the letting from November 12, 1994 to July 24, 1995, both dates inclusive."

3. Effective as of November 12, 1994, Section 4 II A.1.(b) shall be amended by deleting the words and number

(Ex. 2.a.) and the words and number

shall be deemed inserted in lieu thereof.

4. Effective as of November 12, 1994, Section 4 IV A.1.(b) shall be deemed amended by deleting the number Ex. 2.a. in

the first line thereof and inserting the number (Ex. 2.a.) in lieu thereof.

5. Effective from and after November 12, 1994, it shall be understood and agreed by the parties that the number of acres in the Area I Ground Area shall be

6. Effective as of 12:01 o'clock A.M. on January 1, 1995, in addition to the premises heretofore let to the Lessee under the Lease, the letting of which, except for the Surrendered Premises 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 at the Airport in the County of Queens, City and State of New York, the area shown in stipple on the sketch attached hereto, hereby made a part hereof and marked "Exhibit M" (hereinafter called 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 the Lease, as hereby amended, subject to all of the terms, provisions, covenants and conditions of the Lease as hereby amended, for and during the balance of the term of the letting under the Lease, subject to earlier termination as provided in the Lease, and the Additional Premises shall be deemed added to and shall constitute a part of Area E under the Lease and shall be used only for the purposes set forth in Section No. 5 of the Lease as amended in Supplement No. 11 to the Lease.

7. Effective as of January 1, 1995, Section 4 II B.1. (d) of Supplement No. 11 to the Lease shall be deemed amended by deleting the words and number

and the words and number (Ex.2.a.)

shall be deemed inserted in lieu thereof. (Ex. 2.a.)

8. Effective from and after January 1, 1995, it shall be understood and agreed that the number of acres in the Area II Ground Area shall be 32.6886.

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.

AAJFK 073875

10. The Lessee represents and warrants that no broker has been concerned in the negotiation of this Supplemental Agreement and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Lessee shall indemnify and save harmless the Port Authority of and from all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

11. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof, shall be charged personally by the Lessee with any liability or held liable to it under any term or condition of this Agreement, or because of its execution or attempted or alleged breach thereof. The Lessee agrees that no representations or warranties with respect to this Agreement shall be binding upon the Port Authority unless expressed in writing herein.

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By Gerard P. FitzGerald

(Title) DEPUTY DIRECTOR OF AVIATION

Seal

ATTEST:

Secretary

Charles D. MarLett

AMERICAN AIRLINES, INC.

By Kenneth R. Lemke

(Title) ~~Vice President~~ President

(Corporate Seal)

APPROVED:
FORM | TERMS
5/9/95

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

On the 27 day of June, 1995, before me, personally came Gerald P. Fitzgerald to me known, who, being by me duly sworn, did depose and say that he resides at Flushing, N.Y.; that he is the Deputy Director of Aviation of The Port Authority of New York and New Jersey, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Commissioners of the said corporation; and that he signed his name thereto by like order.

Jacqueline White
(notarial seal and stamp)

JACQUELINE WHITE
Notary Public, State of New York
No. 4737769
Qualified in Suffolk County
Commission Expires May 31, 1997

STATE OF Texas)
) ss.
COUNTY OF Tarrant)

On the 28th day of April, 1995, before me, personally came K. R. Lemke to me known, who, being by me duly sworn, did depose and say that he resides at 4255 Amon Carter Blvd Fort Worth, TX; that he is the ~~President~~ Sr. Real Estate Counsel of AMERICAN AIRLINES, INC., the corporation described in, and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of the said corporation; and that he signed his name thereto by like order.

Doreen L. Dow
(notarial seal and stamp)

THE PORT AUTHORITY OF NY & NJ

AVIATION DEPARTMENT

David Z. Plavin
Director of Aviation

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

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

NOTICE OF TENDER

September 23, 1994

ORIG

JFK-074S
(copy in ref file)

American Airlines, Inc.
MC 4213
4255 Amon Carter Boulevard
Fort Worth, Texas 76155

Attention: Ms. Jayne Allison, Vice President
Corporate Real Estate

RE: JFKIA - NOTICE OF TENDER - PORTION OF AREA F - AMERICAN AIRLINES, INC. - LEASE NO. AYB-85 - SUPPLEMENT NO. 11

To American Airlines, Inc.:

As you know, you, American Airlines, Inc. ("American") and The Port Authority of New York and New Jersey (the "Port Authority") have heretofore as of August 1, 1976 entered into a certain agreement of lease identified by Port Authority Lease Agreement No. AYB-085 (the "Lease") covering certain premises at John F. Kennedy International Airport and, further, have entered into a supplement to said Lease made as of the first day of January 1993 and identified as Supplement No. 11 thereto (the "Supplement"). Subparagraph (b) of paragraph 1 of the Supplement provides for the tender upon thirty (30) days' notice by the Port Authority to American of Area F (as defined in the Supplement) in its entirety at one time or at different times in two parcels.

Please take notice, effective October 24, 1994 (the "Effective Date") tender by the Port Authority of the 12.30 acres of Area F identified as Area 2A on the drawing attached hereto and hereby made a part hereof is being made pursuant to subparagraph (b) of paragraph 1 of the Supplement and from and after the Effective Date said Area 2A shall be and become a portion of Area III of the premises under the Lease. The total number of acres of land in Area F which will have been tendered to American pursuant to said subparagraph (b) as of the Effective Date will be 40.44 acres.

Please take further notice that the Area III Rentals (as defined in Section 4 of the Lease) from and after the Effective Date shall be as follows:

(a) In the amount of (Ex. 2.a.) per annum for the period from the Effective Date through December 31, 1994, both dates inclusive;

AAJFK 072578

Writer's direct dial telephone: _____

(b) In the amount of (Ex. 2.a.) per annum for the period from January 1, 1995 through December 31, 1995, both dates inclusive; and

(c) From and after January 1, 1996 throughout the remainder of the term of the letting, a rental in an amount to be calculated as set forth in Subdivision II. C. 2 of Section 4 of the Lease.

The Area III Rentals shall be paid in accordance with Subdivision III of Section 4 of the Lease.

Sincerely,

Gerald P. FitzGerald
Deputy Director of Aviation

Enclosure

cc: T. Frain (AAL)
K. Lemke (AAL)

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

ORIGINALS

John F. Kennedy International Airport
Port Authority Lease No. AYB-085
Supplement No. 10

THIS SUPPLEMENTAL AGREEMENT, made as of the 30th day of June, 1989, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and AMERICAN AIRLINES, INC., (hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, by a certain agreement of lease made as of August 1, 1976 (which agreement of lease, as the same has been heretofore supplemented and amended, is hereinafter called "the Lease"), 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 (hereinafter called "the Airport") as more particularly described in the Lease; and

WHEREAS, the parties desire to terminate the occupancy of the Lessee of a portion of the premises under the Lease and to add to the premises under the Lease and to amend the Lease in certain other respects as hereinafter provided,

NOW, THEREFORE, in consideration of the covenants and mutual agreements herein contained, the Port Authority and the Lessee hereby agree, effective as of July 1, 1989, as follows:

1. (a) Effective as of July 1, 1989 the Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority at the Airport upon all the terms, conditions, provisions, covenants and agreements of the Lease the ground space as shown in stipple and the ground space as shown in stipple-cross hatching on the sketch attached hereto, hereby made a part hereof and marked "Exhibit D", (which ground space is hereinafter referred to as "Area D") together with all the fixtures, improvements, structures and other property, if any, of the Port Authority, located or to be located therein, thereon or thereunder, and all fixtures, improvements, structures and additions located, constructed or installed, or which may be located, constructed or installed therein, thereon or thereunder, to be and become a part of the premises under the Lease and subject to all the terms, conditions, provisions, covenants and agreements of the Lease.

(b) Effective as of July 1, 1989 the words "and in stipple-cross hatching on Exhibit D" shall be deemed inserted within the parenthetical after the words "Exhibit A" on the fourth line of paragraph (c) of Section 1 of the Lease.

(c) The strip of land lying along and within the northwesterly (directions set forth in this paragraph (c) are true) boundary line of the premises (which strip is shown in stipple-crosshatching on Exhibit D), together with a corresponding contiguous strip of land lying along and within the southeasterly boundary of the space let to United Air Lines, Inc. and immediately abutting on the northwesterly side of the premises shall be subject to a joint and mutual easement for a taxiway to be used jointly by the Lessee and United Air Lines, Inc. or by any successors in interest of either or both of them or other sublessees or other occupants or users who, pursuant to Port Authority permission, may occupy or use the premises herein or the space let to United Air Lines, Inc. and such rights of easement for such taxiway purposes shall continue during the effective periods of the respective agreements covering the same.

2. Effective on and after June 30, 1989 at 11:59 o'clock P.M. (which date and hour are hereinafter in this paragraph 2 collectively called "the Surrender Date") the Lessee has granted, bargained, sold, surrendered and yielded up and does by these presents grant, bargain, sell, surrender and yield up unto the Port Authority, its successors and assigns, forever, the portion of the premises shown in diagonal hatching on Exhibit D (said portion of the premises being a portion of Area B which is shown in diagonal hatching on Exhibit C attached to Supplement No. 1 to the Lease and said portion of the premises being hereinafter, in this paragraph 2, called "the Surrendered Premises") and the term of years with respect thereto under the Lease yet to come and has given, granted and surrendered and by these presents does give, grant and surrender to the Port Authority, its successors and assigns, all the rights, rights of renewal, licenses, privileges and options of the Lessee granted by the Lease with respect to the Surrendered 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 Surrender Date;

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

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 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.

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

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 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.

In consideration of the making of this Agreement by the Port Authority and the above described release, the Lessee hereby agrees to terminate its occupancy of the Surrendered Premises and to deliver actual, physical possession of the Surrendered Premises to the Port Authority, on or before the Surrender Date, in the condition required by the Lease upon surrender.

Effective on and after the Surrender Date all references in the Lease to Area B shall mean and refer to the area shown in diagonal hatching on Exhibit C less the area shown in diagonal hatching on Exhibit D (sheet 1 of 2).

3. On and after July 1, 1989 the Lessee shall pay to the Port Authority a rental under the Lease (hereinafter called the "Area D Rental") for Area D of the premises at the annual rate of

(Ex. 2.a.) to be paid in equal monthly installments of in advance commencing on July 1, 1989 and on the first day of each and every calendar month thereafter during the balance of the term of the letting under the Lease. If any installments of the Area D rental shall be for less than a full calendar month, then the Area D 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.

4. In the event that the Lessee shall, at any time during the letting hereunder as to Area D, by the provisions of the Lease become entitled to an abatement of rental, said abatement shall be computed as follows:

(a) For each square foot of Area D the use of which is denied to the Lessee, at the annual rate of (Ex. 2.a.)

5. Effective from and after April 1, 1991 Section 13 of the Lease shall be amended as follows:

(a) Paragraph (b) shall be amended to read as follows:

> "(b) If so directed, the Lessee shall at its own expense defend any suit based upon any such claim or demand (even if such claim or demand is groundless, false or fraudulent), and in handling 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) Paragraph (c) shall be deemed amended to become paragraph (d) and a new paragraph (c) shall be deemed inserted reading as follows:

> "(c) 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 shall maintain and pay the premiums on a policy or policies of comprehensive general liability insurance, including automotive, products, liquor liability and covering bodily injury, including death, and property damage liability, broadened to include or equivalent separate policies covering aircraft liability and airport operator's liability under an

airport liability policy, none of the foregoing to contain care, custody or control exclusions, and providing for coverage in the limits set forth below. The Lessee may elect, in lieu of the foregoing requirement with respect to care, custody and control exclusions, in its own name as insured and including the Port Authority as an additional insured as its interest may appear to maintain and pay the premiums on a Hangar Legal Liability, Cargo Legal Liability, Baggage Legal Liability and Real Property Legal Liability policy or policies in the limits set forth below. 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. The said policy or policies of insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Lessee under paragraph (a) hereof.

	Minimum Limits
Comprehensive General Liability Bodily Injury Liability: For injury to or wrongful death of one or more than one person in any one occurrence:	$100,000,000
Property Damage Liability (including but not limited to aircraft in the care, custody and control of the Lessee) For all damages arising out of injury to or destruction of property in any one occurrence:	$100,000,000
Comprehensive Automobile Liability Bodily Injury Liability: For injury to or wrongful death one or more than one person in any one occurrence:	$ 25,000,000

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

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."

6. (a) The term of the letting under the Lease as to Area A and Area B (as diminished by the surrender effective June 30, 1989 set forth in paragraph 2 of this Supplemental Agreement) is hereby extended for the period ending on the 31st day of March, 1993, unless sooner terminated in accordance with the provisions of the Lease.

(b) For the period from July 1, 1989 to March 31, 1990 the Lessee shall pay a rental under the Lease for Area B at the annual rate of

(Ex. 2.a.) payable in equal monthly installments of on July 1, 1989 and on the first day of each calendar month during such period.

(c) On and after April 1, 1990 the Lessee shall pay a rental under the Lease for Area B at the annual rate of

) payable in equal monthly installments of on April 1, 1990 and on the first day of each and every calendar month thereafter during the term of the extension of the letting as to Area B.

(d) On and after April 1, 1990 the Lessee shall pay a rental under the Lease for Area A at the annual rate of

(Ex. 2.a.)) payable in equal monthly installments or on April 1, 1990 and on the first day of each and every calendar month thereafter during the term of the extension of the letting as to Area A.

7. Effective on and after April 1, 1990 paragraph 5 of Supplement No. 1 of the Lease, as amended in Supplement No. 9 of the Lease, shall be further amended by deleting therefrom the amount appearing in the last line of subparagraph (a) and subparagraph (b) thereof and substituting the amount in lieu thereof.

8. Without limiting the continuation in effect of all other provisions of Supplement No. 1 of the Lease not specifically amended herein, it is hereby agreed that the provisions of Paragraph 2 of Supplement No. 1 of the Lease shall continue in full force and effect.

9. The Lessee represents and warrants that no broker has been concerned in the negotiation of this Supplemental Agreement and there is no broker who is or may be entitled to be paid a commission in connection therewith. The Lessee shall indemnify and save harmless the Port Authority of and from any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

10. As herein amended, all the provisions, terms, covenants and conditions of the Lease shall remain in full force and effect.

11. Neither the Commissioners of the Port Authority, nor any of them, nor any employee thereof shall be charged personally with any liability or held liable by or to the Lessee under any term or provision of this Supplemental Agreement, or because of any breach thereof, or because of its execution or attempted execution.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed as of the day and year first above written.

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By Gerard P. FitzGerald

(Title) DEPUTY DIRECTOR OF AVIATION

ATTEST:

Charles D. MarLee, Secretary

AMERICAN AIRLINES, INC.

By

(Title) Vice President

(Corporate Seal)

AMERICAN AIRLINES, INC.

By Gerard J. Arpey

Title Senior Vice President Planning

APPROVED: FORM TERMS

AAJFK 072588

FORM E — Acknowledgment (N. Y. Corp.) 6/24/72

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

On the 25 day of February, 1993 before me came
Derald P. Fitz Gerald, to me known, who, being by me duly
sworn, did depose and say that he resides at Flushing, NY.

that he is the Deputy Dir of Aviation of The Port Authority
of New York and New Jersey, one of the corporations described in, and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Commissioners of the said corporation; and that he signed his name thereto by like order.

JACQUELINE WHITE
Notary Public, State of New York
No. 4737769
Qualified in Suffolk County
Commission Expires May 31, 1993

Jacqueline White
(Notarial Seal and Stamp)

STATE OF TEXAS)
) ss.
COUNTY OF TARRANT)

On the 8th day of December, 19 92 before me personally came A. Jaynne Allisor
to me known, who being by me duly sworn, did depose and say, that she resides at P. O. Box 619616, MD4213
DFW Airport, TX 75261-9616
that she is the Vice President of American Airlines, Inc.
one of the corporations described in and which executed the foregoing instrument; that she knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of the said corporation; and that he signed his name thereto by like order.

Michelle L. Echols
(Notarial Seal and Stamp)

MICHELLE L. ECHOLS
MY COMMISSION EXPIRES
March 6, 1995

STATE OF)
) ss.
COUNTY OF)

On the day of , 19 , before me personally came
to me known, who, being by me duly sworn, did depose and say, that he resides at
that he is the of
one of the corporations described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of the said corporation; and that he signed his name thereto by like order.

(Notarial Seal and Stamp)

AAJFK 072589

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

John F. Kennedy International Airport
Port Authority Lease No. AYB-085
Supplement No. 12

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, made as of the 22nd day of November, 1993, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority"), and AMERICAN AIRLINES, INC. (hereinafter called the "Lessee"),

WITNESSETH, That:

WHEREAS, by a certain agreement of lease made as of August 1, 1976, (which agreement of lease, as the same may have been heretofore supplemented and amended, is hereinafter called the "Lease"), 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 (hereinafter called the "Airport") as more particularly described in the Lease; and

WHEREAS, 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 the foregoing Agreements being 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; and

NOW, THEREFORE, in consideration of the covenants and mutual agreements herein contained, the Port Authority and the Lessee hereby agree, effective as of the date hereof, as follows:

1. Paragraph No. (6)(u)(5) of Supplement No. 11 to the Lease 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 of Chilled Water (as such terms are defined in the said paragraph) 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 the "Terminal"). 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 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 Lesssee's failure in any of these respects shall preclude operation of the Chiller under the circumstances set forth in Paragraph 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.

6. (a) Notwithstanding Section 5 hereof, 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 Supplemental Agreement, the Port Authority may direct the Lessee to disable the Chiller or to remove the Chiller from the premises.

(b) 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.

7. The Lessee shall, on notice from the Port Authority, 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 Section 41 of the Lease as such Section is in effect on the date of such notice from the Port Authority pursuant to Supplement No. 11 to the Lease.

8. (a) Without limiting the generality of the provisions of Paragraph No. 7 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.

(b) 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.

9. The Lessee represents and warrants that no broker has been concerned in the negotiation of this Supplemental Agreement and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Lessee shall indemnify and save harmless the Port Authority of and from any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

10. As herein amended, all the provisions, terms, covenants and conditions of the Lease shall remain in full force and effect.

11. Neither the Commissioners of the Port Authority, nor any of them, nor any employee thereof shall be charged personally with any liability or held liable by or to the Lessee under any term or provision of this Agreement, or because of any breach hereof, or because of its execution or attempted execution.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed as of the day and year first above written.

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____
DEPUTY DIRECTOR OF AVIATION

(Title)

(Seal)

ATTEST

Charles D. MacLeod
Corporate Secretary

Secretary

AMERICAN AIRLINES, INC.

By _____

(Title) Vice President

(Corporate Seal)

APPROVED:
FORM | TERMS

AAJFK 072576

FORM E - Acknowledgment (N.Y. Corp.) 6/24/72

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

On the 20 day of September, 1994, before me came Gerald P. Fitzgerald, to me known, who, being by me duly sworn, did depose and say that he resides at Flushing, NY that he is the Deputy Director of Aviation of The Port Authority of New York and New Jersey, one of the corporations described in, and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Commissioners of the said corporation; and that he signed his name thereto by like order.

Jacqueline White
(notarial seal and stamp)

JACQUELINE WHITE
Notary Public, State of New York
No. 4737769
Qualified in Suffolk County
Commission Expires May 31, 1995

STATE OF Texas)
) ss.
COUNTY OF Tarrant)

On the 21 day of July, 1994, before me personally came A. Jayne Allison to me known, who being by me duly sworn, did depose and say, that she resides at (Ex. 1)

that he is the President of **AMERICAN AIRLINES, INC.** one of the corporations described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of the said corporation; and that he signed his name thereto by like order.

