Torres Rojas, Genara FOIL#14185

From: paton@mltw.com
Sent: Monday, August 05, 2013 3:37 PM
To: Duffy, Daniel
Cc: Torres Rojas, Genara; Van Duyne, Sheree; Qureshi, Ann
Subject: Freedom of Information Online Request Form

Information:

First Name: scott
Last Name: paton
Company: mcnamee lochner
Mailing Address 1: 677 broadway
Mailing Address 2:
City: albany
State: NY
Zip Code: 12207
Email Address: paton@mltw.com
Phone: 518 447-3379
Required copies of the records: No

List of specific record(s):
Produce Lease AGA-126, originally dated as of June 2, 1989, as well as all amendments andor supplements to said lease

THE PORT AUTHORITY OF NY & NJ

FOI Administrator

August 9, 2013

Mr. Scott Paton
Mcnamee Lochner
677 Broadway
Albany, NY 12207

Re: Freedom of Information Reference No. 14185

Dear Mr. Paton:

This is a response to your August 5, 2013 request, which has been processed under the Port Authority's Freedom of Information Code (the "Code", copy attached) for a copy of Lease AGA-126, originally dated as of June 2, 1989, as well as all amendments and/or supplements to said lease.

Material responsive to your request and available under the Code can be found on the Port Authority's website at http://www.panynj.gov/corporate-information/foi/14185-LPA.pdf. Paper copies of the available records are available upon request.

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

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

Very truly yours,

Daniel D. Duffy
FOI Administrator

Attachment

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

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

Lease No. AGA-126

AGREEMENT OF LEASE

THIS AGREEMENT OF LEASE, made effective as of the 2nd day of June, 1989, 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 CONTINENTAL AIRLINES, INC. (hereinafter sometimes called "Continental Airlines"), a corporation of the State of Delaware and having an office and place of business at 2929 Allen Parkway, Houston, Texas 77019, whose representative is Sam E. Ashmore its Vice President, Properties acting jointly and severally with EASTERN AIR LINES, INC. (hereinafter sometimes called "Eastern Air Lines"), a corporation of the State of Delaware and having an office and place of business at Building 16 Miami International Airport, Miami Florida 33145 whose representative is Peter Gingras, its Staff Vice-President, Properties and Facilities (Continental Airlines and Eastern Air Lines, acting jointly and severally, being hereinafter referred to as "the Lessee").

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 LaGuardia Airport (sometimes hereinafter referred to as "the Airport") in the County of Queens, City and State of New York the land shown in stipple, in diagonal hatch, in stipple diagonal hatch and in stipple cross-hatch on the drawing attached hereto, hereby made a part hereof and marked "Exhibit A", together with the hangar buildings designated as Building No. 6 and Building No. 8 located thereon, and together with the fixtures,

improvements and other property of the Port Authority, if any, located therein, thereon or thereunder, all of the foregoing being sometimes hereinafter referred to as the "site", the site and all structures, improvements, additions, buildings and facilities located, constructed or installed therein, thereon or thereunder, or to be located, constructed or installed therein, thereon or thereunder being hereinafter collectively referred to as "the premises". It is acknowledged and agreed that the premises under the Lease constitute non-residential real property.

(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 more than seventy-five (75) feet above the present ground level thereof.

(c) The strip of land lying along and within the easterly boundary line of the premises (which strip is shown in stipple diagonal hatch on the drawing attached hereto, hereby made a part hereof and marked Exhibit B), together with the corresponding contiguous strip of land lying along and within the westerly boundary of the space let to the Shuttle Terminal lessee, as defined in Section 74 hereof, and immediately abutting on the easterly side of the premises (which strip is shown in diagonal hatch on Exhibit B) shall be subject to a joint and mutual easement for a taxiway to be used jointly by the Lessee and the Shuttle Terminal lessee or by any successors in interest of either or both or other tenants or sublessees, or other occupants or users who, pursuant to Port Authority permission, may occupy or use the premises herein or the space let to the Shuttle Terminal lessee, and such rights of easement for such taxiway purposes shall continue during the effective periods of the respective agreements covering the same.

(d) Subject only to the appropriate written concurrence of the lessees, tenants, or other users as set forth below in this paragraph (d), the strip of land lying along and within the westerly boundary line of the premises (which strip is shown in stipple cross-hatch on Exhibit B), together with the corresponding contiguous strip of land and immediately abutting on the westerly side of the premises (which strip is shown in cross-hatch on Exhibit B) shall be subject to a joint and mutual easement for a taxiway to be used jointly by the Lessee and the lessees, tenants or other users, if any, who pursuant to Port Authority permission may use the same or by any successors in interest of either or any of them or other tenants or sublessees, or other occupants or users who, pursuant to Port Authority permission, may occupy or use portions of the East End Terminal Facilities, as hereinafter defined, and such rights of easement for such taxiway purposes shall continue during the effective periods of the respective agreements covering the same.

(e) The strips of land shown in stipple, diagonal hatch and cross-hatch on the drawing attached hereto, hereby made a part hereof and marked Exhibit C, shall be subject to a joint and mutual easement for upper level roadways, to be constructed by the Lessee pursuant to Section 2 hereof, and which are to be used jointly by the Lessee and the Shuttle Terminal lessee (as hereinafter defined) or by any successors in interest of either or both or other tenants or sublessees, or other occupants or users who, pursuant to Port Authority permission, may occupy or use the premises herein or the space let to the Shuttle Terminal lessee, and such rights of easement for such upper level roadways shall continue during the effective periods of the respective agreements covering the same.

Section 2. Construction by the Lessee

(a) The Lessee shall, prior to its submission to the Port Authority of the plans and specifications hereinafter provided for, submit to the Port Authority for its consent, the Lessee's comprehensive plan for the development of the site, including but not limited to renderings, layouts, locations, models, estimated commencement and completion dates, and preliminary functional plans.

Without limiting the above, the Lessee agrees that said comprehensive plan shall include the construction on and under the site of:

See app #1

(i) A two (2) level passenger terminal building consisting of approximately 260,000 square feet of floor space, the foregoing together with all associated and related areas and facilities, including but not limited to stairwells, stairways, escalators, and elevators, and a ground control tower (as more fully described in Section 52 hereof) being herein called "the East End Terminal";

(ii) All necessary and appropriate work together with all associated and related areas and facilities for the connecting of the East End Terminal Facilities and the Shuttle Terminal, as hereinafter defined;

(iii) Ten (10) Aircraft loading and unloading gate positions, Numbers 1 through 10, consisting of nine gate positions that will accommodate both wide-body aircraft and narrow-body aircraft and one aircraft gate position for narrow-body aircraft, said aircraft gate positions being herein collectively called "the Aircraft Gate Positions";

(iv) All appropriate work for the construction of general utility and mechanical equipment rooms and spaces and crawl spaces within the East End Terminal;

(v) All appropriate work for the construction of a utility room or rooms and a heating plant for the purpose of providing heat, air-conditioning, ventilation, electricity, water and all other utilities for the East End Terminal Facilities, as hereinafter defined, including without limitation all machinery, equipment and facilities required to be installed in the Common Areas (as hereinafter defined) in connection with the said facilities;

(vi) A vehicular maintenance building of approximately 20,000 square feet in the area shown in diagonal hatch in Exhibit D attached hereto and hereby made a part hereof;

(vii) All appropriate work for the construction of the concession areas to be made available for consumer services as more fully described in Sections 57 through 65 including the construction and installation of utility lines which are to serve the said concession areas as and to the extent such work is not to be performed by a consumer service operator pursuant to its agreement with the Port Authority;

(viii) All appropriate lines, pipes, mains, cables, manholes, wires, conduits and other facilities required in connection with or relating to the mechanical, utility, electrical, storm sewer, sanitary sewer, telephone, fire alarm, fire protection, gas and other systems needed for the East End Terminal Facilities including all necessary relocations, and all work necessary or required to tie the foregoing to the utility access stubs now existing which include water, electrical power, sanitary service lines, including all necessary valves and other equipment and accessories necessary to the use and operation of the heating, electrical, water and other utility systems which are to serve the premises;

(ix) Upper level roadways on the area shown in diagonal hatch on Exhibit C, and all other necessary or appropriate ground and elevated roadways, ramps, sidewalks, vehicular service areas, and pedestrian circulation areas, together with all related and associated areas and facilities (the foregoing being herein sometimes called the "circulation areas");

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

(xi) Appropriate landscaping together with all related and associated work;

(xii) The demolition of Hangar Building No. 6 and Hangar Building No. 8 and all other existing buildings, improvements and structures on the site;

(xiii) All work necessary or appropriate for the realignment of the restricted service road located on the site;

(xiv) All work necessary or appropriate for the relocation of "Taxiway Z" currently located on the site;

(xv) All appropriate or necessary work for the construction of an aircraft taxiway on the area shown in stipple cross-hatch on Exhibit B, said taxiway being herein sometimes called the "Westerly Taxiway I";

(xvi) The expansion of the aircraft taxiway shown in stipple diagonal hatch on Exhibit B; the foregoing being herein called the "Easterly Taxiway I Expansion";

(xvii) All appropriate work for the construction of a snow removal/melting pit to serve the premises and the Shuttle Terminal;

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

All of the foregoing work shall be constructed by the Lessee on the site and off the site where required, and where constructed on the site shall be and become a part of the premises under the Lease. All of the foregoing work and any other work which the Lessee includes in its comprehensive plan and which is consented to by the Port Authority are sometimes herein collectively referred to as "the East End Terminal Facilities".

The Lessee shall keep the comprehensive plan covered by this paragraph (a) up to date and shall submit to the Port Authority for its prior approval any amendments, revisions, or modifications thereof.

(b) In addition to all the hereinabove mentioned, the Lessee shall include as part of its comprehensive plan submitted in accordance with paragraph (a) hereof the construction of the following work, which construction, however, shall not be on the site and shall not be part of the premises under the Lease. Said work shall include:

(i) An expansion of the existing Shuttle Terminal building which forms a part of the Shuttle Terminal Premises under the Shuttle Terminal lease including without limitation: such modifications, installations and additions to the Shuttle Terminal Premises as are necessary or appropriate for the expansion of the existing building and for the reconfiguration of the existing aircraft gate positions, and as are necessary or appropriate for the physical and operational integration of the East End Terminal Facilities with the Shuttle Terminal; all necessary or appropriate work together with all associated and related areas and facilities for connecting the existing Shuttle Terminal building to the East End Terminal; all necessary or appropriate work for the construction of suitable piling and foundations to support the Section 2A Additional Construction (as defined in Section 2A hereof); (all of said work being hereinafter called the "Shuttle Terminal Expansion");

(ii) New upper level Airport roads on the areas shown in stipple and cross-hatch on Exhibit C to which certain portions of the circulation areas would connect, as well as any and all associated or related extension, widening, relocation and rehabilitation of existing Airport roads, together with all appropriate ground lighting, lines, pipes, drains, wires, cables, manholes and conduits and other facilities; all of the foregoing being sometimes hereinafter collectively sometimes called the "Off-Premises Easement Roads";

(iii) All necessary or appropriate work for the construction of an aircraft taxiway shown on the area shown in cross-hatch on Exhibit B (said taxiway being herein sometimes called the "Westerly Taxiway II"; the Westerly Taxiway (I) and the Westerly Taxiway (II) being herein collectively called the "Westerly Taxiway";

(iv) All necessary or appropriate work for the expansion of the aircraft taxiway shown in diagonal hatch on Exhibit B; the foregoing being herein called the "Easterly Taxiway II Expansion; the Easterly Taxiway I Expansion and the Easterly Taxiway II Expansion being herein collectively called the "Easterly Taxiway Expansion";

(v) All work necessary or appropriate for the relocation of the restricted service road currently located on the site;

(vi) All work necessary or appropriate for the relocation of "Taxiway Z" currently located on the site;

(vii) All appropriate lines, pipes, drains, wires, cables, conduits and other facilities so as to tie the East End Terminal Facilities and the Shuttle Terminal Expansion into the service lines for the supply of water, electrical power, telephone, sanitary and storm sewers to such location off the premises as the Port Authority may designate, the foregoing being

respectively called "the water lines", or "the electric lines", "sanitary lines" and all of the foregoing being hereinafter called the "Off-Premises Utility Lines construction."

All of the foregoing in this paragraph (b) shall be constructed by the Lessee off the site and shall not be or become a part of the premises under the Lease. Each of the foregoing is hereinafter sometimes referred to as an "Installation" and all Installations covered under this paragraph are sometimes hereinafter collectively referred to as the "Off-Premises Facilities".

(c) (1) The Lessee agrees at its sole cost and expense to design and to construct the East End Terminal Facilities on the premises as described in paragraph (a) above and to design and construct the Off-Premises Facilities outside the premises as described in paragraph (b) above, such design and construction of the said work and both the East End Terminal Facilities and the Off-Premises Facilities being sometimes hereinafter collectively referred to as "the construction work".

(2) 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 with respect to the construction work 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 unless approved by the Port Authority in its consent to the Lessee's comprehensive plan pursuant to paragraph (a) hereof, 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 circulation areas, or

(viii) Not be at locations or not be oriented in accordance with the Lessee's approved comprehensive plan, or

(ix) Not comply with the provisions of the Basic Lease, including without limiting the generality thereof, those provisions 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 businesses 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) 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 National Board of Fire Underwriters and the Fire Insurance Rating Organization 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, or

(xvi) Not comply with the construction limitations set forth in Exhibits A, B, C and D if any, or

(xvii) Not comply with the American National Standard Specifications for Buildings and Facilities-Providing Accessibility and Usability for Physically Handicapped People, ANSI A117.1-1986.

(3) In addition to and without limiting the foregoing, with respect to the portion of the construction work representing the Off-Premises Facilities or any Installation forming a part thereof, the Lessee's design thereof and the said plans and specifications shall be subject to the complete prior written approval of the Port Authority and the Lessee shall make all changes and modifications to the said design, plans and specifications as may be required or recommended by the Port Authority.

(d) 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, (including claims of the City of New York against the Port Authority pursuant to the provisions of the Basic Lease whereby the Port Authority has agreed to indemnify the City against claims), excepting only claims and demands which result solely from affirmative wilful acts done by the Port Authority, its Commissioners, officers, agents and employees with respect to the construction work, provided, however, that the Lessee shall not be required to indemnify the Port Authority where indemnity would be precluded pursuant to the provisions of Section 5-322.1 of the General Obligations Law of the State of New York.

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, 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) 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. With respect to said submittal by the Lessee and approval by the Port Authority of the Lessee's plans and specifications, it is agreed that the Port Authority shall make all reasonable efforts to accomplish its review of said plans and specifications as expeditiously as possible and that the Lessee will make all reasonable efforts to ensure that its submittals of said plans and specifications are made as expeditiously as possible. 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 expend not less than Ninety Million Dollars ($90,000,000.00) with respect to the construction work. The Lessee shall complete the construction work no later than December 31, 1991.

(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 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 arises 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 that 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, and the contract shall so provide.

(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 on 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 item (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 or to any location off the Airport within the Port of New York District. 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. Nothing herein contained shall be deemed to constitute consent to the creation of any liens or claims against the premises nor to create any rights in said third persons against the Port Authority or the Lessee.

(11) (i) The Lessee in its own name as assured and including the Port Authority as an additional assured shall procure and maintain Comprehensive General Liability insurance, including but not limited to premises-operations, products-completed operations, explosion, collapse and underground property damages, personal injury and independent contractors, with a broad form property endorsement, and with a contractual liability endorsement covering the obligations assumed by the Lessee pursuant to subparagraphs (1) and (5) of this paragraph (d), and Comprehensive Automobile Liability insurance covering owned, non-owned and hired vehicles, the foregoing 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, whether procured by the Lessee or by a contractor engaged by it as aforesaid, not to contain any care, custody or control exclusions, and not to contain any exclusion for bodily injury to or sickness, disease or death of any employee of the Lessee or of any of its contractors which would conflict with or in any way impair coverage under the contractual liability endorsement. 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 that said protections shall also pertain and apply with respect to any claim or action against the Port Authority by the Lessee, but

such endorsement shall not limit, vary or affect the protections afforded the Port Authority thereunder as an additional assured. Said insurance shall be in not less than the following amounts:

Comprehensive General Liability	Minimum Limits
Bodily Injury Liability	
For injury to or wrongful death to one person	$25,000,000.00
For injury or wrongful death to more than one person for any one occurrence	$25,000,000.00
Aggregate Products-Completed Operations	$25,000,000.00
Property Damage Liability	
For all damage arising out of injury to or destruction of property in any in any one occurrence	$25,000,000.00
Aggregate Products-Completed Operations	$25,000,000.00
Aggregate Premises-Operations	$25,000,000.00
Aggregate Contractual	$25,000,000.00
Comprehensive Automobile Liability	
Bodily Injury Liability: For injury to or wrongful death of one or more than one person in any one occurrence:	$25,000,000.00
Property damage Liability:	
For all damages arising out of injury to or destruction of property in any one occurrence:	$25,000,000.00

(ii) The Lessee shall also procure and maintain in effect, or cause to be procured and maintained in effect Workers' Compensation Insurance and Employer's Liability Insurance required by law.

(iii) The insurance required hereunder in this subparagraph (11) 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 20 hereof.

(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 (All Risk) Completed Value Insurance covering the construction work during the performance thereof including material delivered to the site but not attached to the realty. Such insurance shall be in compliance with and subject to the applicable provisions of Section 18 hereof and 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 policies or certificates representing insurance covered by this paragraph (14) shall be delivered by the Lessee to the Port Authority at least fifteen (15) days prior to the commencement of construction of the construction work, and each policy or certificate delivered shall bear the endorsement of or be accompanied by evidence of payment of the premium thereof and, also, a valid provision obligating the insurance company to furnish the Port Authority and the City of New York fifteen (15) 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 fifteen (15) days before the expiration of the insurance which such policies are to renew.

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

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

(16) The Lessee shall execute and submit for the Port Authority's approval a Construction Application or Applications in the form prescribed by the Port Authority covering the construction work or portions thereof. The Lessee shall comply with all the terms and provisions of the approved Construction Applications. In the event of any inconsistency between the terms of any Construction Application and the terms of this Lease, the terms of this Lease shall prevail and control.

(17) Nothing contained in this Lease shall grant or be deemed to grant to 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.

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

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

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

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

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

(dd) The contractor will include the provisions of subparagraphs (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.

(iii) Without limiting any of the foregoing provisions and in addition thereto and without limiting any other terms or provisions of this Agreement, the Lessee agrees that the Lessee shall and shall require its contractors to use good faith efforts to maximize the participation of local business enterprises ("LBEs") in the construction work in accordance with the provisions of Schedule F hereof. 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 above set forth and set forth in Schedule E hereof.

(e) In addition to and without limiting the terms and conditions set forth in paragraph (d) above, the portion of the construction work representing the Off-Premises Facilities shall be done in accordance with the following further terms and conditions:

(1) In addition to the submission of the names of the architects and contractors for Port Authority approval as required by subparagraphs (2) and (3) of paragraph (d) of Section 2 hereof, all proposed contracts covering the portion of the construction work representing the Off-Premises Facilities, or any portion thereof, submitted for Port Authority approval shall be subject to disapproval including but not limited to the disapproval of any contract the costs of which are not acceptable to the Port Authority. The Lessee shall include in all such contracts such provisions and conditions as may be required by the Port Authority. The Port Authority shall have the right to audit the books of any contractor with respect to any proposed contract covering the Off-Premises Facilities, or any portion thereof. It is expressly understood and agreed that in the event any proposed contract covers the construction of both East End Terminal Facilities, or any portion thereof, as well as Off-Premises Facilities, or any portion thereof, then the contract shall contain an allocation of costs between the East End Terminal Facilities and the Off-Premises Facilities, or shall set forth a method for properly determining the allocation of such costs, provided, however, that if such contract does not properly allocate said costs or set forth a method for the allocation of said costs the Port Authority shall determine the costs thereof that are applicable to the Off-Premises Facilities, or any portion thereof. It is further understood and agreed that the Port Authority shall have as full a right to require the use of competitive bidding and award, or other basis of award, for the construction of the Off-Premises Facilities, or any portion thereof, as if such construction were to be performed by the Port Authority. The Lessee shall not enter into any proposed contract covering the Off-Premises Facilities, or any portion thereof, without the prior written approval of the Port Authority, in accordance with the foregoing.

(2) The Lessee hereby specifically agrees that notwithstanding the Port Authority's approval of any Construction Application the Lessee shall, as directed by the Port Authority, design and make such changes or modifications in the Off-Premises Facilities as may be required by the Port Authority, which changes and modifications will become a part of the Construction Application, provided that no such change or modification requires any significant destruction or duplication of work already performed in accordance with the Construction Application. Furthermore, the Off-Premises Facilities will be constructed in accordance with and subject to any conditions which may be imposed by the General Manager of the Airport. The Lessee hereby agrees to perform all work and services in connection with any such change or modification not covered by any proposed contract for the Off-Premises Facilities. The Port Authority shall have the right to approve in writing such work or services and the cost of each item of such work or services.

(f) The Lessee may wish to commence construction of portions of the construction work prior to the approval by the Port Authority of its plans and specifications pursuant to paragraph (c) hereof, and if it does it shall submit a written request to the Port Authority setting forth the work it proposes then to 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 construction work are not approved by the Port Authority or if the approval thereof calls for modifications or changes in the work undertaken by the Lessee under any approval granted by the Port Authority pursuant to this paragraph (f), the Lessee will, as directed by the Port Authority, at its sole cost and expense, either restore 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 (f), been approved by the Port Authority.

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

(5) The Lessee shall comply with all requirements, stipulations and provisions as may be set forth in the letters 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 (f) fail, in the opinion of the General Manager of 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 General Manager 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 General Manager, after providing notice to the Lessee and 48 hours to cure the breach or the non-conforming work except in a situation involving an emergency or safety, 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 General Manager 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 neither the field engineer covered by paragraph (g) hereof nor the General Manager mentioned in subparagraph (6) above has 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 field engineer or the General Manager 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 the 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 General Manager 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) Without limiting the discretion of the Port Authority hereunder, the Port Authority hereby specifically advises the Lessee that even if the Port Authority hereafter in the exercise of its discretion wishes to grant approvals under this paragraph (f), it may be unable to do so, so as to permit the Lessee to continue work without interruption following its completion of the work covered by any prior approval hereunder. The Lessee hereby acknowledges that if it commences work pursuant to this paragraph (f), it shall do so with full knowledge that there may not be continuity by it in the performance of its construction work under the procedures of this paragraph (f).

(9) No prior approval of any work in connection with the construction work shall create or be deemed to create any obligation on the part of the Port Authority to permit subsequent work to be performed in connection with such construction work prior to the approval by the Port Authority of the Lessee's complete plans and specifications thereof. It is understood that no such prior approval shall release or relieve the Lessee from its obligation to submit complete plans and specification for the construction work and to obtain the Port Authority's approval of the same as set forth in paragraph (b) hereof. It is further understood that in the event the Lessee elects not to continue to seek further approval letter pursuant to this paragraph (b), the obligations of the Lessee to restore the area and to make modifications and changes as set forth in subparagraph (1) above shall be suspended until the Lessee's submission of its complete plans and specifications in accordance with paragraph (b) hereof.

(g) The Lessee will give the Port Authority fifteen (15) days' notice prior to the commencement of construction. The Port Authority will assign to the construction work a full time field engineer or engineers. The Lessee shall pay to the Port Authority for the services of said engineer or engineers, the sum of Four Hundred Sixty-five Dollars and No Cents ($465.00) for each day that the engineer or engineers are so assigned during the 1989 calendar year; the sum of Four Hundred Ninety Dollars and No Cents ($490.00) for each day that the engineer or engineers are so assigned during the 1990

calendar year; the sum of Five Hundred Fifteen Dollars ($515.00) for each day or part thereof that the engineer or engineers are so assigned during the 1991 or any subsequent calendar year. Nothing contained herein shall affect any of the provisions of paragraph (j) hereof or the rights of the Port Authority hereunder. This Agreement for the services of said field engineer may be revoked at any time by either party on thirty (30) days' written notice to the other, but if revoked by the Lessee it shall continue during the period construction under any partial approvals pursuant to paragraph (f) hereof is performed.

(h) (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 thereof 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 construction work it affects and all of the foregoing shall be covered under the comprehensive plan of the Lessee submitted under paragraph (a) hereof and shall be 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 said subparagraph (1). 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 (h) and upon completion of each portion of such work it shall be and become a part of the construction work. The obligations assumed by the Lessee under this paragraph (h) are a special inducement and consideration to the Port Authority in granting this Lease to the Lessee.

(i) 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 portion thereof representing the East End Terminal Facilities shall be and become part of the premises.

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

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

(3) In addition and without affecting the obligations of the Lessee under the preceding subparagraph, when an integral and material portion of the construction work is substantially completed or is properly usable the Lessee may advise the Port Authority to such effect and may deliver to the Port Authority a certificate signed by an authorized officer of the Lessee and also signed by the Lessee's licensed architect or engineer certifying that such portion of the construction work has been constructed 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 construction work has not been completed and that the Lessee desires such use. The Port Authority may in its sole discretion deliver a certificate to the Lessee with respect to each such portion of the construction work permitting the Lessee to use

such portion thereof for the purposes set forth in the Lease. In such event the Lessee may use such portion subject to the condition that all risks thereafter with respect to the construction and installation of the same and any liability therefor for negligence or other reason shall be borne by the Lessee, and subject to the risks as set forth in paragraph (e) hereof in the event that the Port Authority shall not have then approved the complete plans and specifications for the construction work. Moreover, at any time prior to the issuance of the certificate required in subparagraph (1) above for the construction work, 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 (3).

(k) The Lessee understands that there may be communications and utility lines and conduits located on or under the site which do not, and may not in the future, serve the premises. The Lessee agrees at its sole cost and expense, if directed by the Port Authority so to do, to relocate and reinstall such communications and utility lines and conduits on the site or off the site as directed by the Port Authority and to restore all affected areas (such work being hereinafter collectively called "the relocation work"). The Lessee shall perform the relocation work subject to and in accordance with all the terms and provisions of this Section 2 and the relocation work shall be and become a part of the construction work, it being understood, however, that the relocation work shall not be or become a part of the premises hereunder.

(l) The Lessee hereby acknowledges its awareness that the letting of the premises hereunder and the performance by the Lessee of the portion of the construction work representing the East End Terminal Facilities and portions of the Off-Premises Facilities will result in the displacement of the Shuttle Terminal lessee (as hereinafter defined) from areas on the site which are used or occupied by the Shuttle Terminal lessee in connection with its operation at the Shuttle Terminal Premises and which form an essential part thereof. Accordingly, the Lessee understands and agrees that the construction of the following named portions of the construction work which relate to the foregoing must be performed promptly as among the first items of the construction: (1) Taxiway Z relocation, (2) Restricted Service Road realignment, (3) Easterly Taxiway Expansion, (4) the Off-Premises Easement Roadways, and (5) Shuttle Terminal Expansion. The Lessee understands the importance of performing the construction work involving the said portions in such a manner and at such times so that the same will be completed expeditiously. Toward the accomplishment of the foregoing, the Lessee shall submit a Construction Application or Applications and the plans and specifications forming a part thereof in connection with the aforesaid specified portions of the construction work for the approval of the Port Authority promptly upon the execution of this Lease and shall continue diligently

and expeditiously to submit and resubmit such material as may be required until approval is granted. The Lessee hereby agrees to commence construction of the aforesaid specified portions of the construction work promptly after the approval of its Construction Application or Applications and the plans and specifications covering the same and to continue said construction diligently to completion. The Lessee acknowledges its awareness of the fact that the use and enjoyment by the Shuttle Terminal lessee of the Easterly Taxiway and the Shuttle Terminal as well as the use and enjoyment of the Off-Premises Easement Roads by any users thereof depends in large measure on compliance by the Lessee with its obligations hereunder.