NOTARY PUBLIC STATE OF TEXAS
TAMMY L. MACEJAK
Notary Public, State of Texas
My Commission Expires 11-30-96

Tammy L. Macejak
(notarial seal and stamp)

STATE OF)
) ss.
COUNTY OF)

On the day of , 1994, before me personally came to me known, who being by me duly sworn, did depose and say, that he resides at (Ex. 1)
that he is the President of , one of the corporations described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of the said corporation; and that he signed his name thereto by like order.

(notarial seal and stamp)

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

ORIGINALS

4F K-743

John F. Kennedy International Airport
Lease No. AYB-085
Supplement No. 9

THIS SUPPLEMENTAL AGREEMENT, made as of March 31, 1988 by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and AMERICAN AIRLINES, INC. (hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, by a certain agreement of lease made as of August 1, 1976 and identified by the above stated lease Number (which agreement of lease, as the same has been supplemented and amended, is hereinafter called "the Lease") the Port Authority let to the Lessee and the Lessee hired and took from the Port Authority certain premises at John F. Kennedy International Airport as more particularly described in the Lease; and

WHEREAS, the Port Authority and the Lessee desire to extend the term of the letting of a portion of the premises under the Lease;

NOW, THEREFORE, in consideration of the covenants and mutual agreements herein contained, the Port Authority and the Lessee hereby agree, effective as of March 31, ~~1988~~ 1987, as follows:

1. The term of the letting as to Area A and Area B under the Lease is hereby extended for the period ending on the 31st day of March, 1992, unless sooner terminated in accordance with the provisions of the Lease, at a rental during the extension, as to Area A, at the annual rate of (Ex. 2.a.) payable in advance in equal monthly installments of and, as to Area B, at the annual rate of (Ex. 2.a.) payable in advance in equal monthly installments of on the first day of each and every calendar month of the extension.

2. Paragraph 5 of Supplement No. 1 of the Lease, as amended in Supplement No. 8 of the Lease, shall be further amended by deleting therefrom the amount (Ex.2.a.) appearing in the last line of subparagraph (a) and subparagraph (b) thereof and substituting the amount (Ex. 2.a.) in lieu thereof.

3. Without limiting the continuation in effect of all other provisions of Supplement No. 1 of the Lease not

specifically amended herein, it is hereby agreed that the provisions of Paragraph 2 of Supplement No. 1 of the Lease shall continue in full force and effect.

4. The Lessee represents and warrants that no broker has been concerned in the negotiation of this Supplemental Agreement or the extension hereunder and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Lessee shall indemnify and save harmless the Port Authority of and from any and all claims for commission or brokerage made by any and all persons, firms, or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement or the extension hereunder.

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

6. As hereby amended, all of the terms, covenants, provisions, conditions and agreements of the Lease shall be and remain in full force and effect.

7. This Supplemental Agreement and the Lease which it amends constitute the entire agreement between the Port Authority and the Lessee on the subject matter, and may not be changed, modified, discharged or extended except by instrument in writing duly executed on behalf of both the Port Authority and the Lessee. The Lessee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in the Lease or this Supplemental Agreement.

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By

(Title) ASSISTANT DIRECTOR OF AVIATION

(Seal)

ATTEST:

Secretary

AMERICAN AIRLINES, INC.

By

(Title) ~~President~~

(Corporate Seal)

APPROVED FORM IERNS

AAJFK 072593

FORM XLD—Ack., N.Y. 51380

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

On the 22 day of February, 19 91/88, before me personally came Gerald P. Fitzgerald to me known, who, being by me duly sworn, did depose and say that he resides at Flushing, NY.;

that he is the Asst Dir of Aviation of The Port Authority of New York and New Jersey, (one of) the corporations described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Commissioners of the said corporation; and that he signed his name thereto by like order.

Jacqueline White
(notarial seal and stamp)

STATE OF Texas }
COUNTY OF Dallas } ss.:

JACQUELINE WHITE
Notary Public, State of New York
No. 4737769
Qualified in Suffolk County
Commission Expires May 31, 1991

On the 10th day of January, 19 89, before me personally came Thomas J. Kiernan to me known, who, being by me duly sworn, did depose and say that he resides at Dallas, Texas;

that he is the Vice President of Corporate Services American Airlines, Inc.

one of the corporations described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of the said corporation; and that he signed his name thereto by like order.

Ann E. King
(notarial seal and stamp)
11-30-92

~~STATE OF~~ }
COUNTY OF } ss.:

On the ____ day of _____, 19____, before me personally came _____

_____ to me known and known to me to be the individual described in and who executed the foregoing instrument, and acknowledged to me that he executed the same.

_____
~~(notarial seal and stamp)~~

AAJFK 072594

THE PORT AUTHORITY OF NY & NJ

Aviation Department
Robert J. Aaronson, Director

One World Trade Center
New York, N.Y. 10048
(212) 466-7455
(212) 432-0602

AYB-085

May 18, 1987

AYB-085 JFK-748

American Airlines, Inc.
Post Office Box 619622
Dallas/Fort Worth Airport,
Texas 75261-9622

Gentlemen:

American Airlines, Inc. (hereinafter referred to as "American") occupies passenger terminal facilities and related areas (hereinafter referred to as the "premises") at John F. Kennedy International Airport under the terms of an agreement of lease dated as of August 1, 1976 and bearing Port Authority File No. AYB-085 (which agreement of lease, as the same has been heretofore amended and supplemented is hereinafter referred to as the "Unit Terminal Lease").

American has requested that the Port Authority establish and then operate a consolidated ground transportation reservation and information counter at the premises and the Port Authority is willing to do so on the terms and conditions contained below in this Letter Agreement for an effective period commencing on the date hereof and ending September 30, 1989:

1. In lieu of the provisions of Section 52 of the Unit Terminal Lease obligating American to make available space with respect to limousine, bus, taxi and other ground transportation operators at the Airport (but not including car rental operators as to which the provisions of the said Section 52 shall be and continue in full force and effect), American shall provide to the Port Authority or its contractors, without charge, such counter space within the premises under the Unit Terminal Lease as may reasonably be required for use as a consolidated ground transportation reservation and information counter or counters (hereinafter called the "Consolidated Counter") to be operated by the Port Authority or its contractors.

2. American 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 Counter; 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 Counter and the accommodation of the users thereof; to permit reasonable physical modifications of the counter space by the Port Authority or its contractors; 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 Counter and to provide access to the Port Authority and its contractors to and from the public ways outside the premises in connection with the aforesaid physical modification and installation. American acknowledges and agrees that the Consolidated Counter shall at all times be a part of the premises under the Unit Terminal Lease and subject to all the terms and provisions thereof including, but not limited to indemnity, the payment of rentals and repair and maintenance. American shall, at its sole cost and expense, supply all utilities necessary for the operation of the Consolidated Counter including but not limited to heat, light, ventilation, air conditioning and electricity on a twenty-four (24) hours per day seven (7) days per week basis. American shall not be required to provide telephone service to the Consolidated Counter.

3. The Port Authority shall have the right at any time, without cause, on One Hundred Eighty (180) days notice to American to discontinue the operation of the Consolidated Counter and from and after the effective date stated in said notice the operation of the Consolidated Counter shall terminate and cease and the provisions of this Letter Agreement shall be null, void and of no further force and effect and the provisions of Section 50 of the Unit Terminal Lease and American's obligations as set forth therein with respect to limousine, bus, taxi, car rental and other ground transportation operators shall be deemed reinstated and in full force and effect.

If American wishes to proceed with the establishment and operation of the Consolidated Counter upon the basis of and under the terms of this Letter Agreement, please indicate your acceptance of the same by signing both counterparts of this Letter Agreement and returning them to the Port Authority's Business Administration Division at Kennedy International

THE PORT AUTHORITY OF NY & NJ

Airport. The return of one of the counterparts to American after execution by the Port Authority shall place this Letter Agreement into effect.

Very truly yours,

Robert J. Aaronson
Director of Aviation

ACCEPTED BY:

AMERICAN AIRLINES, INC.

By _____

Title _____

APPROVED:
FORM
NOV
TERMS

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

ORIGINALS

9FK-748

Lease No. AYB-085
Supplement No. 8
Facility - John F. Kennedy International Airport

THIS SUPPLEMENTAL AGREEMENT, made as of March 31, 1986 by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority") and AMERICAN AIRLINES, INC. (hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, by a certain agreement of lease made as of August 1, 1976 and identified by the above stated lease Number (which agreement of lease, as the same has been supplemented and amended, is hereinafter called "the Lease") the Port Authority let to the Lessee and the Lessee hired and took from the Port Authority certain premises at John F. Kennedy International Airport as more particularly described in the Lease; and

WHEREAS, the Port Authority and the Lessee desire to extend the term of the letting of a portion of the premises under the Lease;

NOW, THEREFORE, in consideration of the covenants and mutual agreements herein contained the Port Authority and the Lessee hereby agree effective March 31, 1986 as follows:

1. The term of the letting as to Area A and Area B under the Lease is hereby extended for the period ending on the 31st day of March, 1987, unless sooner terminated in accordance with the provisions of the Lease, at a rental during the extension, as to Area A, at the annual rate of (Ex. 2.a.) payable in advance in equal monthly installments of and, as to Area B, at the annual rate of (Ex. 2.a.), payable in advance in equal monthly installments of , on the first day of each and every calendar month of the extension.

2. Paragraph 5 of Supplement No. 1 of the Lease is hereby deemed amended by deleting therefrom the amount appearing in the last line of subparagraph (a) and subparagraph (b) thereof and substituting in lieu thereof the amount

3. Without limiting the continuation in effect of all other provisions of Supplement No. 1 of the Lease not specifically amended herein, it is hereby agreed that the provisions of Paragraph 2 of Supplement No. 1 of the Lease shall continue in full force and effect.

4. The Lessee represents and warrants that no broker has been concerned in the negotiation of this Supplemental Agreement or the extension hereunder and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Lessee shall indemnify and save harmless the Port Authority of and from any and all claims for commission or brokerage made by any and all persons, firms, or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement or the extension hereunder.

5. The Lessee and the Port Authority acknowledge that the premises under the Lease constitute non-residential real property.

6. Effective as of April 1, 1986, the last three lines of paragraph (b) of Section 13 of the Lease, following the word "limits:", shall be deemed deleted and the following words shall be deemed inserted therein "$100,000,000 minimum Comprehensive General Liability insurance covering bodily injury, including wrongful death, automobile liability and property damage liability combined single limit for each occurrence."

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

8. As hereby amended, all of the terms, covenants, provisions, conditions and agreements of the Lease shall be and remain in full force and effect.

9. This 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

AAJFK 072599

Lessee. The Lessee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in the Lease or this Supplemental Agreement.

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By Gerald P. FitzGerald

(Title) ASSISTANT DIRECTOR OF AVIATION

ATTEST:

Secretary

AMERICAN AIRLINES, INC.

By A. Jayhne Allison

(Title) Acting Vice President - Corporate Services

(Corporate Seal)

APPROVED:
FORM
TERMS
1/30/91

AAJFK 072600

FORM XLD—Ack., N.Y. 51380

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

On the 22 day of February, 1991 before me personally came Gerard P. Fitzgerald to me known, who, being by me duly sworn, did depose and say that he resides at Flushing, NY.;

that he is the Asst Dir. of Aviation of The Port Authority of New York and New Jersey, (one of) the corporations described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Commissioners of the said corporation; and that he signed his name thereto by like order.

Jacqueline White
(official seal and seal stamp)

JACQUELINE WHITE
Notary Public, State of New York
No. 4737769
Qualified in Suffolk County
Commission Expires May 31, 1991

STATE OF TEXAS }
COUNTY OF TARRANT } ss.:

On the 24th day of January, 1991, before me personally came A. Jaynne Allison to me known, who, being by me duly sworn, did depose and say that he resides at P. O. Box 619616, MD4213, DFW Airport, TX 75261;

that he is the Acting Vice President of Corporate Services American Airlines, Inc. one of the corporations described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of the said corporation; and that he signed his name thereto by like order.

Barbara J. Matthews
(notarial seal and seal stamp)

BARBARA J. MATTHEWS
MY COMMISSION EXPIRES
November 7, 1994

STATE OF }
COUNTY OF } ss.:

On the day of , 19, before me personally came to me known and known to me to be the individual described in and who executed the foregoing instrument, and acknowledged to me that he executed the same.

(notarial seal and seal stamp)

AAJFK 072601

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

ORIGINALS

9FK-748

Lease No. AYB-085
Supplement No. 8
Facility - John F. Kennedy International Airport

THIS SUPPLEMENTAL AGREEMENT, made as of March 31, 1986 by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority") and AMERICAN AIRLINES, INC. (hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, by a certain agreement of lease made as of August 1, 1976 and identified by the above stated lease Number (which agreement of lease, as the same has been supplemented and amended, is hereinafter called "the Lease") the Port Authority let to the Lessee and the Lessee hired and took from the Port Authority certain premises at John F. Kennedy International Airport as more particularly described in the Lease; and

WHEREAS, the Port Authority and the Lessee desire to extend the term of the letting of a portion of the premises under the Lease;

NOW, THEREFORE, in consideration of the covenants and mutual agreements herein contained the Port Authority and the Lessee hereby agree effective March 31, 1986 as follows:

1. The term of the letting as to Area A and Area B under the Lease is hereby extended for the period ending on the 31st day of March, 1987, unless sooner terminated in accordance with the provisions of the Lease, at a rental during the extension, as to Area A, at the annual rate of

payable in advance in equal monthly installments of (Ex. 2.a.) and, as to Area B, at the annual rate of (Ex. 2.a.) payable in advance in equal monthly installments of on the first day of each and every calendar month of the extension.

2. Paragraph 5 of Supplement No. 1 of the Leage is hereby deemed amended by deleting therefrom the amount (Ex. 2.a.) appearing in the last line of subparagraph (a) and subparagraph (b) thereof and substituting in lieu thereof the amount (Ex. 2.a.)

3. Without limiting the continuation in effect of all other provisions of Supplement No. 1 of the Lease not specifically amended herein, it is hereby agreed that the provisions of Paragraph 2 of Supplement No. 1 of the Lease shall continue in full force and effect.

4. The Lessee represents and warrants that no broker has been concerned in the negotiation of this Supplemental Agreement or the extension hereunder and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Lessee shall indemnify and save harmless the Port Authority of and from any and all claims for commission or brokerage made by any and all persons, firms, or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement or the extension hereunder.

5. The Lessee and the Port Authority acknowledge that the premises under the Lease constitute non-residential real property.

6. Effective as of April 1, 1986, the last three lines of paragraph (b) of Section 13 of the Lease, following the word "limits:", shall be deemed deleted and the following words shall be deemed inserted therein "$100,000,000 minimum Comprehensive General Liability insurance covering bodily injury, including wrongful death, automobile liability and property damage liability combined single limit for each occurrence."

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

8. As hereby amended, all of the terms, covenants, provisions, conditions and agreements of the Lease shall be and remain in full force and effect.

9. This Supplemental Agreement and the Lease which it amends constitute the entire agreement between the Port Authority and the Lessee on the subject matter, and may not be changed, modified, discharged or extended except by instrument in writing duly executed on behalf of both the Port Authority and the

Lessee. The Lessee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in the Lease or this Supplemental Agreement.

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By Gerald P. FitzGerald

(Title) ASSISTANT DIRECTOR OF AVIATION

ATTEST:

Secretary

AMERICAN AIRLINES, INC.

By A. Jayhne Allison

(Title) Acting Vice President - Corporate Services

(Corporate Seal)

APPROVED:
FORM
TERMS
1/30/91

AAJFK 072600

FORM XLD—Ack., N.Y. 51380

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.

On the 22 day of February, 1994 before me personally came Gerald P Fitz Gerald to me known, who, being by me duly sworn, did depose and say that he resides at Flushing, NY.

that he is the Ass't Dir. of Aviation of The Port Authority of New York and New Jersey, (one of) the corporations described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Commissioners of the said corporation; and that he signed his name thereto by like order.

Jacqueline White
(notarial seal and stamp)

JACQUELINE WHITE
Notary Public, State of New York
No. 4737769
Qualified in Suffolk County
Commission Expires May 31, 1994

STATE OF TEXAS }
COUNTY OF TARRANT } ss.

On the 24th day of January, 1994, before me personally came A. Jaynne Allison to me known, who, being by me duly sworn, did depose and say that he resides at P. O. Box 619616, MD4213, DFW Airport, TX 75261

that he is the Acting Vice President of Corporate Services American Airlines, Inc. one of the corporations described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of the said corporation; and that he signed his name thereto by like order.

Barbara J. Matthews
(notarial seal and stamp)

BARBARA J. MATTHEWS
MY COMMISSION EXPIRES
November 7, 1994

STATE OF }
COUNTY OF } ss.

On the ____ day of ____, 19__, before me personally came ____ to me known and known to me to be the individual described in and who executed the foregoing instrument, and acknowledged to me that he executed the same.

(notarial seal and stamp)

AAJFK 072601

AYB-085

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

JFK-748

MEMORANDUM COPY

Agreement shall not be binding upon the Authority until duly executed by an ex- ive officer thereof, and delivered by an norized representative of the Port Authority.

Supplement No. 8
Facility: John F. Kennedy International Airport
Lease No. AYB-085

THIS SUPPLEMENTAL AGREEMENT, made as of March 31, ~~1986~~ by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and AMERICAN AIRLINES, INC. (hereinafter called "the Lessee"),

WITNESSETH, That:

AJA

WHEREAS, by a certain agreement of lease made as of August 1, 1976 and identified by the above stated lease Number (which agreement of lease, as the same has been supplemented and amended, is hereinafter called "the Lease") the Port Authority let to the Lessee and the Lessee hired and took from the Port Authority certain premises at John F. Kennedy International Airport as more particularly described in the Lease; and

WHEREAS, the Port Authority and the Lessee desire to extend the term of the letting of a portion of the premises under the Lease;

NOW, THEREFORE, in consideration of the covenants and mutual agreements herein contained, the Port Authority and the Lessee hereby agree effective March 31, 1986 as follows:

INITIAL
AJA

1. The term of the letting as to Area A and Area B under the Lease is hereby extended for the period ending on the 31st day of March, ~~1988~~ 1991, unless sooner terminated in accordance with the provisions of the Lease, at a rental during the extension, as to Area A, at the annual rate of (Ex. 2.a.) payable in advance in equal monthly installments of (Ex. 2.a.) and, as to Area B, at the annual rate of (Ex. 2.a.) payable in advance in equal monthly installments of (Ex. 2.a.) on the first day of each and every calendar month of the extension.

AAJFK 072602

2. Paragraph 5 of Supplement No. 1 of the Lease is hereby deemed amended by deleting therefrom the amount (ex. 2.a.) appearing in the last line of subparagraph (a) and subparagraph (b) thereof and substituting in lieu thereof the amount

3. Without limiting the continuation in effect of all other provisions of Supplement No. 1 of the Lease not specifically amended herein, it is hereby agreed that the provisions of Paragraph 2 of Supplement No. 1 of the Lease shall continue in full force and effect.

4. The Lessee represents and warrants that no broker has been concerned in the negotiation of this Supplemental Agreement or the extension hereunder and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Lessee shall indemnify and save harmless the Port Authority of and from any and all claims for commission or brokerage made by any and all persons, firms, or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement or the extension hereunder.

5. The Lessee and the Port Authority acknowledge that the premises under the Lease constitute non-residential real property.

6. Effective as of April 1, 1986, the last three lines of paragraph (b) of Section 13 of the Lease, following the word "limits:", shall be deemed deleted and the following words shall be deemed inserted therein "$100,000,000 minimum Comprehensive General Liability insurance covering bodily injury, including wrongful death, automobile liability and property damage liability combined single limit for each occurrence."

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

8. As hereby amended, all of the terms, covenants, provisions, conditions and agreements of the Lease shall be and remain in full force and effect.

9. This Supplemental Agreement and the Lease which it amends constitute the entire agreement between the Port Authority and the Lessee on the subject matter, and may not be changed, modified, discharged or extended except by instrument in writing duly executed on behalf of both the Port Authority and the

Lessee. The Lessee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed writing in the Lease or this Supplemental Agreement.

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

ATTEST:

_____
Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

(Title) _____
(Seal)

ATTEST:

_____
Secretary

AMERICAN AIRLINES, INC.

By A. Jayne Allison

(Title) Director & Senior Counsel ~~Vice President~~ ~~President~~
(Corporate Seal)

AAJFK 072604

RM XLD—Ack., N.Y. 51380

TE OF NEW YORK
UNTY OF NEW YORK } ss.

n the _____ day of _____, 19 86, before me personally came

_____ to me known, who, being by

duly sworn, did depose and say that he resides at _____

_____;

t he is the _____ of The Port Authority of New York and New
sey, (one of) the corporations described in and which executed the foregoing instrument; that he knows the seal of the
d corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the
ard of Commissioners of the said corporation; and that he signed his name thereto by like order.

_____
(notarial seal and stamp)

ATE OF TEXAS
OUNTY OF TARRANT } ss.

On the 7 day of November, 19 86, before me personally came _____

A. Jayne Allison to me known, who, being by me duly

orn, did depose and say that she resides at Dallas, Texas

_____;

s she is the Director & Sr. Counsel President of _____

AMERICAN AIRLINES, INC.
ne of the corporations described in and which executed the foregoing instrument; that he knows the seal of the said corp-
ration; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of
Directors of the said corporation; and that he signed his name thereto by like order.

Colleen Zentell
(notarial seal and stamp) Expiration 11/7/88

~~STATE OF~~ _____
COUNTY OF } ss.

On the _____ day of _____, 19____, before me personally came _____

_____ to me known and known to me to be the individual described in and who executed the foregoing
instrument, and acknowledged to me that he executed the same.

_____
(notarial seal and stamp)

AAJFK 072605

AYB-085

TAIP
HISCOPY
FOR YOUR
FILES

JFK-748

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

MEMORANDUM COPY

This Agreement shall not be binding upon the Port Authority until duly executed by an executive officer thereof, and delivered by an authorized representative of the Port Authority.

Supplement No. 7
Facility: John F. Kennedy International Airport
Lease No. AYB-085

THIS SUPPLEMENTAL AGREEMENT, made as of March 31, 1985 by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and AMERICAN AIRLINES, INC. (hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, by a certain agreement of lease dated as of August 1, 1976 and identified by the above stated lease Number (which agreement of lease, as the same has been supplemented and amended, is hereinafter called "the Lease") the Port Authority let to the Lessee and the Lessee hired and took from the Port Authority certain premises at John F. Kennedy International Airport as more particularly described in the Lease; and

WHEREAS, the Port Authority and the Lessee desire to extend the term of the letting of a portion of the premises under the Lease;

NOW, THEREFORE, in consideration of the covenants and mutual agreements herein contained, the Port Authority and the Lessee hereby agree as follows:

1. Effective as of March 31, 1985, the term of the letting as to Area A and Area B under the Lease is hereby extended for the period ending on the 31st day of March, 1986, unless sooner terminated in accordance with the provisions of the Lease, at a rental during the extension. as to Area A. at the annual rate of (Ex. 2.a.) payable in advance in equal monthly installments of and, as to Area B, at the annual rate of (Ex. 2.a.) payable in advance in equal monthly installments of on the first day of each and every calendar month of the extension.

2. Without limiting the continuation in effect of all other provisions of Supplement No. 1 of the Lease not specifically amended herein, it is hereby agreed that the provisions of Paragraph 2 of Supplement No. 1 of the Lease shall continue in full force and effect. (Ex. 2.a.)

3. The Lessee represents and warrants that no broker has been concerned in the negotiation of this Supplemental Agreement or the extension hereunder and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Lessee shall indemnify and save harmless the Port Authority of and from any and all claims for commission or brokerage made by any and all persons, firms, or corporation whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement or the extension hereunder.

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

5. As hereby amended, all of the terms, covenants, provisions, conditions and agreements of the Lease shall be and remain in full force and effect.

6. This Supplemental Agreement and the Lease which it amends constitute the entire agreement between the Port Authority and the Lessee on the subject matter, and may not be changed, modified, discharged or extended except by instrument in writing duly executed on behalf of both the Port Authority and the Lessee. The Lessee agrees that no representations or warranties

shall be binding upon the Port Authority unless expressed in writing in the Lease or this Supplemental Agreement.

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

ATTEST:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

_____
Secretary

By _____

(Title) _____
(Seal)

ATTEST:

AMERICAN AIRLINES, INC.

A. McNamara
Secretary

By Charles E Driggs

(Title) Asst. Vice President - PROPERTIE
(Corporate Seal)

AAJFK 072608

rm CSL: ACK. N.Y., Corp.

ATE OF NEW YORK)
) ss.
OUNTY OF NEW YORK)

On the day of , 19 85 , before me personally
me to me known, who, being by me duly sworn,
d depose and say that he resides at
; that he is the (ex. 1) of
e Port Authority of New York and New Jersey, one of the corporations
escribed in and which executed the foregoing instrument; that he knows the
eal of the said corporation; that the seal affixed to the said instrument
s such corporate seal; that it was so affixed by order of the Board of
ommissioners of the said corporation; and that he signed his name thereto
like order.

(notarial seal and stamp)

ATE OF Texas)
) ss.
OUNTY OF Tarrant)

On the 6 day of May , 1985 , before me personally
ame Charles E. Griffith to me known, who, being by me duly sworn,
d depose and say that he resides at Dallas, Texas
; that he is the Asst. Vice President-Properties of
American Airlines, Inc. the corporation described
, and which executed the foregoing instrument; that he knows the seal of
e said corporation; that the seal affixed to the said instrument is such
orporate seal; that it was so affixed by order of the Board of Directors
the said corporation; and that he signed his name thereto by like order.

(notarial seal and stamp)

ATE OF)
) ss.
OUNTY OF)

AAJFK 072609

On the day of , 19 , before me personally
me to me known, who, being by me duly sworn,
d depose and say that he resides at
; that he is the (Ex. 1) of
the corporation described
, and which executed the foregoing instrument; that he knows the seal of
e said corporation; that the seal affixed to the said instrument is such
orporate seal; that it was so affixed by order of the Board of Directors
the said corporation; and that he signed his name thereto by like order.

(notarial seal and stamp)

AYB-085

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

JFK 748

John F. Kennedy International Airport
Port Authority Lease No. AYB-085
Supplement No. 6

THIS SUPPLEMENTAL AGREEMENT, made as of the 31st day of March, 1984 by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and AMERICAN AIRLINES, INC. (hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, by a certain agreement of lease made as of August 1, 1976 (which agreement of lease, as the same has been heretofore supplemented and amended, is hereinafter called "the Lease"), 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 (hereinafter called "the Airport") as more particularly described in the Lease; and

WHEREAS, the Port Authroity and the Lessee desire to extend the term of the letting of a portion of the premises under the Lease;

NOW, THEREFORE, in consideration of the covenants and agreements herein contained, the Port Authority and the Lessee hereby agree, effective as of March 31, 1984, as follows:

1. The term of the letting as to Area A and Area B under the Lease, unless sooner terminated, is hereby extended to and including March 31, 1985 at a rental during the extension. as to Area A, at the annual rate of

equal monthly installments of (ex. 2.a.) payable in advance in

id, as to Area B, at the annual

rate of

(Ex. 2.a.) payable in advance in equal monthly installments of

on the first day of each calendar month of the extension. If any installment of rental payable hereunder shall be for less than a full calendar month, then the rental payment for the portion of the month for which said payment is due shall be the monthly installment prorated on a daily basis using the actual number of days in the said month.

AAJFK 072610

2. Without limiting the continuation in effect of all other provisions of Supplement No. 1 of the Lease not specifically amended herein, it is hereby agreed that the provisions of Paragraph 2 of Supplement No. 1 of the Lease shall continue in full force and effect.

3. The Lessee represents and warrants that no broker has been concerned in the negotiation of this Supplemental Agreement or the extension hereunder and there is no broker who is or may be entitled to be paid a commission in connection therewith. The Lessee shall indemnify and save harmless the Port Authority of and from any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

4. As herein amended, all the provisions, terms, covenants and conditions of the Lease shall be and remain in full force and effect.

5. Neither the Commissioners of the Port Authority, nor any of them, nor any employee thereof shall be charged personally with any liability or held liable by or to the Lessee under any term or provision of this Supplemental Agreement, or because of any breach thereof, or because of its execution or attempted execution.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed as of the day and year first above written.

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

(Title) Morris Sloane-Deputy Director of Aviation

(Seal)

ATTEST:

Secretary

AMERICAN AIRLINES, INC.

By _____

(Title) ASST VICE President

(Corporate Seal)

AAJFK 072611

APPROVED:
FORM
TERMS

AYB-085

JFK 748

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

John F. Kennedy International Airport
Port Authority Lease No. AYB-085
Supplement No. 5

THIS SUPPLEMENTAL AGREEMENT, made as of the 13th day of June, 1982 by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and AMERICAN AIRLINES, INC. (hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, by a certain agreement of lease made as of August 1, 1976 (which agreement of lease, as the same has been heretofore supplemented and amended, is hereinafter called "the Lease"), 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 (hereinafter called "the Airport") as more particularly described in the Lease; and

WHEREAS, the Port Authority and the Lessee desire to extend the term of the letting of a portion of the premises under the Lease;

NOW, THEREFORE, in consideration of the covenants and agreements herein contained, the Port Authority and the Lessee hereby agree, effective as of June 13, 1982, as follows:

1. The term of the letting as to Area A and Area B under the Lease, unless sooner terminated, is hereby extended to and including March 31, 1984 at a rental during the extension, as to Area A, at the annual rate of

Ex. 2.a.

, payable in advance in equal monthly installments of

and, as to Area B, at the annual rate of

(Ex. 2.a.)

, payable in advance in equal monthly installments of

.00),

on the first day of each calendar month of the extension. Since the first installments of the aforesaid rentals payable during the extension shall be for less than a full calendar month, the rental payments for the portion of June, 1982 from June 15, 1982 to June 30, 1982 shall be the monthly installments prorated on a daily basis using the actual number of days in the said month. If any other installment of rental payable hereunder shall be for less than a full calendar month, then the rental payment for the portion of the month for which said payment is due shall be the monthly installment prorated on a daily basis using the actual number of days in the said month.

2. Without limiting the continuation in effect of all other provisions of Supplement No. 1 of the Lease not specifically amended herein, it is hereby agreed that the provisions of Paragraph 2 of Supplement No. 1 of the Lease shall continue in full force and effect.

3. The Lessee represents and warrants that no broker has been concerned in the negotiation of this Supplemental Agreement or the extension hereunder and there is no broker who is or may be entitled to be paid a commission in connection therewith. The Lessee shall indemnify and save harmless the Port Authority of and from any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

4. As herein amended, all the provisions, terms, covenants and conditions of the Lease shall be and remain in full force and effect.

FORM XLD—Ack., N.Y. 51380

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.

On the 14th day of October, 1982, before me personally came

S.J. NOWINSKI to me known, who, being by

me duly sworn, did depose and say that he resides at BAYONNE, NEW JERSEY

:

that he is the EXECUTIVE ASST. TO DIRECTOR OF AVIATION of The Port Authority of New York and New Jersey, (one of) the corporations described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Commissioners of the said corporation; and that he signed his name thereto by like order.

Anthony M. Cedrone
(notarial seal and stamp)
ANTHONY M. CEDRONE
Notary Public, State of New Yor.
No. 30-4730669
Qualified in County of Nassau
Commission Expires March 30, 1984

STATE OF [illegible] }
COUNTY OF [illegible] } ss.

On the 30th day of August, 1982, before me personally came

Richard F. Thomson to me known, who, being by me duly

sworn, did depose and say that he resides at

:

that he is the Senior Vice President of [illegible]

American Airlines, Inc.

one of the corporations described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of the said corporation; and that he signed his name thereto by like order.

[illegible]
(notarial seal and stamp)
[illegible] Expires July 1, 1984

~~STATE OF~~ }
COUNTY OF } ss.

AAJFK 072615

On the _____ day of _____, 19____, before me personally came ___

_____ to me known and known to me to be the individual described in and who executed the foregoing instrument, and acknowledged to me that he executed the same.

(notarial seal and stamp)

5. Neither the Commissioners of the Port Authority, nor any of them, nor any employee thereof shall be charged personally with any liability or held liable by or to the Lessee under any term or provision of this Supplemental Agreement, or because of any breach thereof, or because of its execution or attempted execution.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed as of the day and year first above written.

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By _____

(Title) S. J. NOWINSKI
EXECUTIVE ASST. TO DIRECTOR OF AVIATION

(Seal)

ATTEST:

Corp. Secretary

AMERICAN AIRLINES, INC.

By _____

(Title) Vice President-Properties & Facilities (ACTING)

(Corporate Seal)

AAJFK 072616

APPROVED:
FORM
TERMS

FORM XLD—Ack., N.Y. [redacted]

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

On the 7th day of DECEMBER, 19 84, before me personally came MORRIS SLOANE to me known, who, being by me duly sworn, did depose and say that he resides at YONKERS, N.Y.;

that he is the DEPUTY DIRECTOR OF AVIATION of The Port Authority of New York and New Jersey, (one of) the corporations described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Commissioners of the said corporation; and that he signed his name thereto by like order.

Anita E. Westrich
(notarial seal and stamp)

ANITA E. WESTRICH
Notary Public, State of New York
No. 43-1656184
Qualified in Richmond County
Commission Expires March 30, 1985

STATE OF TEXAS }
COUNTY OF TARRANT } ss.:

On the 17 day of April, 19 84, before me personally came CHARLES E. GRIFFITH to me known, who, being by me duly sworn, did depose and say that he resides at ;

that he is the ASSISTANT VICE President of PRESIDENT American Airlines, Inc.,

one of the corporations described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of the said corporation; and that he signed his name thereto by like order.

AAJFK 072612

Kathleen A. Robbins
(notarial seal and stamp)

NOTARY PUBLIC, TARRANT COUNTY, TEXAS
MY COMMISSION EXPIRES 7/31/84

STATE OF }
COUNTY OF } ss.:

On the day of , 19, before me personally came

to me known and known to me to be the individual described in and who executed the foregoing instrument, and acknowledged to me that he executed the same.

(notarial seal and stamp)

AYB-085

JFK-748

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

John F. Kennedy International Airport
Port Authority Lease No. AYB-085
Supplement No. 4

THIS SUPPLEMENTAL AGREEMENT, made as of the 13th day of June, 1981, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and AMERICAN AIRLINES, INC. (hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, by a certain agreement of lease made as of August 1, 1976 (which agreement of lease, as the same has been heretofore supplemented and amended, is hereinafter called "the Lease"), 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 (hereinafter called "the Airport") as more particularly described in the Lease; and

WHEREAS, the Port Authority and the Lessee desire to extend the term of the letting of a portion of the premises under the Lease;

NOW, THEREFORE, in consideration of the covenants and agreements herein contained, the Port Authority and the Lessee hereby agree, effective as of June 13, 1981, as follows:

1. The term of the letting as to Area A and Area B under the Lease, unless sooner terminated is hereby extended to and including June 14, 1982 at a rental during the extension, as to Area A, at the annual rate of

(ex. 2.a.)

payable in advance in equal monthly installments of

and, as to Area B, at the annual rate of

payable in advance in equal monthly installments of

on the first day of each calendar month of the extension. Since the first installments of the aforesaid rentals payable during the extension shall be for less than a full calendar month, the rental payments for the portion of June, 1981 from June 15, 1981 to June 30, 1981 shall be the monthly installments prorated on a daily basis using the actual number of days in the said month. If any other installment of rental payable hereunder shall be for less than a full calendar month, then the rental payment for the portion of the month for which said payment is due shall be the monthly installment prorated on a daily basis using the actual number of days in the said month.

2. Without limiting the continuation in effect of all other provisions of Supplement No. 1 of the Lease not specifically amended herein, it is hereby agreed that the provisions of Paragraph 2 of Supplement No. 1 of the Lease shall continue in full force and effect.

3. The Lessee represents and warrants that no broker has been concerned in the negotiation of this Supplemental Agreement or the extension hereunder and there is no broker who is or may be entitled to be paid a commission in connection therewith. The Lessee shall indemnify and save harmless the Port Authority of and from any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

4. As herein amended, all the provisions, terms, covenants and conditions of the Lease shall be and remain in full force and effect.

5. Neither the Commissioners of the Port Authority, nor any of them, nor any employee thereof shall be charged personally with any liability or held liable by or to the

Form CSL: ACK. N.Y., Corp.

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

On the 14th day of October, 1982, before me personally came S.J. NOWINSKI to me known, who, being by me duly sworn, did depose and say that he resides at BAYONNE, NEW JERSEY; that he is the EXECUTIVE ASST. TO DIRECTOR OF AVIATION of The Port Authority of New York and New Jersey, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Commissioners of the said corporation; and that he signed his name thereto by like order.

Anthony M. Cedrone
(notarial seal and stamp)

ANTHONY M. CEDRONE
Notary Public, State of New York
No. 30-4730669
Qualified in County of Nassau
Commission Expires March 30, 19 84

STATE OF TEXAS)
) ss.
COUNTY OF DALLAS)

On the 31st day of August, 1982, before me personally came RICHARD B. JAMISON to me known, who, being by me duly sworn, did depose and say that he resides at ; that he is the ACTING VICE President Prop. & FAC. of American Airlines, Inc. the corporation described in, and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of the said corporation; and that he signed his name thereto by like order.

Kathleen A. Ashley
(notarial seal and stamp)
COMMISSION EXPIRES 9/21/84

STATE OF)
) ss.
COUNTY OF)

AAJFK 072619

On the day of , 19 , before me personally came to me known, who, being by me duly sworn, did depose and say that he resides at ; that he is the of the corporation described in, and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of the said corporation; and that he signed his name thereto by like order.

(notarial seal and stamp)

Lease under any term or provision of this Supplemental Agreement, or because of any breach thereof, or because of its execution or attempted execution.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed as of the day and year first above written.

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

(Title) S. J. NOWINSKI EXECUTIVE ASST. TO DIRECTOR OF AVIATION

(Seal)

ATTEST:

Asst. Secretary

AMERICAN AIRLINES, INC.

By _____

(Title) (ACTING)

(Corporate Seal)

APPROVED: FORM TERMS

THE PORT AUTHORITY OF NY & NJ

Aviation Department
Caesar B. Pattarini, Director

One World Trade Center
New York, N.Y. 10048
(212) 466-7000
(201) 622-6600

JFK-748

AYB-085

July 15, 1980

American Airlines, Inc.
P. O. Box 61616
Dallas/Fort Worth Airport
Dallas, Texas 75261

Attention: Richard Jamison, Assistant
Vice-President, Properties

Re: Lease No. AYB-085

Gentlemen:

As you know, American Airlines and the Port Authority have entered into a new agreement of lease, bearing Port Authority Lease No. AYB-085 (hereinafter referred to as "the Lease") covering facilities at John F. Kennedy International Airport and have executed a Surrender Agreement with regard to Lease No. AY-581. American and the Port Authority now wish to set forth their understanding and agreement with respect to certain matters pertaining to the construction work, as defined in the Lease, as follows:

(1) Prior to the execution of the Lease, certain portions of the said construction work were commenced by American pursuant to and in accordance with a series of Letter Agreements entered into between American and the Port Authority and dated October 31, 1975, December 17, 1975, March 8, 1976 and March 31, 1977. In accordance with paragraph (e) of Section 2 of the Lease the said Letter Agreements are superseded by the Lease and the work performed by American thereunder is expressly made part of the construction work under the Lease.