(m) (1) The Lessee hereby further expressly acknowledges its awareness that its performance of the construction work will coincide with and have an impact on the use of the Shuttle Terminal by the Shuttle Terminal lessee and by other third persons of other related facilities located adjacent to the site. The Lessee further hereby acknowledges its awareness that its performance of the construction work will also coincide with the use by the Shuttle Terminal lessee and by other third persons of portions of the construction work, and the Lessee hereby agrees to ensure and to cooperate with the Shuttle Terminal lessee to ensure that the Lessee's and its contractors operations will not unduly interfere with the operations of the Shuttle Terminal lessee and other third persons during the course of the performance by the Lessee of the construction work. Without limiting any other term or provisions of this Agreement, the Lessee shall 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 the Shuttle Terminal lessee, users and occupants of the Shuttle Terminal or other 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, or any contractors of the Lessee, or the Port Authority, or of third persons, or from acts of God or of 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, 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, provided, however, that the Lessee shall not be required to indemnify the Port Authority where indemnity would be precluded pursuant to the provisions of Section 5-322.1 of the General Obligations Law of the State of New York.

(2) Eastern Air Lines, in its capacity as the Shuttle Terminal lessee, further acknowledges that it intends to continue to use and occupy all or portions of the Shuttle Terminal Lease Premises (as herein defined) during the period of time of the performance of the construction work hereunder. Eastern Air Lines further acknowledges that this would involve among other things inconvenience, noise, dust, interference and disturbance to it in its use and occupancy of the Shuttle Terminal Premises as well as to its passengers, patrons, invitees and employees and possibly other risks as well. Eastern Air Lines 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 under the Shuttle Terminal Lease (as herein defined) on account of the performance of the construction work and that the performance of the construction work shall not constitute an eviction or constructive eviction of the Shuttle Terminal lessee nor be grounds for any abatement of rents, fees or charges payable under the Shuttle Terminal Lease nor give rise to or be the basis of any claim or demand by the Lessee or the Shuttle Terminal lessee against the Port Authority, its Commissioners, officers, employees or agents for damages, consequential or otherwise, under this Lease or under the Shuttle Terminal lease. The foregoing provisions of this subparagraph (2) extend and apply to Eastern Air Lines if, as and to the extent it is the lessee under the Shuttle Terminal lease.

Section 2A. Additional Construction

The Lessee acknowledges that the Port Authority has advised the Lessee that the Port Authority believes that the building and roadway layout set forth in the conceptual plan submitted by the Lessee to the Port Authority for its approval covering the construction work under Section 2 of the Lease, is inadequate and does not represent the best and most efficient utilization plan with respect to vehicular and passenger traffic flow on the exterior roadways and interior areas of the Shuttle Terminal. The Port Authority has suggested to the Lessee a conceptual plan as set forth on the sketch attached hereto, made a part hereof, and marked "Exhibit E" consisting generally of a two story structure between the existing Shuttle Terminal and its frontage roadway, and a connecting bridge walkway between such new two story structure and the existing two story portion of the Shuttle Terminal.

The Lessee has advised the Port Authority that it believes that the building and roadway layout set forth in its conceptual plan is suitable and adequate for the operation of the Shuttle Terminal and represents the best and most efficient utilization plan with respect to vehicular and passenger traffic flow on the exterior roadways and interior areas of the Shuttle Terminal and the Lessee has proposed that it be permitted to proceed with the construction work under Section 2 in accordance therewith.

The Port Authority is prepared to approve the conceptual plan submitted by the Lessee and permit the Lessee to proceed on the basis of said conceptual plan provided, however, that the Port Authority and Lessee hereby understand and agree that if, at any time after the completion of the construction work under Section 2 hereof generally in accordance with the conceptual design submitted by the Lessee, it is determined by the Port Authority (the Port Authority not to act arbitrarily or capriciously) that vehicular traffic congestion or poor or inefficient passenger flow exist in the Shuttle Terminal or on the Shuttle Terminal roadways and are the result of the building layout as set forth in the conceptual plan of the Lessee in accordance with which the construction work was performed then, in such event, after consultation with the Lessee, upon written notice to the Lessee given by the Director of the Aviation Department of the Port Authority, the Lessee at its sole cost and expense will design and construct a new two story structure between the frontage roadway and the existing Shuttle Terminal and a bridge walkway connecting the new two story structure to the existing two story portion of the Shuttle Terminal generally in accordance with the building layout plan shown on Exhibit E. Such design and construction is herein called the "Section 2A Additional Construction" and shall be performed by the Lessee in accordance herewith, and the terms and provisions of Section 2 hereof shall be deemed to apply thereto except that the term "construction work" as used therein shall mean the Section 2A Additional Construction hereunder and except for the following provisions of Section 2 which shall not be or be deemed to apply to the Section 2A Additional Construction hereunder as follows: Paragraph (b); Paragraph (c)(3) and Paragraph (e) thereof.

The Lessee agrees that the Section 2A Additional Construction hereunder shall be performed in such a manner so as to minimize interference with airline passenger operations at the Shuttle Terminal premises.

Section 3. Common Areas

The following Areas are hereinafter collectively referred to as the "Common Areas":

(a) The general utility and mechanical equipment rooms and spaces, if any, to be located on the first level and/or second level of the East End Terminal Facilities and the Shuttle Terminal for the use of both the East End Terminal Facilities and the Shuttle Terminal.

(b) The passageway and circulation areas to be located on the two levels of the terminal building which connect the East End Terminal with the Shuttle Terminal.

(c) The enclosed exterior passageway to be located on the first building level between the East End Terminal and the Shuttle Terminal.

Section 4. Term

(a) The term of the letting under this Agreement and the right to use the Common Areas shall be for a fixed period commencing on --June 1------, 1989 to December 31, 1991 or the last day of the calendar month in which the Completion Date (as defined in Section 2 (j) hereof) falls, whichever first occurs, and month-to-month thereafter as a periodical tenancy unless sooner terminated, but in no event shall such periodical tenancy continue beyond the last day of the month in which the first anniversary of the Completion Date falls, or December 31, 1992, whichever first occurs.

(b) If the Port Authority shall not give possession of the premises on the date set forth in paragraph (a) hereof by reason of the failure or refusal of any occupant thereof to deliver possession thereof to the Port Authority or by reason of any cause or condition beyond the control of the Port Authority, the Port Authority shall not be subject to any liability for the failure to give possession on said date. No such failure to give possession on the date hereinabove specified shall in any wise affect the validity of this Agreement or the obligations of the Lessee hereunder, nor shall the same be construed in any wise to extend the term beyond the date stated in paragraph (b) hereof. Tender shall be made by notice given at least five (5) days prior to the effective date of the tender.

Section 5. Rentals

The Lessee agrees to pay to the Port Authority Base Rentals and Facility Rental as follows:

(A) Base Rental

A rental (hereinafter called the "Base Rental") as follows:

(1)(i) As used herein: "Base Rental Commencement Date" shall mean the commencement date of the term of the letting hereunder as set forth in paragraph (a) of Section 4 hereof.

For the portion of the term which constitutes the fixed period as set forth in Section 4 (a) hereof commencing on the Base Rental Commencement Date to December 31, 1991 or the last day of the calendar month in which the Completion Date (as defined in Section 2 (j) hereof) falls, whichever occurs first. a Base Rental at the annual rate of

payable in monthly installments of

; subject to subparagraph (iii) of this paragraph.

(ii) During the periodical tenancy hereunder, as provided in Section 4 hereof, commencing on the first day of the first calendar month immediately succeeding the last day of the last calendar month of the fixed portion of the term as set forth in Section 4 (a) hereof, a Base Rental payable at the monthly rate of

; subject to subparagraph (iii) of this paragraph.

(iii) There shall be a deferral of portions of the Base Rental payments as follows:

(aa) For each of the calendar months during the period (not to exceed 24 months) commencing on the Base Rental Commencement Date and ending on the first to occur of (aa) the last day of the twenty-fourth month following the Base Rental Commencement Date, or (bb) the Completion Date, or (cc) December 31, 1992, the Lessee's monthly installment of Base Rental shall be payable in the amount of

, and the payment of the balance of such monthly installment equal to the amount of

s

for each such month shall be deferred; and the Lessee shall pay all of the said deferred amounts in accordance with Paragraph (B) below. Each such monthly deferred amount is herein called a "Monthly Deferred Amount", and the date of each Monthly Deferred Amount shall be the date upon which the monthly installment of Base Rental is payable in accordance with paragraph (2) below; and with respect to each such Monthly Deferred Amount there shall be calculated a "Monthly Payment Deferral" as defined and set forth in Paragraph (B) below. The aforesaid monthly installment of Base Rental shall be adjusted to reflect the deferrals under subparagraph (bb) below in any month for which there are concurrent deferrals under this subparagraph (aa) and under subparagraph (bb) below.

(bb) For each month during the period (not to exceed six months) commencing with the first month following the month in which the Hangar 6 Demolition Date (as defined below) falls and ending on the first to occur of (aa) December 31, 1992, (bb) the Completion Date, (cc) the last day of the sixth consecutive month following the Hangar 6 Demolition Date, or (dd) the date the Lessee commences use of the premises for any of the purposes hereinafter specified, the Lessee's monthly installment of Base Rental shall be payable in the amount of

and the payment of the balance of such monthly installment equal to the amount of

for each such month shall be deferred; and the Lessee shall pay all of the said deferred amounts in accordance with Paragraph (B) below. Each such monthly deferred amount shall constitute a "Monthly Deferred Amount", and the date of each Monthly Deferred Amount shall be the date upon which the monthly installment of Base Rental is

payable in accordance with paragraph (2) below; and with respect to each such Monthly Deferred Amount there shall be calculated a "Monthly Payment Deferral" as defined and set forth in Paragraph (B) below. The aforesaid monthly installment of Base Rental shall be adjusted to reflect the deferrals under subparagraph (aa) above in any month for which there are concurrent deferrals under this subparagraph (bb) and under subparagraph (aa) above. Notwithstanding any of the foregoing, however, there shall be no deferral of Base Rental payments under this subparagraph (bb) in the event the Hangar 6 Demolition Date shall occur subsequent to December 31, 1992, the Completion Date or the date the Lessee commences the use of any part of the premises for the purposes hereinafter specified.

(cc) As used herein the term "Hangar 6 Demolition Date" shall mean the date, as shall be set forth in a certificate signed by the Lessee and promptly submitted to the Port Authority, on which the Hangar 6 Building on the premises is demolished as part of the construction work under and pursuant to Section 2 hereof; which Date for the purposes hereof shall not be earlier than January 1, 1991.

(2) The Lessee shall pay the Base Rental in advance commencing on the Base Rental Commencement Date and on the first day of each and every month thereafter during the fixed period of the letting and on the first day of each and every month during the periodical tenancy hereunder until the expiration or earlier termination of the periodical tenancy hereunder. If the commencement date for the payment of any rental herein be other than the first day of the month, or 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; and any Monthly Deferred Amount for such portion of said month shall be pro rated on the same basis.

(3) <u>Abatement</u>

(a) In the event that the Lessee shall at any time by the provisions of this Agreement become entitled to an abatement of the Base Rental, said abatement shall be computed as follows (it being understood that there shall be no abatement of the Base Rental for any portion of the premises or for any portion of the term except as specifically provided herein): For each square foot of the ground space as shown in stipple, stipple diagonal hatch, stipple cross-hatch, and in diagonal hatch on Exhibit A, the use of which is denied to the Lessee, as follows:

(i) For the portion of the term from the Base Rental Commencement Date to December 31, 1992, at the daily rate of subject to subparagraphs (ii) and (iii) hereof.

(ii) During the period for which there are deferrals of Base Rental payments pursuant to paragraph 1 (iii)(aa) above, at the daily rate of

(iii) During the period for which there are deferrals of Base Rental payments pursuant to paragraph 1 (iii)(bb) above, at the daily rate of

(iv) During the period, if any, for which there are concurrent deferrals of Base Rental payments pursuant to both subparagraphs (aa) and (bb) above, at the daily rate of

(B) Deferred Base Rental

(1) Definitions

The following terms as used herein shall have the respective meanings given below:

(i) "Monthly Payment Deferral" shall mean the amount calculated for each month for which there is a Monthly Deferred Amount under items (aa) and (bb) of Paragraph (A) (1) (iii) above which amount shall be equal to the product obtained by multiplying that Monthly Deferred Amount by the Monthly Deferral Factor, as defined herein.

(ii) "Total Payment Deferrals" shall mean the total sum of the Monthly Payment Deferrals for all of the months for which there are Monthly Deferred Amounts under items (aa) and (bb) of Paragraph (A) (1) (iii) above.

(iii) "Monthly Deferral Factor" shall mean the factor or factors derived in accordance herewith from time to time by the application of the following formula:

= Monthly Deferral Factor

Where t (a power) equals the number of calendar months (expressed in whole numbers) from the date of each Monthly Deferred Amount to the day preceding the Completion Date or December 31, 1992, whichever occurs first.

(iv) "Deferred Base Rental Payment Commencement Date" shall mean the first to occur of the Completion Date (as defined in Section 2 (j) hereof) or January 1, 1993.

(v) "Deferred Base Rental Payment Period" shall mean the period commencing on the Deferred Base Rental Payment Commencement Date and ending on August 31, 2006.

(vi) "Monthly Deferred Base Rental Factor" shall mean the factor or factors derived in accordance herewith from time to time by the application of the following formula:

$$\frac{1}{\frac{1}{} - \frac{1}{}} = \text{Monthly Deferred Base Rental Factor}$$

Where t (a power) equals the number of calendar months (expressed in whole numbers) from the Completion Date or January 1, 1993, whichever first occurs, to August 31, 2006.

(2) Computation and Payment

Commencing on the Deferred Base Rental Commencement Date, the Lessee shall pay to the Port Authority an additional rental herein called the "Deferred Base Rental" which Deferred Base Rental shall be an amount payable on the first day of each and every calendar month during the Deferred Base Rental Payment Period and which shall be equal to the product obtained by multiplying the Total Payment Deferrals by the Monthly Deferred Base Rental Factor; the total amount to be so paid to the Port Authority being herein called the "Deferred Repayment Amount". The Deferred Base Rental shall be payable in the same manner and collectible with like remedies as if the same were part of the Base Rental except that such payment shall not be subject to abatement for any reason whatsoever.

(3) Notwithstanding any obligation of the Lessee to pay the Deferred Base Rental as part of the rental obligations of the Lessee hereunder, the Lessee hereby agrees as a separate and independent covenant that it shall pay to the Port Authority the Deferred Repayment Amount, to the extent not paid as Deferred Base Rental as set forth above. Said obligation shall survive any termination, expiration, non-extension or cancellation of the Lease.

(C) Facility Rental

(1) Definitions

The following terms as used herein shall have the respective meanings given below:

(i) "Monthly Facility Rental Factor" shall mean the factor or factors derived in accordance herewith from time to time by the application of the following formula:

$$\frac{1}{\frac{1}{} - \frac{1}{}} = \text{Monthly Facility Rental Factor}$$

Where t (a power) equals the number of calendar months (expressed in whole numbers) from the Facility Rental Commencement Date to the day preceding the twenty-fifth (25th) anniversary of the Facility Rental Commencement Date.

(ii) The "Facility Rental Commencement Date" shall be and mean the first to occur of (aa) the Completion Date (as set forth in subparagraph (j)(2) of Section 2 hereof, (bb) the date the Lessee commences use of any part of the premises for any of the purposes hereinafter specified, or (cc) January 1, 1991.

(iii) The "Facility Rental Period" shall mean the period commencing on the Facility Rental Commencement Date and ending on the day preceding the twenty-fifth (25th) anniversary date of the Facility Rental Commencement Date.

(2) Computation and Payment

(i) Commencing on the Facility Rental Commencement Date the Lessee shall pay to the Port Authority a rental (hereinafter called "the Facility Rental") which Facility Rental shall be an amount payable on the first day of each and every calendar month during the Facility Rental Period which shall be equal to the product obtained by multiplying the Monthly Facility Rental Factor by the Construction Payment Amount (as defined in subparagraph (a)(2) of Section 6 of the Lease) in effect on the day immediately preceding the Facility Rental Commencement Date.

(ii) In the event the Facility Rental Commencement Date shall precede the Final Date (as defined in paragraph a(3) of Section 6 hereof) and the Port Authority shall have made a Construction Payment or Construction Payments to the Lessee subsequent to the Facility Rental Commencement Date (each such payment being a part of the Construction Payment Amount and being herein called a "Subsequent Construction Payment") then with respect to each such Subsequent Construction Payment, a Monthly Facility Rental Factor shall be calculated using the formula set forth in paragraph (C)(1)(i) of this Section where t (a power) shall equal the number of calendar months (expressed in whole numbers) from the date of each Subsequent Construction Payment if such date be the first day of a calendar month, or if not then

the first day of the following calendar month, to the day preceding the twenty-fifth (25th) anniversary of the Facility Rental Commencement Date.

With respect to each Subsequent Construction Payment there shall also be calculated an amount (herein referred to as the "Deemed Amount") which shall be the sum of the following: the monthly amount calculated on the last day of each calendar month of the period commencing on the Subsequent Construction Payment Date and ending on the last day of the month in which the Subsequent Construction Payment Date occurs, which monthly amount shall be equal to the product obtained by multiplying and the daily average of the amount of the Subsequent Construction Payment Amount (including any previously calculated Deemed Amount) during said month.

As a part of and in addition to the payment of Facility Rental due as provided in subparagraph (i) above the Lessee shall pay to the Port Authority on the first day of each and every calendar month during the Facility Rental Period subsequent to the payment of each Subsequent Construction Payment, an amount equal to the product of (i) the amount of each Subsequent Construction Payment plus the Deemed Amount applicable thereto and (ii) the Monthly Facility Rental Factor applicable to said Subsequent Construction Payment; such amount to be payable as a part of the Facility Rental payments to be made hereunder and to be deemed a part thereof for all purposes of the Lease.

(iii) In the event that a Port Authority audit shall disclose that the Lessee has expended in the cost of the construction work under subparagraph (4) of paragraph (a) of Section 6 amounts which total less than the total of all Construction Payments made to the Lessee hereunder up to the time of such audit then, upon demand of the Port Authority, the Lessee shall immediately pay to the Port Authority an amount equal to the difference between the amounts expended by the Lessee as disclosed by the Port Authority audit and the aforesaid amount of the total of all Construction Payments made to the Lessee and effective from and after such date of payment the Construction Payment Amount shall be reduced by the amount of such payment and the Facility Rental payable by the Lessee adjusted appropriately hereunder.

Section 6. <u>Port Authority Payments</u>

(a) Definitions:

The following terms as used in this Agreement shall have the respective meanings given below:

(1) Each payment made by the Port Authority to the Lessee pursuant to paragraph (b) of this Section 6 is referred to herein as a "Construction Payment". The date of each payment of a Construction Payment is herein referred to as a "Construction Payment Date".

(2) The term "Construction Payment Amount" shall mean the total of all Construction Payments paid by the Port Authority to the Lessee pursuant to paragraph (b) hereof and the Accrued Amount as set forth in subparagraph (5) hereof.

See Supp #2

(3) The term "Final Date" as used herein shall mean the earlier occurring of (i) the last day of the twelfth month after that month in which the certificate of the Lessee pursuant to subparagraph (1) of paragraph (j) of Section 2 of the Lease is delivered to the Port Authority or (ii) December 31, 1992.

(4) The term the "cost of the construction work" shall mean the sum of the following actually paid by the Lessee to the extent that the inclusion of the same is permitted by sound accounting practices consistently applied:

(i) amounts actually paid and costs incurred by the Lessee to independent contractors for work actually performed and labor actually furnished and materials actually delivered in connection with the construction of the construction work;

(ii) amounts actually paid and costs incurred by the Lessee in connection with the construction work for engineering, architectural, professional and consulting services and supervision of construction provided, however, payments under this item (ii) shall not exceed of the amounts paid under item (i) above.

(iii) amounts actually paid and costs incurred by the Lessee for premiums on the Builder's Risk and Comprehensive General and Comprehensive Automobile liability insurance policies required by Paragraphs (d) (11)(i) and (14) of Section 2 hereof (excluding Workers Compensation and Employers Liability Insurance) to the extent said insurance is not procured and maintained by the Lessee's contractors, and amounts actually paid and costs incurred by the Lessee as set forth in items (i) and (ii) above to a maximum of $100,000, per occurrence, incurred as a result of any deductible approved by the Port Authority as to the Builder's Risk insurance policy required to be obtained by the Lessee under Section 2 (d) (14) hereof for the repair, restoration or replacement of the construction work damaged or destroyed in or as a result of a casualty covered by such insurance policy occurring prior to the earliest of the date the Lessee delivers to the Port Authority the certificate provided for under Section 2 (j) (1) hereof, the date the Lessee commences occupancy or use of the premises for any of the purposes permitted under Section 8 hereof or the Final Date.

Amounts actually paid by the Lessee as set forth in items (i), (ii) and (iii) above shall be included in the cost of the construction work only to the extent that the inclusion of the same is permitted by sound accounting practices consistently applied. Additionally, the cost of the construction work shall include only that work performed by the Lessee in accordance with all the terms and provisions of (i) this Lease, (ii) the final Construction Application (s) (including the final plans and specifications) as approved by the Port Authority pursuant to subparagraph (2) of paragraph (c) of Section 2 hereof and (iii) the approval letter covering the work, if any, performed pursuant to paragraph (f) of Section 2 hereof and the cost of the construction work shall not include either the cost of construction work which although performed pursuant to an approved plan or specification is not incorporated in the final plans and specifications as approved by the Port Authority or the cost of altering such construction work. In no event shall the cost of the construction work include any amounts paid for or in connection with any trade fixtures or other personal property of the Lessee.

(iv) the Cost of the GSE Building Construction, it being understood and agreed that for the purposes of this Lease the phrase the "Cost of the GSE Building Construction" shall mean the sum of the following actually paid by the Lessee to the extent that the inclusion of the same is permitted by generally accepted accounting principles consistently applied:

(aa) amounts actually paid and costs incurred by the Lessee to independent contractors for work actually performed and labor and materials actually furnished in connection with the construction of the GSE Building Construction, as hereinafter defined, and

(bb) amounts actually paid and costs incurred by the Lessee in connection with the GSE Building Construction for engineering, architectural, professional and consulting services and supervision of construction, provided, however, payments under this item (iv) shall not exceed fifteen percent (15%) of the amounts paid under item (aa) above.

For the purposes of this Lease, the phrase the "GSE Building Construction" shall mean the construction required to be performed by the Lessee under the separate permit issued to the Lessee by the Port Authority dated as of March 1, 1989 covering the construction and use of a ground service equipment building to be located at the Airport and outside of the premises and bearing Port

Authority permit No. AGA-141, as said construction and use are described more fully in said permit (said permit as the same may be supplemented and amended being herein sometimes referred to as "the GSE Building Permit").

Without limiting any other term or provision of the Lease, it is hereby specifically understood and agreed that the Cost of the GSE Building Construction shall constitute a part of the cost of the construction work hereunder and part of the Construction Advance Amount, provided, however, that the entire obligation of the Port Authority under this paragraph for the Cost of the GSE Building Construction shall be limited in amount to a total of
and it is expressly acknowledged, without limiting the applicability of any other term or provision of this Lease, that said obligation is subject to the Lessee's having complied with all of the provisions of the GSE Building Permit, and subject to this Section 6.

(5) The term "the Accrued Amount" shall mean the sum of the following:

(aa) The monthly amount, calculated on the last day of each calendar month, equal to the product obtained by multiplying and the daily average of the amount of the Construction Payment Amount (including any previously calculated Accrued Amount) during said month, for each month during the period commencing on the first Construction Payment Date and ending on the day preceding the Facility Rental Commencement Date;

(bb) If the Facility Rental Commencement Date be other than the first day of a month, then the daily amounts calculated daily and equal to the product obtained by multiplying by the Construction Payment Amount (including any previously calculated Accrued Amount) for each day of the portion of said month prior to the Facility Rental Commencement Date.

(b) The Port Authority shall make payment to the Lessee for the cost of the construction work, as follows: On the twentieth day of the calendar month following the month in which complete execution and delivery of this Agreement occurs and on the twentieth day of each calendar month thereafter up to and including the calendar month in which the last certificate described hereunder is delivered to the Port Authority by the Lessee, the Lessee shall deliver to the Port Authority a certificate which shall be signed by a responsible fiscal officer of the Lessee, sworn to before a notary public, and shall set forth the items specified in this subparagraph (b). Each certificate shall set forth a representation by the Lessee that the Lessee will apply the Construction Payment only to the cost of

the construction work and for no other purpose whatsoever. Each certificate shall certify the sum of: (i) the amounts of actual payments made by the Lessee and the amounts actually due and payable from the Lessee to its independent contractors for work actually performed and labor and materials actually furnished for the construction work; (ii) the amounts of actual payments made by the Lessee and the amounts due and payable from the Lessee in connection with the construction work for engineering, architectural, professional, consulting services and supervision of construction, (it being understood that payments under this item (ii) shall not exceed of the amount paid under item (i) above and shall only apply to payments not included in a prior certificate), provided, however, that the said 15% limitation shall not apply to payments made by the Lessee or amounts due and payable from the Lessee as provided in this item (ii) to limit the reimbursement to the Lessee in the early stages of construction; and (iii) amounts actually paid and costs incurred by the Lessee for premiums on the Builder's Risk and Comprehensive General and Comprehensive Automobile liability insurance policies required by Paragraphs (d) (11)(i) and (14) of Section 2 hereof (excluding Workers Compensation and Employers Liability Insurance) to the extent said insurance is not procured and maintained by the Lessee's contractors, and amounts actually paid and costs incurred by the Lessee as set forth in items (i) and (ii) above to a maximum of per occurrence, incurred as a result of any deductible approved by the Port Authority as to the Builder's Risk insurance policy required to be obtained by the Lessee under Section 2 (d) (14) hereof for the repair, restoration or replacement of the construction work damaged or destroyed in or as a result of a casualty covered by such insurance policy occurring prior to the earliest of the date the Lessee delivers to the Port Authority the certificate provided for under Section 2 (j) (1) hereof, the date the Lessee commences occupancy or use of the premises for any of the purposes permitted under Section 8 hereof or the Final Date. Any payment by the Port Authority which may exceed the limitation set forth in (ii) above shall be promptly refunded to the Port Authority upon demand. Each such certificate shall also set forth all due and payable amounts included by the Lessee in previous certificates against which a Construction Payment has been made by the Port Authority to the Lessee and which have been paid by the Lessee since the submission of each such previous certificate and shall have attached thereto or included thereon such verification as shall be required by the Port Authority that such amounts have been paid. Notwithstanding the foregoing, no Construction Payment shall be made by the Port Authority to the Lessee until all due and payable amounts included on all previously submitted certificates have been paid by the Lessee and the payment thereof verified to the satisfaction of the Port Authority (unless such amounts are being withheld by the Lessee pursuant to subparagraph (d) (3) of Section 2 of the Lease, and the amount of such withheld amount shall have been deducted from the amount of a Construction Payment). Each such certificate shall also: (aa) set forth, in reasonable detail, the amounts paid and payable to other specified persons and third parties which

have not previously been reported in certificates delivered to the Port Authority; (bb) have attached thereto reproduction copies or duplicate originals of the invoices of such independent contractors and other persons (whether such invoices are paid or unpaid) and for such invoices which have been paid, an acknowledgment by such independent contractors and other persons of the receipt by them of such amounts and payments; (cc) certify that the amounts, payments and expenses therein set forth constitute portions of the cost of the construction work; and (dd) contain the Lessee's certification that the work for which payment is requested has been accomplished, that the amounts requested have been paid or are due and payable to the Lessee's contractors, and, subject to the concurrence of the Port Authority, that said work is in place and has a value of not less than the amount requested to be paid. Each such certificate shall also set forth the total cumulative payments made by the Lessee as aforesaid from the commencement of the construction work to the date of the certificate, and each such certificate shall also contain a certification by the Lessee that each portion of the construction work covered by said certificate has been performed in accordance with the terms of the Lease.