(2) It is hereby expressly acknowledged that prior to the execution of the Lease, American commenced the use of certain portions of the construction work and that two certificates dated January 4, 1977 and December 14, 1976 with respect to the use of such portions of the construction work were issued by the Port Authority to American. It is hereby expressly agreed that said use of such portions of the construction work by American and the issuance of the said certificates shall be deemed to have been under subparagrqph (2) of paragaph (h) of Section 2 of the Lease.

(3) No certificate by the Port Authority as set forth in subparagraph (1) of paragraph (h) of Section 2 of the Lease has yet been given.

If the terms of this Letter Agreement are satisfactory to you, please indicate your approval and acceptance thereof by signing the enclosed copies in the left-hand corner and return same to this office.

Very truly yours,

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By _____
S. J. NOWINSKI
(Title) EXECUTIVE ASST. TO DIRECTOR OF AVIATION

We hereby consent, agree to and accept all the terms and conditions hereinabove set forth.

AMERICAN AIRLINES, INC.

By _____

(Title) Asst. V.P. Properties

APPROVED:
FORM | TERMS

AYB-085

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

JFK-748

John F. Kennedy International Airport
Port Authority Lease No. AYB-085
Supplement No. 2

THIS SUPPLEMENTAL AGREEMENT, made as of the 14th day of June, 1980, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and AMERICAN AIRLINES, INC. (hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, by a certain agreement of lease made as of August 1, 1976 (which agreement of lease, as the same may have been heretofore supplemented and amended, is hereinafter called "the Lease"), 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 (hereinafter called "the Airport") as more particularly described in the Lease; and

WHEREAS, the Port Authority and the Lessee desire to extend the term of the letting of a portion of the premises under the Lease;

NOW, THEREFORE, in consideration of the covenants and agreements herein contained, the Port Authority and the Lessee hereby agree, effective as of June 14, 1980, as follows:

1. The term of the letting as to Area B under the Lease, unless sooner terminated, is hereby extended to and including June 14, 1981 at a rental during the extension at the annual rate of

, payable in advance in equal monthly installments of .00), on the first day of each calendar month of the extension. Since the first installment of rental payable during the extension shall be for less than a full calendar month, the rental payment for the portion of June, 1980 from June 15, 1980 to June 30, 1980 shall be the monthly installment prorated on a daily basis using the actual number of days in the said month. If any other

installment of rental payable hereunder shall be for less than a full calendar month, then the rental payment for the portion of the month for which said payment is due shall be the monthly installment prorated on a daily basis using the actual number of days in the said month.

2. Without limiting the continuation in effect of all other provisions of Supplement No. 1 of the Lease not specifically amended herein, it is hereby agreed that the provisions of Paragraph 2 of Supplement No. 1 of the Lease shall continue in full force and effect.

3. The Lessee represents and warrants that no broker has been concerned in the negotiation of this Supplemental Agreement or the extension hereunder and there is no broker who is or may be entitled to be paid a commission in connection therewith. The Lessee shall indemnify and save harmless the Port Authority of and from any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

4. As herein amended, all the provisions, terms, covenants and conditions of the Lease shall be and remain in full force and effect.

5. Neither the Commissioners of the Port Authority, nor any of them, nor any employee thereof shall be charged personally with any liability or held liable by or to the Lessee under any term or provision of this Supplemental Agreement, or because of any breach thereof, or because of its execution or attempted execution.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed as of the day and year first above written.

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By S. J. Nowinski

S. J. NOWINSKI
(Title) EXECUTIVE ASST. TO DIRECTOR OF AVIATION

(Seal)

ATTEST:

CORP. Secretary

AMERICAN AIRLINES, INC.

By

(Title) Assistant Vice President Properties

(Corporate Seal)

APPROVED

AAJFK 072624

Form CSL; ACK. N.Y., Corp. & Corp.

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

On the 23rd day of February, 1980, before me personally came S.J. NOWINSKI to me known, who, being by me duly sworn, did depose and say that he resides at BAYONNE, NEW JERSEY; that he is the EXECUTIVE ASST. TO DIRECTOR OF AVIATION of The Port Authority of New York and New Jersey, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Commissioners of the said corporation; and that he signed his name thereto by like order.

Ann P. Tietjen
(notarial seal and stamp)

ANN P. TIETJEN
NOTARY PUBLIC, STATE OF NEW YORK
No. 31-4600922
Qualified in New York County
Commission Expires March 30, 1981

STATE OF Texas)
) ss.
COUNTY OF Dallas)

On the 16th day of December, 1980, before me personally came Richard B. Jamison to me known, who, being by me duly sworn, did depose and say that he resides at Texas; that he is the Assistant Vice President of American Airlines, Inc. the corporation described in, and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of the said corporation; and that he signed his name thereto by like order.

Properties

Kathleen A. Ashley
(notarial seal and stamp)
Commission Expires 7/21/84

STATE OF)
) ss.
COUNTY OF)

On the day of , 19 , before me personally came to me known, who, being by me duly sworn, did depose and say that he resides at ; that he is the of the corporation described in, and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of the said corporation; and that he signed his name thereto by like order.

(notarial seal and stamp)

AAJFK 072625

AYB-085

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

JFK-748

John F. Kennedy International Airport
Port Authority Lease No. AYB-085
Supplement No. 2

THIS SUPPLEMENTAL AGREEMENT, made as of the 14th day of June, 1980, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and AMERICAN AIRLINES, INC. (hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, by a certain agreement of lease made as of August 1, 1976 (which agreement of lease, as the same may have been heretofore supplemented and amended, is hereinafter called "the Lease"), 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 (hereinafter called "the Airport") as more particularly described in the Lease; and

WHEREAS, the Port Authority and the Lessee desire to extend the term of the letting of a portion of the premises under the Lease;

NOW, THEREFORE, in consideration of the covenants and agreements herein contained, the Port Authority and the Lessee hereby agree, effective as of June 14, 1980, as follows:

1. The term of the letting as to Area B under the Lease, unless sooner terminated, is hereby extended to and including June 14, 1981 at a rental during the extension at the annual rate of

, payable in advance in equal monthly installments of

(Ex. 2.a.)

0),

on the first day of each calendar month of the extension. Since the first installment of rental payable during the extension shall be for less than a full calendar month, the rental payment for the portion of June, 1980 from June 15, 1980 to June 30, 1980 shall be the monthly installment prorated on a daily basis using the actual number of days in the said month. If any other

installment of rental payable hereunder shall be for less than a full calendar month, then the rental payment for the portion of the month for which said payment is due shall be the monthly installment prorated on a daily basis using the actual number of days in the said month.

2. Without limiting the continuation in effect of all other provisions of Supplement No. 1 of the Lease not specifically amended herein, it is hereby agreed that the provisions of Paragraph 2 of Supplement No. 1 of the Lease shall continue in full force and effect.

3. The Lessee represents and warrants that no broker has been concerned in the negotiation of this Supplemental Agreement or the extension hereunder and there is no broker who is or may be entitled to be paid a commission in connection therewith. The Lessee shall indemnify and save harmless the Port Authority of and from any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

4. As herein amended, all the provisions, terms, covenants and conditions of the Lease shall be and remain in full force and effect.

5. Neither the Commissioners of the Port Authority, nor any of them, nor any employee thereof shall be charged personally with any liability or held liable by or to the Lessee under any term or provision of this Supplemental Agreement, or because of any breach thereof, or because of its execution or attempted execution.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed as of the day and year first above written.

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By S. J. Nowinski

(Title) EXECUTIVE ASST. TO DIRECTOR OF AVIATION

(Seal)

ATTEST:

CORP. Secretary

AMERICAN AIRLINES, INC.

By

(Title) Assistant Vice President Properties

(Corporate Seal)

APPROVED

Form CSL; ACK. N.Y., Corp. & Corp.

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

On the 23rd day of February, 1980 81, before me personally came S.J. NOWINSKI to me known, who, being by me duly sworn, did depose and say that he resides at BAYONNE, NEW JERSEY; that he is the EXECUTIVE ASST. TO DIRECTOR OF AVIATION of The Port Authority of New York and New Jersey, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Commissioners of the said corporation; and that he signed his name thereto by like order.

Ann P. Tietjen
(notarial seal and stamp)

ANN P. TIETJEN
NOTARY PUBLIC, STATE OF NEW YORK
No. 31-4509522
Qualified in New York County
Commission Expires March 30, 1981

STATE OF Texas)
) ss.
COUNTY OF Dallas)

On the 16th day of December, 1980, before me personally came Richard B. Jamison to me known, who, being by me duly sworn, did depose and say that he resides at Texas Properties; that he is the Assistant Vice President of American Airlines, Inc. the corporation described in, and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of the said corporation; and that he signed his name thereto by like order.

Kathleen A. Ashley
(notarial seal and stamp)
Commission Expires 7/21/84

STATE OF)
) ss.
COUNTY OF)

On the day of , 19 , before me personally came to me known, who, being by me duly sworn, did depose and say that he resides at ; that he is the of the corporation described in, and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of the said corporation; and that he signed his name thereto by like order.

AAJFK 072625

(notarial seal and stamp)

AYB-085

Port Authority Agreement No. AYA-937
(formerly Agreement No. L-CY-77)
Supplement No. 2

JFK-748

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, made as of September 30, 1979 by and among THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and AMERICAN AIRLINES, INC. (hereinafter called "the Airline"), and IDF SERVICES, INC., formerly International Duty Free, Ltd., (hereinafter called "the Operator"),

WITNESSETH, That:

WHEREAS, by an agreement of lease dated as of September 27, 1955 (said agreement of lease as the same has been or may be supplemented and amended being hereinafter called "the Airline Lease"), the Port Authority leased to the Airline certain premises at John F. Kennedy International Airport for the construction and operation thereon of a passenger terminal building (hereinafter called "the Terminal"), by the Airline; and

WHEREAS, under the Airline Lease it was contemplated that consumer service facilities would be operated in space provided by the Airline in the Terminal pursuant to an arrangement among the Port Authority, the Airline and a concessionaire; and

WHEREAS, the Port Authority, the Airline and the Operator entered into an agreement made as of December 21, 1971 and having a commencement date of March 2, 1972, covering the operation by the Operator of certain consumer service facilities in the Terminal (hereinafter called "the Agreement"); and

WHEREAS, the Port Authority, the Airline and the Operator desire to amend the Agreement in certain respects,

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Port Authority, the Airline and the Operator hereby agree as follows:

1. In addition to the premises as shown on Exhibit A annexed to the Agreement, the subletting as to which shall continue in full force and effect subject to and in accordance with all the terms, provisions, covenants and conditions of the Agreement as herein amended, the Airline hereby sublets to the Operator and the Operator hereby hires and takes from the Airline in the Terminal

at John F. Kennedy International Airport, in the County of Queens, City and State of New York, the space denominated "Duty-Free Shop (217)" in the West Ticket Lobby of the Terminal shown on the sketch hereto attached, hereby made a part hereof and marked "Exhibit A-1", together with the fixtures, improvements and other property, if any, of the Airline located or to be located therein or thereon, the said space, fixtures, improvements and other property of the Airline (all of which is sometimes hereinafter in this Supplemental Agreement collectively referred to as "the Additional Premises") to be and become a part of the premises under the Agreement as hereby amended from and after 12:01 o'clock A.M. on October 1, 1979, (said date being sometimes hereinafter in this Agreement called "the Additional Commencement Date") sublet to the Operator, subject to and in accordance with all of the terms, provisions and covenants of the Agreement as herein amended for and during the remainder of the term of the subletting under the Agreement as herein amended, unless sooner terminated.

2. The Operator shall use the Additional Premises solely for the purposes set forth in Section 3 of the Agreement and for no other purpose or purposes whatsoever.

3. The Airline shall deliver the Additional Premises to the Operator in its presently existing "as is" condition. The Operator acknowledges that it has inspected the Additional Premises and has found it in good order and repair and has determined it to be suitable for its operations hereunder. The Operator agrees to and shall take the Additional Premises in its "as is" condition and neither the Airline nor the Port Authority shall have any obligation for finishing work or for preparation of the Additional Premises for the Operator's use. In the event the Operator desires to perform construction and installation work in the Additional Premises to prepare the Additional Premises for its occupancy and operations therein the work shall be performed at the Operator's sole cost and expense subject to all of the provisions of the Agreement, it being understood that the term of the subletting shall commence on the Additional Commencement Date set forth in paragraph 1 of this Supplemental Agreement whether or not the Operator is then conducting public operations in the Additional Premises on such date.

4. The Operator acknowledges that it has not relied upon any representation or statement of the Port Authority, or the Airline, or their respective Commissioners, Directors, officers, employees or agents as to the suitability of the Additional Premises for the operations permitted on the Additional Premises by the Agreement as herein amended. Without limiting any obligation

of the Operator to commence operations in the Additional Premises under the Agreement as herein amended at the time and in the manner stated elsewhere in this Agreement, the Operator agrees that no portion of the Additional Premises will be used initially or at any time during the term of the subletting thereof which is in a condition unsafe or improper for the conduct of the Operator's operations therein under the Agreement as herein amended so that there is possibility of injury or damage to life or property. For all purposes of the Agreement as herein amended the Additional Premises hereunder (notwithstanding any statement elsewhere in the Agreement as herein amended of any rule for the measurement of the area thereof) shall be deemed to include all of the enclosing partitions, and the adjacent exterior building walls and glass to and including the exterior surface thereof.

5. The Operator shall continue to pay the basic rental, basic fee and percentage rental set forth in the Agreement and all gross receipts of the Operator arising out of its operations in the Additional Premises shall be included in gross receipts under the Agreement and shall be subject to the percentage rental payment provided for therein.

6. The provisions of Section 14 and Item 3 of Exhibit B to the Lease shall apply to the Operator's operations in the Additional Premises and the Airline shall supply to the Operator in the Additional Premises the services and utilities described in the Agreement and the Operator shall pay for the same at the rates set forth therein.

7. If the Operator's gross receipts for the month of October, 1979 or its monthly gross receipts for any month thereafter occurring during the balance of the term of the subletting under the Agreement as herein amended do not exceed the Operator's gross receipts for the corresponding month in the period beginning October 1, 1978 and ending September 30, 1979, then, in such event upon sixty (60) days prior written notice given within thirty (30) days after the Operator shall have rendered its statement of gross receipts for such month the Airline and the Operator shall each have the right to terminate the subletting of the Additional Premises, provided, that any notice of termination given by the Operator in accordance with this paragraph shall not be effective if the Operator is in default in the performance or observance of any of the terms, covenants or conditions of the Agreement as herein amended or under notice of termination from the Airline either on the date of giving of the notice or on the effective date thereof.

Termination of the term of the subletting of the Additional Premises under the Agreement as herein amended pursuant to the provisions of this paragraph shall not relieve the Operator of any liabilities or obligations which shall have accrued on or prior to the effective date of termination or which shall mature on such date. In the event of termination pursuant to this paragraph the term of the subletting of the Additional Premises under the Agreement as herein amended shall cease and expire as if the effective date of termination stated in the notice were the date originally stated herein for the expiration of the term of the subletting of the Additional Premises under the Agreement as herein amended. Termination of the term of the subletting of the Additional Premises shall not affect the subletting of the balance of the premises under the Agreement and the Agreement and the subletting thereunder as to such portion of the premises shall continue in full force and effect notwithstanding such termination. The Airline shall not be obligated to reimburse the Operator for the Operator's cost of supplying and installing fixtures, equipment or constructing improvements in the Additional Premises in the event of termination pursuant to this paragraph but nothing herein shall affect the Airline's reimbursement obligation under Section 26 of the Agreement with respect to fixtures, equipment and improvements installed in or placed on the portion of the premises shown on Exhibit A annexed to the Agreement.

8. The Operator represents and warrants that no broker has been concerned in the negotiation of this Supplemental Agreement or the subletting hereunder and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Operator shall indemnify and save harmless the Port Authority and the Airline of and from any claims for commission and brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement or the subletting hereunder.

9. As hereby amended all the terms, provisions, covenants and agreements of the Agreement shall be and remain in full force and effect.

10. No Commissioner of the Port Authority nor any director, officer, agent or employee of any party to this Supplemental Agreement shall be charged personally or held contractually liable under any term or provision of this Supplemental Agreement, or because of its execution or attempted execution, or because of any attempted or alleged breach thereof.

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

IN WITNESS WHEREOF, the Port Authority, the Airline, and the Operator have set their hands and seals as of the date first above written.

ATTEST:

SECRETARY

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

S.J. NOWINSKI

(Title) EXECUTIVE ASST. TO DIRECTOR OF AVIATION

(Seal)

ATTEST:

AMERICAN AIRLINES, INC.

By _____

(Title) _____

(Corporate Seal)

ATTEST:

IDF SERVICES, INC.

By _____

(Title) President

(Corporate Seal)

APPROVED
FORM
TERMS

orm CSL: ACK. N.Y., Corp. & Corp.

TATE OF NEW YORK)
) ss.
OUNTY OF NEW YORK)

On the 26th day of January, 1982, before me personally
ame S.J. NOWINSKI to me known, who, being by me duly sworn,
id depose and say that he resides at [illegible], NEW JERSEY
; that he is the EXECUTIVE ASST. TO DIRECTOR OF AVIATION of
he Port Authority of New York and New Jersey, one of the corporations
escribed in and which executed the foregoing instrument; that he knows the
eal of the said corporation; that the seal affixed to the said instrument
s such corporate seal; that it was so affixed by order of the Board of
ommissioners of the said corporation; and that he signed his name thereto
y like order.

Anthony M. Cedrone
(notarial seal and stamp)

ANTHONY M. CEDRONE
Notary Public, State of New York
No. 30-4730609
Qualified in County of Nassau
Commission Expires March 30, 1982

TATE OF Texas)
) ss.
OUNTY OF Dallas)

On the 4th day of December, 1981, before me personally
ame Richard B. Jamison to me known, who, being by me duly sworn,
id depose and say that he resides at
; that he is the AV President Properties + Facilities of
merican Airlines, Inc. the corporation described
n, and which executed the foregoing instrument; that he knows the seal of
ne said corporation; that the seal affixed to the said instrument is such
orporate seal; that it was so affixed by order of the Board of Directors
f the said corporation; and that he signed his name thereto by like order.

Kathleen A. Ackley
(notarial seal and stamp)
Commission Expires 7/21/84

TATE OF NEW YORK)
) ss.
OUNTY OF QUEENS)

AAJFK 072631

On the 8 day of October, 1981, before me personally
ame to me known, who, being by me duly sworn,
d depose and say that he resides at
; that he is the President of
OF Services, Inc. the corporation described
, and which executed the foregoing instrument; that he knows the seal of
e said corporation; that the seal affixed to the said instrument is such
rporate seal; that it was so affixed by order of the Board of Directors
the said corporation; and that he signed his name thereto by like order.

FRANCES Y. CAMPISE
NOTARY PUBLIC, State of New York
No. 01CA4558220
Qualified in Suffolk County
Commission Expires March 30, 1982

Frances Y. Campise
(notarial seal and stamp)

THE PORT AUTHORITY OF NY & NJ

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

Aviation Department
Caesar B. Pattarini, Director
(212) 466-7453
(201) 622-6600 x7453

Morris Sloane, Deputy Director
(212) 466-7455
(201) 622-6600 x7455

AYB-085

May 25, 1979

JFK-7HR

American Airlines, Inc.
633 Third Avenue
New York, New York 10017

ATTENTION: Vice President Properties

Re: Lease No. AYB-085

Gentlemen:

American and the Port Authority have entered a new agreement of lease, bearing Port Authority Lease No. AYB-085, covering facilities at John F. Kennedy International Airport and have executed a Surrender Agreement with regard to Lease AY-581. During the term of and pursuant to Lease AY-581, you submitted to the Port Authority the Alteration Applications listed on Rider 1 attached hereto covering construction at the premises under Lease AY-581 which is not covered by Section 2 of Lease AYB-085.

It is hereby expressly understood and agreed that all references in the said Alteration Applications will be deemed to refer to Lease AYB-085, and all work deemed to have been done under Lease AYB-085.

If the terms of this Letter Agreement are satisfactory to you, please indicate your approval and acceptance thereof by signing the enclosed copy in the left hand corner and returning the same to the Business Administration Division at John F. Kennedy International Airport.

Very truly yours,

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By _____
Director of Aviation

We hereby consent, agree to and accept all the terms and conditions hereinabove set forth.

AMERICAN AIRLINES, INC.

By _____

Title Assistant Vice President Properties

APPROVED:
FORM | TERMS

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RIDER 1

Y-4528	New Ticket Lobby & Expand Outbound Baggage
4540	Boarding Pass Printers - Gates 1 to 15
4557	Temporary Canopy - Ramp Side
4559	Relocate Flight Operations Office to West Concourse
4562	Relocate Toilets - East End Lobby
4584	Secured Passage Corridor - Gate 14
4591	Flight Information Display Monitors (78)
4595	Install Loading Bridge - Gate 12
4648	Convert 2nd Floor Restaurant to Fast Food
4674	International Outbound Baggage Room
4697	Sand Storage Enclosure
4699	Expand Maintenance Shop
4707	Nine Borings for Deplaning Project (Y-4602)
4708	New Information Counter
4750	Major Roadway UTB Frontage Project
4798	Replacement of Concrete Pavement - Adjacent to UTB
4808	Skychefs Newsstands/Gift Shops
4809	Skychefs Money Room
4836	Relocation and Alterations to Flight Operations
4843	Proposed Skychefs Expansion
4904	Install 2 Exterior "Korean" Signs
4909	Installation of Interim Cocktail Lounge - Mezzanine
4918	New Curbside Conveyor
4928	Installation of Remote Bar
4978	Expansion of Korean Airlines VIP Lounge
5023	Renovation of Jet Pub Bar & Restaurant

AYB-085

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

(JFK 4-1.1

Port Authority Lease No. AYB-085

AGREEMENT OF LEASE

THIS AGREEMENT OF LEASE, made as of the 1st day of August, 1976, 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 and having an office and place of business at 633 Third Avenue, New York, New York, whose representative is its Vice President Properties and Facilities,

WITNESSETH, That:

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

Section 1. Letting

(a) The Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority at John F. Kennedy International Airport (sometimes hereinafter referred to as "the Airport") in the Borough of Queens, City and State of New York, the land shown in diagonal hatching, stipple and stipple-crosshatching on the drawing attached hereto hereby made a part hereof and marked "Exhibit A", together with all buildings, improvements and structures, which were erected thereon by the Lessee under the Agreement of lease between the Lessee and the Port Authority made as of the eleventh day of April, 1956, and bearing Port Authority File No. AY-581, (which agreement of lease, as the same has been supplemented and amended, is sometimes hereinafter referred to as the "Surrendered Lease"), the aforesaid land, together with the fixtures, improvements and other property of the Port Authority, if any, located, therein, thereon or thereunder, and all structures, improvements, additions, buildings and facilities located, constructed or installed or to be located, constructed or installed therein, thereon or thereunder, being hereinafter collectively referred to as "the premises".

(b) Except to the extent required for the performance of any of the obligations of the Lessee hereunder nothing contained in this Agreement shall grant to the Lessee any rights whatsoever in the air space above the premises in excess of a slope, consisting of an unlimited number of straight lines between a point at an elevation of 153.93' at the center of the existing airport air traffic control tower (Building No. 155) and a line at an elevation of 16' located parallel to, above and 37.5' southeasterly of the existing taxiway I center line. The approximate elevation of the existing taxiway I surface is 12' and the portion of the existing taxiway I referred to herein adjoins the northwesterly edge of the premises. Elevations in this paragraph (b) are referenced to, and are above, mean sea level at Sandy Hook, New Jersey, as established by the United States Coast and Geodetic Survey.

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(c) The strip of land lying along and within the northwesterly (directions set forth in this paragraph (c) are true) boundary line of the premises (which strip is shown in stipple-crosshatching on Exhibit A), together with the corresponding contiguous strip of land lying along and within the southeasterly boundary of the space let to United Air Lines, Inc. and immediately abutting on the northwesterly side of the premises (which strip is shown in crosshatching on Exhibit A) shall be subject to a joint and mutual easement for a taxiway to be used jointly by the Lessee and United Air Lines, Inc. or by any successors in interest of either or both of them or other sublessees or other occupants or users who, pursuant to Port Authority permission, may occupy or use the premises herein or the space let to United Air Lines, Inc. and such rights of easement for such taxiway purposes shall continue during the effective periods of the respective agreements covering the same.

Section 2. Construction by the Lessee

(a) The Lessee hereby agrees to design and construct at its sole cost and expense on the premises such improvements, additions and alterations as are necessary to provide federal inspection facilities (hereinafter called "the Federal Inspection Facilities"), and such improvements, additions and alterations as are necessary to construct deplaning stairs and to expand the baggage claim area (hereinafter called "the Expanded Baggage Facilities"), all of the foregoing together with all necessary construction and relocation of paved areas, utility lines, pipes, mains, conduits and other improvements being hereinafter called "the construction work".

Prior to the commencement of the construction work, the Lessee shall submit to the Port Authority for the Port Authority's approval complete plans and specifications therefor. The Port Authority may refuse to grant approval, if, in its opinion, any of the proposed construction 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 lines requirements between the existing Control Tower and the public aircraft facilities at the Airport, or

(ix) 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

(x) Will permit aircraft to overhang the boundary of the premises, except when entering or leaving the premises, or

(xi) Be in violation or contravention of any other provisions and terms of this Agreement, or

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

(xiii) Not comply with all applicable requirements of the Insurance Services Office of New York, or

(xiv) Not comply with the Port Authority's requirements with respect to landscaping, or

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

(b) All construction work shall be done in accordance with the following terms and conditions:

(1) The Lessee hereby assumes the risk of loss or damage to all of the construction work prior to the completion thereof and the risk of loss or damage to all property of the Port Authority arising out of or in connection with the performance of the construction work. In the event of such loss or damage, the Lessee shall forthwith repair, replace and make good the construction 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 construction 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, 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, 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 construction work.

(2) Prior to engaging or retaining an architect or architects for the construction 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 construction 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 construction work, and until such approval has been obtained the Lessee shall continue to resubmit plans and specifications as required. Upon approval of such plans and specifications by the Port Authority, the Lessee shall proceed diligently at its sole cost and expense to perform the construction work. All construction work, including workmanship and materials, shall be of first class quality. The Lessee shall re-do, replace or construct at its own cost and expense, any construction work not done in accordance with the approved plans and specifications, the provisions of this Section 2 or any further requirements of the Port Authority. The Lessee shall commence the construction work no later than April 31, 1981.

(3) Prior to entering into a contract for any part of the construction 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

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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 ample 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."

The Lessee shall file with the Port Authority a copy of its contracts with its contractors prior to start of the construction 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.

(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 construction 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 construction work hereunder shall be for the benefit of the Port Authority as well as the Lessee.

(6) The Port Authority shall have the right, through its duly designated representatives, to inspect the construction 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 construction work.

(7) The Lessee agrees that it shall deliver to the Port Authority two (2) sets of "as built" microfilm drawings of the construction work mounted on aperture cards, all of which shall conform to the specifications of the Port Authority (the receipt of a copy of said specifications prior to the execution of this Lease being hereby acknowledged by the Lessee), and the Lessee shall during the term of this Lease keep said drawings 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 construction 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) Title to any soil, dirt, sand or other matter (hereinafter in this subparagraph (9) collectively called "the matter") excavated by the Lessee during the course of the construction work shall vest in the Port Authority and the matter shall be delivered by the Lessee at its expense to any location on the Airport as may be designated by the Port Authority. The entire proceeds, if any, of the sale or other disposition of the matter shall belong to the Port Authority. Notwithstanding the foregoing the Port Authority may elect by prior written notice to the Lessee to waive title to all or portions of the matter in which event the Lessee at its expense shall dispose of the same without further instruction from the Port Authority.

(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 construction 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.

(11) The Lessee shall procure and maintain comprehensive general liability insurance, including automotive, with a contractual liability endorsement covering the obligations assumed by the Lessee pursuant to subparagraphs (1) and (5) of this paragraph (b) which shall be in addition to all policies of insurance otherwise required by this Agreement or the Lessee may provide such insurance by requiring each contractor engaged by it for the construction work to procure and maintain such insurance including such contractual liability endorsement, said insurance 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. Said insurance shall be in not less than the following amounts:

(i) Bodily Injury Liability:

For injury to or wrongful death to one person	$3,000,00
For injury or wrongful death to more than one person for any one occurrence	$3,000,000
Aggregate Products Liability	$3,000,000

(ii) Property Damage Liability:

For all damage arising out of injury to or destruction of property in any one occurrence	$3,000,000
Aggregate Property	$3,000,000

The insurance required hereunder shall be maintained in effect during the performance of the construction work and shall be in compliance with and subject to the provisions of paragraph (c) of Section 13 hereof.

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(12) 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 prorata 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 execution of this Lease.

(13) The Lessee shall prior to the commencement of construction and at all times during construction submit to the Port Authority all engineering studies with respect to construction and samples of construction materials as may be required at any time and from time to time by the Port Authority.

(14) The Lessee shall procure and maintain Builder's Risk Completed Value Insurance covering the construction work during the performance thereof including material delivered to the premises but not attached to the realty. Such insurance shall name the Port Authority, the City of New York, the Lessee and its contractors and subcontractors as additional assureds 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 construction work and any excess shall be paid over to the Port Authority. The insurance required hereunder shall be in compliance with and subject to the fourth and sixth paragraphs of Section 11 hereof.

(15) The Lessee shall 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, 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) The Lessee has executed and submitted for the Port Authority's approval Construction Applications Y-4380, Y-4423, Y-4476 and Y-4602 covering the construction work. The Lessee shall comply with all the terms and provisions of the Construction Applications as the same may have been or may be approved by the Port Authority. In the event of any inconsistency between the terms of any Construction Applications and the terms of this Lease, the terms of this Lease shall prevail and control.

(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 construction 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 construction 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 construction 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 construction work.

(c) It is understood and agreed that the Federal Inspection Facilities and the Expanded Baggage Facilities, need not be constructed concurrently. Accordingly, the required approval by the Port Authority of the Lessee's plans and specifications under paragraph (a) hereof may be given separately as to the Federal Inspection Facilities and the Expanded Baggage Facilities. The Lessee may wish to commence construction of a portion of the Federal Inspection Facilities or a portion of the Expanded Baggage Facilities prior to the approval by the Port Authority of its complete plans and specifications for the same as required in this Section 2 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 and if for any reason the plans and specifications for the Federal Inspection Facilities or the Expanded Baggage Facilities of which the work is a part are not approved by the Port Authority of 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 (c), the Lessee will, as directed by the Port Authority, at its sole cost and expense, either restore the area affected to the condition existing prior to the commencement of any such work or 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, indemnities and provisions of the Lease covering the construction work and with the terms and conditions 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 (c), 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 construction 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 construction work under the approval granted by the Port Authority pursuant to this paragraph (c) fail, in the opinion of the Resident Engineer of the Port Authority at the Airport, to comply with all of the provisions of this Lease with respect to the construction work, the Construction Application or the approval letter covering the same or be, in the opinion of the said Resident Engineer, in breach of any of the provisions of this Lease, the Construction Application or the approval letter covering the same, the Port Authority shall have the right, acting through said Resident Engineer, to cause the Lessee to cease all or such part of the construction work as is being performed in violation of this Lease, the Construction Application or the approval letter. Upon such written direction from the Resident Engineer, the Lessee shall promptly cease construction of the portion of the construction 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 construction 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 construction work. The Lessee shall not commence construction of the portion of the construction work that has been halted until such written approval has been received.

(7) It is hereby expressly understood and agreed that the Resident Engineer mentioned in subparagraph (6) above does not have any authority to approve any plans and specifications of the Lessee with respect to the construction work, to approve the construction by the Lessee of any portion of the construction work or to agree to any variation by the Lessee from compliance with the terms of this Lease, or the Construction Application or the approval letter with respect to the construction work. Notwithstanding the foregoing, should the Resident Engineer give any directions or approvals with respect to the Lessee's performance of any portion of the construction work which are contrary to the provisions of this 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. 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 construction 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 Resident Engineer has not exercised the Port Authority's right to require the Lessee to cease its construction of all or any part of the construction 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 construction 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 the construction work.

(8) No prior approval of any work in connection with the Federal Inspection Facilities or the Expanded Baggage Facilies 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.

(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 (c), 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 (c), it shall do so with full knowledge that there may not be continuity by it in the performance of its construction work under the procedures of this paragraph (c).

(d) (1) The construction 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 construction 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 construction 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 construction work to design and construct at its sole cost and expense such further 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 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 2 with respect to the construction work shall apply and pertain with like effect to any work which the Lessee is obligated to perform pursuant to this paragraph (d) and upon completion of each portion of such work it shall be and become a part of the premises. The obligations assumed by the Lessee under this paragraph (d) are a special inducement and consideration to the Port Authority in granting this Lease to the Lessee.

(e) Prior to the execution of this Lease, the Port Authority and the Lessee have entered into a series of letter agreements dated October 31, 1975, December 17, 1975, March 8, 1976 and March 31, 1977 pursuant to which the Lessee commenced the performance of certain work as described therein, all of which work is a part of the construction work. It is understood and agreed that all of the provisions of this Lease shall supersede and take the place of said letter agreements with respect to the work performed thereunder, except that all requirements of the Port Authority given in connection with or as set forth in said letter agreements or as Riders or Exhibits thereto shall continue in full force and effect. It is hereby agreed that the Lessee shall be deemed to have performed all of the said work pursuant to the procedures and provisions of paragraph (c) hereof.

(f) In connection with item (viii) of paragraph (b) hereof relating to sight lines, the Lessee thereby specifically acknowledges its awareness of the letter agreement dated April 11, 1968 from the Port Authority and concurred in by the Lessee on May 7, 1968. This letter stated in connection with the sight line problems that an automated electronic taxiway guidance and control system would be required and that the elevation or relocation of the Control Tower may also be required. Notwithstanding the approval by the Port Authority of the design and plans and specifications for the construction work, the construction of the same by the Lessee shall not affect or waive the provisions of the aforesaid letter agreement which shall remain in full force and effect.

(g) Title to all the construction work shall pass to the City of New York as the same or any part thereof is erected, constructed or installed and the same shall be and become a part of the premises hereunder.

(h) (1) When the Federal Inspection Facilities is substantially completed and ready for use and when the Expanded Baggage Facilities 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 by an authorized officer of the Lessee certifying that such part of the construction work has been constructed strictly in accordance with the approved plans and specifications and the provisions of this Lease and in compliance with all applicable laws, ordinances and governmental rules, regulations and orders. Thereafter such part of the construction work will be inspected by the Port Authority and if the same has been completed as certified by the Lessee, 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 Federal Inspection Facilities or the Expanded Baggage Facilities for the purposes set forth in the Lease until such certificate is received from the Port Authority.

(2) In addition and without affecting the obligations of the Lessee under the preceding subparagraph, when an integral and material portion of the Federal Inspection Facilities or the Expanded Baggage Facilities 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 by an authorized officer of the Lessee certifying that such portion of the construction work has been constructed strictly in accordance with the approved plans and specifications and the provisions of this Lease and in compliance with all applicable laws, ordinances and governmental rules, regulations and orders, and specifying that such portion of the construction work can be properly used even though the Federal Inspection Facilities or the Expanded Baggage Facilities 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 Federal Inspection Facilities or the Expanded Baggage Facilities 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 (c) hereof in the event that the Port Authority shall not have then approved the complete plans and specifications for the Federal Inspection Facilities or the Expanded Baggage Facilities as applicable. Moreover, at any time prior to the issuance of the certificate required in subparagraph (1) above for the Federal Inspection Facilities or the Expanded Baggage Facilities, the Lessee shall promptly upon receipt of a written notice from the Port Authority cease its use of such portion of the construction work which it had been using pursuant to permission granted in this subparagraph (2).

(3) The Completion Date for the purposes of this Lease shall mean the date appearing on the certificate issued by the Port Authority for the Federal Inspection Facilities pursuant to subparagraph (1) hereof.

(i) The Lessee acknowledges that it is its intention to use the premises for the purposes set forth in Section 5 hereof during the performance by the Lessee of the construction work and that it recognizes and is aware of the fact that such use of the premises during the period of the construction work may involve increased risks and hazards and the Lessee hereby expressly assumes all risks and hazards arising out of such use and hereby expressly releases the Port Authority therefrom.

Section 3. Term

(a) The term of the letting under this Agreement shall commence on August 1, 1976.

(b) Unless sooner terminated, the term of the letting under this Agreement shall expire on the last day of the month during which the twenty-fifth (25th) anniversary of the Completion Date as defined in Section 2(h)(3) hereof occurs, or on December 31, 2002, whichever is earlier.

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Section 4. Rental

The Lessee agrees to pay to the Port Authority the following rentals:

(a) Ground Rentals

(1) A rental (hereinafter called "the initial ground rental") at the rate of per annum for the portion of the term of the letting from August 1, 1976 to June 14, 1984. (Ex. 2.a.)

(2) A rental (hereinafter called "the subsequent ground rental") at the rate of per annum for the portion of the term of the letting from June 15, 1984 to July 24, 1995.

(3) A rental (hereinafter called "the final ground rental") at the rate of per annum commencing on July 25, 1995 and continuing throughout the remainder of the term of the letting under the Lease.

(b) Facility Rentals

(1) A rental (hereinafter called "the initial facility rental") at the rate of per annum for the portion of the term of the letting under the Lease from August 1, 1976 to February 29, 1980.

(2) A rental (hereinafter called "the subsequent facility rental") at the rate of per annum for the portion of the term of the letting from June 15, 1984 to July 24, 1995.

(3) A rental (hereinafter called "the final facility rental") at the rate of per annum commencing on July 25, 1995 and continuing throughout the remainder of the term of the letting under the Lease.

(c) Time of Payments

The Lessee shall pay the initial ground rental and the initial facility rental, in advance, in equal monthly installments, commencing on August 1, 1976 and on the first day of each and every month thereafter, up to and including June, 1984 as to the initial ground rental, and February, 1980 as to the initial facility rental. The Lessee shall pay the subsequent ground rental and the subsequent facility rental in advance in equal monthly installments commencing on June 15, 1984 and on the first day of each and every month thereafter up to and including July, 1995. The Lessee shall pay the final ground rental and the final facility rental, in advance, in equal monthly installments commencing on July 25, 1995 and on the first day of each and every month thereafter until the expiration of the term of the letting under the Lease. If any installment of rental payable hereunder shall be for less than a full calendar month, then the rental payment for the portion of the month for which said payment is due shall be the monthly installment prorated on a daily basis using the actual number of days in the said month.