For the purposes of this paragraph (b) and the payments to be made hereunder and the certifications to be made by the Lessee, the GSE Building Construction shall be deemed to be a part of the construction work, and the provisions of this paragraph (b) shall extend and apply to the GSE Building Construction as if the same were part of the construction work hereunder, except that the Lessee shall separately certify in the certificates called for under this paragraph (b) all costs of the Cost of the GSE Building Construction.

In addition to the foregoing and in addition to any and all other information required to be submitted pursuant to the Lease, the Lessee shall furnish to the Port Authority information concerning cost and timing of construction of the construction work as may be requested by the Port Authority from time to time including but not limited to, the following:

(i) The Lessee's original detailed cost projections for the entire construction work, accompanied by a certification signed by an independent engineering consultant, to the effect that the cost projections submitted by the Lessee are accurate, and that same represent a reasonable price for the work in question.

(ii) Reports of the full-time resident engineer hired by the Lessee's architect pursuant to subparagraph (4) of paragraph (d) of Section 2 of the Lease, and reports of the Lessee's Chief Architect, which reports or log must contain reports as to activity conducted in connection with the construction work for each and every day that such

activity occurred from the commencement of the work to the date of submission;

(iii) A certification signed by the Lessee's architect or architects certifying the value of work in place, both on and off the site; and

(iv) Accurate, readable and complete copies of all change orders, extra work authorizations, design change authorizations and purchase orders in connection with the construction work.

Within thirty (30) days after the delivery of duly submitted certificates by the Lessee, as aforesaid, the Port Authority shall pay to the Lessee the amounts paid by the Lessee and the amounts actually becoming due and payable from the Lessee during the period covered by such certificates, as certified in such certificates (but only to the extent that such amounts or any portion thereof have not theretofore been included in a Construction Payment) provided, however, in the event the Lease is not in full force and effect, or if the Lessee shall be under a notice of termination of the Lease, or in default under any term or provision thereof, the Port Authority shall have the right, in its discretion, to withhold the payment of any Construction Payment to the Lessee, provided, further, no payment or withholding of a Construction Payment shall be or be deemed to be a waiver of any rights of the Port Authority with respect to the termination of the Lease, or to a default by the Lessee under any term or provision thereof, or to the withholding or payment of future Construction Payments, or with respect to any determination as to the usability of any item of work as aforesaid, and, without limiting any of the foregoing, provided further that, as to the GSE Building Construction, in the event the GSE Building Permit is not in full force and effect or is terminated or revoked or the Lessee is in default under any term or provision thereof, the Port Authority shall have the right in its discretion, to withhold the payment of any Construction Payment to the Lessee with respect to the Cost of the GSE Building Construction. It is hereby understood and agreed that nothing in this Section 6 shall be or be deemed to be for the benefit of any contractor of the Lessee. In addition, no Construction Payments shall be made by the Port Authority to the Lessee until the Lessee shall have paid all amounts included by it in previously submitted certificates (unless such amounts are being withheld by the Lessee pursuant to Section 2 (d) (3) hereof and the amount of such withheld sum shall have been deducted from the amount of a Construction Payment) and until the Lessee shall have submitted to the Port Authority copies of cancelled checks for, or other evidence of payment aforesaid with respect to, all invoices submitted in previous certificates.

It is further understood that at the election of the Port Authority no payment will be made if the Port Authority's inspection or audit does not substantiate the contents of any of said certificates and until such matters have been resolved to the

satisfaction of the Port Authority, but the Port Authority shall have no obligation to conduct any such inspection or audit at such time. The certificate shall also contain such further information and documentation with respect to the Lessee's costs as the Port Authority may from time to time require, which information, documentation and certification shall be given on such forms as may be adopted by the Port Authority.

The Lessee shall mark as "Final" its final certificate covering the construction work, which certificate, with respect to amounts withheld by the Lessee pursuant to subparagraph (3) of paragraph (d) of Section 2 of the Lease which have been deducted from a Construction Payment as aforesaid and which have subsequently been paid by the Lessee, shall have attached thereto or included thereon such verification as shall be required by the Port Authority that said withheld and deducted amounts have been paid by the Lessee and to the extent such withheld and deducted amounts have been so paid, such withheld and deducted amounts shall be included in the amount of the final Construction Payment. After submitting the said Final Certificate the Lessee shall submit no further certificate hereunder.

(c) If for any reason, including but not limited to circumstances arising out of work performed pursuant to paragraph (f) of Section 2 hereof or as the result of a redesign of the construction work or any portion thereof by the Lessee, the construction of the construction work or any portion thereof is not performed in accordance with the terms and provisions of (i) this Lease, (ii) the Construction Application (including the final plans and specifications) as finally approved by the Port Authority pursuant to paragraph (c) of Section 2 hereof, and (iii) the approval letter covering the work, if any, performed pursuant to paragraph (f) of Section 2 hereof, it is understood and agreed that the Port Authority shall not be obligated to make any Construction Payments nor shall the Construction Payment Amount include any amount for such work or any costs in connection with the removal, restoration, modification, correction or change required to cause such work to comply with such terms and provisions, and in the event that the Port Authority shall have made a Construction Payment for such work, the Port Authority shall have the right to withhold and credit future Construction Payments against any such amount or upon demand of the Port Authority, the Lessee shall pay to the Port Authority the amount of any such Construction Payment or portion thereof covering such work.

Supp #1

(d) The entire obligation of the Port Authority under the Lease for the cost of the construction work shall be limited in amount to a total sum of

plus the Flight Kitchen Lease Surplus Amount (as hereinafter defined), and limited in time to construction work covered by certificates of the Lessee submitted in accordance with paragraph (b) of this Section 6 no later than the Final Date.

Deleted by Supp #7

(e) It is recognized that the Port Authority and the Lessee intend to enter into a separate agreement of lease either prior to or contemporaneously with the execution of this Agreement covering the construction by the Lessee of an in-flight meals flight kitchen at the Airport and the making of construction payments by the Port Authority to the Lessee for the costs of the construction of such flight kitchen, as more fully set forth in such agreement of lease, with such construction payments to be limited to a maximum of . As used herein, the term "Flight Kitchen Lease Surplus Amount" shall mean the amount constituting the difference between the sum of ess the total amount of all construction payments made by the Port Authority pursuant to the said flight kitchen lease as of the "final date" as defined in Section 46 of the said flight kitchen lease and in accordance with said flight kitchen lease; provided, however, that in the event that the total of Port Authority construction payments made under the flight kitchen lease shall equal as of said "final date", there shall be no Flight Kitchen Surplus Amount for the purposes hereof. It is expressly understood and agreed that the Flight Kitchen Lease Surplus Amount shall be determined by the Port Authority and shall be available for the payment toward the cost of the construction work hereunder as part of a Construction Payment(s) subject to all the terms, provisions, covenants and conditions of this Agreement.

e (f) The Lessee shall promptly submit to the Port Authority further information, including but not limited to its estimate of the amounts and times of the various payments it will be making in connection with the cost of the construction work as the Port Authority may from time to time, and at any time, request, and shall be available itself or cause its architect or engineer to be available for consultation in connection with payment certificates submitted pursuant to paragraph (b) of this Section.

f (g) Without limiting any other provision of this Lease, the Port Authority shall have the right at any time and from time to time by its agents, employees and representatives to audit and inspect during regular business hours the books, records and other data of the Lessee relating to the cost of the construction work, it being understood that the Port Authority shall not be bound by any prior audit conducted by it. The Lessee agrees to keep such books, records and other data within the Port of New York District, or, on the condition that the Lessee shall pay to the Port Authority all travel costs and expenses determined by the Port Authority for Port Authority auditors and other representatives in connection with any audit at locations outside the Port of New York District, the Lessee may maintain said records and books of account and make them available to the Port Authority at the Lessee's offices in Houston, Texas and Miami, Florida but the Lessee shall not be required to maintain any such books, records and other data for more than five (5) years after the Lessee has delivered the certificate marked "Final" called for under paragraph (b) above.

9 (h) If the Lessee has included in any portion of the cost of the construction work any item as having been incurred, but which in the opinion of the Port Authority was not so incurred, or which in the opinion of the Port Authority if so incurred is not an item properly chargeable to such element of cost under sound accounting practice, or does not represent an appropriate division of the costs of a particular contract which are required to be designated according to time of performance or delivery, and the parties have been unable to resolve their differences within 90 days after the Port Authority gave its notice objecting to the same, the Port Authority's decision as to the nature of the item of construction cost shall be final.

Section 7. Lessee's Additional Obligations Relating to the Construction Work

(a) The Lessee hereby represents to the Port Authority that in order to complete the construction work so that there will be fully completed and operational passenger terminal facilities, and to operate the same in a first-class manner and so that the premises may be used for the purposes set forth in the Lease, it shall be necessary for the Lessee to install various trade fixtures, equipment and personal property, other than and in addition to items set forth in Section 2 hereof. As used herein in this Section 7, the term the "Additional Property" shall mean and include the aforesaid various items of personal property as the same are generally described on the schedule attached hereto, hereby made a part hereof and marked Schedule G (other than the Section 2 construction work, as aforesaid) including the installation thereof. The Lessee further represents to the Port Authority that the cost of the Additional Property is estimated by the Lessee to be approximately . On the basis of the said representations of the Lessee and as a special inducement to the Port Authority to enter into this Agreement, the Lessee agrees that:

(1) The cost of the Additional Property which the Lessee shall pay shall not be less than an amount equal to of the final cost of the construction work as defined in Section 6 hereof. As used herein the term the "cost of the Additional Property" shall mean the sum of the following actually paid by the Lessee to the extent that the inclusion of the same is permitted by generally accepted accounting practices consistently applied:

(i) amounts actually paid or incurred by the Lessee to independent contractors, suppliers and vendors for work actually performed and labor and materials actually furnished in connection with the Additional Property; and

(ii) amounts actually paid or incurred and costs incurred by the Lessee in connection with the Additional Property for engineering, architectural, professional and consulting services and supervision of construction (however, payments under this item (ii) shall not exceed , of the amounts paid under item (i) above.

(iii) Amounts actually paid and costs incurred by the Lessee for premiums on the Builder's Risk and Comprehensive General and Comprehensive Automobile Liability insurance policies required by Paragraphs (d) (11)(i) and (14) of Section 2 hereof to the extent said insurance is not procured and maintained by the Lessee's contractors, and amounts actually paid and costs incurred by the Lessee as set forth in items (i) and (ii) above to a maximum of per occurrence, incurred as a result of any deductible approved by the Port Authority as to the Builder's Risk insurance policy required to be obtained by the Lessee under Section 2 (d) (14) hereof for the repair, restoration or replacement of the construction work damaged or destroyed in or as a result of a casualty covered by such insurance policy occurring prior to the earliest of the date the Lessee delivers to the Port Authority the certificate provided for under Section 2 (j) (1) hereof, the date the Lessee commences occupancy or use of the premises for any of the purposes permitted under Section 5 hereof or the Final Date.

Amounts actually paid by the Lessee as set forth in items (i), (ii) and (iii) above shall be included in the cost of the Additional Property only to the extent that the inclusion of the same is permitted by sound accounting practices consistently applied.

(2) The Lessee shall commence the installation of the Additional Property at the premises no later than ninety (90) days prior to the date by which the Lessee is to complete the construction work as set forth in Section 2(d)(2) hereof. The Lessee shall substantially complete the installation of the Additional Property at the premises on or before the Completion Date (as defined in Section 2(j)(2) hereof). For purposes hereof, substantial completion by the Lessee of the installation of Additional Property shall mean that not less than ninety percent (90%) of the Additional Property has been installed at the premises and is ready for use.

(3) Without limiting any other term or provision hereof, the Lessee shall pay or incur not less than the following aggregate total amounts for the Additional Property at each of the following dates:

(i) ırs
on or before the last day of the fifteenth

consecutive month from the commencement date of the term of the letting hereunder;

(ii) An additional on or before the last day of the twenty-seventh consecutive month from the commencement date of the term of the letting hereunder;

(iii) An additional amount equal to the balance, if any, of) of the final cost of the construction work on or before the last day of the sixth consecutive month from the Completion Date (as defined in Section 2 (j) hereof).

(4) The Lessee shall submit to the Port Authority monthly certifications commencing on the first day of the sixteenth consecutive month from the commencement date of the term of the letting hereunder and on the first day of each month thereafter up to and including the month immediately succeeding the month in which the Lessee's final payment for the cost of the Additional Property, as aforesaid, is made, in which certification the Lessee shall set forth the amounts paid or incurred by the Lessee toward the cost of the Additional Property as of the end of the preceding month and a full description of the Additional Property for which such amounts have been paid or incurred and which shall have attached thereto reproduction copies or duplicate originals of the invoice, if any, of such independent contractor, suppliers, vendors and other persons and copies of the contracts and purchase orders with respect to said Additional Property, and such further information as the Port Authority may from time to time reasonably require. Each such certification shall be signed by a President or Vice-President of the Lessee. It is recognized that Section 83 of the Lease requires the Lessee to maintain books and records with respect to all matters pertaining to the Additional Property, subject to Port Authority audit and inspection.

(5) The Lessee agrees, without limiting any other term or provision of this Agreement, that the installation of the Additional Property shall at all times be performed in such manner so as not to impede, delay or inhibit the construction work and that the Lessee shall require all of its contractors to cooperate with each other so that the operations of each contractor will not unduly interfere with the operations of the other.

(6) No description or denomination with respect to the Additional Property or any portion thereof shall be or be deemed conclusive or binding as to whether any particular item included therein constitutes personal property.

Section 8. Use of Premises and Common Areas

The Lessee, in connection with its business of transportation by aircraft, may use the premises and the Common

Areas for the following purposes and for activities reasonably required for such purposes and activities and for such purposes and activities only:

(a) The Premises

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

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

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

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

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

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

(10) For the establishment of a reception room or lounge for the accommodation of special guests and patrons of the Lessee, subject to the provisions of Section 72 hereof.

(11) For the storage of office supplies and equipment.

(12) For the loading and unloading of passengers, baggage, air cargo, mail and commissary supplies from aircraft.

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

(14) For the fueling and routine servicing of aircraft and ramp equipment operated by the Lessee and for the maintenance of ramp equipment operated by the Lessee. Notwithstanding the foregoing however, it is expressly understood and agreed that any and all such fueling shall be performed solely by fuel trucks, until further notice from the Port Authority pursuant to Section 70 hereof.

(15) For the performance of emergency or turnaround aircraft maintenance on aircraft operated by the Lessee.

(16) 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).

(17) For any other purpose or activity, in addition to those specified in this Section 8, for which the premises are expressly authorized to be used by any other provision of this Agreement.

(b) Nothing hereinbefore in this Section or in any other section, subsection, subdivision, paragraph or subparagraph of this Agreement shall be deemed or construed to permit the loading or unloading on the premises of aircraft used principally for cargo and such activity is hereby expressly prohibited.

(c) Common Areas

(1) The Lessee shall have the right, commencing on the Completion Date and continuing thereafter during the term of the letting hereunder to use the Common Areas as passageways , circulation areas, restrooms and equipment and utility rooms for the accommodation of employees, patrons, passengers, business visitors, guests and invitees of the Lessee in common with the lessee of the Shuttle Terminal Premises. The Common Areas may also be used by other users and occupants of the East End Terminal

Facilities and the Shuttle Terminal Premises (including consumer service operators and concessionaires) and by their patrons, employees, business visitors, guests and invitees, and by the public generally for the purposes specified herein.

(2) The Common Areas may also be used for the purposes specified in the Lease and in common with all other Aircraft Operators authorized to use the same, by any Aircraft Operator who has entered or shall enter into an agreement with the Lessee covering use of its premises or any part thereof for the purposes set forth in the Lease, whether such use is by sublease, handling or other agreement (any of the foregoing hereinafter for the purposes of this Section 8 called an "Accommodation Agreement"), which Accommodation Agreement has secured or shall secure the written consent of the Port Authority thereto under a Consent Agreement to be prepared by and in form and substance satisfactory to the Port Authority and to be executed by the Lessee, the Aircraft Operator involved (hereinafter for the purposes of this Section 8 called the "Accommodated Airline") and the Port Authority and which shall provide, among other things, that all acts and omissions of the Accommodated Airline on or with respect to the Common Areas shall be deemed to be the acts and omissions of the Lessee under the Lease.

Section 9. Ingress and Egress

(a) The Lessee, its officers, employees, passengers, business visitors, guests, 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 or public ways outside the Airport by means of existing roadways and such roadways as shall be existing on the Completion Date to be used in common with others having rights of passage within the Airport, provided, however, that the Port Authority may from time to time substitute other reasonably equivalent means of ingress and egress.

(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

means of ingress and egress reasonably equivalent to that provided in paragraphs (a) and (b) above remains available to the Lessee. The Lessee hereby releases and discharges the Port Authority, its 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 street, roadway, taxiway or other area used as such whether within or outside the Airport, provided, a reasonably equivalent means of ingress and egress 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 10. Compliance with Governmental Requirements

(a) Except as otherwise specifically provided, for the purposes of this Section 10, the word "premises" shall be deemed to include the Common Areas.

(b) 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 operations of the Lessee at the premises hereunder, and the Lessee shall, in accordance with and subject to the provisions of Section 44 hereof, make any and all 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 and all structural improvements, alterations or repairs, of or to the premises, required by any such present or future law, rule, regulation, requirement, order or direction because of the operations of the Lessee on the premises or its use and occupancy of the premises.

(c) The Lessee shall procure from all governmental authorities having jurisdiction over the operations of the Lessee hereunder and shall maintain in full force and effect throughout the term of this Agreement 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.

(d) 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.

(e) Since the Port Authority has agreed in the City 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.

In the event of compliance with any such enactment, ordinance, resolution or regulation on the part of the Lessee, acting in good faith, commenced after such delivery to the Port Authority but prior to the receipt by the Lessee of a written direction from the Port Authority not to comply (and thereafter discontinued) such compliance shall not constitute a breach of this Agreement, although the Port Authority thereafter directs the Lessee not to comply. Nothing herein contained shall release or discharge the Lessee from compliance with any other provision hereof respecting governmental requirements.

(f) 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 11. Rules and Regulations

(a) For the purposes of this Section 11, the term "premises" shall be deemed to include the Common Areas.

(b) 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) with respect to the premises the existing Rules and Regulations of the Port Authority and such reasonable future Rules and Regulations

and 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.

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

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

Section 12. Various Obligations of the Lessee

(a) For the purposes of this Section 12, the word "premises" shall be deemed to include the Common Areas.

(b) The Lessee shall conduct its operations hereunder in an orderly and proper manner, considering the nature of such operations, so as not to annoy, disturb or be offensive to others at or off the Airport. The Lessee shall take all reasonable measures:

(1) to eliminate or reduce as low as possible vibrations 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; and

(2) to keep the sound level of its operations as low as possible.

(c) 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.

(d) 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 Manager of the Airport.

(e) 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 other persons. 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.

(f) The Lessee shall remove from the Airport or otherwise dispose of in a manner approved by the Manager of the Airport all garbage, debris, and other waste materials (whether solid or liquid) arising out of its occupancy or use of the premises or out of its operations at the Airport. 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. Without limiting any obligations of the Lessee under this paragraph (f), the Lessee hereby agrees that it shall cooperate with all other lessees, tenants, occupants or users of space in the premises so that garbage, debris and other waste materials are removed from the premises in an orderly, efficient and proper manner.

(g) From time to time and as often as reasonably required by the Port Authority, the Lessee shall conduct pressure, water-flow, and other appropriate tests of the fire-extinguishing system and apparatus, fire alarm and smoke detector systems and any other fire protection systems which constitute a part of the premises. The Lessee shall keep in proper functioning order all fire-fighting equipment 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.

(h) It is the intention of the parties hereto that noise caused by aircraft engine operations shall be held to a minimum considering the nature of the Lessee's operations on the Airport. To this end the Lessee will conduct its operations on the Airport in such a manner as to keep the noise produced by aircraft engines to a minimum considering the nature of the Lessee's operations and where appropriate shall employ noise arresting and noise reducing devices that are suitable.

(i) 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 to the Lessee to such effect and if the condition 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, the same to be and become a part of the premises, subject, however, to the prior written approval of the Port Authority as to the type, manner, method and cost 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.

(j) 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 any runways, taxiways and roads outside of and adjacent to the premises.

(k) 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 the Agreement 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 the Lease to require the Lessee, and the Lessee agrees to design and construct at its sole cost and expense such reasonable structures, fences, equipment, devices and other facilities as may be necessary or appropriate to accomplish the objectives as set forth in the first sentence of this paragraph. All locations, the manner, type and method of construction and the size of any of the foregoing shall be determined by the Port Authority. The Lessee shall submit for Port Authority approval its plans and specifications covering the required work and upon receiving such approval shall proceed diligently to construct the same.

The obligations assumed by the Lessee under this paragraph (k) 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 the construction work 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 (k) is a special inducement and consideration to the Port Authority in entering into this Lease with the Lessee.

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

(m) 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 or on call within 30 minutes, 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 13. Prohibited Acts

(a) For purposes of this Section 13, the word "premises" shall be deemed to include the Common Areas.

(b) 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 at the Airport or on the premises.

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

(d) 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, 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 or at the Airport.

(e) The Lessee shall not do or permit to be done any act or thing at the Airport or 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 this Lease. 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 New York Board of Fire Underwriters and the Insurance Services 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 at the Airport, and the Lessee shall, subject to and in accordance with the provisions of Section 44 hereof, make any and all non-structural and any and all structural improvements, alterations or repairs of the premises, required at any time hereafter by any such present or future rule, regulation, requirement, order or direction. If by reason of any failure on the part of the Lessee to comply with the provisions of this paragraph any fire insurance rate, extended coverage or rental insurance rate on the premises or any part thereof, or on the Airport or any part thereof, shall at any time be higher than it would be if the same were properly used for the purposes permitted by this Lease, 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.

(f) The Lessee shall not dispose of nor permit any one to dispose of any waste material taken from its aircraft (whether liquids 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.

(g) 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.

(h) 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 equipped with such communication equipment as will enable it to be in constant contact with the aircraft it is towing 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 24-hour, seven day week basis. The Lessee shall also control access by its passengers and patrons from and to aircraft ramp and apron areas by proper measures designed to maintain the highest standards of safety and shall maintain control of its passengers and patrons while they are upon said areas by proper measures to insure that the highest standards of safety are maintained.

(i) The Lessee shall not start or 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.

(j) 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 or maneuvering aircraft to and from the premises or in connection with authorized aircraft maintenance and repair on the premises.

(k) Except as otherwise expressly stated herein, the Lessee shall not perform any aircraft or ramp equipment

maintenance and repair 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.

(l) The Lessee shall not keep or store aviation fuel on the premises except that fueling equipment may be operated on the unenclosed portions of the premises in accordance with all the provisions of this Agreement and with the Port Authority Rules and Regulations pertaining thereto.

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

(n) The Lessee shall not install, operate or maintain in the premises any public address system without the prior approval of the Port Authority.

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

(p) The Lessee shall not overload any floor of the premises and shall repair any floor, including supporting members, and any paved area of the premises damaged by overloading. Nothing in this paragraph (p) 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 14. Care, Maintenance, Rebuilding and Repair by the Lessee

(a) The Lessee shall repair, replace, rebuild and paint all or any part of the Airport which may be damaged or destroyed by the acts or omissions of the Lessee or by those of its officers or employees or of other persons on or at the premises with the Lessee's consent.

(b) The Lessee shall throughout the term of the letting hereunder assume the entire responsibility and shall relieve the Port Authority from all responsibility for all repair, rebuilding and maintenance whatsoever in the premises and the Common Areas 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 the Common Areas

and all of the Lessee's fixtures, equipment and personal property, which are located in any part of the premises or the Common Areas 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 and the Common Areas available for use by the Lessee.

(3) Take good care of the premises and the Common Areas 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, ordinary and extraordinary, partial and entire, inside and outside, foreseen and unforeseen, structural or otherwise, which repairs, replacements and rebuilding by the Lessee shall be in quality and class not inferior to the original in material and workmanship; and to pay promptly the cost and expenses of such repairs, replacements and maintenance.

(4) Provide and maintain all obstruction lights and similar devices on the premises, and provide and maintain all fire protection and safety equipment and all other equipment of every kind and nature required by any law, rule, ordinance, resolution or regulation of the type and nature required by any law, rule, ordinance, resolution or regulation of the type and nature described in Sections 10 and 11 of this Agreement. The Lessee shall enter into and keep in effect throughout the term of the Lease a contract or contracts with a central station alarm company acceptable to the Port Authority to provide continuous and automatic surveillance of the fire protection system on the premises. The Lessee shall insure that all fire alarm signals with respect to the premises shall also be transmitted to the Airport's police emergency alarm board or to such other location on the Airport as the General Manager of the Airport may direct. The Lessee's obligations hereunder shall in no way create any obligation whatsoever on the part of the Port Authority.

(5) 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, and the maintenance and repair of all access roadways, taxiways and ramp and apron areas located upon the premises or located adjacent to the premises and used by the Lessee.

(6) Promptly wipe up all oil, gasoline, grease, lubricants and other flammable liquids or substances having a corrosive or detrimental effect on the paving or other surface of the premises and the Common Areas which may leak or be spilled thereon. The Lessee shall repair any damage to the paving or other surface caused by such oil, gasoline, grease, lubricants or other liquids or substances.

(7) The Lessee shall not use any cleaning materials having a harmful or corrosive effect, on any part of the premises or the Common Areas.

(8) 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 and the Common Areas not paved or built upon as the Port Authority may require;

(9) 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 the Common Areas or located adjacent to the premises or the Common Areas and serving the premises or the Common Areas.

(c) If the performance of any of the foregoing repair, maintenance, replacement, repainting or rebuilding obligations of the Lessee requires work to be performed near an active taxiway or where safety of operations is involved, the Lessee agrees that it will at its own expense, post guards at such locations to insure the safety of the work performed thereat.

(d) 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 cleaning, maintenance, repair, replacement, lamping and relamping, rebuilding, painting or repainting or restoration of all of the premises or the Common Areas required to be cleaned, maintained, repaired, replaced, rebuilt, painted, repainted or restored 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, clean, maintain, repair, replace, lamp or relamp, rebuild, paint or repaint or restore all or any part of the premises or

the Common Areas included in the said notice, and the cost thereof shall be payable by the Lessee upon demand.