(d) Abatement

(1) In the event that the Lessee shall at any time by the provisions of this Agreement become entitled to an abatement of the ground rentals, said abatement shall be computed as follows (it being understood that there shall be no abatement of rentals under the Lease for any portion of the premises or for any portion of the term except as specifically provided herein):

(i) During the portion of the term when the initial ground rental is in effect, for each square foot of the 4.457 acres of ground space as shown in crosshatching and stipple-diagonal hatching on Exhibit B the use of which is denied to the Lessee, at the annual rate of

(Ex. 2.a.)

and for each square foot of the 24.898 acres of the balance of the ground space the use of which is denied to the Lessee, at the annual rate of

(ii) During the portion of the term when the subsequent ground rental is in effect, for each square foot of the ground space as shown in diagonal hatching, stipple and stipple-crosshatching on Exhibit A the use of which is denied to the Lessee, at the annual rate of

(iii) During the portion of the term when the final ground rental is in effect, for each square foot of the ground space as shown in diagonal hatching, stipple and stipple-crosshatching on Exhibit A the use of which is denied to the Lessee, at the annual rate of

(2) In the event that the Lessee shall at any time by the provisions of this Agreement become entitled to an abatement of the facility rentals, said abatement shall be computed as follows (it being understood that there shall be no abatement of rentals under the Lease for any portion of the premises or for any portion of the term except as specifically provided herein):

(i) During the portion of the term when the subsequent facility rental is in effect, for each square foot of the 160,000 square feet of interior space as shown in stipple on Exhibit B the use of which is denied to the Lessee, at the annual rate of

(ii) During the portion of the term when the final facility rental is in effect, for each square foot of the 250,000 square feet of interior space as shown in stipple and in diagonal hatching and in stipple-diagonal hatching on Exhibit B the use of which is denied to the Lessee, at the annual rate of

For the purposes of this subparagraph (d)(2), 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.

(e) Notwithstanding any other provision of this Agreement, the initial facility rental shall not be subject to abatement, suspension or reduction for any cause or reason whatsoever and the Lessee shall continue to pay said rental as provided in this Agreement up to the expiration thereof.

Section 5. Use of Premises

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 51 hereof.

(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.

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(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 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.

(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 Section 9(j) hereof.

(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 services 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 5, for which the premises are expressly authorized to be used by any other provision of this Agreement.

The loading or unloading on the premises of all aircraft used principally for cargo is expressly prohibited.

Section 6. Compliance with Governmental Requirements

(a) The Lessee shall comply with all laws and ordinances and governmental rules, regulations and orders now or at any time during the term of this Lease which as a matter of law are applicable to or which affect the provisions of the Lessee at the premises hereunder, and the Lessee shall, in accordance with and subject to the provisions of Section 33 hereof, make any and all structural and non-structural improvements, alterations or repairs of the premises that may be required at any time hereafter by any such present or future law, rule, regulation, requirement, order or direction.

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

Nothing contained in this Section 7 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 as defined in Section 42 hereof. The provisions of the preceding sentence shall apply and obtain 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.

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

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 which constitute a part of the premises. The Lessee shall keep in proper functioning order all fire-fighting equipment on the premises and the Lessee shall at all times maintain on the premises adequate stocks of fresh, usable chemicals for use in such system and apparatus. The Lessee shall notify the Port Authority prior to conducting such tests. If requested by the Port Authority, the Lessee shall furnish the Port Authority with a copy of written reports of such tests.

(g) It is the intention of the parties hereto that nosie 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. 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

The obligations assumed by the Lessee under this paragraph (j) 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 (j) is a special inducement and consideration to the Port Authority in entering into this Lease with the Lessee.

Section 9. Prohibited Acts

(a) The Lessee shall commit no unlawful nuisance, waste or injury on the premises, 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.

(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-combusion 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 (b).

(c) The Lessee shall not do or permit to be done anything which may interfere with the effectiveness or accessibility of the drainage and sewerage system, water system, communications system, 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. The Lessee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of the Insurance Services Office 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, make any and all structural and non-structural improvements, alterations or repairs of the premises that may be required at any time

is not corrected to the satisfaction of the Port Authority within thirty 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) 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.

(j) 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.

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, 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) The Lessee shall prevent access by persons or vehicles (unless duly authorized by the Port Authority) to the Public Landing Area from the premises except for aircraft, which aircraft shall be equipped with radio receivers tuned to control tower frequencies and adequately manned. Such aircraft may be towed by a motor vehicle or such other means as may be approved by the Port Authority. The Lessee shall prevent such access by such means as the Port Authority shall approve. Such prevention shall be accomplished on a twenty-four hour, seven day week basis. The Lessee shall also control access by the public to the ramp and apron areas by proper measures designed to maintain the highest standards of safety.

(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 Distribution 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 (l) 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.

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

(a) 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, 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, and provide and maintain all fire protection and safety equipment and all other equipment of every kind and nature required by any law, rule, ordinance, resolution or regulation of the type and nature described in Sections 6 and 7 of this Agreement;

(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 appropriate lighting of all ramp and apron areas and 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.

(b) 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.

Section 11. Insurance

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 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 nuclear property losses and 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 property risk that the Port Authority may at any time during the term of this Agreement cover by carrier or self-insurance covered by appropriate reserves at other locations at the Airport upon written notice to the Lessee to such effect.

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

In the event the premises or any part thereof shall be damaged by any casualty against which insurance is carried pursuant to this Section 11, 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.

The policies or certificates representing insurance covered by this Section 11 shall be delivered by the Lessee to the Port Authority prior to the commencement date of the Lease and the policies or certificates representing the insurance covered by Section 2 (b) (14) shall be delivered by the Lessee to the Port Authority prior to the commencement of construction 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.

Regardless, however, of the persons whose interests are insured, the proceeds of all policies covered by this Section 11 shall be applied as provided in Section 12; 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 11, and to refer to such insurance only.

The insurance covered by this Section 11 and by Section 2 (b) (14) 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 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 damaged by fire, the elements, the public enemy or other casualty but not rendered untenantable or unusable for a period of ninety 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 days, or if within 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 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.

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. Any excess of the proceeds of insurance over the costs of the restoration shall be retained by the Port Authority.

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) The Lessee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives, from all claims and demands of third persons including but not limited to claims and demands for death or personal injuries, or for property damages, arising out of the use or occupancy of the premises by the Lessee or out of any of the acts or omissions of the Lessee, its officers, employees, guests, invitees and business visitors on the premises including claims and demands 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.

(b) In addition to the obligations set forth in paragraph (a) of this Section and all other insurance required under this Agreement, the Lessee in its own name as assured and naming the Port Authority as an additional insured shall maintain and pay the premiums during the term of this Agreement on a policy or policies of comprehensive general liability insurance broadened to include or equivalent separate policies covering airport operator's liability under an airport liability policy, none of the foregoing to contain care, custody or control exclusions, and providing for coverage in the following limits: $10,000,000 per occurrence, liability and property damage under all said policies; $5,000,000 on property damage to aircraft in the care, custody or control of the Lessee.

(c) As to the insurance required by the provisions of this Section and Section 2 (b) (11), 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 at least fifteen days prior to the use of any portion of the premises by the Lessee and as to insurance required by Section 2(b) (11), delivery shall be made at least fifteen (15) days prior to the commencement of any construction work. In the event any binder is delivered, it shall be replaced within the 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 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.

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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 is required or elects to pay any sum or sums or incurs any obligations or expense by reason of the failure, neglect or refusal of the Lessee to perform or fulfill any one or more of the conditions, covenants or agreements contained in this Agreement or as a result of an act or omission of the Lessee contrary to the said conditions, covenants and agreements, the Lessee agrees to pay the sum or sums so paid or the expense so incurred, including all interest, costs, damages and penalties, and the same may be added to any installment of rent thereafter due hereunder, and each and every part of the same shall be and become additional rent, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the rent as set forth in Section 4 hereof.

Section 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.

(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 other 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) 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 Distribution System as described in Supplement No 20 to the General Airport Agreement as defined in Section 42 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 Distribution System 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 Distribution System; 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.

Neither the Distribution Portion of the Underground Fuel Distribution System or any part thereof as described in Supplement No. 20 to the General Airport Agreement as defined in Section 42 of the Lease, 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 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, and during such six-month period the Port Authority may place and maintain on the premises the usual "To Let" signs, which signs the Lessee shall permit to remain without molestation.

(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.

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(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

As used in this Section 18, 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 as above defined, including among others a fee simple and an interest for a term of years expiring on or after the expiration date of this Agreement.

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 John F. Kennedy International 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.

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 demised premises or of a permanent interest in all or any part of the Public Landing Area (any such acquisition under this Section 18 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 demised 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 capital investment (as defined in Section 65 hereof), 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 capital investment (as defined in Section 65 hereof), 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 demised 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.

If, however, the amount to be paid by the Port Authority (the unamortized capital investment, as defined in Section 65 hereof, 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 condemination 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 the unamortized capital investment (as defined in Section 65 hereof), 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.

In the event of the taking of all of the premises and if the Lessee has no unamortized capital investment (as defined in Section 65 hereof) 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.

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 capital investment (as defined in Section 65 hereof), 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.

(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 investment (as defined in Section 65 hereof) 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.

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 demised 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 capital investment (as defined in Section 65 hereof), 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 such unamortized capital 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 demised premises, or, in the event of a taking of less than all of the said premises, in respect to the premises so taken.

In the event that the taking covers a material part but less than all of the demised 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 demised 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 capital investment (as defined in Section 65 hereof), 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) 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 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.

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

(3) By or pursuant to, or under authority of any legislative act, resolution or rule, or any order or decree of any court or governmental board, agency or officer having jurisdiction, a receiver, trustee, or liquidator shall take possession or control of all or substantially all of the property of the Lessee, and such possession or control shall continue in effect for a period of 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 shall be prevented for a period of thirty (30) days by action of any governmental agency other than the Port Authority having jurisdiction thereof, from conducting its operations at the Airport, ~~regardless of the fault of the Lessee~~; or

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American Airlines, Inc.

INITIALS:

The Port Authority of N.Y. & N.J.

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

(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);

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American Airlines, Inc. The Port Authority of N.Y. & N.J.

(c) No waiver by the Port Authority of any default on the part of the Lessee in performance of any of the terms, covenants or conditions hereof to be performed, kept or observed by the Lessee shall be or be construed to be a waiver by the Port Authority of any other or subsequent default in performance of any of the said terms, covenants and conditions.

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

Section 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, 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, or the interest of the Lessee cancelled pursuant thereto, or in the event that the Port Authority has re-entered, regained or resumed possession of the premises in accordance with the provisions of Section 21 hereof, 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 the period of time subsequent to termination or cancellation (or re-entry, regaining or resumption of possession) on account of the Lessee's rental obligations, shall be the sum of the following:

(1) The amount of the total of all annual ground 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 annual facility rentals, but with respect to each facility rental only for the portion of the term during which each such facility rental is payable, 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) An amount equal to all expenses reasonably incurred by the Port Authority in connection with regaining possession and restoring and reletting the demised premises, for legal expenses, putting the premises in order including, without limitation, cleaning, decorating and restoring (on failure of the Lessee to restore), maintenance and brokerage fees.

Section 24. Reletting by the Port Authority

The Port Authority upon termination or cancellation pursuant to Section 20 hereof, or upon any re-entry, regaining or resumption of possession pursuant to Section 21 hereof, 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

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.

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 cancelling, 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.

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.

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

The Lessee shall have the right at any time during the letting to remove its equipment, inventories, removable fixtures and other personal property from the premises. If the Lessee shall fail to remove its property on or before the termination or expiration of the letting, the Port Authority may remove such property to a public warehouse for deposit or retain the same in its own possession, and sell the same at public auction, the proceeds of which shall be applied first to the expenses of removal, storage and sale, second to any sums owed by the Lessee to the Port Authority, with any balance remaining to be paid to the Lessee; if the expenses of such removal, storage and sale shall exceed the proceeds of sale, the Lessee shall pay such excess to the Port Authority upon demand.

Section 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.

(c) The Lessee hereby acknowledges that it has not relied upon any representation or statement of the Port Authority or its Commissioners, officers, employees or agents as to the condition of the premises. The Lessee, prior to the execution of this Agreement, has thoroughly examined the premises and hereby agrees to take the same in their present condition. The Lessee hereby further acknowledges that it has during the term of the Surrendered Lease performed repairs and construction and installed improvements on the premises, title to all of which it is hereby agreed has vested in the City of New York. In the event that as of the commencement of the term of the letting under this Lease, the Lessee shall not have kept any or all of the foregoing in good condition as required under the Surrendered Lease, the Lessee shall place and keep the same in good condition as required under this Lease.

Any liabilities or obligations which by the terms of the Surrendered Lease, or letter agreements or permits thereunder to make alterations, mature at the expiration or termination of said lease, shall be deemed to survive and mature at the expiration or earlier termination of this Lease.

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 representative named on the first page hereof 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 633 Third Avenue, New York, New York, 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. The Port Authority shall for informational purposes send a copy of all such notices and requests to the Vice President Properties and Facilities, American Airlines, Inc., 633 Third Avenue, New York, New York 10017, or to such other person as the Lessee may request in writing, but failure on the part of the Port Authority to do so shall not be or be deemed to be a breach of this Agreement or affect the validity of the notices given by the Port Authority pursuant to the preceding provisions of this Section 32.

Section 33. Other Construction by the Lessee

Except as expressly provided in Section 2 hereof, 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.

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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 A 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 A and their associated reference lines, which were placed on such Exhibit solely and exclusively for the benefit of the Port Authority.

Section 34. Place of Payments

All payments required of the Lessee by this Agreement shall be made at the office of the Treasurer of the Port Authority, One World Trade Center, New York, New York 10048, or to such other officer or address as may be substituted therefor.

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) The terms, provisions and obligations contained in the Exhibits 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.

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, as hereinafter defined.

(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 Section 37(a)(1), then the Port Authority may, at its option, pay to the Lessee the unamortized capital investment (as defined in Section 65 hereof), 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 Section 37(a)(2) then the Port Authority may, at its option, pay to the Lessee the unamortized capital investment (as defined in Section 65 hereof), 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 or 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 Section 37(a)(1), and after deducting any costs or 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 capital investment (as defined in Section 65 hereof) 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 until the unamortized capital investment (as defined in Section 65 hereof) 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, 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

(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 6,000 KVA installed transformer capacity, 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; 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.

(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.

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. Each service to be provided by the Port Authority under this Section 40 with respect to the Federal Inspection Facilities and the Expanded Baggage Facilities shall commence as of the time the Lessee performs the necessary portion of the construction work pertaining thereto and has received the certificate of the Port Authority pertaining thereto pursuant to Section 2(h) hereof.

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. The Central Heating and Refrigeration Facility

The Port Authority heretofore designed, constructed and installed at the Airport certain installations consisting

(Ex. 2.a.)

conduits, machinery, devices, equipment, structures and facilities and such utility, mechanical, pump, sewer, telephone, water, electrical, fire alarm, fire protection, gas and other systems, all as are appropriate or necessary for the manufacture, production and distribution of high temperature hot water and chilled water. The Port Authority thereafter embarked on a program for the expansion and rehabilitation of the foregoing which program consisted generally of the design, construction and installation of an expansion of the existing building, two additional new cells to the existing cooling tower cell array and a complete upgrading of the existing cells, the installation of a centrifugal refrigeration unit, the construction of new and the replacement of existing high temperature hot water lines and chilled water lines with lines of greater capacity, the enlargement of the fire alarm and telephone systems, the extension of the pump system, together with such appropriate meters, heat exchangers, lines, pipes, mains, motors, pumps, devices, fixtures, transformers, cables, manholes, wires, conduits, machinery, devices, equipment, structures, and facilities as were necessary or appropriate, as well as necessary and appropriate changes to the utility, mechanical, sewer, telephone, water, electrical, fire alarm, fire protection, gas and other systems now part of the Facility, all of the foregoing being sometimes hereinafter collectively in this Section and for the purposes of this Section only called "The Central Heating and Refrigeration Facility" or "the Facility".

(a) The Port Authority agrees to sell, furnish and supply to the Lessee in reasonable quantities for use on the premises, high temperature hot water (hereinafter called "hot water") by a closed loop system to be converted for heating use, for kitchen service, for snow melting and for heating aircraft, and chilled water (hereinafter called "chilled water") for air conditioning (excluding use for air conditioning aircraft, said exclusion not to imply any broadening of permitted uses), and the Lessee agrees to take such hot water and chilled water from the Port Authority and to pay the Port Authority therefor at the times and in the manner hereinafter provided. The Lessee shall pay to the Port Authority for hot water its pro rata share of the Annual Hot Water Facility Cost as hereinafter defined and the Lessee shall pay to the Port Authority for chilled water its pro rata share of the Annual Chilled Water Facility Cost as hereinafter defined. The Lessee's pro rata share of the Annual Hot Water FAcility Cost shall be determined by multiplying the Annual Hot Water Facility Cost for each calendar year by a fraction, the numerator of which shall be the total number of BTU's of heat drawn from the hot water lines serving the premises during said calendar year, and the denominator of which shall be the Annual Total Hot Water Reading as hereinafter defined for said calendar year. The Lessee's pro rata share of the Annual Chilled Water Facility Cost shall be determined by multiplying the Annual Chilled Water Facility Cost for each calendar year by a fraction, the numerator of which shall be the total number of BTU's absorbed by the chilled water lines serving the premises during said calendar year, and the denominator of which shall be the Annual Total Chilled Water Reading as hereinafter defined for said calendar year.

(b) The Annual Total Facility Cost for each calendar year shall consist of the sum of the following:

(1) An Annual Original Facility Capital Charge in the amount of (Ex. 2.a.)

(2) An Annual Facility Expansion Capital Charge in the amount of (Ex. 2.a.)

(3) Additional Annual Facility Capital Charges, if any, each of which to be an annual amount equal to the product of the Construction Cost of each Additional Capital Improvement described in paragraph (d) hereof, determined in accordance with the provisions of paragraph (e) hereof, multiplied by the factor of 0.18525.

(4) The Annual Facility Operating and Maintenance Charge as defined in paragraph (g) hereof.

(c) (1) The Annual Hot Water Facility Cost shall be Ex. 2.a of the Annual Total Facility Cost.

(2) The Annual Chilled Water Facility Cost shall be Ex. 2.a of the Annual Total Facility Cost.

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(d) The Port Authority shall have the right, in its discretion, to make improvements, alterations, enlargements, extensions, additions, repairs and replacements to the Facility, including but not limited to the extension of the hot water and chilled water service emanating from the Facility to other buildings, terminals, facilities and structures at the Airport but only within the Central Terminal Area as defined in Section 63 hereof. Each of such improvements, alterations, enlargements, extensions, additions, repairs and replacements is hereinafter called "an Additional Capital Improvement" and the same shall be and become a part of the Facility upon its completion. The Construction Cost of each Additional Capital Improvement shall be determined upon the completion thereof in accordance with the provisions of paragraph (e) hereof and shall be the Construction Cost as set forth in subparagraph (3) of paragraph (b) hereof. In instances where repairs or replacements are involved, the Port Authority shall determine, in accordance with its normal accounting practice, whether such repairs or replacements shall be included within the meaning of this paragraph (d) as an Additional Capital Improvement or be covered by the Annual Facility Operating and Maintenance Charge within the meaning of paragraph (g) hereof. The Additional Annual Facility Capital Charges for the calendar year 1976 is the amount of

(e) The term "Construction Cost" of any Additional Capital Improvement shall for the purpose of this Section and this Section only be the sum of the following applied to the Additional Capital Improvement, each Additional Capital Improvement being hereinafter referred to as a category of construction:

(i) Payments by the Port Authority to independent contractors engaged or retained by the Port Authority for the construction of any part of the category of construction or for services rendered incidental to or in connection with the category of construction, including any payments made to any contractors in satisfaction of any claims or judgments arising out of or in connection with any part of the category of construction performed by them;

(ii) Payments by the Port Authority to independent consultants, architects and engineers engaged or retained by the Port Authority to perform services incidental to or in connection with the category of construction, including any payments made to any of the foregoing in satisfaction of any claims or judgments arising out of or in connection with any portion of the work or services performed by them;

(iii) The cost of all materials, supplies, equipment and utilities (including but not limited to electricity, water and phone) used in connection with or incidental to the category of construction;

(iv) The amounts of any claims or judgments paid by the Port Authority to third persons arising out of or in connection with the category of construction, including but not limited to those for personal injury, death or damage to property;

(v) The cost of any performance bond or bonds in connection with the category of construction;

(vi) The cost of any insurance in connection with the category of construction;

(vii) Payments by the Port Authority to any user to whom hot water and cold water is supplied by the Port Authority from the Facility for the construction or installation by said user of any portion of the Facility in connection with its use which construction or installation is the obligation of the Port Authority but is performed by said user with the consent of the Port Authority in order to facilitate the construction or installation;

(viii) Payments by the Port Authority to any other third persons (excluding Port Authority employees) for work performed or services rendered in connection with or incidental to the category of construction.