Section 15. Relationship Among The Lessee and Shuttle Terminal Lessee

(a) It is hereby understood and agreed that all of the obligations of the Lessee under this Agreement with respect to the Common Areas and the taxiway and roadway easement areas described in paragraphs (a), (d) and (e) of Section 1 hereof may be fulfilled by the Lessee directly or jointly with the Shuttle Terminal lessee or through a contractor, provided, however, regardless of the method used, the Lessee shall be responsible for the use and occupancy and the acts and omissions of the persons actually providing the operations and services in fulfillment of said obligations as if the same were those of the Lessee. It is hereby further agreed that all the said obligations of the Lessee under this Agreement with respect to the Common Areas and said easement areas shall be the joint and several obligations of the Lessee and said Shuttle Terminal lessee.

(b) Without limiting the generality or the continuance in effect of the foregoing, in the event that an event occurs on or with respect to the Common Areas or the aforesaid easement areas involving only the Lessee or only the lessee of the Shuttle Terminal Premises, then with respect to the occurrence, it is hereby agreed that as between the Lessee and the lessee of the Shuttle Terminal Premises, the airline who is solely so involved shall indemnify and hold harmless the other so that, as between the Lessee and the lessee of the Shuttle Terminal Premises, the ultimate obligation, responsibility and liability shall be on the airline solely involved in the occurrence.

(c) The Lessee hereby agrees that the snow removal/melting pit constructed by it under Section 2 hereof shall be used jointly by the Lessee and the Shuttle Terminal Lessee, and the Lessee hereby grants to the Shuttle Terminal lessee rights of access for the said use of the said snow removal/melting pit.

Section 16. Assumption of Maintenance and Repair of the Premises and the Common Areas by the Port Authority

Subdivision I. Defined Terms in this Section.

The following terms shall have the meanings stated in this Subdivision I for the purposes of this Section:

(a) "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 of the premises as such obligations are set forth in:

(i) paragraphs (a) and (b) of Section 14 hereof as to the premises and the Common Areas hereunder; and

(ii) Section 10 hereof insofar as laws, ordinances and governmental rules, regulations, orders, requirements and directions require structural and non-structural improvements, alterations or repairs of the premises and the Common Areas; and

(iii) paragraph (b) of Section 66 hereof.

(b) 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".

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

(1) 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;

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

(3) Payment to contractors and any other third persons, firms or corporations for work performed or services rendered;

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

(5) The cost of insurance;

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

(7) Twenty-five percent (25%) of the sum of all of the foregoing items (1) through (6).

(iii) A. Capital Cost for each calendar year shall consist of the following expenditures, for in connection with or related to Capital Work;

(1) 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;

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

(3) Payment to contractors and any other third persons, firms or corporations for work performed or services rendered;

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

(5) The cost of any insurance;

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

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

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

(9) Ten percent (10%) of the sum of all the foregoing items (1) through (8);

(B) "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 and one-half (3.5) percentage points. For purposes of example and illustration only, The Bond Buyer Revenue Bond Index for the week ending March 9, 1989 was 7.79 as set forth in the table entitled "Bond Buyer Indices" on page 20 of The Bond Buyer, Vol. 287 No. 28098, New York, N.Y., dated March 10, 1989. In the event that The Bond Buyer or its weekly Bond Buyer Revenue Bond Index shall be discontinued prior to the commencement date of the term of the letting 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.

Subdivision II. Commencement of Performance of Assumable Maintenance and Repair

(a) The "Assumable Maintenance and Repair Effective 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 subparagraph (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 Effective Date".

Subdivision III. Performance of the Assumable Maintenance and Repair

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

(b) 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.

(c) 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.

Subdivision IV. 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 Effective Date as follows:

(a) 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 Effective 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.

(b) 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.

Subdivision V. Limitation of Port Authority Obligations and No Waiver of Rights of Port Authority

(a) 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 Effective Date pursuant to Section 30 of this Agreement.

(b) The Port Authority shall not be obligated to the Lessee to furnish Assumable Maintenance and Repair at any time while the Lessee shall be in default under this Agreement.

(c) 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 48 hereof or for any claims by the Lessee for damages, consequential or otherwise.

(d) The Port Authority shall be under no obligation to perform 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 Assumable Maintenance and Repair shall be deemed limited and modified during any period that repair or rebuilding of the premises or the Terminal Building is required pursuant to Section 19 hereof.

Subdivision VI. Return of the Assumable Maintenance and Repair to the Lessee

At any time and from time to time after the Port Authority may have exercised its rights under Subdivision II(a)(ii) 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 ninety (90) nor more than one hundred twenty (120) 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 pursuant to and in accordance with all the terms and provisions of the Lease including, but not limited to, this Section 16.

From and after the Return Date of the 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 Subdivision IV 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 the Assumable Maintenance and Repair prior to the time specified therefor in Subdivision IV hereof.

Section 17. 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) 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 or in 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 fair market value of the personal property (including trade fixtures) purchased. The Lessee hereby agrees 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 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 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 18. Property Insurance

(a) The Lessee shall during the term of this Agreement, insure and keep insured to the extent of 100% of the replacement value thereof, all buildings, structures, improvements installations, facilities and fixtures now or in the future located on the premises against all risks of physical loss or damage including flood and earthquake, if available, and if not available, then against such hazards and risks as may now or in the future be included under the standard form of fire insurance policy available in the State of New York including 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 also covering nuclear property losses and contamination hazards and risks (if such coverage is or becomes available) 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 with respect to the premises 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.

(b) In the event the premises or any part thereof shall be damaged by any casualty against which insurance is carried pursuant to this Section 18, 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.

(c) The policies or certificates representing insurance covered by this Section and by Section 2(d)(14) shall be delivered by the Lessee to the Port Authority no later than fifteen (15) days prior to the commencement date of the term of this Agreement, and each policy and certificate delivered shall bear the endorsement of or be accompanied by evidence of payment of the premium thereof and, also, a valid provision obligating the insurance company to furnish the Port Authority and the City of New York fifteen (15) days' advance notice of the cancellation, termination, change or modification of the insurance evidenced by said policy or certificate, each such policy or certificate shall have stated thereon the lease number appearing on the first page thereof. Renewal policies or certificates shall be delivered to the Port Authority at least fifteen (15) 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 18 shall be applied as provided in Section 19; and the word "insurance" and all other references to insurance in said Section 19 shall be construed to refer to the insurance which is the subject matter of this Section 18, and to refer to such insurance only.

The insurance covered by this Section 18 and by Section 2(d)(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 the form or substance or if any of the carriers issuing such policies shall be or become unsatisfactory to the Port Authority, the Lessee shall promptly obtain a new and satisfactory policy in replacement, the Port Authority covenanting and agreeing not to act unreasonably hereunder. If at any time the Port Authority so requests, a certified copy of each of the said policies shall be delivered to the Port Authority.

Section 19. Damage to or Destruction of Premises

(a) Removal of Debris. If the premises, or any part thereof, or the Common Areas, 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 the 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, or the Common Areas, 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 same shall be repaired with due diligence in accordance with the plans and specifications for the same 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 such repairs.

(c) Major Damage to or Destruction of the Premises. If the premises, or any part thereof, or the Common Areas 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 ninety days after such damage or destruction the Lessee notifies the Port Authority in writing that in its opinion said premises or Common Areas 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 or Common Areas in accordance with the plans and specifications for the same as they existed prior to such damage or destruction; or with the approval in writing of the Port Authority make such other repairs, replacements or changes as may be desired by the Lessee. If such destruction or damage was covered by insurance, the proceeds thereof shall be made available to and used by the Lessee for such restoration.

(d) The obligation of the Lessee to repair or replace shall be limited to the amount of the insurance proceeds provided the Lessee has carried insurance to the extent and in

accordance with Section 18 hereof. Any excess of the proceeds of insurance over the costs of the restoration shall be retained by the Port Authority.

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

Section 20. Indemnity and Liability Insurance

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

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

(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 including the Port Authority as an additional insured shall during the term of this Agreement secure, maintain and pay the premiums on a policy or policies of Comprehensive General Liability insurance, and covering personal injury, bodily injury including death, and property damage liability, broadened to include or equivalent separate policies covering aircraft liability and airport operator's liability under an airport liability policy, and providing for coverage in the limits set forth below, and Comprehensive Automobile Liability Insurance

covering owned, non-owned and hired vehicles and including automatic coverage for newly acquired vehicles and providing for coverage in the limits set forth below; none of the foregoing to contain care, custody or control exclusions. 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 that said protections also shall pertain and apply with like effect with respect to any claim or action against the Port Authority by the Lessee, but such endorsement shall not limit, vary, change or affect the protections 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:	$100,000,000.00
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:	$100,000,000.00
Comprehensive Automobile Liability Bodily Injury Liability: For injury to or wrongful death one or more than one person in any one occurrence:	$ 25,000,000.00
Property Damage Liability: For all damages arising out of injury to or destruction of property in any one occurrence:	$ 25,000,000.00

All insurance coverages and policies required under this Section may be reviewed by the Port Authority for adequacy of terms, conditions and limits of coverage at any time and from time to time during the term of the letting hereunder. The Port Authority may, at any such time, require reasonable additions, deletions, amendments or modifications to the above-scheduled insurance requirements, or may require such other and additional insurance, in such reasonable amounts, against such other insurable hazards, as the Port Authority may deem required.

(c) As to the insurance required by the provisions of this Section and by the provisions of Section 2 (d)(11) hereof, 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 the insurance required by Section 2(d)(11) delivery shall be made at least thirty (30) days prior to commencement of construction. As to the insurance required by this Section, delivery shall be made at least fifteen (15) days prior to the use of the premises or any portion thereof. In the event any binder is delivered, it shall be replaced within fifteen (15) 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 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 delivered to the Port Authority.

Section 21. Obstruction Lights

The Lessee shall furnish such obstruction lights as the Port Authority shall direct of the type and design approved by the Port Authority, and shall install said lights in the locations on the premises designated by the Port Authority and shall maintain them in first class operating condition at all times. The Lessee shall furnish and install the bulbs and furnish the electricity necessary for the operation of the same, and shall operate the same in accordance with the directions of the Port Authority. The Port Authority hereby directs that all said obstruction lights shall, until further notice, be operated 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 at the Airport.

Section 22. Signs

(a) Except with the prior written approval of the Port Authority, the Lessee shall not erect, maintain or display any signs or any advertising at or on the exterior parts of the premises or located anywhere in the premises, or in the Common Areas, or at or on any other portion of the Airport outside the premises. Without limiting the foregoing, 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, the Common Areas or elsewhere at the Airport and in connection therewith the Lessee 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, the Common Areas and the Airport, the Port Authority may perform the necessary work and the Lessee shall pay the cost thereof to the Port Authority on demand.

Section 23. 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 5 hereof.

Section 24. 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 Base Rental, Deferred Base Rental, Facility Rental or other rental or charges or any payment of utility or other charges or

(2) In the event that all or any portion of the premises or the Common Areas is required by the Port Authority to comply with any present or future governmental law, rule, regulation, requirement, order or direction, the Port Authority may by written notice given to the Lessee terminate the letting with respect to all or such portion of the premises or the right to use all or such portion of the Common Areas so required. Such termination shall be effective on the date specified in the notice. The Lessee hereby agrees to deliver possession of all or such portion of the premises or Common Areas so required upon the effective date of such termination in the same condition as that required for the delivery of the premises and the Common Areas upon the date originally fixed by this Agreement for the expiration of the term of the letting. No taking by or conveyance to any governmental authority as described in paragraph (a)(1) of this Section, nor any delivery by the Lessee nor taking by the Port Authority pursuant to this paragraph, shall be or be construed to be an eviction of the Lessee or a breach of this Agreement or to be made the basis of any claim by the Lessee against the Port Authority for damages, consequential or otherwise.

(3) In the event that the taking covers the entire premises and the Common Areas, or in the event that the letting and the right to use are terminated with respect to the entire premises and the Common Areas pursuant to subparagraph (a)(2) of this Section, then this Agreement shall, as of the date possession is taken by such agency or agencies from the Port Authority, or as of the effective date of such termination, cease and determine in the same manner and with the same effect as if the said date were the original date of expiration hereof.

(4) In the event that the taking covers a part only of the premises or Common Areas, or in the event that the letting or right to use is terminated with respect to a part only of the premises or Common Areas pursuant to subparagraph (a)(2) of this Section, then the letting or right to use as to such part shall, as of the date possession thereof is taken by such agency or agencies or as of the effective date of the termination pursuant to paragraph (a)(2) of this Section, cease and determine in the same manner and with the same effect as if the term of the letting had on that date expired; and the rental shall be abated as hereinabove provided.

(5) In the event that the taking covers a material part of the premises, or in the event that the letting is terminated with respect to a material part of the premises pursuant to paragraph (a)(2) of this Section, then the Lessee and the Port Authority shall each have an option exercisable by notice given within ten (10) days after the date possession is taken by such agency or agencies or within ten (10) days after the termination pursuant to paragraph (a)(2) of this Section to terminate the letting hereunder with respect to the premises not taken or not subject to the termination pursuant to paragraph

(a)(2) of this Section, as of the date of such taking or as of the effective date of the termination pursuant to paragraph (a)(2) of this Section, and the termination under the said notice shall be effective as if the date of such taking or the date of the termination pursuant to paragraph (a)(2) of this Section were the original date of expiration hereof. If the letting of the entire premises is not terminated, the settlement or abatement of rental after the date possession is taken by the body having a superior power of eminent domain or after the termination of a material part of the premises by the Port Authority pursuant to paragraph (a)(2) of this Section shall be in accordance with Section 5 hereof.

(6) As used in this Section with reference to the premises and in paragraph (b) hereof with respect to the Public Landing Area, the phrase "a material part" shall mean such a part of the premises or the Public Landing Area that the Lessee cannot continue to carry on its normal operations at the Airport without using such part.

(b) Condemnation of Public Landing Area or Public Ramp and Apron Area

In any action or proceeding instituted by any governmental agency or agencies for the taking for a public use of any interest in all or a material part of the Public Landing Area, the Lessee shall not be entitled to assert any claim to any award or part thereof made or to be made therein, or to institute any action or proceeding or to assert any claim against such agency or agencies or against the Port Authority, for or on account of any such taking, it being understood and agreed between the Port Authority and the Lessee that the Port Authority shall be entitled to all the compensation or award or awards to be made or paid for any such taking, free of any claim or right of the Lessee, provided, however, in the event of such taking the letting hereunder shall, as of the date possession is taken by such agency or agencies, cease and determine in the same manner and with the same effect as if the term of the letting had expired on that date.

Section 27. [This Section is intentionally omitted]

Section 28. [This Section is intentionally omitted]

Section 29. 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; provided, further, however, that the successor entity has a financial standing as of the date of the transfer or assignment at least as good as that of the Lessee by which is meant that its ratio of current assets to current liabilities, its ratio of fixed assets to fixed liabilities and its net worth shall each be at least as favorable as that of the Lessee and provided, further, that such successor entity or purchaser executes and delivers to the Port Authority an instrument in a form satisfactory to the Port Authority assuming the obligations of the Lessee as if it were the original tenant hereunder.

(b) (1) The Lessee shall not sublet the premises or any part thereof, without the prior written consent of the Port Authority; provided, however, that if any of the events set forth in Section 48(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, and, provided, further, that such succeeding entity 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.

(2) The Lessee, however, shall have the right to sublease a portion or portions of the premises to one or more of the Lessee's Affiliated Companies (as hereinafter defined). Prior to executing any such sublease, the Lessee shall submit the form of such sublease agreement to the Port Authority for its review for consistency with the terms and provisions of this Lease. It is expressly understood and agreed that any such sublease shall be conditioned upon the written approval and consent of the Port Authority which approval and consent shall in each instance be incorporated in an appropriate consent to sublease agreement in a form satisfactory to the Port Authority and executed by the Port Authority, the Lessee and the Lessee's Affiliated Company (as hereinafter defined); the form of such consent agreement being attached hereto, hereby made a part hereof and marked 'Exhibit CSL'. It is specifically understood and agreed that any such sublease shall be for a term commencing on or after the Completion Date (as defined in Section 2 (j) hereof) and as a periodical tenancy from week to week, but in no event beyond the day before the expiration date of this Agreement, and each such sublease shall provide that the subleased premises shall be used solely for the purposes set forth in Section 8 hereof.

Without limiting any term or provision of any consent to sublease agreement covering a sublease, as aforesaid,

as between the Lessee and the Port Authority the Lessee hereby assumes all responsibility for each such sublessee's aircraft operations including the collection of fees and charges from each such sublessee and paying the same to the Port Authority. The Lessee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives, from and against (and shall reimburse the Port Authority for the Port Authority's costs and expenses including legal expenses incurred in connection with the defense of) all claims and demands of third persons including but not limited to claims and demands for death or personal injuries, or for property damages, arising out of any default of the Lessee Affiliated Company or out of the use or occupancy of the premises and the Common Areas by each Lessee Affiliated Company, or by others with its consent, or out of any other acts or omissions of said Lessee Affiliated Company, its officers and employees, guests, invitees and business visitors on the premises or the Common Areas or elsewhere at the Airport or out of the acts or omissions of others on the premises and the Common Areas or elsewhere at the Airport with the consent of said Lessee Affiliated Company, including claims and demands of the City of New York, from which the Port Authority derives its rights in the Airport, for indemnification, arising by operation of law or through agreement of the Port Authority with the said City.

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

It is hereby recognized that the Lessee has certain obligations under the Lease with respect to the Common Areas, including but not limited to the obligation to indemnify the Port Authority, which are joint and several obligations of the Lessee and the Shuttle Terminal lessee, all as set forth in the Lease. Without limiting the generality or the continuance in effect of the foregoing, in the event the Lessee enters into a sublease within the meaning of this Section 29 and an event occurs on or with respect to the Common Areas involving in any way the sublessee, then notwithstanding the fact that the Lessee and the Shuttle Terminal lessee shall be jointly and severally liable with respect to the occurrence pursuant to the terms of the Lease, it is hereby agreed that as between the Lessee and the Shuttle Terminal lessee so liable under the terms of the Lease, the Lessee shall indemnify and hold harmless the Shuttle Terminal lessee so that the ultimate obligation, responsibility and liability shall be on the Lessee. Each consent to sublease agreement covering such sublease shall contain the foregoing

provisions, provided, however, that the Port Authority shall have the additional right to require any sublessee to deposit with the Port Authority security in such amount and form as may be satisfactory to the Port Authority.

(3) The Lessee hereby represents to the Port Authority that (a) Continental Airlines is a wholly-owned subsidiary of Texas Air Corporation, a corporation of the State of Delaware (herein referred to as "Texas Air Corporation"), by virtue of the fact that Texas Air Corporation is the owner of all of the issued and outstanding capital stock of Continental Airlines, and (b) Eastern Airlines is a majority-owned subsidiary of Texas Air Corporation by virtue of the fact that Texas Air Corporation is the owner of all of the issued and outstanding common stock of Eastern Air Lines (Eastern Air Lines is also the issuer of non-voting preferred stock that is publicly held). The Lessee hereby further represents to the Port Authority that Continental Airlines is the owner of all of the issued and outstanding common stock of (i) People Express, Inc. (ii) New York Airlines, Inc. (hereinafter called "New York Air"), a corporation of the State of Delaware, and (iii) Rocky Mountain Aviation, Inc., a corporation of the State of Colorado; and further that People Express, Inc. is the owner of all of the issued and outstanding common stock of People Express Airlines, Inc. and Britt Airways, Inc., a corporation of the State of Delaware (hereinafter called "Britt"); and further that Rocky Mountain Aviation, Inc. is the owner of all of the issued and outstanding common stock of Rocky Mountain Airways, Inc. The Lessee further represents that Continental Airlines is the owner of forty-three per cent (43%) and Eastern Air Lines is the owner of forty-one percent (41%) of the issued and outstanding common stock of Bar Harbor Airways, Inc., a corporation of the State of Maine ("Bar Harbor"); and that Bar Harbor is the owner of all of the issued and outstanding common stock of Provincetown-Boston Airlines, Inc., a corporation of the State of Massachusetts ("PBA"). It is hereby agreed that for purposes of this Lease the term "the Lessee's Affiliated Companies" shall mean New York Air, People Express, Inc., People Express Airlines, Inc., Britt, Rocky Mountain Aviation, Inc., Rocky Mountain Airways, Inc., Bar Harbor and PBA, and the term "Lessee Affiliated Company" shall mean any of said companies; provided, however, that in the event there is any change in the aforesaid corporate relationships as a result of which the Lessee and any of the Lessee Affiliated Companies are no longer wholly-owned or majority-owned (fifty percent (50%) or more) direct or indirect subsidiaries of Texas Air Corporation or of the Lessee, as described above, such Company shall no longer be deemed for the purpose of this Lease one of the Lessee's Affiliated Companies. See Exh #2 for addl info p9

(c) If without the prior written consent of the Port Authority, the Lessee assigns, sells, conveys, transfers, mortgages, pledges or sublets in violation of paragraph (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 paragraph (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; and such assignee, successor or transferee or other person claiming any right, title or interest in this Agreement shall not sell, convey, transfer, mortgage, pledge, sublet or assign this Agreement or any part thereof, or any rights created thereby or the letting thereunder or any part thereof without such prior written consent of the Port Authority.

(e) The Lessee shall not use or permit any person to use the premises or the Common Areas or any portion thereof for any purpose other than the purpose stated in Section 8 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 30. 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 approv-

ing 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 termination 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 thirty (30) 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

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

(6) Except as otherwise provided in paragraph (a) of Section 29, 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 sixty (60) days after the filing thereof; or

(8) Except as otherwise provided in paragraph (a) of Section 29, the Lessee 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 ten (10) 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); or

(11) The Lessee shall fail duly and punctually to pay any sum when due to the Port Authority under Lease AG-417 or Lease AG-923, including without limitation, flight fees payable thereunder and shall continue in its failure to pay the same for a period of ten (10) days after receipt of notice by it from the Port Authority to make such payment;

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) If any of the events enumerated in paragraph (a) of this Section shall occur prior to the letting, the Lessee shall not be entitled to enter into possession of the premises and the Port Authority upon the occurrence of any such event or at any time thereafter during the continuance thereof by twenty-four (24) hours' notice may cancel the interest of the Lessee hereunder, such cancellation to be effective upon the date specified in such notice.

(c) No acceptance by the Port Authority of rentals, fees, charges or other payments in whole or in part for any period or periods after a default of any of the terms, covenants and conditions hereof to be performed, kept or observed by the Lessee shall be deemed a waiver of any right on the part of the Port Authority to terminate the letting.

(d) 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.

(e) 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.

(f) Anything in any other part of this Section to the contrary notwithstanding, if any of the events set forth in subparagraph (a)(1), (2), (3) or (7) of this Section shall not occur or be extant at the same time as to both Continental Airlines and Eastern Air Lines, then, during the pendency of such condition, the right of termination or cancellation described above shall be suspended and not be exercisable by the Port Authority based thereon, it being clearly understood and agreed that if at any time hereafter either Continental Airlines or Eastern Air Lines ceases to be a party comprising the Lessee hereunder, this subparagraph shall not have any further force or effect and such right of termination shall thenceforth be exercisable by the Port Authority if any such event shall occur or be extant as to whichever of either Continental Airlines or Eastern Air Lines shall remain as the Lessee hereunder. This subparagraph shall not benefit and may not be availed of by any successor or assignee of either of Continental Airlines or Eastern Air Lines except a Lessee Affiliated Company (as defined in Section 29 hereof) which becomes successor in interest of either one as result of an assignment or transfer referred to in and as provided under Section 29(a) of this Lease.

It is recognized that Eastern Air Lines prior to the execution of this Agreement filed a voluntary petition for its reorganization under the federal bankruptcy laws on March 9, 1989, in the United States District Court, Southern District of New York. It is agreed that the Port Authority will not deem the said Eastern Air Lines' petition for reorganization an event of default under the Lease, provided that the foregoing shall not limit, modify or affect or be deemed to limit, modify or affect any rights or remedies of the Port Authority with respect to any other default of the Lessee, and shall not limit, modify or affect or be deemed to limit, modify or affect any of the duties, responsibilities or obligations of the Lessee hereunder on its part to be kept, performed or observed.

Section 31. <u>Additional Rights of Termination by the Port Authority as to Portions of the Premises</u>

Replaced by Sup. 02

(a) It is hereby recognized that as of the commencement of the term hereunder the "revenue seats daily average" of the Lessee, as said term is defined in paragraph (e) hereof, and utilizing for the purpose of this Section the calendar year 1987, would be Inasmuch as this Agreement covers the letting and use of new and larger facilities than

those used at present by the Lessee at the Central Terminal Building at the Airport it is hereby agreed that the aforesaid revenue seats daily average will be and the same is hereinafter called the "Lessee's Commencement Basic Schedules".

(b) Commencing with calendar year 1993 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 (a) hereof, which revenue seats daily average shall be the Lessee's Basic Schedules 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 1992 experience, said revenue seats daily average shall be called the "Lessee's Basic Schedule for 1992".

(c) As of January 1, 1993 and as of January 1 of each succeeding calendar year (i) in the event that the Lessee's Basic Schedules for the immediately preceding calendar year for the Airport are less than of the Lessee's Commencement Basic Schedules or (ii) in the event that because of reasons beyond the control of the Lessee the Lessee's Basic Schedules for the immediately preceding two calendar years are less than of the Lessee's Commencement Basic Schedules, then in either of such events and without limiting each and every other right of termination the Port Authority has under this Agreement or otherwise, the Port Authority shall have the right, upon six (6) month's written notice to the Lessee, to terminate the letting under the Lease as to any portion or portions of the premises which the Port Authority determines to be underutilized by the Lessee. Such termination shall be effective on the date set forth in said notice of termination. Upon such termination the term of the letting as to the terminated portion or portions of the premises shall cease and expire on the effective date of termination as stated in said notice as if said date were the date originally stated in this Agreement for the expiration of the term of the letting as to said portion or portions of the premises. This Agreement and the letting as to all other portions of the premises shall continue in full force and effect. In the event of the termination of any portion or portions of the premises, as aforesaid, the annual amount of the rental payable by the Lessee to the Port Authority shall, from and after the effective date of termination, be abated in accordance with Section 5 hereof.

The Port Authority shall give thirty (30) days' prior notice of its intention to give the termination notice set forth above and it is expressly agreed that the Port Authority shall not exercise the aforesaid right of termination with respect to any portion or portions of the premises if and for which the Lessee has submitted to the Port Authority definite plans for the utilization of said portions or portions of the premises by the Lessee provided the Lessee in fact commences such use of said portion or portions of the premises within ninety (90) days after the submission of the said plans.

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

Supplement No. 1
LaGuardia Airport
Lease No. AGA-126

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of June 1, 1990, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and CONTINENTAL AIRLINES, INC., a corporation of the State of Delaware (hereinafter called "Continental Airlines") and EASTERN AIR LINES, INC. a corporation of the State of Delaware and a debtor (hereinafter called "Eastern Air Lines") (said Continental Airlines and Eastern Air Lines, acting jointly and severally, being hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, by a certain agreement of lease made effective as of June 2, 1989 and identified by the above stated Lease Number (which agreement of lease is hereinafter called "the Lease") the Port Authority let to the Lessee jointly and severally, and the Lessee, jointly and severally, hired and took from the Port Authority certain premises and Common Areas at LaGuardia Airport as more particularly described in the Lease; and

WHEREAS, Continental Airlines is the successor by merger to Continental Airlines, Inc., a Delaware corporation, the original Lessee hereunder; and

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

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

1. Section 2 of the Lease is hereby amended as follows:

(a) The fifth line of subparagraph (i) of paragraph (a) thereof is hereby amended to read as follows:

"but not limited to stairwells, stairways, escalators, passenger loading bridges, baggage conveyor systems,".

(b) Subparagraph (iii) of paragraph (a) is hereby amended by changing the word "nine" in the third line thereof to "eight" and by changing the word "one" in the fourth line thereof to "two".

(c) Subparagraph (2) of paragraph (d) of Section 2 is hereby amended by changing the date "December 31, 1991" in the last sentence thereof to "June 30, 1992".

(d) The following new subparagraph shall be deemed added at the end of paragraph (i) of said Section 2 of the Lease:

"Without limiting any other term or provision of the Lease, the Lessee hereby agrees that it shall submit to the Port Authority promptly upon request therefor any and all documents, as may be required by the Port Authority from time to time, to evidence such title to the construction work including but not limited to passenger loading bridges, baggage conveyor systems and any fixtures, equipment and other personal property which constitute part of the construction work."

2. (a) Section 4 of the Lease is hereby amended by adding at the end thereof new paragraphs (c) and (d) reading as follows:

"(c) Notwithstanding anything contained in the Lease including but not limited to paragraph (a) of this Section 4, it is understood and agreed that the Lessee waives the right as a month-to-month periodical tenant, to terminate the Lease and the month-to-month periodical tenancy under the Lease, and shall not have such right, for so long as the Passenger Terminal Bonds, as defined in Section 85 of the Lease, shall be or be deemed to be outstanding.

(d) Notwithstanding anything contained in the Lease including but not limited to paragraph (a) of this Section 4, it is understood and agreed that the Port Authority hereby waives the right as a month-to-month periodical landlord, to terminate the Lease and the month-to-month periodical tenancy under the Lease, without cause, for the period beginning on the dated date of the Passenger Terminal Bonds, as defined in Section 85 of the Lease, and ending on the first to occur of (i) the day preceding the seventh anniversary of the Completion Date, as defined in Section 2 (j) (2) of the Lease, (ii) December 31, 1998, or (iii) the date on which the Passenger Terminal Bonds, as defined

in Section 85 of the Lease, shall no longer be or be deemed to be outstanding. Nothing contained herein shall limit or affect in any way the right of the Port Authority to terminate the Lease during any period in which the Lessee shall be a statutory holdover tenant on a month-to-month basis or otherwise after the expiration of the month-to-month periodical tenancy under the Lease or for cause based upon an Event of Termination for Cause as defined in paragraph (c) of Section 82 of the Lease including, but not limited to, the events set forth in Section 30 of the Lease."

(b) Paragraph (b) of Section 4 is hereby corrected by changing the paragraph reference in the twelfth line thereof from "(b)" to "(a)".

3. (a) Subparagraph (3) of paragraph (a) of Section 6 of the Lease is hereby amended to read as follows:

"(3) The term 'Final Date' as used herein shall mean December 31, 1991."

(b) Clause (iv) of subparagraph (4) of paragraph (a) of Section 6 of the Lease is hereby deleted and shall have no further force or effect.

(c) Paragraph (b) of Section 6 of the Lease is hereby amended by inserting on the second line thereof after the word "work" the words "in connection with the items set forth on Schedule H attached hereto".

(d) The first full paragraph on page 40 of the Lease is hereby deleted and shall have no further force or effect.

(e) Paragraph (d) of Section 6 of the Lease is hereby amended to read as follows:

"(d) The entire obligation of the Port Authority under the Lease for the cost of the construction work shall be limited in amount to a total sum of ---- and limited in time to construction work performed prior to July 31, 1991 and consisting of an item or items listed on Schedule H attached hereto and covered by certificates of the Lessee submitted in accordance with paragraph (b) of this Section 6 no later than the Final Date."

(f) Paragraph (e) of Section 6 of the Lease is hereby deleted and shall have no further force or effect.

(g) Paragraphs "(f)", "(g)" and "(h)" of Section 6 of the Lease shall be deemed redesignated, respectively, as Paragraphs "(e)", "(f)" and "(g)".

(h) The references to the phrases "GSE Building", "GSE Building Construction", "GSE Building Permit" and "Cost of the GSE Building Construction" in Section 6 of the Lease are hereby deleted and shall have no further force or effect.

(i) Section 7 of the Lease is hereby deleted and shall have no further force or effect and a new Section 7 reading as follows shall be substituted in lieu thereof:

> "Section 7. <u>The Lessee's Additional Construction Obligation</u>.
>
> The Lessee's obligation to perform all work necessary or appropriate for the construction required to be performed by the Lessee under the separate permit issued to the Lessee by the Port Authority, dated as of March 1, 1989, covering the construction and use of a ground service equipment building to be located at the Airport and bearing Port Authority Permit No. AGA-141, as said construction and use are described more fully in said permit, shall be deemed an obligation under this Lease and the failure of the Lessee to fulfill said obligation under Permit AGA-141 shall be deemed an event of default under this Lease."

(j) Paragraph (c) of Section 12 of the Lease is hereby amended by adding at the end thereof the following:

> "Without limiting any other term or provision of the Lease the Lessee hereby agrees to equip and operate the premises in a first-class manner and so that it may best be used for the purposes set forth in the Lease and agrees in furtherance thereof to install and use the various trade fixtures, equipment and other personal property (other than and in addition to items set forth in Section 2 hereof) as may be necessary to accomplish that end and to provide replacements as necessary from time to time during the term of the Lease to maintain such standards."

(k) Section 19 is hereby amended by deleting paragraphs (b) and (c) thereof and by inserting a new paragraph

(b) (there henceforth being no paragraph (c)) which new paragraph (b) shall read as follows:

"(b) Damage or Destruction of the Premises. If the premises, or any part thereof, or the Common Areas, or any part thereof shall be damaged by fire, the elements, the public enemy or other casualty, the same shall be repaired with due diligence in accordance with the plans and specifications for the same 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 such repairs."

4. Section 26 of the Lease is hereby amended to read as follows:

"Section 26. Condemnation

(a) Definitions

As used in this Section 26, 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 co-extensive 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 of this Agreement.

As used in this Section with reference to any premises leased to the Lessee for its exclusive use or with reference to the Public Landing Area, the phrase 'a material part' shall mean such a part of the said premises or said Public Landing Area that the Lessee cannot continue to carry on its normal operations at the Airport without using such part.

(b) Condemnation or Taking of a Permanent Interest in All or any Part of the 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 permanent interest in all or any part of the premises or of a permanent interest in all or a material part of the Public Landing Area (any such acquisition under this Section 26 hereinafter referred to as a 'taking'), the Port Authority shall purchase from the Lessee, and the Lessee shall sell to the Port Authority, the Lessee's leasehold interest (excluding any personal property whatsoever) in the premises (with the same to have the effect of expiration of the Lease with respect to the Lessee hereunder), 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 78 (w) 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 78 (w) 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 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 78 (w) 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 condemnation or eminent domain proceedings, to participate in any and all hearings, trials and appeals therein, and to receive such amount as it may lawfully be entitled to receive as damages or payment as a result of such taking, because of its leasehold interest in the premises up to but not in excess of an amount equal to the unamortized capital investment (as defined in Section 78 (w) 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 78 (w) 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 78 (w) 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 as taken by the body having a superior power of eminent domain shall be in accordance with Section 5 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 to receive and retain such amount as they may lawfully be entitled to receive and retain as damages or payment as a result of such taking. However, if at the time of such taking the Lessee has no unamortized capital investment (as defined in Section 78 (w) 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 Premises or All or a Material Part of the Public Landing Area

Upon acquisition by condemnation or the exercise of the power of eminent domain by a body having a superior power of eminent domain of a temporary interest in all or any part of the premises or of a temporary interest in all or a material part of the Public Landing Area, there shall be no abatement of any rental payable by the Lessee to the Port Authority under the provisions of this Lease 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 78 (w) 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 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 78 (w) 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."

5. Section 29 of the Lease is hereby amended as follows:

(a) Subparagraph (3) of paragraph (b) of said Section 29 is hereby amended by changing the percentage reference in the twenty-fifth line thereof from "forty-three per cent (43%)" to "fifty-nine per cent (59%)", and by changing the reference to "Maine" on the twenty-eighth line thereof to "Delaware".

(b) The following new sentences are added to the

end of subparagraph (3) of paragraph (b) of said Section 29:

> "The Lessee hereby represents to the Port Authority that, effective as of July 11, 1989, Continental Airlines has consummated a merger transaction pursuant to which Continental Airlines and People Express, Inc., then a wholly-owned subsidiary of Continental Airlines, have each been merged into People Express, Inc.'s wholly-owned subsidiary People Express Airlines, Inc., with People Express Airlines, Inc., which has changed its name to Continental Airlines, Inc., as the surviving entity." The Lessee hereby represents to the Port Authority that, effective as of October 16, 1989, Bar Harbor Airways, Incorporated, a corporation of the State of Maine ("Old Bar Harbor") was merged into Bar Harbor Airways, Inc., a corporation of the State of Delaware, and a wholly owned subsidiary of Old Bar Harbor ("New Bar Harbor") for the purpose of effecting the reincorporation of Old Bar Harbor in the State of Delaware and whereby New Bar Harbor was the surviving entity.

6. Section 30 of the Lease is hereby amended as follows:

(a) The following new subparagraph shall be deemed added at the end of paragraph (a) of said Section 30 of the Lease:

> "(12) The Trustee shall advise the Port Authority that the Lessee has failed to pay any amounts required to maintain the Minimum Debt Service Fund Balance as set forth in the Trust Administration Agreement."

(b) Paragraph (f) of said Section 30 of the Lease is hereby amended by inserting on the third line thereof between "(3)" and "or" the character "(4)".

7. Section 31 of the Lease is hereby amended to read as follows:

"Section 31. <u>Additional Rights of the Port Authority to Direct the Use of Portions of the Premises by Other Scheduled Airlines</u>

(a) It is hereby recognized that as of the commencement of the term hereunder the 'revenue seats daily average' of the Lessee, as said term is defined in paragraph (e) hereof, and utilizing for the purpose of this Section 31 the calendar year 1987, would be Inasmuch as this Agreement covers the letting and use of new and larger facilities than

those used at present by the Lessee at the Central Terminal Building at the Airport it is hereby agreed that the aforesaid revenue seats daily average will be 11,000 and the same is hereinafter called the 'Lessee's Commencement Basic Schedules'.

(b) Commencing with calendar year 1993 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 (a) hereof, which revenue seats daily average shall be the Lessee's Basic Schedules 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 1992 experience, said revenue seats daily average shall be called the 'Lessee's Basic Schedule for 1992'.

(c) Without limiting or affecting the provisions of Section 29 hereof, as of January 1, 1993 and as of January 1 of each succeeding calendar year (i) in the event that the Lessee's Basic Schedules for the immediately preceding calendar year for the Airport are less than sixty percent (60%) of the Lessee's Commencement Basic Schedules or (ii) in the event that because of reasons beyond the control of the Lessee the Lessee's Basic Schedules for the immediately preceding two calendar years are less than sixty percent (60%) of the Lessee's Commencement Basic Schedules, 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 three (3) 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 (as said term is defined in Section 78 hereof) and also including Scheduled Commuter Aircraft Operators (hereinafter in this Section 31 collectively called 'the Scheduled Aircraft Operators'). The Lessee shall make such accommodations available from time to time during the entire period commencing on the effective date set forth in the aforesaid notice and ending when the Lessee's Basic Schedule for a calendar year, determined in accordance with the foregoing shall have been sixty percent (60%) or more of the Lessee's Commencement Basic Schedule (hereinafter called 'a period of underutilization'). The term 'accommodations' as used in this Section 31 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 handling agreements (as defined in Section 78 hereof) between the Lessee and any such

Scheduled Aircraft Operator (hereinafter called 'the 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 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.

It is understood furthermore that the accommodation contemplated hereunder may involve the use of subleases of exclusive areas of the premises in addition to or in lieu of handling agreements. Any sublease with a Scheduled Aircraft Operator (hereinafter called 'a 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 Sublessee Airline. 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 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 shall in no way be waived, impaired, limited or affected.

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 Handled Airline or a 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 Handled Airline and the 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 at the Airport to have such services and functions performed for the Handled Airline or the Sublessee Airline.

Without limiting any other term or provision of the Lease the Lessee shall maintain in accordance with accepted accounting practice during the term of the Lease and for one (1)

year thereafter and for such further period until the Lessee shall receive written permission from the Port Authority to do otherwise, records and books of account recording all transactions, at through or in anywise connected with the handling agreements and subleases and shall use and maintain such systems for recording transactions under or in connection with the handling agreements and subleases all to the end that accurate and complete records of gross receipts be maintained including identification of the gross receipts of the Lessee pertaining to any particular handling agreement, sublease or other agreement, all of the foregoing to be kept at all times in the Port of New York District.

The Lessee shall permit in ordinary business hours during the term of this Agreement and for one year thereafter and during such further period as is mentioned in the preceding paragraph, the examination, inspection and audit by the officers, employees and representatives of the Port Authority of such books of account and systems mentioned above and also any records and books of account, and systems of any company which is owned or controlled by the Lessee, if said company performs services, similar to those performed by the Lessee anywhere in the Port of New York District. The Lessee shall furnish to the Port Authority from time to time (but not more often than once a month) statements of the Lessee setting forth its gross receipts as required hereunder, and such further itemization, details and information pertaining to the handling agreements and subleases as the Port Authority may from time to time request.

The Lessee agrees that all handling agreements and subleases shall be at reasonable and at not discriminatory rates, fees and charges which 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 Handled Airline or the 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 31: (aa) possible or potential labor disharmony with a Handled Airline or sublessee, (bb) compatability of schedules and operations between the Lessee or another user or occupant of the premises and a Handled Airline or sublessee, or (cc) competitive nature of the routes, schedules or type of air transportation service to be provided by a Handled Airline or sublessee, 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 significant, immediate and unremediable labor disharmony which would seriously affect the operations of

the Lessee on the premises then, upon request by the Lessee to the Port Authority setting forth in specific detail satisfactory to the Port Authority the nature of the anticipated labor disharmony and requesting that the Lessee not be obligated under this Section to provide accommodations for such specific Scheduled Aircraft Operator, the Port Authority shall, in good faith, consider the Lessee's request and if the Port Authority finds that the labor disharmony described by the Lessee is reasonably likely to result if the Lessee were to provide accommodations to such Scheduled Aircraft Operator on the premises then the Port Authority shall notify the Lessee that the Port Authority's direction to provide accommodations to such Scheduled Aircraft Operator is rescinded. 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 terminal 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.

The Port Authority shall give thirty (30) days' prior notice of its intention to give the notice set forth above and it is expressly agreed that the Port Authority shall not exercise the aforesaid right with respect to any portion or portions of the premises if and for which the Lessee has submitted to the Port Authority definite plans for the utilization of said portion or portions of the premises by the Lessee provided the Lessee in fact commences such use of said portion or portions of the premises within thirty (30) days after the submission of the said plans.

(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 right in any subsequent year during any period of underutilization.

(e) In the event the Port Authority decides to ascertain the revenue seats daily average of the Lessee, it shall do so as follows: based upon the Official Airline Guide (herein called "the Guide"), the Port Authority shall ascertain the total number of revenue seats that can be accommodated on the aircraft equipment scheduled to be 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 falls the fifteenth (15th) day of April of the prior calendar year and the second is the one during which falls the fifteenth (15th) day of October of the said prior calendar year, 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 Handled Airlines (as defined in Section 78 hereof), if any, of the Lessee who are Handled Airlines as of the date of such determination shall be included.

In making said determination, the Port Authority shall use the most recent configuration as supplied by the Lessee with respect to the number of revenue seats that can be accommodated on the particular aircraft equipment scheduled to be used by the Lessee at the Airport. The total revenue seats of the Lessee shall then be divided by fourteen, the resulting quotient being herein called "the revenue seats daily average" of the Lessee.

In the event the Official Airline Guide shall no longer be published or shall not be available then the parties agree that the Port Authority shall have the right to use any other successor or similar publication or the actual aircraft arrivals at the Airport as determined by reports to the Port Authority and records of the Lessee and other Scheduled Aircraft Operators, tower logs and other suitable records and information.

(f) Percentage of the Lessee's Basic Schedules as Compared to the Lessee's Commencement Basic Schedules	Daily Turnaround Flights Which May be Required at the Premises		Exclusive Gate Sublease Arrangements Which May be Required at the Premises
59%	18	or	3
51%	24	or	4
43%	30	or	5
35%	36	or	6
27%	42	or	7
19%	48	or	8
10%	54	or	9
0%	60	or	10

Combinations of daily turnaround flights and exclusive gate sublease arrangements may be required with a decrease of six (6) daily turnaround flights for each gate which is exclusively subleased.

8. Section 40 of the Lease is hereby amended as follows:

(a) The following new first line shall be deemed added to said Section 40 of the Lease:

"Without limiting the effect of any security interest in the personal property of the Lessee on the premises, including but not limited to the

Personal Property Security Interest and, subject to Section 2(i) hereof, all personal property (including trade fixtures)".

(b) The word "last" appearing on the ninth line of said Section 40 shall be deemed corrected to read "best".

9. Section 43 of the Lease is hereby amended by amending the last line thereof to read as follows:

"It is hereby expressly understood and agreed, without limiting any term or provision hereof, that inasmuch as Eastern Air Lines, Inc. and Continental Airlines, Inc., jointly and severally, are the Lessee hereunder, service of any notice hereunder on Continental shall be deemed service on both."

10. Section 45 of the Lease is hereby amended by adding at the end thereof the words "except as otherwise provided herein".

11. The first two lines of paragraph (a) of Section 48 of the Lease are hereby amended to read as follows:

"(a) If any one or more of the following events shall occur but only during such time or times when there are no Passenger Terminal Bonds (as defined in Section 85 (d) (1) of the Lease) then outstanding:".

12. Section 49 of the Lease is hereby amended by adding at the end thereof the following: "It is specifically understood and agreed, however, that, as provided in Section 87 hereof, neither the Facility Rental nor the accelerated Facility Rental shall be subject to abatement, suspension, set-off or defense for any reason whatsoever."

13. Paragraph (a) of Section 51 of the Lease is hereby corrected as follows: the number "16,609" appearing in the sixth line thereof shall be deemed changed to read "6,609."

14. Section 61 of the Lease is hereby amended by adding, between the words "the Deferred Base Rental" and "the Facility Rental" appearing in the penultimate line on page 108 of the Lease the words "Additional Land Rental, Extra Land Rental".

15. Section 62 of the Lease is hereby corrected by deleting the "(a)" at the beginning of the first paragraph thereof.

16. Paragraph (a) of Section 77 of the Lease is hereby amended by deleting the words "specified in Section 5" appearing in the tenth line thereof.

17. Subparagraph (w)(1) of Section 78 of the Lease is hereby amended by adding at the end thereof a new sentence to read as follows:

> "For purposes of this Agreement, the Lessee's Cost shall include disbursements by the Trustee from the Construction Fund for Project Costs as set forth in Section 35 (c)(2) of the Lease."

18. Section 82 of the Lease shall be deemed amended as follows:

(a) Subparagraph (3) of Paragraph (a) of said Section 82 is hereby amended by deleting therefrom the thirty-fifth through the forty-sixth lines of such subparagraph and by substituting in lieu thereof the following:

> "then upon the occurrence of any event set forth in subparagraphs (1), (2) and (3), subject to subparagraphs (i) and (ii), and upon the Port Authority obtaining possession of the premises thereafter based upon such occurrence, in the condition required by the Lease upon surrender of the premises, the Port Authority shall pay to the Lessee, by paying directly to the Trustee, for deposit into the Bond Fund, an amount equal to the principal of all Passenger Terminal Bonds then outstanding, plus interest on such principal to the due date thereof, less (i) all amounts on deposit in the Construction Fund (to the extent not disbursed or otherwise disbursable as provided herein), the Bond Fund and the Debt Service Fund and (ii) any amount then owing by the Lessee or any Lessee Affiliated Company (as defined in Section 29 (b) (2) of the Lease) to the Port Authority whether or not related to this Lease, the premises or the Airport. The amount of any accelerated Facility Rental paid by the Lessee under Section 87(a)(2) of the Lease shall not be taken into account in determining the amount to be paid by the Port Authority hereunder."

(b) Paragraph (b) of said Section 82 is hereby deleted and shall have no further force or effect.

(c) Paragraph (c) of said Section 82 shall be deemed redesignated as paragraph "(b)" and shall be amended to read as follows:

> "The term 'Event of Termination for Cause' as used herein shall mean any event described under paragraphs (a)(1) through (a)(12) of Section 30 of the Lease (subject to paragraph (f) of said Section

30), or Sections 26, 54 or 56 of this Lease."

(d) Paragraph (d) of said Section 82 shall be deemed redesignated as paragraph "(c)" and shall be amended by adding the following at the end thereof "or the date of the final maturity of the Passenger Terminal Bonds, whichever occurs later."

(e) Paragraph (e) of said Section 82 of the Lease shall be deemed redesignated as paragraph "(d)", and the references to Sections "27" and "31" of the Lease in said paragraph (e) shall be deemed deleted therefrom and the reference to "subparagraph (e)" on the tenth line of paragraph (e) thereof shall be changed to read "(c)".

(f) Paragraph (f) of said Section 82 of the Lease shall be deemed redesignated as paragraph "(e)".

19. Wherever the words "Non-Exclusive Areas" appear in Exhibit CSL of the Lease the same shall be deemed corrected to read "Common Areas".

20. The rental designated as "Facility Rental" in Section 5 of the Lease, as such term is set forth in the second line of Section 5 and in Paragraph (C) of Section 5, is hereby redesignated as "Extra Land Rental" and, accordingly the following amendments shall be deemed made to the Lease (as the same exists prior to this Supplement No. 1):

(a) Wherever the term "Facility Rental" appears in said Section 5 and elsewhere in the Lease the same shall be deemed amended to read "Extra Land Rental."

(b) Wherever the term "Monthly Facility Rental Factor" appears in said Section 5 and elsewhere in the Lease the same shall be deemed amended to read "Monthly Extra Land Rental Factor."

(c) Wherever the term "Facility Rental Commencement Date" appears in said Section 5 and elsewhere in the Lease the same shall be deemed amended to read "Extra Land Rental Commencement Date."

(d) Wherever the term "Facility Rental Period" appears in said Section 5 and elsewhere in the Lease the same shall be deemed amended to read "Extra Land Rental Period."

21. (a) Section 85 of the Lease is hereby redesignated as "Section 89", and the number "85" appearing in the second line thereof shall be deemed changed to read "89".

(b) There shall be deemed inserted immediately preceding the redesignated Section 89 the following new Sections

85, 86, 87 and 88:

"Section 85. Project Financing

(a) The Lessee's obligations under Section 2 hereof shall not be or be deemed subject to or conditioned upon the effectuation of the financing arrangement (as hereinafter defined), and the Port Authority shall have no obligations with respect to the sale of the Passenger Terminal Bonds (as hereinafter defined) unless and until it shall have accepted an offer to purchase such Passenger Terminal Bonds by execution of a contract of purchase with the proposed purchaser thereof, in which event the Port Authority obligations with respect to the sale of the Passenger Terminal Bonds shall be as set forth in such contract of purchase.

(b) (1) The Lessee agrees that it shall promptly execute and deliver to the Port Authority all consents, agreements, statements and other documents as may be deemed necessary or desirable from time to time by the Port Authority in connection with the preparation, sale and delivery of the Passenger Terminal Bonds, and the Lessee shall cause such other representations, opinions, statements, documents, agreements, consents and approvals associated therewith to be provided as also may be deemed necessary or desirable from time to time by the Port Authority.

(2) It is understood and agreed that the purchasers of the Passenger Terminal Bonds on original issuance (including any member of an underwriting group or syndicate participating with such purchasers) shall be subject to the approval of the Port Authority. Any contract of purchase to be entered into by the Port Authority shall only be entered into upon the prior request and the consent of the Lessee to such contract.

(3) Nothing contained herein shall or shall be deemed to limit, in any way, the right and discretion of the Board of Commissioners, a committee thereof or any authorized officer of the Port Authority to take any action or fail to take any action in connection with the Passenger Terminal Bonds, as it may desire, provided that such action is not inconsistent with the Resolutions (as hereinafter defined) or any such contract of purchase.

(4) Debt Service (as defined in the Special Project Bond Series Resolution) shall be payable by the Port Authority solely and only to the extent of and from the Facility Rental and the accelerated Facility Rental actually paid hereunder by the Lessee as provided in Section 87 hereof and any amounts in the Construction Fund (to the extent not otherwise disbursed or disbursable), the Bond Fund and the

Debt Service Fund, if any, all to the extent set forth in the Resolutions and the Trust Indenture (as hereinafter defined), and the Port Authority shall have no other obligations, either legal, equitable or moral, to pay Debt Service.

(5) As a condition to the sale of the Passenger Terminal Bonds, among other items, the Lessee shall, subject to the terms of this Lease, execute a Personal Property Security Interest (as hereinafter defined) and a Trust Administration Agreement (as hereinafter defined).

(c) (1) Pursuant to and in accordance with the Resolutions, the Port Authority shall establish the following funds, accounts and sub-accounts for and in connection with the Passenger Terminal Bonds. Such funds (including all accounts and sub-accounts therein established) shall be administered by the Trustee in accordance with the provisions of this Lease, the Resolutions, the Trust Indenture and the Trust Administration Agreement.

(2) The Port Authority shall establish a special trust fund for and in connection with the Passenger Terminal Bonds, which shall be known as the 'Special Project Bonds, Series 2, Continental Airlines, Inc. and Eastern Air Lines, Inc. Project Construction Fund' (hereinafter called the 'Construction Fund'). As provided in the Trust Indenture and the Trust Administration Agreement, upon the sale of the Passenger Terminal Bonds, the Trustee shall (i) deposit into the Construction Fund the proceeds of such sale when received (except for any accrued interest required to be deposited into the Bond Fund (as hereinafter defined) and any portion of such proceeds required to be deposited into the Debt Service Fund (as hereinafter defined)) and all other monies required to be paid thereto in accordance with this Lease, the Resolutions, the Trust Indenture and the Trust Administration Agreement, (ii) disburse from the Construction Fund and pay to the Port Authority the amount of the Port Authority Bond Expenses (as hereinafter defined) set forth in the second sentence of Section 85 (e) of the Lease and (iii) hold and disburse the balance of said Construction Fund for those elements of the Project (as hereinafter defined) listed on Schedule I attached hereto, in the manner provided in the Trust Indenture and the Trust Administration Agreement. Except with respect to the disbursement set forth in clause (ii) of the immediately preceding sentence, each disbursement from the Construction Fund shall be made only upon receipt by the Trustee of a written certificate substantially in the form attached hereto as Schedule J, signed by an Authorized Company Representative (as hereinafter defined), which certificate, among other matters, shall specify which element of the Project such disbursement is attributable to. The Lessee shall provide a copy of each such certificate to the Port Authority at the time the Lessee transmits such certificate to the Trustee.