Notwithstanding any reference in any provision of this Section to any Port Authority contract or contracts with respect to any category of construction, it is hereby expressly understood and agreed that the Construction Cost of any category of construction shall not be limited to the contract or contracts which may have been so mentioned in any provision of this Section, and the Construction Costs with respect to each category of construction shall include the cost of all contracts, purchase orders, extra work orders and any other agreements with a third party of whatever kind or nature for, in connection with, relating to or arising out of the planning, design or construction of the said category of construction.

(f) (1) The total amount of BTU's of heat drawn during each calendar year from the hot water lines emanating from the Facility as measured by the meters installed at all the terminals, facilities, structures and buildings at the Airport, but only within the Central Terminal Area as defined in Section 63 hereof, including the premises but excluding Buildings 181, 182 and 184, receiving such hot water from the Facility shall be ascertained for each calendar year and is hereinafter called the "Annual Total Hot Water Reading" and

the total amount of BTU's absorbed during each calendar year by the chilled water lines emanating from the Facility as measured by the meters installed at all the terminals, facilities, structures and buildings at the Airport, but only within the Central Terminal Area as defined in Section 63 hereof, including the premises but excluding Buildings 181, 182 and 184, receiving such chilled water from the Facility shall be ascertained for each calendar year and is hereinafter called the "Annual Total Chilled Water Reading". The Port Authority has installed or will install and maintain all appropriate meters and high temperature heat exchangers including those in the premises.

(2) If any meter or meters fail to record the amount of consumption, the amount of 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. In making meter readings and ascertaining consumption for each calendar year, in addition to all readings to be taken during the calendar year, readings shall be taken as soon as practicable to the beginning of each calendar year or at the end of each calendar year.

(g) The service of the Port Authority in furnishing, supplying, activating, cleaning, testing, providing, maintaining, repairing, servicing and operating the Facility and the hot water and chilled water emanating therefrom is hereinafter called "the Facility Service". The Annual Facility Operating and Maintenance Charge shall mean the cost to the Port Authority of the Facility Service for each calendar year. Said Cost shall be determined in accordance with the Port Authority's normal accounting practice and shall consist of the following:

(1) The cost of all fuel, water, electricity and any other utilities and components used, consumed or employed. The cost of water shall include the cost to the Port Authority of sewage and other services based upon water charges or consumption. In the event furthermore that the City or State of New York is now furnishing services with or without charge therefor which in any way affect the Facility Service, and shall hereinafter impose charges or increase existing charges for such services, the said charges or increase in charges as may be imposed or assessed against the Port Authority shall be deemed a part of the cost under this subdivision (1);

(2) On-the-job payroll costs of employees and supervisory personnel (including Facility supervisors, foremen and clerks) working in the Facility Service, 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, survivors, 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;

(3) The cost (including rental charges) of materials, equipment, machinery and supplies used and the cost of maintaining, cleaning, repairing and servicing the same;

(4) Payments to contractors and any other third persons, firms or corporations for the performance of services;

(5) Payments of premiums (or to the extent of self-insurance an amount equivalent to what the premiums would have been) for insurance on the Facility and the Facility Service, including without limitation thereto, fire and extended coverage, workmen's compensation and comprehensive general liability;

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

(7) Fifteen percent (15%) of the sum of all of the foregoing items (1) through (6).

(8) (a) There shall be deducted from item (7) hereof an amount as hereinafter defined and herein called "the utility credit".

(b) The utility credit shall mean the amount of $350,000.00, or fifteen percent of the sum of "the electricity credit", "the gas credit" and "the fuel oil credit" all as hereinafter defined, whichever is less.

(c) The electricity credit shall be an amount determined by dividing the amount paid by the Port Authority for the fuel adjustment factor portion of electricity covered by item (1) hereof by the total number of kilowatt hours (KWH) of electricity covered by said item (1) hereof, and subtracting from the quotient obtained thereby the amount of $0.00544 per KWH, and multiplying the resulting difference or $0.01710 per KWH, whichever is less, by the total KWH of electricity covered by item (1) hereof.

(d) The gas credit shall be an amount determined by dividing the amount paid by the Port Authority for illuminating gas covered by item (1) hereof by the total number of thousands of cubic feet (MCF) of illuminating gas covered by said item (1) hereof, and subtracting from the quotient obtained thereby the amount of $1.012 per MCF, and multiplying the resulting difference or $1.242 per MCF, whichever is less, by the total MCF of illuminating gas covered by item (1) hereof.

(e) The fuel oil credit shall be an amount determined by dividing the amount paid by the Port Authority for fuel oil covered by item (1) hereof by the total number of gallons of fuel oil covered by said item (1) hereof, and subtracting from the quotient obtained thereby the amount of $0.1409 per gallon, and multiplying the resulting difference or $0.2421 per gallon, whichever is less, by the total gallons of fuel oil covered by item (1) hereof.

(h) The Port Authority shall not be obligated to the Lessee to furnish the services covered by paragraph (a) hereof 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. The Port Authority shall be under no obligation to provide said services, if and to the extent and during any period that the supplying of such services or the use of any component necessary therefore 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, nor shall the Port Authority be under any obligation to provide such services if and to the extent and during any period that the same are curtailed or stopped because of the need to repair, replace, rebuild or alter the Facility. The services covered by paragraph (a) with respect to the Federal Inspection Facilities and the Expanded Baggage Facilities shall commence as of the time the Lessee performs the necessary portion of the construction work pertaining thereto and has received the certificate of the Port Authority pertaining to each such portion of the construction work pursuant to Section 2(h) hereof.

No failure, delay or interruption in supplying said 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, or (unless resulting from the negligence or wilful failure of the Port Authority) shall be grounds for any claims by the Lessee for damages, consequential or otherwise.

(i) In the event that by the end of any calendar year the Construction Cost of any Additional Capital Improvement completed during said year has not been finally determined, the Additional Annual Facility Capital Charge for said calendar year and all subsequent calendar years until said Cost has been finally determined shall be such of the Construction Cost of said Additional Capital Improvement as has been determined at the time the Port Authority renders corrected billings under paragraph (j) hereof and the amounts payable by the Lessee pursuant to paragraph (a) hereof for all applicable prior calendar years for said Additional Capital Improvement shall be recomputed from time to time until the final determination of said Construction Cost and any amounts owing to the Port Authority shall be promptly paid to it.

(j) The amounts payable to the Port Authority pursuant to paragraph (a) hereof are for each calendar year, but in the event the term of the Lease expires on a day other than the last day of a calendar year, then in each such event the amounts payable to the Port Authority pursuant to paragraph (a) hereof shall, for the year during which each such event occurs, be for such portion of said year during which the Port Authority provides hot water and chilled water pursuant to paragraph (a) hereof. In determining said amounts, the Annual Total Facility Cost, the Annual Hot Water Facility Cost, the Annual Chilled Water Facility Cost, the Annual Total Hot Water Reading, the Annual Total Chilled Water Reading and the readings of BTU's of heat drawn and of BTU's absorbed in the premises shall be computed, determined and ascertained for each calendar year (or portion thereof in the event mentioned in the first sentence hereof) of the term of the Lease subsequent to the commencement date. Notwithstanding the foregoing and for current monthly or other periodic billing purposes as shall from time to time be selected by the Port Authority, the Port Authority shall establish for each calendar year estimated interim rates for hot water based upon BTU's of heat drawn from the hot water lines emanating from the Facility and estimated interim rates for chilled water based upon BTU's absorbed by the chilled water lines emanating from the Facility. Such estimated rates shall be based upon the Annual Chilled Water Facility Cost, the Annual Hot Water Facility Cost, the Annual Total Hot Water Reading and the Annual Total Chilled Water Reading for the previous calendar year and upon estimated changes in the same or upon such other reasonable basis as the Port Authority may determine. The Lessee shall pay current billings as they are received. Said billings shall be based upon the interim rates and upon the total number of BTU's of heat drawn from the hot water lines serving the premises and the total number of BTU's absorbed by the chilled water lines serving the premises. Said readings shall be measured by the meters serving the premises as described in paragraph (f) hereof. The provisions of subparagraph (2) of said paragraph (f) shall apply and pertain as well for current billing purposes.

As soon as practicable after the expiration of each calendar year, the Port Authority shall determine the Annual Hot Water Facility Cost and the Annual Chilled Water Facility Cost for the preceding calendar year and shall determine the amounts payable by the Lessee in accordance with the provisions of paragraph (a) hereof. In the event the term of the Lease expires on a day other than the last day of calendar year, the Annual Original Facility Capital Charge and the Annual Facility Expansion Capital Charge for said calendar year shall be prorated based on the number of days during said calendar year during which the Port Authority provides hot water and chilled water pursuant

to paragraph (a) hereof compared to 365. In the event an Additional Capital Improvement has been completed on a day other than the last day of a calendar year, the Additional Annual Facility Capital Charge for said Additional Capital Improvement for said calendar year shall be prorated based on the number of days during said calendar year subsequent to completion compared to 365. 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 promptly credited to it. In the event the term of this Lease 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 paragraph (a) hereof for the period during said year when the Lease was in effect. Said computation 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 promptly and if any monies are due to the Lessee they shall be promptly paid to it by the Port Authority less such amounts, if any, then owing and due to the Port Authority from the Lessee.

(k) Notwithstanding anything contained in this Section, the Port Authority's obligation to provide hot water and chilled water to the premises shall be limited by the safe and efficient operating capacity of the Facility.

(l) The Lessee has installed or shall install all machinery, equipment and facilities required to be installed in the premises in order to utilize said high temperature hot water and chilled water and has tied into or shall tie into the Facility at the mechanical equipment rooms constructed by the Lessee on the premises, but in the event that any of such rooms are located at a point 100 feet or more from the point or points at the boundary of the premises to which the Port Authority shall have brought high temperature hot water and chilled water, the Lessee shall be responsible for the cost of the installations in excess of 100 feet required to bring high temperature hot water and chilled water to the rooms, which installations shall be a part of the Facility.

(m) The Port Authority shall keep in an office or offices within the Port of New York District such books, records and accounts as may be necessary or appropriate to record the items and transactions affecting the computation of payments to be made by the Lessee under this Section. The Lessee or its designated representative shall have the right to examine the books and records of the Port Authority during regular business hours in connection with or in respect to any cost incurred, charged, allocated or prorated to the construction, operation or maintenance of the Central Heating and Refrigeration Facility to the extent that such affect the computation of such payments by the Lessee, it being understood that the Lessee shall have no right to inspect such parts thereof as pertain to any cost or expense which is part of the cost of administration and overhead which is covered by item (7) of paragraph (g) of this Section.

Section 42. General Airport Agreement

The parties hereto are also parties to a 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 and amended) 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, sometimes herein called the "General Airport Agreement".

The parties hereto agree that in the event any provisions contained in said Lease AY-351 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.

Notwithstanding the foregoing provisions of this Section 42, 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 Lease AY-351 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 Lease AY-351 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 Lease AY-351 shall be deemed to apply to the premises.

The foregoing provisions of this Section 42 shall apply and obtain 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. Associated and Affiliated Companies

In addition to the purposes specified in Section 5 hereof 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 51 hereof.

(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.

(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 Section 9(j) hereof.

(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.

The loading or unloading on the premises of all aircraft used principally for cargo is expressly prohibited.

For the purposes of this Lease, the phrase "Associated and 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.

Any act or thing which the Lessee may do for its Associated and 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 and Affiliated Companies, any greater rights or privileges than are granted to the Lessee under the Lease.

The Lessee's Associated and 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 56 hereof, subject, however, to the further provisions of said Section 56.

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 43), then any provisions of this Section 43 which are in conflict with or inconsistent with such provisions under such separate lease or agreement shall be null and void.

The foregoing provisions of this Section 43 shall apply and obtain 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 44. Restaurant and Bar

The Port Authority shall enter into a contract or agreement with a qualified Restaurant Operator (hereinafter referred to as the "Operator"), authorizing such Operator to operate one or more establishments at the Airport, in passenger terminal facilities of all Aircraft Operators desiring the same, for the sale of food, alcoholic and non-alcoholic beverages and similar items for consumption in such passenger terminal facilities.

The contract between such Operator and the Port Authority shall provide that the Operator shall pay the Port Authority a percentage fee based upon the gross receipts of such Operator from the sale of food, alcoholic and non-alcoholic beverages.

The Lessee agrees that it will furnish to the Operator sufficient and suitable space within the premises to carry on any operation as may be desired by the Lessee. The Lessee will bring to the space to be occupied by the Operator pipes, wires and conduits for the supply of electricity, gas and water together with necessary steam and waste lines for use in connection with the operation.

The contract between the Port Authority and the Operator will provide that the Operator will furnish at its expense all necessary fixtures, equipment, furniture and personal property required in connection with the operation, 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, color scheme and location of fixtures to be subject to the approval of the Lessee.

The Port Authority shall pay the Lessee for the use of the space by the Operator a fee equivalent to 80% of the percentage fee collected by the Port Authority from the Operator. The fees payable hereunder shall be paid in the manner, under the conditions, and at the times provided in Section 50 hereof.

If for any reason the Lessee elects to have such establishment operated by a Person other than the Port Authority's Operator, it may employ any other Person of its choice (which other Person may be the Lessee) to operate such establishment provided such other Person first obtains a permit from the Port Authority authorizing such Person to operate the establishment at the Airport in or on the premises leased to the Lessee. Prior to the issuance of any such permit 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 will provide that such Person 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. 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 Operator of the Authority. The permit will not be revoked without cause, without the prior consent of the Lessee.

The contract between the Operator and the Port Authority will contain appropriate provisions permitting cancellation of such contract on short notice in the event the service of the Operator is unsatisfactory to the Lessee. In the event of such cancellation the Lessee agrees to reimburse the Operator for its unamortized investment in the fixtures, equipment, furniture and personal property furnished in connection with the operation, and the unamortized cost of the work performed in finishing off the space and title to such fixtures, equipment, furniture and personal property shall thereupon vest in the Lessee.

In the event the 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 Operator providing plane meal and hangar meal service 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 Operator from the sale of food, alcoholic and non-alcoholic beverages on the premises. If the Lessee is the Operator, it may provide an employee cafeteria (subject to and in accordance with paragraph (11) of Section 5 hereof) without payment of fees to the Port Authority.

Section 45. Vending Machines, Public Telephones, Advertising Displays

If requested by the Lessee the Port Authority, by itself or through contractors, lessees, or permittes, shall install and maintain in the premises vending machines, public telephones, and advertising displays, at such locations and to such extent as requested by the Lessee. The Lessee shall provide the necessary wires and conduits for the supply of electricity for such machines and displays.

The Port Authority shall require its contractors, lessees, or permittees to pay a percentage fee based upon the gross receipts received from such vending machines, public telephones, and advertising displays.

The Port Authority shall pay the Lessee an annual fee equivalent to 80% of the percentage fee collected by the Port Authority from its contractors, lessees or permittees aforementioned. The fees payable hereunder shall be paid in the same manner, under the conditions and at the times, provided in Section 50 hereof.

Section 46. Insurance Covering Air Transportation

The Port Authority shall 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.

The contract between the insurance vendor and the Port Authority shall provide that such vendor shall pay to the Port Authority 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 of the premises, and an appropriate allocation of the cost of providing and maintaining public areas within the premises. 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 provided, however, in no event shall such basic rental be computed at a rate less than $8.00 per square foot per annum.

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. 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 50 hereof.

The contract with the insurance vendor will provide that: (a) if the Lessee so requests, the vendor shall provide a general information service to the public; and (b) 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 (c) 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 (d) the provisions of insurance policies and the minimum coverage offered shall be acceptable to the Lessee.

The location of insurance counters and insurance vending machines shall be determined by the Lessee. The vendor will furnish and install at its expense all necessary fixtures, machines, counters and equipment required in connection with its operation. The Lessee shall provide the necessary wires and conduits for the supply of electricity for use in connection with the vendor's operation.

Section 47. Newsstands

The Port Authority shall enter into contracts or agreements with a qualified newsstand operator or operators requiring such operators to operate stands on the premises, for the sale at retail of newspapers and magazines; cigarettes, cigars and other supplies for smoking; and candy, chewing gum, playing cards and paper-bound books to the extent required by the Lessee.

The contract between the newsstand operator and the Port Authority 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 of the premises, the cost of operation and maintenance of the premises and an appropriate allocation of the cost of

providing and maintaining public areas within the premises. The amount of the basic rental to be paid by the operator shall be agreed upon between the Port Authority and the Lessee, when the costs aforementioned are determined or can be reasonably estimated, provided, however, in no event shall such basic rental be computed at a rate less that $8.00 per square foot per annum. The Lessee shall furnish without additional charge, a reasonable amount of storage space for the use of the newsstand operator.

The contract shall further provide that the operator shall pay to the Port Authority a percentage fee based upon the gross receipts of such operator from the operation of such newsstand, less the amount of any basic rental paid by the 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 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 manner, under the conditions, and at the times provided in Section 50 hereof.

The contract with the newsstand operator will provide that the operator will be permitted to sell at retail on the premises, 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, that no merchandise objectionable to the Lessee shall be sold.

The location of newsstands and appropriate storage space for the use of the newsstand operator shall be determined by the Lessee. The 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 except that the Lessee shall provide the necessary wires and conduits for the supply of electricity for use in connection with the operation of the newstand. The contract with the newsstand operator will contain appropriate provisions permitting cancellation of such contract on short notice in the event the operation is unsatisfactory to the Lessee. In the event of such cancellation the Lessee agrees to reimburse the operator for its unamortized investment in the fixtures, stands, counters and equipment furnished in connection with the operation, and the unamortized cost of the construction work performed to accommodate such installations, and title to such fixtures, stands, counters and equipment furnished in connection with the operation shall thereupon vest in the Lessee.

If the Port Authority does not have another newsstand operator satisfactory to the Lessee, the Lessee may make its own arrangements with a newsstand operator of its choice provided such other newsstand operator first obtains a permit from the Port Authority authorizing such person to operate the newsstand in the premises leased to the Lessee. Prior to the issuance of any such permit, such newsstand operator 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 will provide that such operator 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. Such other operator may 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 newsstand were operated by a qualified newsstand operator of the Port Authority. The permit will not be revoked without cause, without the prior consent of the Lessee.

Section 48. Sale of Other Merchandise

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 Port Authority will endeavor to secure a qualified tenant, permittee or licensee (hereinafter referred to as the "Operator"), to furnish such consumer services and shall enter into contracts or agreements with such Operator requiring it to furnish the items or services to the extent required by the Lessee.

If the Lessee wishes to enter into an agreement to provide coin operated lockers within the premises, it may do so by contract directly with an operator of such lockers provided, however, that such operator and such contract shall be subject to the prior written approval of the Port Authority. The Port Authority shall have no obligation of any kind with respect to such contract and Section 50 of the Lease shall not apply thereto.

The contract between the Operator and the Port Authority 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 furnishing of the consumer services. 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 of the premises and the cost of operation and maintenance of the premises. The amount of the basic rental to be paid by the Operator shall be agreed upon between the Port Authority and the Lessee, provided, however, in no event shall such basic rental be computed at a rate less than $5.00 per square foot per annum.

The contract shall further provide that the Operator shall pay to the Port Authority a percentage fee based upon the gross receipts of such Operator from the operation of such consumer service, less the amount of any basic rental paid by the 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 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 50 hereof.

The 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.