(3) The Port Authority shall establish a special trust fund for and in connection with the Passenger Terminal Bonds, which shall be known as the 'Special Project Bonds, Series 2, Continental Airlines, Inc. and Eastern Air Lines, Inc. Project Bond Fund' (hereinafter called the 'Bond Fund'). The Bond Fund shall be held and disbursed by the Trustee for the payment of Debt Service, all in accordance with and pursuant to this Lease, the Trust Indenture and the Trust Administration Agreement, and the Resolutions. The Trust Administration Agreement shall provide that if on the day immediately preceding any date for the payment of Debt Service the amount on deposit in the Bond Fund is not sufficient to pay Debt Service then to be due and payable to Bondholders on such payment date, the Trustee shall transfer from the Debt Service Fund for deposit into the Bond Fund an amount which is sufficient, together with any other monies which may be available therefor in the Bond Fund, to make such payment of Debt Service.

(4) In accordance with the Special Project Bond Series Resolution and Trust Indenture, and subject to provision by the Lessee of appropriate documentation with respect to the determination of the Minimum Debt Service Fund Balance (as hereinafter defined), the Port Authority shall establish a special trust fund for and in connection with the Passenger Terminal Bonds, to be known as the 'Special Project Bonds, Series 2, Continental Airlines, Inc. and Eastern Air Lines, Inc. Project Debt Service Fund' (hereinafter called the 'Debt Service Fund'), to constitute a reserve for the payment of Debt Service. An amount (hereinafter called the "Minimum Debt Service Fund Balance"), which shall be determined pursuant to the Special Project Bond Series Resolution, shall be deposited to the Debt Service Fund from the proceeds received from the sale of the Passenger Terminal Bonds. The Debt Service Fund shall be maintained in an amount equal to the Minimum Debt Service Fund Balance and shall be disbursed by the Trustee to the Bond Fund, as appropriate, solely for the purpose of paying Debt Service on the Passenger Terminal Bonds, all in accordance with the Resolutions, this Lease, the Trust Indenture and the Trust Administration Agreement.

In accordance with the foregoing and the Trust Administration Agreement, the Lessee shall make all payments required to maintain the Minimum Debt Service Fund Balance directly to the Trustee for deposit to the Debt Service Fund. The Trust Administration Agreement shall also provide that if, as of the last business day of any bond year or as of a date upon which there is a transfer from the Debt Service Fund to the Bond Fund, the amount on deposit in the Debt Service Fund shall be less than the Minimum Debt Service Fund Balance, the Trustee shall immediately notify the Lessee

and the Port Authority of any such deficiency in the Debt Service Fund and, on or before the fifth business day following the delivery of notice of such deficiency, the Lessee shall pay directly to the Trustee for deposit into the Debt Service Fund the amount of such deficiency.

(5) The Port Authority may establish all necessary or appropriate funds, accounts and sub-accounts, to be held and administered by the Trustee, for purposes of or in connection with the receipt of monies to be paid by the Lessee under or pursuant to this Lease to effectuate any payments to be made to the United States of America under Section 148(f) of the Internal Revenue Code of 1986, as amended, or successor provisions of law, and the regulations thereunder, as such Section and regulations may be applicable to the Passenger Terminal Bonds. Any such funds, accounts and sub-accounts and the amounts deposited therein shall not be subject to any mortgage, pledge, security interest or assignment to the Trustee in favor of the holders of the Passenger Terminal Bonds or otherwise be deemed to be a part of the Trust Estate (as defined in the Trust Indenture) or be available for the payment of Debt Service.

(d) (1) The term 'Passenger Terminal Bonds' as used herein shall mean individually and collectively the bonds of the series established and authorized to be issued by the Special Project Bond Series Resolution.

(2) The term 'Special Project Bonds' as used herein shall mean bonds of the issue established by the Special Project Bond Resolution.

(3) The terms 'Bondholder' or 'Bondholders' as used herein shall mean and include the holder or holders, individually and collectively, of the Passenger Terminal Bonds and the term 'Trustee' as used herein shall mean the single trustee, fiduciary or other representative of the Bondholders appointed by the Port Authority from time to time in conformity with the Resolutions to serve as trustee under the Trust Indenture. The Trustee shall represent and act for and on behalf of the Bondholders in connection with the Passenger Terminal Bonds, the Leasehold Mortgage (as hereinafter defined), the Personal Property Security Interest, the Trust Indenture and the Trust Administration Agreement. Whenever the Trustee takes or purports to take action of any kind pursuant to or under the Passenger Terminal Bonds, this Lease, the Trust Indenture, the Trust Administration Agreement, the Resolutions, the Leasehold Mortgage or the Personal Property Security Interest, the Port Authority may rely upon the action taken by the Trustee without obtaining evidence of the authority of the Trustee to so act or evidence of consents of the Bondholders or any of them. The Lessee shall advise the Port Authority of an

acceptable bank or trust company which meets the qualifications to act as Trustee, as set forth in the Resolutions.

(4) The term 'Port Authority Bond Expenses' as used herein shall mean: (aa) all costs and expenses incurred by the Port Authority for, relating to or in connection with the activities of the Port Authority relating in any way to the financing arrangement incurred from time to time during the term of this Lease which shall be determined in accordance with the Port Authority's normal accounting practice and shall consist of the following: (i) the fees and disbursements of special counsel, if any, retained by the Port Authority and of any other counsel retained by such special counsel on behalf of the Port Authority for their services rendered in connection with the financing arrangement, (ii) all printing costs and expenses in connection with the financing arrangement, (iii) all stamp and other taxes, if any, including any interest, penalties, fees, costs and other charges thereon, payable in connection with the financing arrangement, (iv) all costs of filing, registering or recording of any instruments, (v) all payments made by the Port Authority to the Trustee, the Paying Agent and the Registrar, if any, in accordance with the Trust Indenture, the Paying Agent's Agreement, the Registrar's Agreement, if any, and the Resolutions, (vi) any other direct costs of the Port Authority charged under the Port Authority's normal accounting practice with respect to the financing arrangement, (vii) any and all costs, expenses or other charges of the types set forth in items (i) through (vi) hereof for and in connection with any modification or amendment, waiver, consent or other action that may be taken affecting the financing arrangement; and (bb) all cost and expenses attributable to, and any payments to be made to, the United States of America under Section 148(f) of the Internal Revenue Code of 1986, as amended, or successor provisions of law, and the regulations thereunder, as such Section and regulations may be applicable to the Passenger Terminal Bonds.

(5) The term 'the financing arrangement' as used herein shall mean the transaction contemplated and described in Sections 85, 86 and 87 hereof.

(6) The term 'Special Project Bond Resolution' as used herein shall mean the resolution of the Port Authority adopted on June 9, 1983 authorizing an issue of Special Project Bonds including any amendments, modifications or supplements thereto.

(7) The term 'Special Project Bond Series Resolution' as used herein shall mean the resolution of the Port Authority adopted on December 14, 1989, establishing and

authorizing the issuance of the Passenger Terminal Bonds, including any amendments, modifications or supplements thereto.

(8) The term 'Resolutions' as used herein shall mean collectively the Special Project Bond Resolution and the Special Project Bond Series Resolution.

(9) The term 'Trust Administration Agreement' as used herein shall mean the separate agreement between the Trustee and the Lessee, with respect to the use, investment and disposition of the proceeds of, and other actions to be taken in connection with, the Passenger Terminal Bonds, substantially in the form attached hereto as Schedule K.

(10) The term 'Trust Indenture' as used herein shall mean the separate agreement between the Trustee and the Port Authority specifying the rights, responsibilities and duties of the Trustee and providing for the mortgage, pledge and assignment by the Authority of the Trust Estate.

(11) The term 'Paying Agent' as used herein shall mean the person or entity appointed by the Port Authority to act as 'Paying Agent' in connection with the Passenger Terminal Bonds and the term "Paying Agent's Agreement" shall mean the separate agreement appointing the Paying Agent and specifying the rights, responsibilities and duties of such appointee in accordance with the Resolutions. The Lessee shall advise the Port Authority of an acceptable bank or trust company which meets the qualifications to act as Paying Agent, as set forth in the Resolutions.

(12) The term 'Registrar' as used herein shall mean the person or entity appointed by the Port Authority to act as 'Registrar' in connection with the Passenger Terminal Bonds and the term 'Registrar's Agreement' shall mean the separate agreement appointing the Registrar and specifying the rights, responsibilities and duties of such appointee in accordance with the Resolutions. The Lessee shall advise the Port Authority of an acceptable bank or trust company which meets the qualifications to act as Registrar, as set forth in the Resolutions.

(13) The term 'Personal Property Security Interest' as used herein shall mean the security interest granted by the Lessee to the Port Authority, and mortgaged by the Port Authority in favor of the Trustee, in certain items of personal property of the Lessee located or to be located at the premises, from time to time, and listed on schedules attached or to be attached to the Personal Property Security Interest.

(14) The term 'Leasehold Mortgage' as used herein shall mean the mortgage granted by the Lessee in accordance with the provisions of the Lease in favor of the Trustee of the Lessee's leasehold interest hereunder.

(15) The term 'Authorized Company Representative' as used herein shall mean any officer, agent, employee of the Lessee or other individual, in each case designated from time to time to act on behalf of the Lessee in connection with the financing arrangement contemplated by this Section by a certificate filed with the Port Authority and the Trustee containing the specimen signature of each such person and signed by Eastern Air Lines, Inc. and Continental Airlines, Inc., such designation to continue in full force and effect until revoked by Eastern Air Lines, Inc. and Continental Airlines, Inc. by certificate to such effect filed with the Port Authority and the Trustee.

(16) The term 'Project' as used herein shall mean the buildings, structures and other improvements in connection with a new passenger terminal to be located at LaGuardia Airport and covered by this Lease, including the equipment permanently affixed thereto or permanently located therein, including but not limited to 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, located or to be located or constructed or to be constructed in connection with this Lease by or on behalf of the Lessee, or necessary or convenient in connection therewith, the costs of which, including any costs or reserves related to the financing, construction or installation thereof or in connection with the issuance of the Passenger Terminal Bonds, are to be financed through the issuance of the Passenger Terminal Bonds.

(17) The term 'Project Costs' as used herein shall mean the costs for or in connection with the construction and financing of the Project by or on behalf of the Lessee, and all costs and reserves associated with the implementation of the financing arrangement.

(e) The Lessee shall promptly pay to the Port Authority on demand of the Port Authority given at any time and from time to time the Port Authority Bond Expenses, incurred as of the date of demand, except to the extent that the Port Authority Bond Expenses are paid by the Trustee in accordance with Section 85 (c)(2) of the Lease. As of the date of this Supplement No. 1 to the Lease, the Lessee agrees

that the Port Authority Bond Expenses are Four Hundred Thousand Dollars and No Cents ($400,000.00). At all times hereunder the Lessee shall have the right to pay directly to the Trustee and the Paying Agent and the Registrar, and not to the Port Authority, all payments required to be made to the Trustee, the Paying Agent and the Registrar, in accordance with the Trust Indenture, the Trust Administration Agreement, the Paying Agent's Agreement and the Registrar's Agreement.

(f) (1) Without limiting the provisions of Section 85 (e) of the Lease, the Lessee shall indemnify and hold the Port Authority, its Commissioners, officers, agents and employees free and harmless from and will pay and discharge or cause to be paid and discharged from time to time, when the same shall become due and payable, together with interest and penalties thereon, if any, all taxes, assessments, levies, fees and other governmental charges (including without limitation those arising under Section 148 (f) of the Internal Revenue Code of 1986, as amended), general and special, ordinary and extraordinary and whether or not within the contemplation of the parties hereto, which are at any time levied upon, assessed against, or applicable by application of law to the Port Authority or the Passenger Terminal Bonds, or applicable, as a result of the election of the Port Authority, to the Port Authority or the Passenger Terminal Bonds, arising out of, in connection with or relating to the financing arrangement. Furthermore, the Lessee shall indemnify and hold the Port Authority, its Commissioners, officers, agents and employees free and harmless from any actions, claims, demands and proceedings arising out of, in connection with or relating to the financing arrangement. Upon demand made at any time and from time to time the Lessee shall pay to the Port Authority such legal expenses in connection with the foregoing as may be incurred by the Port Authority, including for services rendered by the Port Authority's Law Department. If so directed by the Port Authority the Lessee shall at its own expense defend against any such taxes, assessments, levies, fees, or other governmental charges, actions, claims, demands or proceedings. The Port Authority within ten business days after receipt of notice of any such taxes, assessments, levies, fees, other governmental charges, actions, claims, demands or proceedings will notify the Lessee in regard thereof; the Lessee will have the right to investigate, compromise and defend any of the foregoing, subject to the provisions of Section 85 (f) (2) and (3) of this Lease in reference to any of the foregoing; and the Port Authority and the Lessee will cooperate in regard thereto, and the Port Authority and the Lessee shall at all times keep each other advised of the status thereof.

(2) The Lessee shall not, without obtaining

express advance approval of the General Counsel of the Port Authority, raise or take any action concerning any issues involving in any way the jurisdiction of any tribunal over the person of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, and the provisions of any statutes respecting suits against the Port Authority or the immunity from taxes of the Port Authority or its obligations. Regardless of whether any action, claim, demand or proceeding in which such issue is raised or is proposed to be raised is defended on behalf of the Port Authority by the Lessee or by the Port Authority itself, or by both, no action with respect to such issue and no settlement thereof proposed by the Lessee, shall be taken or effected without the prior consent of the General Counsel of the Port Authority to each such action or settlement.

(3) Subject to the foregoing provisions, but with respect to any action, claim, demand or proceeding where the issues set forth in Section 85 (f) (2) of the Lease have not been raised or proposed by the Lessee, whether at commencement or during the pendency of such proceeding, including all appeals therefrom, the Lessee shall have full and complete control of the defense against any such action, claim, demand or proceeding including all appeals therefrom. The Lessee agrees that it shall raise such defenses in any such action, claim, demand or proceeding, or appeal therefrom, as the General Counsel of the Port Authority may request in addition to those as may be raised by the Lessee.

(g) The Lessee agrees that upon the failure of the Lessee to provide sufficient monies for deposit into the Bond Fund to pay Debt Service, when due, or in the event that any of the events set forth in Section 30(a)(1), (2), (3) or (7) of the Lease (subject to paragraph (f) of said Section 30) shall occur, then to the extent set forth in the Trust Indenture, the Trustee shall, by notice in writing given to the Port Authority and the Lessee, declare the principal amount of all Passenger Terminal Bonds then outstanding and the interest accrued thereon to be immediately due and payable, and said principal and interest shall thereupon become immediately due and payable (subject to the Trustee's rights of rescission and annulment set forth in the Trust Indenture and the Special Project Bond Series Resolution), anything contained herein or in the Trust Indenture, the Resolutions or in any of the Passenger Terminal Bonds to the contrary notwithstanding, and the accelerated Facility Rental (as hereinafter defined) shall thereupon become immediately due and payable by the Lessee without other or further notice from the Port Authority. The Trust Administration Agreement shall provide that determination as to whether the Lessee has provided sufficient monies for deposit into the Bond Fund to

pay Debt Service, when due, shall be made by the Trustee on each date for the payment of Debt Service. The Lessee shall be deemed to have provided such monies to the extent that such Debt Service is paid on such date. Upon the acceleration of the payment of the Facility Rental under this Section 85 (g), the Additional Land Rental (as hereinafter defined) shall, at the same time, become immediately due and payable to the Port Authority by the Lessee, without other or further notice from the Port Authority as provided in Section 87 (b) of the Lease. If the Trustee's declaration of acceleration of the Passenger Terminal Bonds is rescinded the acceleration of the Facility Rental and the Additional Land Rental shall be deemed rescinded as well.

(h) Without limiting the generality of Section 85 (e) or Section 85 (f) of the Lease, the Lessee shall pay to the Trustee, the Paying Agent and the Registrar, if any, from time to time reasonable compensation for all services rendered under, and shall reimburse the Trustee, Paying Agent and Registrar, if any, upon their request for all reasonable expenses, disbursements and advances incurred or made by each of them in connection with the exercise or performance of any of their powers or duties under, the Resolutions, the Lease, the Leasehold Mortgage, the Personal Property Security Interest, the Trust Indenture, the Trust Administration Agreement, the Paying Agent's Agreement, and Registrar's Agreement, if any, (including the reasonable compensation and the expenses and disbursements of each of their agents and counsel), and the Lessee shall indemnify the Trustee, the Paying Agent and the Registrar, if any, for, and hold them harmless against, any loss, liability or expense incurred without wilful misconduct, negligence or bad faith on their part, arising out of or in connection with the exercise or performance of each of their powers and duties hereunder and under the Resolutions, the Leasehold Mortgage, the Personal Property Security Interest, the Paying Agent's Agreement, the Trust Indenture, the Trust Administration Agreement and the Registrar's Agreement, if any, including the costs and expenses of any defense against any claim or liability in connection with such exercise or performance.

(i) The Port Authority agrees that without the consent of the Lessee, the Port Authority will not amend either the Special Project Bond Resolution, the Special Project Bond Series Resolution or the Trust Indenture, to the extent any such amendment would have a material or adverse effect on rights or obligations of the Lessee in connection with the Passenger Terminal Bonds. The Port Authority further agrees to give the Lessee 15 days' notice prior to any amendment to the Special Project Bond Resolution, the Special Project Bond Series Resolution or the Trust Indenture.

(j) (1) It is understood that the Port Authority will be issuing the Passenger Terminal Bonds subject to and in accordance with the provisions of Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended, and the regulations thereunder. It is the intention of the parties hereto that the interest on the Passenger Terminal Bonds not be includible, for Federal income tax purposes, in the gross income of the recipients thereof under Section 103(a) of the Internal Revenue Code of 1986, as amended (except for any period that any such Passenger Terminal Bond shall be held by a 'substantial user' or 'related person' of facilities provided from the proceeds of the Passenger Terminal Bonds, within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder) and to that end the Lessee covenants with the Port Authority and the Trustee that the Lessee shall take any and all actions to assure that no portion of the proceeds of the Passenger Terminal Bonds will be used in such a manner, and that the Lessee shall neither take any actions nor fail to take any actions (including to the extent appropriate, under Section 148 (f) of the Internal Revenue Code of 1986, as amended, or successor provisions of law, and the regulations thereunder) as will cause interest on the Passenger Terminal Bonds to be includible, for Federal income tax purposes, in the gross income of the recipients thereof (except as aforesaid) under Section 103(a) of the Internal Revenue Code of 1986, as amended, or successor provisions of law, and the regulations thereunder.

(2) The Lessee agrees that without the consent of the Port Authority the Lessee will not amend the Trust Administration Agreement or the Leasehold Mortgage.

(k) Prior to execution of the Personal Property Security Interest, the Lessee shall obtain all necessary and appropriate consents, if any, including those of Trump Shuttle, Inc., if any, to permit the Lessee to pledge all right, title and interest of each of Continental Airlines and Eastern Air Lines in, to and under the Basic Collateral (as defined in the Personal Property Security Interest), to permit the Trustee to exercise its rights and remedies under the Personal Property Security Interest, and to permit any purchaser of the Basic Collateral to exercise the right, title and interest of Continental Airlines and Eastern Air Lines in, to and under the Basic Collateral, and otherwise to effectuate the transaction contemplated by the Personal Property Security Interest.

(l) In addition to and without limiting any other provisions of the Lease including, but not limited to, Section 34 of the Lease, the obligations of the Lessee under paragraphs (e) and (f) of this Section 85 shall survive the nullification of this Section 85.

Section 86. Leasehold Mortgage

(a) Notwithstanding the provisions of Section 29 hereof and without otherwise limiting the generality thereof, as a condition to the sale of the Passenger Terminal Bonds, the Lessee shall grant a security interest in the form of a single mortgage of all of its leasehold interest hereunder, as provided in the Leasehold Mortgage, which Leasehold Mortgage shall be in the form attached hereto as Schedule L.

(b) (1) Notwithstanding anything contained in the Leasehold Mortgage or any consent or approval of the Port Authority thereto, it is understood and agreed that as among the Lessee, the Bondholders, the Trustee and the Port Authority all rights of the Bondholders and the Trustee under the Leasehold Mortgage shall in all respects be only as specified in, and shall be subject and subordinate to, the terms, covenants, conditions and provisions of this Lease. Notwithstanding any provisions of the Leasehold Mortgage to the contrary, the Lessee shall be deemed to be the tenant under the Lease. The Leasehold Mortgage shall make reference to the provisions of this Lease and shall provide that the Leasehold Mortgage and the rights of the Trustee thereunder are and shall be in all respects subject to the terms and provisions of this Lease.

(2) The Lessee shall have as full and complete control of the operation and use of the premises as if the Leasehold Mortgage had not been executed and delivered, and the Lessee shall have full power and authority to give waivers of, and to consent to variations from, the rights of the Lessee under the Lease, and to negotiate and enter into supplements and amendments to the Lease, and the Port Authority may deal directly with the Lessee in the negotiation and procurement of such waivers, consents, supplements and amendments and in all other matters involving the Lessee under the Lease or the operation and use of the premises, without any consultation with or approval by the Trustee or the Bondholders; provided, however, that no actions or omissions of the Lessee pursuant to this paragraph shall have the effect of (i) terminating or reducing the Lessee's obligations to pay Facility Rental (including accelerated Facility Rental), (ii) terminating or reducing the term of the Lease, (iii) increasing the amount of the annual fixed rentals payable by the Lessee under the Lease, or (iv) terminating or reducing the rights set forth in Section 88 of the Lease, unless as to any of the foregoing the prior written approval of the Trustee shall have been obtained. The Lessee hereby agrees for the benefit of the Trustee, the Bondholders and the Port Authority (without limiting the generality of Section 85 (f) of the Lease) to perform any obligations and to discharge any liabilities of

the Lessee under the Lease which may result from any actions or omissions of the Lessee pursuant to this paragraph to the exoneration of the Port Authority, the Trustee and the Bondholders therefrom, and (without limiting the generality of Section 85 (f) of the Lease) the Lessee further agrees to indemnify and save the Port Authority, the Trustee and the Bondholders harmless from any loss in connection with the Lessee's failure to discharge any such obligation and liability.

(c) So long as the Leasehold Mortgage shall be and remain in effect the Lease shall be deemed amended in the following respects. Upon satisfaction, foreclosure and sale or other termination of the Leasehold Mortgage the Lease shall be read without reference to the amendments under this paragraph (c).

(1) Section 2(d)(14) shall be amended by adding the words 'the Trustee', immediately preceding the words 'the Port Authority' on the seventh line thereof.

(2) Section 18 (a) shall be amended by adding the words 'the Trustee', immediately preceding the words 'the Port Authority' in the second line of the second paragraph thereof.

(d) In the event that pursuant to the terms of Section 26 hereof the Lessee shall sell to the Port Authority and the Port Authority shall purchase from the Lessee so much of the Lessee's leasehold interest in the premises which are taken, such purchase pursuant to Section 26 shall be free and clear of the Leasehold Mortgage and any interest of the Trustee in the Lease and the leasehold. The Lessee and the Port Authority hereby agree that the Port Authority shall pay to the Trustee as the sole and entire consideration for such purchase by the Port Authority, the amount as provided under Section 26. Any amount paid by the Port Authority to the Trustee shall be deposited into the Bond Fund. It is understood that in the event of termination of the Lease or transfer of the Lease based upon condemnation in accordance with Section 26, the Port Authority would accelerate the payment of the Facility Rental and the Lessee would thereby become obligated to pay the accelerated Facility Rental as set forth in Section 87, it being further understood, however, that the Lessee's obligation hereunder to pay the accelerated Facility Rental in such event shall be limited to payment of the difference, if any, between the amount paid by the Port Authority in accordance with Section 26 and the amount of the accelerated Facility Rental, as aforesaid, payable by the Lessee. The Lessee hereby assigns to the Trustee for deposit in the Bond Fund any monies which the Lessee is entitled to retain as a result of a temporary taking pursuant to paragraph (d) of Section 26.

(e) The Lessee shall require the Trustee to send to the Port Authority a copy of each notice of default or notice of delinquency under the Passenger Terminal Bonds or under the Leasehold Mortgage, or both, at the same time as and whenever any such notice of delinquency or default shall have been sent to the Lessee.

(f) (1) Subject to Section 86 (f) (2) hereof, notwithstanding any other term or provision hereof or of the Leasehold Mortgage, no person, corporation or other legal entity other than a Scheduled Aircraft Operator as described in Paragraph (t) of Section 78 hereof shall be or be entitled to become the owner of, or acquire any interest in this Lease as the purchaser pursuant to a judgment of foreclosure and sale of the Leasehold Mortgage or otherwise, and as to such Scheduled Aircraft Operator only if it executes and delivers the assumption instrument in accordance with the provisions of Section 29(a) hereof. The foregoing provision is of the essence of this Lease and the Leasehold Mortgage and it is only upon this basis that the Port Authority has agreed to consent to the Leasehold Mortgage.

(2) Nothing herein shall be deemed to preclude the Port Authority from bidding for or from becoming the owner of this Lease and the leasehold free from any claims, equities or rights of redemption of the Lessee, the Bondholders and the Trustee and the Port Authority shall have the right to bid for this Lease and the leasehold at any sale, public or private whether held pursuant to a judgment of foreclosure or otherwise.

(3) Without limiting any other provisions of the Lease, if a purchaser at a foreclosure sale shall acquire title to the leasehold and this Lease, such purchaser shall not assign, sell or transfer the leasehold or this Lease without the prior consent of the Port Authority.

(g) (1) The Port Authority shall send to the Trustee a copy of each notice of default required to be given under paragraph (a) of Section 30 (subject to paragraph (f) of said Section 30), paragraph (c) of Section 54 and paragraph (d) of Section 56 of the Lease at the same time as and whenever any such notice of default shall have been sent to the Lessee. In addition the Port Authority agrees to send to the Trustee, at least ten (10) days prior to service of a notice of termination of the Lease on the Lessee, a notice of the Port Authority's intention to terminate the Lease under subparagraphs (1), (2), (3), (4), (6), (7), (8) and (12) of paragraph (a) of Section 30 of the Lease, subject to paragraph (f) of said Section 30 (events of default which require no notice of default under the Lease). No such notice of default under the Lease or notice of termination

under the Lease shall be deemed to have been validly given by the Port Authority to the Lessee unless and until, as to any such notice of default, a copy thereof shall have been given to the Trustee as aforesaid and as to any such notice of termination unless and until a notice of intention to terminate shall have been given to the Trustee as aforesaid.

(2) If, after service of any such notice of default (and the default has not been cured under the provisions of the Lease) or after the service of any such notice of intention to terminate, as provided in subparagraph (1) hereof, the Port Authority shall elect to terminate the letting under Section 30, Section 54 or Section 56 of the Lease then at the time of service of a notice of termination upon the Lessee, the Port Authority shall give written notice thereof to the Trustee. The Trustee shall have the right to extend the effective date of termination specified in any such notice for a period not to exceed sixty (60) days, provided the Trustee shall give notice of such extension to the Port Authority on or prior to the effective date of termination and shall simultaneously with the giving of such notice to the Port Authority cure or arrange to the satisfaction of the Port Authority for the curing of all such defaults except those set forth in subparagraphs (1), (2), (3), (4), (6), (7) and (8) of Section 30(a) of the Lease (subject to paragraph (f) of said Section 30) and those which by their nature can only be cured by a Scheduled Aircraft Operator.

At the end of such sixty (60) day period the Port Authority shall be entitled to proceed to effect termination of the letting under this Lease, unless within such time the Trustee shall have given the Port Authority notice of its intention to foreclose the Leasehold Mortgage. During such sixty (60) day period and, during any further period up to the foreclosure and sale of the Lease, the Trustee for the purposes of protecting and preserving its security under the Leasehold Mortgage shall assume the performance of all of the Lessee's obligations under the Lease as though it were the Lessee hereunder and shall pay all the rentals (but not including the Facility Rental and Additional Land Rental; provided, however, that nothing contained herein shall relieve the Lessee from making payments of Facility Rental and Additional Land Rental during any such period), fees and charges then due or to become due to the Port Authority during said period under the Lease.