In the event the Port Authority is unable to secure a qualified tenant, permittee or licensee to provide the consumer services requested by the Lessee, in accordance with the terms and conditions set forth in this Section, the Lessee may make its own arrangements with a tenant, permittee or licensee of its own choice, subject to the Port Authority's approval of such tenant, permittee or licensee. Such approval may include limitations as to the scope of the activities of such tenant, permittee or licensee in the light of the availability of similar services in the Central Terminal Area.

Section 49. Subletting of Lessee's Premises

Irrespective of whether the Persons selected in accordance with this Agreement to furnish the Consumer Services set forth in Sections 44, 45, 46, 47 and 48 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 Lessee's 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.

Prior to the issuance of any of the aforementioned permits, such Persons may be required to submit to the Port Authority evidence satisfactory to the Port Authority of their qualifications, the scope of their proposed operations and the standards of service they will provide. Any such permits will provide that such Persons will conduct their 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. Such Persons 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 their respective establishments were operated by regular Operators of the Port Authority.

Section 50. Obligations in Connection with Consumer Services Agreements

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:

(a) Take all reasonable measures in every proper manner to maintain, develop and increase the business conducted by it at the premises;

(b) Not divert or cause or allow to be diverted any business from the premises;

(c) Maintain in accordance with accepted accounting practice, records and books of account recording all transactions at, through or in anywise 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;

(d) 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;

(e) 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;

(f) 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;

(g) Furnish good, prompt and efficient service, 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 all items and/or services which it is permitted to sell and/or render; and

(h) 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.

The Port Authority does not guarantee the payments of rentals and fees required to be paid by the tenant, licensee, permittee or operator pursuant to the provisions of Sections 44, 45, 46, 47 and 48 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 51. Club Rooms

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 the 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 the Operator for such sales shall be included in the gross receipts of the 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 the Operator and provided that monies paid therefor, in that event, shall not be included in the gross receipts of the Operator. 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 the Operator.

Section 52. Ground Transportation Services

The Lessee shall make available within the premises at reasonable rental rates, such counter spaces and 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 a ground transportation operator 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.

Section 53. Observation Deck

In the event the Lessee provides an Observation Deck in connection with the Lessee's operations under the Lease and such Deck is open to the public generally the Lessee shall charge a fee for admission upon such Observation Deck. Such fee shall be established by the Port Authority which shall be uniform throughout the Airport. The Lessee shall pay to the Port Authority a percentage fee equal to 30% of the gross receipts received by the Lessee from the operation of the Observation Deck.

Section 54. Automobile Parking

The Lessee shall prevent all persons from parking automobiles on the premises, except that automobiles may be permitted to be on the premises for a reasonable period of time for the purpose of discharging or picking up passengers and for official and special purposes.

Section 55. Force Majeure

Neither the Port Authority nor the Lessee shall be deemed to be in violation of this Agreement if it is prevented from performing any of its obligations hereunder by reason of strikes, boycotts, labor disputes, embargoes, shortages of material, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, tides, riots, rebellion, sabotage or any other circumstances for which it 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 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 Sections 20 and 37 hereof, and shall not prevent the Lessee from exercising its right to an abatement of rental under Sections 4 and 39 hereof.

Section 56. Ingress and Egress

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. Such right shall be exercised in common with others having rights of passage within the Airport. The use of any such way shall be subject to the rules and regulations of the Port Authority which are now in effect or which may hereafter be promulgated for the safe and efficient operation of the Airport. The Port Authority may at any time, temporarily or permanently close or consent to or request the closing of, any such way or any other area at, in or near the 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 outisde 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 57. 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 the inspection of the Lessee's passengers and their baggage by the United States for United States customs, immigration, public health and other governmental purposes, 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 58. 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. 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 59. Non-Discrimination

(a) Without limiting the generality of any of the provisions of the Agreement, the Lessee, for itself, its successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (1) no person on the grounds of race, color, or national origin shall be excluded from participation, denied the benefits of, or be otherwise subjected to discrimination in the use of the premises, (2) that in the construction of any improvements, on, over, or under the premises and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Lessee shall use the premises in compliance with Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination 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 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 any appropriate action to enforce compliance; or in the event such noncompliance shall continue for a period of twenty (20) days after receipt of written notice from the Port Authority, the Port Authority shall have the right to terminate the Agreement and the letting hereunder with the same force and effect as a termination under the Section of this Agreement providing for termination for default by the Lessee in the performance or observance of any other term or provision of this Agreement, or may pursue such other remedies as may be provided by law; and as to any or all of 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 60. 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 or Carriers") of its choice, provided, that such Employee Surface Carrier or Carriers 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 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) 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) As of the Commencement Date as defined in paragraph (c) hereof, the Port Authority shall endeavor to issue permits to at least 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 Permittee is an Employee Surface Carrier of the Lessee and regardless of any agreement between the Lessee and its Employee Surface Carrier. 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 12 Ground Carrier Permittees in operation at the Airport the Lessee shall have the right to engage an Employee Surface Carrier 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 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 may be restricted to serving the Lessee at the Airport. At such time thereafter as there is in operation at the Airport at least 12 Ground Carrier Permittees, the Permit with the said Employee Surface Carrier may be revoked by the Port Authority and the Lessee shall thereupon select an Employee Surface Carrier 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 12 Ground Carrier Permittees. The Permits with the Ground Carrier Permittees may contain privileges other than those set forth in the first subparagraph of 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) hereof. The term "Commencement Date" as used in this Section shall mean the date specified in a written notice from the Port Authority served upon the Lessee and upon all Scheduled Aircraft Operators who are lessees of passenger terminal facilities within the Central Terminal Area, it being understood that such notice shall not be served unless and until all said Scheduled Aircraft Operators have executed agreements with the Port Authority incorporating provisions having the same effect as the provisions of paragraphs (a) and (b) hereof into their leases with the Port Authority covering passenger terminal facilities within the Central Terminal Area. The provisions of this Section other than the foregoing provisions of this paragraph (c) 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 any East or West Wing Building Lessee (the foregoing not to waive the requirement for Port Authority consent) as said lessees are defined in Section 63 of the Lease.

(d) For the period prior to the Commencement Date hereunder, the following provisions of this paragraph (d) shall be in effect in lieu of the provisions of paragraph (a) hereof:

The lessee may arrange for the transportation to and from the Airport of passengers, employees and baggage (and such passengers, employees 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, employees and baggage by the Passenger Surface Carrier 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) 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, employees and baggage as aforesaid to and from the Airport and the Lessee shall no longer use the same. No fee shall be paid by the Lessee to the Port Authority in connection with the ground transportation of officers and employees of the Lessee if the Lessee operates the service itself and if the Lessee makes no charge to its employees and officers therefor. The occasional non-recurring employment by the Lessee of a surface carrier who is not a Permittee of the Port Authority shall not be deemed to be a breach of this Section by the Lessee; the foregoing, however, shall not affect the right of the Port Authority to the percentage fee with respect to such surface carrier.

For the period subsequent to the Commencement Date hereunder, the foregoing provisions of this paragraph (d) shall continue in effect with respect to passengers and their baggage only of the Lessee and wherever the phrase "passengers, employees and baggage" appears in the foregoing provisions it shall be deemed amended to read "passengers and their baggage".

(e) It is recognized that the Port Authority has established a five percent fee with respect to the service covered by paragraphs (a) and (d) hereof in lieu of the ten percent fee therein stated. It is hereby specifically understood and agreed that the fact that said fee is presently five percent shall not constitute a waiver by the Port Authority of its right to impose a percentage fee of ten percent 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 Ground Carrier Permittees, 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. 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.

As used in this Section 60, 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.

The Ground Carrier Permittee of the Lessee's choice, its Passengers Surface Carrier 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.

(h) Effective as of January 1, 1972, the provisions of this Section 60 shall supersede the provisions of Section 4.11 of Title IV of a certain agreement between the Lessee and the Port Authority dated as of January 1, 1953 and bearing Port Authority File No. Designation AY-351, and from and after said date said provisions of said Section 4.11 shall no longer be of any force or effect.

Section 61. The Original Premises Use Agreements

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 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, 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.

The parties agree that appropriate documents will be prepared and executed, if the same are deemed by the Port Authority to be necessary or desirable, recognizing the continuance under this Lease of the Lessee's use agreements, subject to the existing terms of such agreements and the Port Authority's consent to or approval thereof including but not limited to termination and revocation rights as provided therein.

Section 62. 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 professional electrical engineers and sanitation engineers, 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 63. Ground Transportation Within the Central Terminal Area

(a) The Port Authority has established at the Airport a Central Terminal Area generally as described in Exhibit S, attached hereto and hereby made a part hereof. 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 S and shall become a part of the Lease.

(b) 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 effective as of the Commencement Date of the Lease and shall continue thereafter during the term of the Lease, but such prohibition 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".

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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.

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 submission within twenty (20) days after its submission 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 last subparagraph of subparagraph (v) 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) The initial price payable to the Port Authority pursuant to subparagraph (iv) hereof is for each calendar year, but in the event the Commencement Date as defined in paragraph (d) hereof falls on a day other than the first day of a calendar year or in the event the term of the Lease expires or the provisions covering the CTA transportation services 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 subsequent to the aforesaid Commencement Date.

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 following the month upon which the Commencement Date hereunder falls and on the 20th day of each and every calendar month thereafter 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.

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.

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.

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(vi) 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 (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.

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 the calendar month following the month upon which the Commencement Date hereunder falls and on the 20th day of each and every calendar month thereafter 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 defict 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 comprehensive 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.

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) If at any time during the term of the Lease the Port Authority receives a written notice from the East and West Wing Building Lessees (as hereinafter defined) representing more than thirty percent (30%) of the effective published passenger flight schedules to and from the Airport of all the East and West Wing Building Lessees for the calendar year prior to the year during which the notice was given, or if the Port Authority receives a written notice from Unit Terminal Lessees (as hereinafter defined) representing more than thirty percent (30%) of the effective published passenger flight schedules to and from the Airport of all Unit Terminal Lessees for the calendar year prior to the year during which the notice is given, which notice shall be either (i) 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 (ii) 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 (i) above 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.

(3) 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) hereof, a written notice from the East and West Wing Building Lessees representing more than fifty percent (50%) of the effective published passenger flight schedules to and from the Airport of all East and West Wing Building Lessees for the year prior to the year during which the notice is given or if the Port Authority receives a written notice during the period described above from Unit Terminal Lessees representing more than fifty percent (50%) of the effective published passenger flight schedules to and from the Airport of all the Unit Terminal Lessees 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 travelling 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 travelling 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 Scheduled Aircraft Operators covering passenger terminal facilities within the Central Terminal Area provisions having the same effect as the provisions of this Section.

For the purposes of this Section, the term "Unit Terminal Lessees" shall mean all Participants other than the East and West Wing Building Lessees. The term "East and West Wing Building Lessees" shall mean those foreign flag Scheduled Aircraft Operators who shall have entered into long term leases with the Port Authority covering space in the East or West Wing Buildings.

(2) All 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 any East or West Wing Building Lessee (the foregoing not to waive the requirement for Port Authority consent) 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) or be or be deemed to be an East or West Wing Building Lessee or a Unit Terminal Lessee within the meaning of subparagraphs (2) and (3) of paragraph (c) hereof, but their activities, operations and payments hereunder shall be deemed to be those of the Participants whose space they are using.

(e) The Port Authority agrees that it shall include in any agreement it may have with any Supplemental Aircraft Operator covering space in the North Passenger Terminal at the Airport a provision that said Supplemental Aircraft Operator shall agree that it will not directly, indirectly or by arrangement with any independent third party, operate any surface vehicle for the transportation of its passengers to and from the North Passenger Terminal and the various other passenger terminal facilities or other locations within the Central Terminal Area, but the foregoing shall not prohibit the Port Authority from providing or authorizing others to provide a ground transportation service for said passengers by omnibus and/or other surface vehicles.

(f) The agreement by the Lessee under paragraph (b) hereof as well as the agreement by the Lessee under paragraph (c)(3) hereof, in the event the provisions covering the CTA 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.

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Section 64. 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 65. Definitions

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

(a) "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 between The City of New York and the Port Authority referred to in subdivision (b) below, said Exhibit being marked "Map II", and lands contiguous thereto which may have been heretofore or may hereafter be acquired by the Port Authority to use for air terminal purposes.

(b) "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.

(c) "Agreement" shall mean this agreement of lease.

(d) "Lease" or "this Agreement of Lease" shall mean this agreement of lease.

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

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(f) "Premises" shall mean and include the land, the buildings, structures and other improvements located or to be located or to be constructed therein or thereon, the equipment permanently affixed or permanently located therein, such as electrical, plumbing, sprinkler fire protection and fire alarm, heating, steam, sewage, drainage, 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.

(g) "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.

(h) "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.

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

(j) "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 Lease unless he also holds such a permit or certificate.

(k) "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.

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

(m) The phrase "gross receipts" shall mean and include all monies paid or payable to the Operator for sales made and for services rendered at or from the premises, regardless of when or where the order therefor is received, 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.

(n) "Unamortized Capital Investment" for the purposes of this Lease shall mean the sum of the following:

(i) the "Concourse Expansion Unamortized Capital Investment" which term shall mean the sum of $12,617,024.67, as the same shall be reduced in equal amounts of $42,056.75 for each calendar month from July 25, 1970 up to July 24, 1995 it being understood that after July 24, 1995 there shall be no Concourse Expansion Unamortized Capital Investment hereunder; and

(ii) the "Federal Inspection Facilities Unamortized Capital Investment" which term shall mean the amount of the Lessee's investment in the premises arising out of the performance by the Lessee of the construction work pursuant to and as set forth in Section 2 of this Lease with respect to the Federal Inspection Facilities, after deduction therefrom of an amount equivalent to an allowance for depreciation and amortization as hereinafter provided. Such allowance will be computed on a straight-line basis from the date of the completion of the Federal Inspection Facilities to the end of the average useful life (as determined under sound accounting practices) or the end of the term of the Lease, whichever is the shorter.

(iii) the "Expanded Baggage Facilities Unamortized Capital Investment" which term shall mean the amount of the Lessee's investment in the premises arising out of the performance by the Lessee of the construction work pursuant to and as set forth in Section 2 of this Lease with respect to the Expanded Baggage Facilities, after deduction therefrom of an amount equivalent to an allowance for depreciation and amortization as hereinafter provided. Such allowance will be computed on a straight-line basis from the date of the completion of the Expanded Baggage Facilities to the end of the average useful life (as determined under sound accounting practices) or the end of the term of the Lease, whichever is the shorter.

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.

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For purposes of subparagraphs (ii) and (iii) above the Lessee's investment in the premises arising out of the performance of the construction of the Federal Inspection Facilities and the Expanded Baggage Facilities pursuant to and as set forth in Section 2 of the Lease shall be equal to the sum of: (i) the amounts paid by the Lessee to independent contractors for work actually performed and labor and materials actually furnished in connection with the construction of the Federal Inspection Facilities and the Expanded Baggage Facilities on the premises, and (ii) the payments made and expenses incurred by the Lessee, in connection with such construction, for engineering, architectural, professional and consulting services, and the supervision of construction, provided, however, that such payments and expenses pursuant to this subdivision (ii) shall not exceed ten per cent (10%) of the amounts described in subdivision (i); in each case, as the abovementioned amounts, payments and expenses are evidenced, from time to time, by certificates of a responsible fiscal officer of the Lessee, sworn to before a notary public and delivered to the Port Authority, which certificates shall (a) set forth, in reasonable detail, the amounts paid to specified independent contractors, the payments made to other specified persons and the other expenses incurred by the Lessee, which have not previously been reported in certificates delivered to the Port Authority, (b) have attached thereto reproduction copies or duplicate originals of the invoices of such independent contractors and other persons acknowledging the receipt by them of such amounts and payments, and (c) certify that the amounts, payments and expenses therein set forth constitute the Lessee's investment in the premises arising out of the performance of the construction of the Federal Inspection Facilities and the Expanded Baggage Facilities pursuant to and as set forth in Section 2 of the Lease. All records of the Lessee with respect to 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 construction work have been submitted by the Lessee to the Port Authority and shall be subject to the audit and inspection of the Port Authority, its representatives and employees.

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

(p) "Subsidiary" shall mean any corporation or company in which the Lessee owns sixty percent (60%) or more of the total outstanding voting stock (other than treasury stock).

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

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(r) "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 shall be deemed to be a Civil Aircraft Operator only to the extent that he engages in the operation of aircraft for civilian purposes.

(s) "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.

Section 66. 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 67. Area Recapture

The Port Authority shall have the right at any time and without cause to terminate this Agreement and the letting hereunder as to the portion of the premises shown in diagonal hatching on Exhibit A, provided that such termination shall be on at least ninety (90) days' prior written notice to the Lessee. In the event of termination pursuant to this Section, this Agreement and the letting hereunder shall cease and expire as to the said portion of the premises shown in diagonal hatching on Exhibit A as if the effective date of termination stated in the notice were the date originally stated herein for the expiration of this Agreement, but the Agreement and the letting hereunder 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 but effective from and after the effective date of termination the applicable ground rental or rentals shall be reduced in the following amounts: the initial ground rental in the amount of $1,116.00 per annum; the subsequent ground rental in the amount of $1,116.00 per annum; and the final ground rental in the amount of $1,452.00 per annum which shall be in lieu of the rental abatement as provided in Section 4 hereof, from and after the effective date of termination. Prior to the effective date of termination the Lessee shall, at its sole cost and expense, demolish and remove from the portion of the premises shown in diagonal hatching on Exhibit A all structures, fixtures, additions and improvements it may have installed, constructed or erected thereon and shall restore the premises to the condition existing prior to such installation, construction or erection (said demolition and removal being hereinafter called "the removal work"). The Lessee shall perform the removal work subject to and in accordance with an approved

Port Authority Construction Application and subparagraphs (1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12) and (17) of paragraph (b) of Section 2. For the purposes of this Section the term "construction work" as used in said subparagraphs shall mean and refer to the removal work. In the event the Lessee shall fail to perform the removal work the Port Authority may, at its option, and in addition to any other remedies which may be available to it, complete the removal work and the cost thereof shall be payable by the Lessee upon demand.

Section 68. Entire Agreement

This Agreement consists of the following: Sections 1 through 68, inclusive, and Exhibits A, B and S. It constitutes the entire agreement of the parties on the subject matter hereof and may not be changed, modified, discharged or extended except by written instrument duly executed by the Port Authority and the Lessee. The Lessee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in this Agreement.

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

ATTEST:

SECRETARY

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By S.J. NOWINSKI

(Title) EXECUTIVE ASST. TO DIRECTOR OF AVIATION

(Seal)

ATTEST:

Asst. Secretary

AMERICAN AIRLINES, INC.

By

(Title) Vice President

(Corporate Seal)

Prop. + Fac.

APPROVED: FORM

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AAUT 777

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

On the 10th day of OCTOBER, 1980, before me personally came S.J. NOWINSKI to me known, who, being by me duly sworn, did depose and say that he resides at BAYONNE, NEW JERSEY

that he is the EXECUTIVE ASST. TO DIRECTOR OF AVIATION of The Port Authority of New York and New Jersey, (one of) the corporations described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Commissioners of the said corporation; and that he signed his name thereto by like order.

Anita E. Westrich
(notarial seal and stamp)

ANITA E. WESTRICH
Notary Public, State of New York
No. 43-4656184
Qualified in Richmond County
Commission Expires March 30, 1981

STATE OF Texas)
) ss.
COUNTY OF Dallas)

On the 19th day of February, 1980, before me personally came C. W. Hullet to me known, who, being by me duly sworn, did depose and say that he resides at [illegible], TX 76112

Ex. 2.a.

that he is the Vice President F&F of American Airlines, Inc., (one of) the corporations described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of the said corporation; and that he signed his name thereto by like order.

Betty J. Gordon
(notarial seal and stamp)
expires 10-4-81

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