(h) (1) If, in the event this Lease is terminated by reason of the occurrence of any event of default specified in Section 30(a) (subject to paragraph (f) of said Section 30), Section 54(c) or Section 56(d) hereof, or in the event the Lease shall expire after the refusal of the Lessee to execute an extension agreement offered to the Lessee by the

Port Authority, the Port Authority, within thirty (30) days after (i) the effective date of such termination or (ii) the effective date of a notice of such expiration to the Trustee by the Port Authority receives notice from the Trustee that the Trustee requests a new lease of the premises (hereinafter called the 'New Lease'), and naming as proposed tenant thereof a Scheduled Aircraft Operator, as described in paragraph (t) of Section 78 hereof (hereinafter called the 'New Lessee'), the Port Authority, shall, within thirty (30) days following its receipt of such request or within ten (10) days following the expiration of such longer period during which any decree or order of any court having jurisdiction over the Lessee shall have the effect of preventing the Port Authority, as Lessor, from executing or delivering the New Lease, prepare and deliver to the New Lessee, a New Lease, the provisions of which shall be substantially the same as those of the Lease (excluding Sections 85, 86 and 87 hereof) except for the commencement date thereof but with the same expiration date, provided, that such notice from the Trustee shall not be effective unless accompanied by payment of a sum of money equal to any and all sums, fees, charges and rentals (but not including the Facility Rental and Additional Land Rental) which had been due and payable by the Lessee to the Port Authority as of the date of termination. In the event the Trustee for and on behalf of the New Lessee shall not deliver an executed copy of such New Lease to the Port Authority within thirty (30) days of its receipt thereof together with a sum of money equal to all sums, fees and charges, including rentals (but not including the Facility Rental and Additional Land Rental) which, but for such termination, would have become due and payable under this Lease up to and including the date of the commencement of the term of the New Lease, and all expenses, including reasonable attorney's fees, incidental to the preparation, printing, execution, delivery and recording of the New Lease, the Trustee shall have no further rights or interest in or to the premises and the New Lease shall be deemed null and void and of no further force and effect except that the Trustee shall on demand return all copies thereof to the Port Authority. The granting of a New Lease to the New Lessee shall not affect the survival of the Lessee's obligations as provided in Section 34 and Section 85 (k) of the Lease.

(2) In the event of termination of this Lease and the execution and delivery of a New Lease to the Trustee for and on behalf of the New Lessee pursuant to this paragraph and the Leasehold Mortgage, nothing contained in this Lease or the Leasehold Mortgage shall be deemed to impose any obligation on the part of the Port Authority to deliver physical possession of the premises to the New Lessee. The Port Authority agrees, however, that the Port Authority will, at the sole cost and expense of the Trustee, cooperate in the prosecution of summary proceedings to evict

the Lessee in the event of such termination.

(i) (1) If the Lessee defaults under this Lease and fails to cure the same within the time allotted therefor, if any, then the Lessee directs that the Port Authority accept and permit, and the Port Authority agrees to accept and permit the curing of any default under the Lease by the Trustee as if and with the same force and effect as though cured by the Lessee; provided, however, the curing of any such default by the Trustee shall not be deemed to cure any default by the Lessee under the Leasehold Mortgage.

(2) Notwithstanding any other term or provision of the Lease and without limiting the generality hereof, the Lessee agrees that at all times hereunder, including any period where the Trustee has stayed the effectiveness of a Port Authority notice of termination as set forth in paragraph (g) of this Section 86, the Port Authority shall have the right to terminate this Lease and the term of the letting hereunder for any and all events of default set forth in Section 30(a) (subject to paragraph (f) of said Section 30), Section 54(c) and Section 56(d) of the Lease, including the failure to pay rentals, charges and fees, except that during any period where the Trustee has stayed the effectiveness of a Port Authority notice of termination as aforesaid the Port Authority shall not terminate the Lease for those events of default set forth in subparagraphs (1), (2), (3), (4), (6), (7) and (8) of paragraph (a) of Section 30 of the Lease (subject to paragraph (f) of said Section 30) and those which by their nature can only be cured by a Scheduled Aircraft Operator, provided the Trustee is at all times complying with the provisions of Section 86 (g) (2) of the Lease and the Leasehold Mortgage.

(j) No sale, transfer or assignment by the Lessee of its interest in this Lease to the Port Authority shall create a merger between the estates of the Port Authority and the Lessee unless the Port Authority, the Lessee and the Trustee shall specifically consent to such merger in writing, nor shall any such sale, transfer or assignment be deemed to affect or diminish the liabilities of the Lessee named in this Lease, whether for survived damages or otherwise.

(k) The Port Authority and the Lessee hereby agree that any transferee, assignee or purchaser of the Lessee's interest in this Lease, or any New Lessee under this Section 86 or the Leasehold Mortgage, shall be required by the Trustee to assume the rights and obligations of the Lessee under the Sublease, the Gate Permit, and the Sharing Agreement, each made between the Lessee and Trump Shuttle, Inc., and each dated as of June 2, 1989, and the Consent to Permit Agreement, the Consent to Sublease Agreement, and the

Consent to Facilities Sharing Agreement, each made among the Port Authority, the Lessee and Trump Shuttle, Inc., and each dated as of June 2, 1989.

Section 87. Additional Rental Obligations

In addition to all other rentals, fees and charges payable by the Lessee under the Lease including but not limited to the rentals set forth in Section 5 of the Lease, for the period commencing on the first day of the month following the month in which the sale of all or any portion of the Passenger Terminal Bonds takes place, and if such sale takes place on the first day of a month then as of said date, and ending on the date of maturity, retirement, redemption or refunding of all of the Passenger Terminal Bonds, the Lessee agrees to pay the Facility Rental and the Additional Land Rental (as each is hereinafter defined) to the Port Authority, as follows:

(a) (1) The Lessee shall pay a rental (herein called the 'Facility Rental') which Facility Rental shall be in an amount which is sufficient, together with any other monies which may be available therefor in the Bond Fund, to pay the debt service on the Passenger Terminal Bonds. The Facility Rental shall be payable in installments with each installment to be in an amount which together with any other monies which may be available therefor in the Bond Fund, is equal to the amount of Debt Service then to be due and payable to Bondholders; such amount to be payable five (5) days prior to the payment date as provided in the Resolutions, the Trust Indenture and the Trust Administration Agreement.

(2) In the event the Lease expires, or in the event the Lease is terminated or cancelled by the Port Authority regardless of the reason therefor, or in the event the Lease is terminated by the Lessee pursuant to Section 48 hereof, or in the event the Trustee shall declare all outstanding Passenger Terminal Bonds to be immediately due and payable as provided in paragraph (g) of Section 85 hereof, then in any such event the Facility Rental shall be accelerated and the Lessee shall, in lieu of the Facility Rental heretofore provided, pay an amount (herein called the 'accelerated Facility Rental') in the aggregate sufficient, together with any other monies which may be available therefor in the Bond Fund, the Construction Fund (to the extent not disbursed or disbursable as provided herein) and the Debt Service Fund, to retire all of the outstanding Passenger Terminal Bonds, including accrued and unpaid interest and the premium or premiums, if any, and any other fees, charges, costs and expenses in connection with the Passenger Terminal Bonds then due and owing or incurred or

paid or to be incurred or paid or to become due and owing as a result of the retirement thereof; provided, however, if the Trustee's declaration of acceleration of the Passenger Terminal Bonds shall be rescinded the acceleration of the Facility Rental and the Additional Land Rental shall be deemed rescinded as well.

(b) The Lessee shall pay a rental (hereinafter called the 'Additional Land Rental') in an amount equal to ten percent (10%) of the sum of (i) the amount of the Facility Rental paid by the Lessee, (ii) any amounts paid or transferred by the Trustee from the Debt Service Fund to the Bond Fund, (iii) any amounts paid by Continental Airlines or Eastern Airlines to the Trustee for deposit to the Bond Fund as set forth in paragraph (e) of this Section 87, and (iv) the amount of the accelerated Facility Rental as set forth in paragraph (a) (2) of this Section 87. The Additional Land Rental, as to the amounts set forth in (i), (ii) and (iii) above, shall be payable in installments, each of which shall be due and payable to the Port Authority at the same time as each such amount is due and payable hereunder and each such installment shall be in an amount equal to ten percent (10%) of the respective amounts set forth in (i), (ii) and (iii) above, and as to the amount set forth in (iv) above, shall be payable in a lump sum at the same time as the accelerated Facility Rental is due and payable and shall be in an amount equal to ten percent (10%) of the amount set forth in (iv) above.

(c) The Port Authority shall irrevocably mortgage, assign and set over to the Trustee for the benefit of the Bondholders all of the Port Authority's right, title and interest in and to the Facility Rental and the accelerated Facility Rental and all payments of the Facility Rental and the accelerated Facility Rental shall be paid directly by the Lessee to the Trustee.

(d) Notwithstanding any other provision of this Lease, or otherwise, neither the Facility Rental nor the accelerated Facility Rental shall be subject to abatement, suspension, set-off or defense for any reason whatsoever. Without limiting the preceding, nothing contained in this paragraph shall be construed to release the Port Authority from the performance of any of the agreements on its part contained in this Lease.

(e) Notwithstanding the obligation of the Lessee to pay the Facility Rental hereunder as part of the rental obligations of the Lessee hereunder, Continental Airlines and Eastern Airlines, jointly and severally, hereby agree, as a separate, independent and severable covenant, that in the event of the Lessee's failure to make any payment of Facility Rental when due, upon demand by the Trustee, Continental

Airlines and Eastern Airlines, jointly and severally, shall pay to the Trustee, by no later than 4:00 p.m., New York City time, on the day immediately preceding any date for the payment of Debt Service, for deposit into the Bond Fund, an amount which is sufficient, together with any other monies which may be available therefor in the Bond Fund, to pay Debt Service then to be due and payable to Bondholders.

(f) The Facility Rental and the accelerated Facility Rental have not been incorporated in the provisions of Section 34 of the Lease setting forth the damages of the Port Authority in the event of termination or cancellation of the Lease or the re-entry, regaining or resumption of possession by the Port Authority as therein set forth. In lieu thereof it is hereby expressly understood and agreed that the provisions of paragraph (d) hereof including the Lessee's obligations to pay the Facility Rental and the accelerated Facility Rental as stated therein shall be in effect. If, however, these provisions are not given full and complete effect by any court of competent jurisdiction, then and at the election of the Port Authority and if not otherwise paid, all unpaid installments of Facility Rental and accelerated Facility Rental shall be and be deemed to be a part of the damages of the Port Authority under Section 34 of the Lease and all of the provisions of said Section 34 shall apply and pertain thereto.

(g) In the event the Trustee shall receive a payment of Facility Rental or accelerated Facility Rental from the Lessee which is insufficient in amount, the Lessee agrees that the Trustee shall apply said payment of Facility Rental, equally and ratably, first to interest and then to unpaid principal on the Passenger Terminal Bonds and favoring none more than another.

Section 88. Annual Extension of the Lease Term

(a) The Port Authority agrees that during the period commencing on the dated date of the Passenger Terminal Bonds and ending on the earlier of (i) the day preceding the seventh anniversary of the Completion Date as set forth in Section 2 (j) (2) of the Lease, (ii) December 31, 1998, and (iii) the date on which the Passenger Terminal Bonds shall no longer be or be deemed to be outstanding, the Port Authority will offer to the Lessee an extension agreement (and provide a copy thereof to the Trustee) extending the term of the month-to-month tenancy under the Lease for a one year period commencing on January 1 of each year, which extension agreement may contain: (i) amendments and supplements to the provisions of the Lease including but not limited to increases in the Base Rental and the Deferred Base Rental then payable under the Lease, provided, however, that the same shall not constitute an objectionable feature as defined

in paragraph (a) of Section 82 of the Lease; and (ii) such other amendments and supplements to the provisions of the Lease as may be uniquely appropriate to the premises under the Lease or to the Lessee, provided the same would not unreasonably interfere with the operations of the Lessee on the premises or materially adversely affect the value of the Lessee's interest in the premises.

(b) Upon the failure or refusal of the Lessee to execute and deliver to the Port Authority a copy of any extension agreement including but not limited to an extension agreement offered under paragraph (a) above, within ten (10) days after delivery thereof to the Lessee by the Port Authority, or prior to the expiration date then included in the Lease as the same may have been previously extended from time to time, whichever shall be the later to occur, the Lease and the term of the letting thereunder shall cease and expire. During the period that the Passenger Terminal Bonds shall be outstanding upon (i) execution of any extension agreement by the Lessee and delivery thereof to the Port Authority or (ii) the failure of the Lessee to respond to any extension agreement within ten (10) days after delivery to the Lessee, the Lease shall be deemed extended in accordance therewith.

(c) Without limiting any other term or provision of the Lease, in the event the Lease and the term of the letting thereunder shall cease and expire because of the refusal of the Lessee to execute an extension agreement tendered to the Lessee by the Port Authority in accordance with the provisions of this Section 88 of the Lease or otherwise, the Port Authority shall have no obligation or liability with respect to the payment to the Lessee or to any other person of any amounts attributable to any unamortized capital investment (as defined in Section 78 (w) hereof) of the Lessee in the premises or to the financing arrangement.

(d) The Port Authority shall give the Trustee notice of any refusal of the Lessee to execute an extension agreement offered to the Lessee by the Port Authority in accordance with the provisions of this Section 88 or otherwise.

(e) Upon the retirement, redemption, refunding, discharge, satisfaction or other payment of the Passenger Terminal Bonds this Section 88 shall be deemed deleted from the Lease and shall be null, void and of no further force or effect."

22. (a) Attached hereto as Exhibit Y-1 is a form of irrevocable election to be made in accordance with Section 142(b)(1)(B)(i) of the Internal Revenue Code of 1986, as amended. The Lessee acknowledges that two counterparts of said

form of election have been delivered to it by the Port Authority. Upon the execution of this Agreement by the Lessee and its delivery to the Port Authority, the Lessee shall execute the said two counterparts and deliver one fully executed counterpart to the Port Authority with its delivery of this Agreement, and the Lessee shall keep the second executed counterpart with its records for the entire term of the Lease.

(b) The Lessee hereby irrevocably elects not to claim for purposes of Federal, State or local taxation of income any depreciation deductions or investment credits, for which it may be eligible with respect to the construction work as defined in Section 2(c)(1) of the Lease. The Lessee further agrees that this irrevocable election shall be binding upon its successors in interest, if any, under the Lease, and as a condition of any permitted sale or assignment of Lessee's interest under the Lease any successor in interest shall furnish an irrevocable election in the form of the immediately preceding sentence to the Port Authority. The foregoing shall not grant or be deemed to grant to the Lessee the right to sell or assign, in any manner, its interests under the Lease.

(c) In the event the Lessee records any documents in lieu of recording the Lease, said documents shall incorporate the substance of paragraph (b) of this Section.

(d) This paragraph 22 and Exhibit Y-1 shall be and be deemed to be supplementary to Section 76 and Exhibit Y of the Lease.

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

24. The Lessee represents and warrants that no broker has been concerned in the negotiation of this Agreement and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Lessee shall indemnify and save harmless the Port Authority of and from 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 Agreement.

25. 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 or held liable to it under any term or provision of this Agreement or because of its execution or attempted execution or because of any breach or attempted or alleged breach thereof.

26. This Agreement, together with the Lease (to which it is supplementary) constitutes 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 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 in writing in the Lease or in this 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: Gerald P. FitzGerald

(Title) ASSISTANT DIRECTOR OF AVIATION

(Seal)

ATTEST:

ASST Secretary

CONTINENTAL AIRLINES, INC.
Lessee (jointly and severally)

By:

(Title) Vice President and Treasurer

(Corporate Seal)

ATTEST:

Secretary

EASTERN AIR LINES, INC., a debtor
Lessee (jointly and severally)

By:

Martin R. Shugrue, Jr.,
(Title) as trustee

(Corporate Seal)

APPROVED:	
Form	Terms
RV	MAF 6-11-90

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 in writing in the Lease or in this 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:

CONTINENTAL AIRLINES, INC.
Lessee (jointly and severally)

_____
Secretary

By: _____

(Title) _____
(Corporate Seal)

ATTEST:

EASTERN AIRLINES, INC., a debtor
Lessee (jointly and severally)

_____
Asst. Secretary

By: _____
Martin R. Shugrue, Jr.,
(Title) as trustee
(Corporate Seal)

Vice President Finance
and Chief Financial Officer

STATE OF NEW YORK
COUNTY OF NEW YORK } ss.

On the 11th day of June, 19 90 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 _____;

that he is the Assistant 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.

Rose Ann Guddemi
(notarial seal and stamp)

ROSEANN GUDDEMI
NOTARY PUBLIC, State of New York
No. 4735751
Qualified in Nassau County
Term Expires June 30, 199 1

STATE OF Texas
COUNTY OF Harris } ss.

On the 12th day of June, 19 90 before me personally came John E. Luth to me known, who, being by me duly sworn, did depose and say that he resides at _____;

that he is the Vice President of Continental 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.

Deborah C. Rambin
(notarial seal and stamp)

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)

STATE OF NEW YORK
COUNTY OF NEW YORK } ss.

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 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.

_____
(Notarial seal and stamp)

STATE OF
COUNTY OF } ss.

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 _____ 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)

STATE OF FLORIDA
COUNTY OF DADE } ss.

On the _____ day of June, 19 90, before me personally came Martin R. Shrugue, Jr.

_____ 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)

Notary Public

SCHEDULE H

1. PERSONNEL MOVES FROM HANGAR
2. HANGAR #8 ASBESTOS REMOVAL
3. TAXIWAY RELOCATION
4. BASE BUILDING SCHEMATIC DESIGNS
5. ADDED WORK SCHEMATIC DESIGNS
6. PLANNING CONSULTANTS
7. SYSTEMS LAYOUT
8. PROJECT MANAGEMENT
9. BASE BUILDING PRODUCTION DRAWING
10. ADDED WORK PRODUCTION DRAWING

The Lessee

Initialled for:

The Port Authority

SCHEDULE I

Contaminated Soil Removal
Demolition
Utilities
Excavation
Piles
Cast-in-Place Concrete
Structural Steel
Roofing
Skylights
Metal and Glass Skin
Partitions
Doors & Hardware
Flooring
Ceilings
Paint/Wallcoverings
Interior Finishes
Stairs/Escalators
Plumbing
Fire Protection
HVAC/Mechanical
Electrical
400Hz/Pre-conditioned Air
Ancillary Building
Phase III Preparations

General Conditions
Insurance
Construction Manager's Fee
Consultants
Project Management
Testing Agencies
Construction Administration
Temporary G.S.E. Building

Roadways & Paving
Loading Bridges
Conveyors
Tenant Fit-up
Communications

Capitalized Interest

The Lessee

Initialled For: TPA

The Port Authority

SCHEDULE A

USE OF THE PROCEEDS OF THE BONDS

1. Earnings estimated to accrue on investments held in the Constructon Fund, and, until the Completion Date, in the Debt Service Fund =

2. Assumptions used in calculating the amount set forth in Item 1 above. All investments @ , using semiannual compounding (30/360 days).

3. Project Costs:	* Qualified Costs	Nonqualified Costs
A. Construction Costs (exclusive of interest on the Bonds accruing until the Completion Date)		
Contaminated Soil Removal		
Demolition		
Utilities		
Excavation		
Piles		
Cast-in-Place Concrete		
Structural Steel		
Roofing		
Skylights		
Metal and Glass Skin		
Partitions		
Doors & Hardware		
Flooring		
Ceilings		
Paint/Wallcoverings		
Interior Finishes		
Stairs/Escalators		
Plumbing		
Fire Protection		
HVAC/Mechanical		
Electrical		
400hz/Pre-conditioned Air		
Ancillary Building		
Phase III Preparations		
Roadways & Paving		
Tenant Fit-up		
General Conditions		
Insurance		
Construction Manager's Fee		
Consultants		
Project Management		
Testing Agencies		
Construction Administration		
Temporary GSE Building		
Loading Bridges		

Conveyors
Communications

B. Machinery and Equipment Costs

C. Interest on the Bonds accruing until the Completion Date

D. Interest on the Bonds accruing after the Completion Date

E. Cost of Issuance

Port Authority Bond Expenses
Other

F. Other

---

* Qualified Costs are those amounts determined on the basis set forth in Section 3.2 (C) of this Trust Administration Agreement and which are completely eligible for classification under Section 142)a)(1) of the Code an "airport".

SCHEDULE L

LEASEHOLD MORTGAGE

THIS LEASEHOLD MORTGAGE (hereinafter called the "Leasehold Mortgage"), dated as of June 1, 1990, by and between CONTINENTAL AIRLINES, INC., a Delaware corporation (hereinafter called "Continental"), and EASTERN AIR LINES, INC., a Delaware corporation and a debtor (hereinafter called "Eastern"), acting jointly and severally (being hereinafter called the "Mortgagor"), each having an office and place of business at LaGuardia Airport, Flushing, New York, and The Bank of New York, a New York banking corporation, duly organized and existing under and by virtue of the laws of the State of New York, having the power and authority to accept and execute trusts, and having its principal corporate trust office in New York, New York, as Trustee (hereinafter called the "Trustee") under a Trust Indenture dated as of June 1, 1990, by and between the Authority (as hereinafter defined) and the Trustee.

W I T N E S S E T H :

WHEREAS, the Mortgagor has agreed to construct a passenger terminal project at LaGuardia Airport, Flushing, New York, in and pursuant to a lease made effective as of June 2, 1989, known as "Lease No. AGA-126", as amended and supplemented, including by an agreement dated as of June 1, 1990, known as "Supplement No. 1, LaGuardia Airport, Lease No. AGA-126" (hereinafter called the "Lease"), by and between The Port Authority of New York and New Jersey (hereinafter called the "Authority"), as lessor, and the Mortgagor, as lessee; and

WHEREAS, on September 14, 1989, the Authority adopted a resolution, as amended and supplemented by a resolution adopted on December 14, 1989, reflecting its intention to issue Special Project Bonds (such term and all other capitalized terms of special meaning having the meanings ascribed to such terms in or pursuant to Section 1 of this Leasehold Mortgage) to finance the Project Costs, and on December 14, 1989, the Authority established and authorized the issuance of the Bonds, known as "The Port Authority of New York and New Jersey Special Project Bonds, Series 2, Continental Airlines, Inc. and Eastern Air Lines, Inc. Project", in conformity with the Special Project Bond Resolution; and

WHEREAS, by and pursuant to the Special Project Bond Series Resolution, the payment of Debt Service is to be secured, inter alia, by a Leasehold Mortgage by the Lessee, in conformity with the Special Project Bond Resolution, and on such basis the Mortgagor has agreed to grant a mortgage of all of its leasehold interest under the Lease to the Trustee for the benefit of the holders of the Bonds;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Definitions.

Unless the context shall clearly indicate some other meaning or may otherwise require, as used in this Leasehold Mortgage, any words or phrases specially defined in the Special Project Bond Resolution adopted by the Authority on June 9, 1983, the Special Project Bond Series Resolution adopted by the Authority on December 14, 1989, or the Lease, shall be read and construed in accordance with such special definitions.

In addition thereto, the term "Premises" shall mean the premises as set forth in Section 1 of the Lease; and the terms "New Lease" and "New Lessee" shall have the meanings set forth in Section 4(g) of this Leasehold Mortgage. Exhibit A ("Plot Plan") as referred to in Section 1 of the Lease is attached hereto. With respect to Exhibit A, the coordinates, expressed in feet, and bearings refer to the grid system of the Borough of Queens Topographical Bureau. Attached hereto as Exhibit A-1 is the preliminary Location Plan of the Airport prepared by the Authority showing the location within the Airport of the land shown on Exhibit A; and attached hereto as Exhibit A-2 is the Tax Map of the Airport obtained from the Office of the Tax Assessor of the City of New York.

Section 2. Grant of Leasehold Mortgage.

To secure the payment of the total aggregate principal amount of the Bonds in the maximum amount of $202,075,000 or such lesser amount as may be outstanding from time to time, together with the interest payable on the Bonds and the amounts which the Authority is obligated by agreements with or for the benefit of the Bondholders to pay or set aside for the amortization, maturity, redemption (including redemption premium, if any) or retirement of the Bonds (the foregoing generally defined as "Debt Service"), the Mortgagor hereby grants, mortgages, pledges, assigns, transfers and conveys to the Trustee for the benefit of the holders of the Bonds, equally and ratably, a mortgage of all of the Mortgagor's right, title and interest in and to its leasehold interest in the Premises under the Lease, subject to the terms and provisions of this Leasehold Mortgage and the Lease.

Section 3. Representations, Warranties and Covenants.

(a) Continental represents, warrants and covenants to and with the Trustee that it is a corporation duly organized under the laws of the State of Delaware and is qualified to do business under the laws of the State of New York, is validly existing in good standing under the laws of each such jurisdiction, has the corporate power and authority to create, pledge and grant the leasehold mortgage as provided in this Leasehold Mortgage, to own its corporate property and assets, and to enter into this Leasehold Mortgage, and its execution,

delivery and performance of the obligations hereunder has been duly authorized by all necessary action on the part of Continental;

(b) Eastern represents, warrants and covenants to and with the Trustee that it is a corporation duly organized under the laws of the State of Delaware and is qualified to do business under the laws of the State of New York, is validly existing in good standing under the laws of each such jurisdiction, has the corporate power and authority to create, pledge and grant the leasehold mortgage as provided in this Leasehold Mortgage, to own its corporate property and assets, and to enter into this Leasehold Mortgage, and its execution, delivery and performance of the obligations hereunder has been duly authorized by all necessary action on the part of Eastern;

(c) The Mortgagor represents, warrants and covenants to and with the Trustee as follows:

(i) The Mortgagor to the extent required in the Lease will keep the Lease free and clear of all liens and encumbrances, except the leasehold mortgage granted hereunder, so long as this Leasehold Mortgage is in force with respect thereto;

(ii) The Mortgagor will comply with the Lease, the Trust Administration Agreement, the Special Project Bond Resolution and the Special Project Bond Series Resolution;

(iii) The Mortgagor agrees that in the event that the Mortgagor fails to perform any of its obligations hereunder and under the Lease, the Trustee shall have the right (but not the obligation) to perform such obligations;

(iv) At the request of the Trustee and upon providing the Mortgagor with the appropriate documents, the Mortgagor will execute any documents necessary to record this Leasehold Mortgage and execute any necessary financing statements and, at periodic intervals, continuation statements pursuant to the Uniform Commercial Code as in effect in the State of New York and any other documents required to perfect the leasehold mortgage granted herein, and will pay all filing or recording costs with respect thereto, and all costs of filing or recording this Leasehold Mortgage or any other instrument, agreement or document executed and delivered pursuant to this Leasehold Mortgage, in all public offices where filing or recording is deemed by the Trustee to be necessary or desirable; and

(v) Continental and Eastern, jointly and severally, hereby agree, as a separate, independent and severable covenant, that in the event of the Lessee's failure to make any payment of Facility Rental when due, upon demand by the Trustee, Continental and Eastern, jointly and severally, shall pay to the Trustee, by no later than 4:00 p.m., New York City time, on the day immediately preceding any date for the payment of Debt Service, for deposit into the Bond Fund, an amount sufficient, together with any other monies which may be available therefor in the Bond Fund, to pay Debt Service then to be due and payable to the Bondholders.

Section 4. Rights and Remedies.

(a) General.

The Trustee shall have solely those rights and remedies under this Leasehold Mortgage as are specifically provided by this Leasehold Mortgage and the Lease. Any amounts received by the Trustee in the exercise of its rights and remedies under this Leasehold Mortgage shall be deposited by the Trustee into the Bond Fund.

(b) Mortgagor Deemed Tenant.

The Mortgagor, for all purposes under the Lease shall be deemed to be the tenant and the Trustee shall not have any right to use and occupy the Premises for any of the purposes set forth in Section 8 of the Lease or for any other purpose whatsoever (except for the purpose of curing defaults and preserving the Premises to the extent provided in the Lease and herein), and the Trustee acknowledges that the consent of the Authority to the Leasehold Mortgage has been given expressly upon such condition.

The Mortgagor shall have as full and complete control of the operation and use of the Premises as if this Leasehold Mortgage had not been executed and delivered, and the Mortgagor shall have full power and authority to give waivers of, and to consent to variations from, the rights of the Mortgagor under the Lease, and to negotiate and enter into supplements and amendments to the Lease, and the Authority may deal directly with the Mortgagor in the negotiation and procurement of such waivers, consents, supplements and amendments and in all other matters involving the Mortgagor under the Lease or the operation and use of the Premises, without any consultation with or approval by the Trustee or the Bondholders; provided, however, that no actions or omissions of the Mortgagor pursuant to this paragraph shall have the effect of (i) terminating or reducing the Mortgagor's obligations to pay Facility Rental (including accelerated Facility Rental), (ii) terminating or reducing the term of the Lease, (iii) increasing the amount of the annual fixed rentals

payable by the Mortgagor under the Lease, or (iv) terminating or reducing the rights set forth in Section 88 of the Lease, unless as to any of the foregoing the prior written approval of the Trustee shall have been obtained. The Mortgagor hereby agrees for the benefit of the Trustee, the Bondholders and the Authority to perform any obligations and to discharge any liabilities of the Mortgagor under the Lease which may result from any actions or omissions of the Mortgagor pursuant to this paragraph to the exoneration of the Authority, the Trustee and the Bondholders therefrom, and the Mortgagor further agrees to indemnify and save the Authority, the Trustee and the Bondholders harmless from any loss in connection with the Mortgagor's failure to discharge any such obligation and liability.

(c) Condemnation.

In the event that pursuant to the terms of Section 26 of the Lease, the Mortgagor shall sell to the Authority and the Authority shall purchase from the Mortgagor so much of the Mortgagor's leasehold interest in the Premises as are taken, such purchase pursuant to Section 26 shall be free and clear of this Leasehold Mortgage and any interest of the Trustee in the Lease and the leasehold. The Mortgagor hereby consents to the Authority paying to the Trustee, as the sole and entire consideration for such purchase by the Authority, the amount provided under Section 26 of the Lease. Any amount so paid by the Authority to the Trustee shall be deposited by the Trustee into the Bond Fund.

No sale, transfer or assignment by the Mortgagor of its interest in the Lease to the Authority shall create a merger between the estates of the Authority and the Mortgagor unless the Authority, the Mortgagor and the Trustee shall specifically consent to such merger in writing, nor shall any such sale, transfer or assignment be deemed to affect or diminish the liabilities of the Mortgagor in the Lease, whether for survived damages or otherwise.

It is understood that in the event of termination of the Lease or transfer of the Mortgagor's leasehold interest under the Lease based upon condemnation in accordance with Section 26 of the Lease, the Authority would accelerate the payment of the Facility Rental and the Mortgagor would thereby become obligated to pay the accelerated Facility Rental (as set forth in Section 87 of the Lease). However, the Mortgagor's obligation thereunder to pay the accelerated Facility Rental in such event shall be limited to payment of the difference, if any, between the amount paid by the Authority in accordance with Section 26 of the Lease and the amount of the accelerated Facility Rental, as aforesaid, payable by the Mortgagor.

(d) Notice of Default and Foreclosure.

The Trustee shall send to the Authority a copy of each notice of default or notice of delinquency under the Bonds or this Leasehold Mortgage or both, at the same time as and whenever any such notice of default or delinquency shall have been sent to the Mortgagor. The Trustee shall not be entitled to foreclose this Leasehold Mortgage unless and until, at least sixty (60) days prior to commencing such foreclosure action, the Trustee shall have given the Authority written notice of its intention to foreclose and notice of (i) the amount of the unpaid principal amount of the Bonds and accrued interest thereon, and (ii) the amount on deposit in each of the Construction Fund (to the extent not disbursed or otherwise disbursable as provided in the Lease), the Bond Fund and the Debt Service Fund. The Authority shall have the right but not the obligation following the giving of such notice by the Trustee to purchase this Leasehold Mortgage from the Trustee for an amount equal to the difference between (i) the unpaid principal amount of the Bonds and accrued interest thereon, and (ii) the amount on deposit in each of the Construction Fund (to the extent not disbursed or otherwise disbursable as provided in the Lease), the Bond Fund and the Debt Service Fund. If the Authority shall fail to notify the Trustee within the aforesaid sixty (60) day-period of the Authority's intention to purchase this Leasehold Mortgage, the Trustee shall then be entitled to and shall proceed to foreclose upon this Leasehold Mortgage.

The Trustee shall give notice to the Authority of the commencement of any proceeding to foreclose upon this Leasehold Mortgage as well as all subsequent pleadings, notices and documents in connection with such proceedings and the termination or discontinuance thereof and any other proceedings to realize on any security interest or separate agreement of the Mortgagor with respect to the Bonds, and shall keep the Authority advised of the progress of such proceedings upon request of the Authority from time to time so to do. Once commenced, the Trustee shall diligently and promptly pursue and prosecute such foreclosure action upon this Leasehold Mortgage to judgment and then promptly execute such judgment.

Nothing herein shall be deemed to preclude the Authority from bidding for or from becoming the owner of the Lease and the leasehold free from any claims, equities or rights of redemption of the Mortgagor, the Bondholders and the Trustee, and the Authority shall have the right to bid for the Lease and the leasehold at any sale, public or private, whether held pursuant to a judgment of foreclosure or otherwise.

Without limiting any other provisions of the Lease, if a purchaser at a foreclosure sale shall acquire title to the leasehold and the Lease, such purchaser shall not assign, sell or transfer the leasehold or the Lease without the prior written consent of the Authority.

(e) Trustee Extension of Authority Termination of Lease.

The Authority shall send to the Trustee a copy of each notice of default required to be given under paragraph (a) of Section 30 of the Lease (subject to paragraph (f) of said Section 30), paragraph (c) of Section 54 and paragraph (d) of Section 56 of the Lease at the same time as and whenever any such notice of default shall have been sent to the Mortgagor. The Authority will also send to the Trustee, at least ten (10) days prior to service of a notice of termination of the Lease on the Mortgagor, a notice of the Authority's intention to terminate the Lease under subparagraphs (1), (2), (3), (4), (6), (7), (8) and (12) of paragraph (a) of Section 30 of the Lease, subject to paragraph (f) of said Section 30 (events of default which require no notice of default under the Lease). No such notice of default or notice of termination under the Lease shall be deemed to have been validly given by the Authority to the Mortgagor unless and until, as to any such notice of default, a copy thereof shall have been given to the Trustee as aforesaid and as to any such notice of termination unless and until a notice of intention to terminate shall have been given to the Trustee as aforesaid.

If, after service of any such notice of default (and the default has not been cured under the provisions of the Lease) or after the service of any such notice of intention to terminate, as provided in the immediately preceding paragraph hereof, the Authority shall elect to terminate the letting under Section 30 of the Lease (subject to paragraph (f) of said Section 30), Section 54 or Section 56 of the Lease then at the time of service of a notice of termination upon the Mortgagor as provided in the Lease, the Authority shall give written notice thereof to the Trustee. The Trustee shall have the right to extend the effective date of termination specified in any such notice for a period not to exceed sixty (60) days, provided, that, the Trustee shall give notice of such extension to the Authority on or prior to the effective date of termination and shall simultaneously with the giving of such notice to the Authority cure or arrange to the satisfaction of the Authority for the curing of all such defaults except those set forth in subparagraphs (1), (2), (3), (4), (6), (7) and (8) of Section 30(a) of the Lease (subject to paragraph (f) of said Section 30) and those which by their nature can only be cured by a Scheduled Aircraft Operator.

At the end of such sixty (60) day period the Authority shall be entitled to proceed to effect termination of the letting under the Lease, unless within such time the Trustee shall have given the Authority notice of its intention to foreclose this Leasehold Mortgage as provided in this Section. During such sixty (60) day period and, during any further period up to the foreclosure and sale of the Lease, the Trustee for the purposes of protecting and preserving its security under this Leasehold Mortgage shall assume the performance of all of the Mortgagor's obligations under the Lease as though it were the

lessee under the Lease and shall pay all the rentals (but not including the Facility Rental and Additional Land Rental), fees and charges then due or to become due to the Authority during said period under the Lease.

The Trustee and the Mortgagor agree that at all times hereunder, including any period where the Trustee has stayed the effectiveness of an Authority notice of termination as provided in this Section, the Authority shall have the right to terminate the Lease and the term of the letting thereunder for any and all events of default set forth in Section 30(a) (subject to paragraph (f) of said Section 30), Section 54(c) and Section 56(d) of the Lease, including the failure to pay rentals, charges and fees, except that during any period where the Trustee has stayed the effectiveness of an Authority notice of termination as aforesaid the Authority shall not terminate the Lease for those events of default set forth in subparagraphs (1), (2), (3), (4), (6), (7) and (8) of paragraph (a) of Section 30 of the Lease (subject to paragraph (f) of said Section 30) and those which by their nature can only be cured by a Scheduled Aircraft Operator, provided the Trustee is at all times complying with the provisions of this Section.

(f) Scheduled Aircraft Operator.

Subject to the third paragraph of Section 4(d) of this Leasehold Mortgage, notwithstanding any other term or provision hereof or of the Lease, no person, corporation or other legal entity other than a Scheduled Aircraft Operator (as described in paragraph (t) of Section 78 of the Lease) shall be or be entitled to become the owner of, or acquire any interest in the Lease as purchaser pursuant to a judgment of foreclosure and sale of this Leasehold Mortgage or otherwise, and as to such Scheduled Aircraft Operator only if it executes and delivers the assumption instrument in accordance with the provisions of Section 29(a) of the Lease. The foregoing provision is of the essence of the Lease and this Leasehold Mortgage, and it is only upon this basis that the Authority has agreed to consent to this Leasehold Mortgage.

(g) Trustee Request for New Lease.

If, in the event the Lease is terminated by reason of the occurrence of any event of default specified in Section 30(a) (subject to paragraph (f) of said Section 30), Section 54(c) or Section 56(d) of the Lease, or the Lease expires as a result of the refusal of the Lessee to execute and deliver to the Authority an extension agreement extending the term of the month-to-month tenancy under the Lease, the Trustee, by notice to the Authority, within thirty (30) days after (i) the effective date of such termination, or (ii) notice from the Authority of the Lessee's refusal to execute and deliver to the Authority such an extension agreement, requests a new lease of the Premises (hereinafter called the "New Lease"), and naming as the proposed tenant thereof a Scheduled Aircraft Operator as described in

paragraph (t) of Section 78 of the Lease (hereinafter called the "New Lessee"), the Authority, shall, within thirty (30) days following its receipt of such request or within ten (10) days following expiration of such longer period during which any decree or order of any court having jurisdiction over the Mortgagor shall have the effect of preventing the Authority, as Lessor, from executing or delivering the New Lease, prepare and deliver to the New Lessee, a New Lease, the provisions of which shall be substantially the same as those of the Lease (excluding Sections 85, 86 and 87) except for the commencement date thereof but with the same expiration provisions, provided, that such notice from the Trustee shall not be effective unless accompanied by payment of a sum of money equal to any and all sums, fees, charges and rentals (but not including the Facility Rental and Additional Land Rental) which had been due and payable by the Mortgagor to the Authority as of the date of termination. In the event the Trustee for and on behalf of the New Lessee shall not deliver an executed copy of such New Lease to the Authority within thirty (30) days of its receipt thereof together with a sum of money equal to all sums, fees and charges, including rentals (but not including the Facility Rental and Additional Land Rental) which, but for such termination, would have become due and payable under the Lease up to and including the date of the commencement of the term of the New Lease, and all expenses, including reasonable attorneys' fees, incidental to the preparation, printing, execution, delivery and recording of the New Lease, the Trustee shall have no further rights or interest in or to the Premises and the New Lease shall be deemed null and void and of no further force and effect except that the Trustee shall on demand return all copies thereof to the Authority.

The granting of a New Lease to the New Lessee shall not affect the survival of the Mortgagor's obligations under the Lease as provided in Section 34 and Section 85(k) of the Lease.

In the event of termination of the Lease and the execution and delivery of a New Lease to the Trustee for and on behalf of the New Lessee pursuant to this paragraph, nothing contained in the Lease or this Leasehold Mortgage shall be deemed to impose any obligation on the part of the Authority to deliver physical possession of the Premises to the New Lessee. However, the Authority will, at the sole cost and expense of the Trustee, cooperate in the prosecution of summary proceedings to evict the Mortgagor in the event of such termination.

(h) Trustee's Ability to Cure Default.

If the Mortgagor defaults under the Lease and fails to cure the same within the time allotted therefor, if any, then the Authority shall accept and permit the curing of any default under the Lease by the Trustee as if and with the same force and effect as though cured by the Mortgagor; provided, however, the curing of any such default by the Trustee shall not be deemed to cure any default by the Mortgagor under this Leasehold Mortgage.

(i) Application of Proceeds.

All proceeds received by the Trustee from the sale or other disposition of this Leasehold Mortgage or from the exercise of any right or remedy under this Leasehold Mortgage by the Trustee, whether received from a New Lessee or otherwise, shall be applied for the benefit of the holders of the Bonds, as follows:

First: to the payment of all costs and expenses incurred by the Trustee in connection with any such sale or other disposition of this Leasehold Mortgage, including, without limitation, all court costs and the reasonable fees and expenses of counsel for the Trustee in connection therewith, and the payment of all costs and expenses paid or incurred by the Trustee in connection with this Leasehold Mortgage or the exercise of any right or remedy hereunder, to the extent that such advances, costs and expenses shall not have been paid to the Trustee upon its demand therefor; and

Second: for deposit into the Bond Fund.

Section 5. Lease to be Controlling.

In case of any inconsistency between the provisions of the Lease and those of this Leasehold Mortgage, the provisions of the Lease shall control.

Section 6. Discharge of Leasehold Mortgage.

This Leasehold Mortgage shall be deemed satisfied, discharged and of no further force and effect upon the retirement, redemption, refunding, satisfaction or other payment or discharge of the Bonds in full in accordance with the provisions of the Special Project Bond Resolution and the Special Project Bond Series Resolution, and the Trustee shall execute and deliver to the Authority and the Mortgagor all documents that may be required or reasonably requested to evidence the discharge of this Leasehold Mortgage.

Section 7. Delays and Omissions.

Any failure or delay by the Trustee to require strict performance by the Mortgagor of any of the provisions, warranties, terms and conditions contained herein or in any other agreement, document or instrument, shall not affect the right of the Trustee to demand strict compliance and performance therewith, and any waiver of any default shall not affect or

constitute a waiver of any other default, whether prior or subsequent thereto, and whether of the same or of a different type. None of the warranties, conditions, provisions and terms contained herein or in any other agreement, document or instrument shall be deemed to have been waived by any act or knowledge of the Trustee, its agents, officers or employees, but only by an instrument in writing, signed by the Trustee and specifying such waiver.

The Mortgagor hereby consents to any lawful act by the Trustee for the purpose of taking lawful possession of the Premises after an event of default and subject to the provisions of this Leasehold Mortgage and the Lease.

Section 8. Notices.

All notices, directions, requests, consents and approvals required to be given to or by either party hereto 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 registered or certified mail. The Trustee shall from time to time designate in writing an office within the Port 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 Mortgagor hereby designates the Vice-President-Treasurer of Continental as its officer upon whom notices and requests may be served, and the office of Continental at 2929 Allen Parkway, Houston, TX 77019, as its office where notices and requests may be served. Until further notice, by its consent hereto the Authority hereby designates its Executive Director as its officer upon whom notices and requests may be served, and its office at One World Trade Center, New York, New York 10048, as its office 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 registered or certified mailing thereof, unless otherwise specifically provided.

Section 9. Severability.

In the event that any provision hereof shall be deemed to be invalid by any court, such invalidity shall not affect the remainder of this Leasehold Mortgage.

SECTION 10. LAW GOVERNING THE LEASEHOLD MORTGAGE.

THE EFFECT AND MEANING OF THIS LEASEHOLD MORTGAGE AND THE RIGHTS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

Section 11. Sale, Conveyance, Transfer, Mortgage, Pledge, Assignment and Modification.

This Leasehold Mortgage, or any part hereof, may be sold, conveyed, transferred, mortgaged, pledged, assigned, modified or amended only by a written instrument signed by the Mortgagor and the Trustee and solely upon and subject to the prior written consent thereto by the Authority, provided, that the Trustee hereby agrees that this Leasehold Mortgage may be assigned by the Mortgagor in its entirety, simultaneously with an assignment in its entirety of the Lease, under the same terms and conditions provided in paragraph (a) of Section 29 of the Lease, and at the request of the Mortgagor, the Trustee and the Authority shall execute any document that may be required or reasonably requested to accomplish such assignment.

Section 12. Counterparts.

This Leasehold Mortgage may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 13. Titles.

Titles to the sections of this Leasehold Mortgage are solely for the convenience of the parties and are not an aid in the interpretation of this Leasehold Mortgage or any part hereof.

Section 14. Miscellaneous.

(a) Immunity of Commissioners, Officers, Agents, Representatives and Employees of the Authority.

Neither the Commissioners of the Authority nor any of its officers, agents, representatives or employees shall be charged personally with any liability or held liable under any term or provision of this Leasehold Mortgage or because of the consent to this Leasehold Mortgage.

(b) Effect of Leasehold Mortgage.

This Leasehold Mortgage shall be binding upon and solely for the benefit of the parties hereto and their respective legal representatives, successors and assigns.

(c) Authority's Copy of Leasehold Mortgage.

Without limiting the Authority's right of approval thereof, the Trustee shall give the Authority a true copy of this Leasehold Mortgage and a true copy of any amendments hereof.

(d) Statement Regarding Residential Dwelling Units.

The real property subject to this Leasehold Mortgage is not principally improved or to be improved by one or more structures containing in the aggregate not more than six residential dwelling units, each having its own cooking facilities.

(e) Limitation on Disposition of the Mortgagor's Interest in the Lease.

The Trustee shall require that any transferee, assignee or purchaser of the Mortgagor's leasehold interest under the Lease or any New Lessee shall assume the rights and obligations of the Mortgagor under the Basic Collateral (as defined in the Personal Property Security Interest).

(f) Rent Reserve Escrow Account.

The Mortgagor will deposit with the Trustee, as a rent reserve escrow, commencing on the date hereof and on the first day of each month for the next nineteen (19) months, the amount of Twenty-five Thousand Dollars ($25,000). The amounts on deposit in the rent reserve escrow will be invested by the Trustee at the direction of the Mortgagor. Investment income on such amounts will be accumulated in the rent reserve escrow until One Million Dollars ($1,000,000) is on deposit. So long as One Million Dollars ($1,000,000) remains on deposit, additional investment income will be payable to the Mortgagor. Amounts on deposit in the rent reserve escrow may be used by the Trustee to cure any default of the Mortgagor under the Lease; provided, however, that such amounts may not be used to pay Facility Rental or accelerated Facility Rental. The rent reserve escrow and the amounts deposited therein shall not be subject to any mortgage, pledge, security interest or assignment in favor of the Trustee to the Bondholders or otherwise be, or be deemed to be, a part of the Trust Estate or available for the payment of Debt Service.

Upon termination of this Leasehold Mortgage, any amounts remaining on deposit in the rent reserve escrow will be returned by the Trustee to the Lessee.

IN WITNESS WHEREOF, the parties hereto have caused this Leasehold Mortgage to be executed by their duly authorized officers, all as of the day and year first above written.

ATTEST:

By:_____

(SEAL)

CONTINENTAL AIRLINES, INC.
Mortgagor (jointly and severally)

By:_____
Title:

ATTEST:

By:_____

(SEAL)

EASTERN AIR LINES, INC., a debtor
Mortgagor (jointly and severally)

By:_____
Martin R. Shugrue, Jr.
as trustee

ATTEST:

By:_____

(SEAL)

THE BANK OF NEW YORK
As Trustee

By:_____
Assistant Vice President

Initialled For:

The Lessee

The Port Authority

STATE OF _____)
) ss.:
COUNTY OF _____)

On the _____ day of June, 1990, before me personally came _____ to me known, who being by me duly sworn, did depose and say that his office is at _____; that he is the _____ of Continental Airlines, Inc., a corporation described in and which executed the foregoing Leasehold Mortgage; that he knows the seal of the said corporation; that the seal affixed to the said Leasehold Mortgage is such 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

STATE OF _____)
) ss.:
COUNTY OF _____)

On the _____ day of June, 1990, before me personally came _____ to me known, who being by me duly sworn, did depose and say that his office is at _____; that he is the _____ of Eastern Air Lines, Inc., a corporation described in and which executed the foregoing Leasehold Mortgage; that he knows the seal of the said corporation; that the seal affixed to the said Leasehold Mortgage is such 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

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

On the _____ day of June, 1990, before me personally came Michael J. Guiry to me known, who, being by me duly sworn, did depose and say that his office is at 101 Barclay Street, New York, New York 10286; that he is an Assistant Vice President of The Bank of New York, a corporation described in and which executed the foregoing Leasehold Mortgage; that he knows the seal of the said corporation; that the seal affixed to the said Leasehold Mortgage is such 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

EXEMPTON (4) – DRAWINGS OF NON-PUBLIC AREAS

EXHIBIT Y-1

ELECTION PURSUANT TO SECTION 142(b) (1) (B) (i) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED

1. EASTERN AIR LINES, INC. (hereinafter "the Lessee") pursuant to a certain Agreement of Lease made effective as of June 2, 1989 between the Lessee and the Port Authority of New York and New Jersey (hereinafter "the Port Authority") as said Lease has been supplemented and amended including without limitation Supplement No. 1 thereto dated as of June 1, 1990, (hereinafter "the Lease") has leased certain areas and the improvements, additions, and facilities located or to be located thereon at LaGuardia Airport, as described in Section 1 of the Lease, including the construction work as defined in Section 2(c)(1) of the Lease to be used basically for airline passenger terminal purposes for a term extending to the Completion Date of such construction work, as such date is described in the Lease and continuing thereafter from month to month but in all events expiring on the earlier of the first anniversary of said Completion Date or December 31, 1992.

2. The Port Authority's principal office is at One World Trade Center, New York, New York 10048 and its taxpayer identification number is

3. The Lessee's principal office is at Miami International Airport, Miami, Florida 33148 and its taxpayer identification number is

4. The Port Authority of New York and New Jersey Special Project Bonds, Series 2, Continental Airlines, Inc. and Eastern Air Lines, Inc. Project; issued in a combined aggregate principal amount of on June 12, 1990.

5. The Lessee hereby irrevocably elects not to claim for purposes of Federal, State or local taxation of income any depreciation deductions or investment credits, for which it may be eligible with respect to the construction work as defined in Section 2(c)(1) of the Lease. The Lessee further agrees that this irrevocable election shall be binding upon its successors in interest, if any, under the Lease, and as a condition of any permitted sale or assignment of Lessee's

interest under the Lease any successor in interest shall furnish an irrevocable election in the form of the immediately preceding sentence to the Port Authority. The foregoing shall not grant or be deemed to grant to the Lessee the right to sell or assign, in any manner, its interests under the Lease.

Dated:

EASTERN AIR LINES, INC.

By_____
Martin R. Shugrue, Jr.,
as trustee

Initialled:

MAF
_____
For the Port Authority

_____
For Eastern Air Lines, Inc.

EXHIBIT Y-1

EXHIBIT Y-1

ELECTION PURSUANT TO SECTION 142(b) (1) (B) (i) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED

1. CONTINENTAL AIRLINES, INC. (hereinafter "the Lessee") pursuant to a certain Agreement of Lease made effective as of June 2, 1989 between the Lessee and the Port Authority of New York and New Jersey (hereinafter "the Port Authority") as said Lease has been supplemented and amended including without limitation Supplement No. 1 thereto dated as of June 1, 1990, (hereinafter "the Lease") has leased certain areas and the improvements, additions, and facilities located or to be located thereon at LaGuardia Airport, as described in Section 1 of the Lease, including the construction work as defined in Section 2(c)(1) of the Lease to be used basically for airline passenger terminal purposes for a term extending to the Completion Date of such construction work, as such date is described in the Lease and continuing thereafter from month to month but in all events expiring on the earlier of the first anniversary of said Completion Date or December 31, 1992.

2. The Port Authority's principal office is at One World Trade Center, New York, New York 10048 and its taxpayer identification number is 13-5400654W.

3. The Lessee's principal office is at 2929 Allen Parkway, Houston, Texas 77210-4067 and its taxpayer identification number is

4. The Port Authority of New York and New Jersey Special Project Bonds, Series 2, Continental Airlines, Inc. and Eastern Air Lines, Inc. Project; issued in a combined aggregate principal amount of on June 12, 1990.

5. The Lessee hereby irrevocably elects not to claim for purposes of Federal, State or local taxation of income any depreciation deductions or investment credits, for which it may be eligible with respect to the construction work as defined in Section 2(c)(1) of the Lease. The Lessee further agrees that this irrevocable election shall be binding upon its successors in interest, if any, under the Lease, and as a condition of any permitted sale or assignment of Lessee's

interest under the Lease any successor in interest shall furnish an irrevocable election in the form of the immediately preceding sentence to the Port Authority. The foregoing shall not grant or be deemed to grant to the Lessee the right to sell or assign, in any manner, its interests under the Lease.

Dated:

ATTEST:

CONTINENTAL AIRLINES, INC.

_____
Secretary

By_____

(Title) President

Initialled:

For the Port Authority

For Continental Airlines, Inc.

EXHIBIT Y-1

SCHEDULE J

DATE: _____

REQUISITION NUMBER: _____

DISBURSEMENT REQUISITION

TO: The Bank of New York, New York, New York, as Trustee (the "Trustee), under a Trust Indenture (the "Trust Indenture") dated as of June 1, 1990, by and between The Port Authority of New York and New Jersey (the "Authority") and the Trustee.

Pursuant to Section 5 of the Trust Indenture, Section 85(c)(2)(iii) of an Agreement of Lease No. AGA-126 made effective as of June 2, 1989, by and between the Authority, as lessor, and Continental Airlines, Inc. and Eastern Air Lines, Inc., acting jointly and severally, as lessee (the "Lessee"), as amended and supplemented by Supplement No. 1 dated as of June 1, 1990 (the "Lease"), and Section 3.3 of a Trust Administration Agreement (the "Trust Administration Agreement") dated as of June 1, 1990, by and between the Lessee and the Trustee, the undersigned hereby request that you disburse moneys from the Construction Fund referred to in Section 5 of the Trust Indenture (the "Construction Fund") to the individuals or firms listed below in the respective amounts shown below and for the elements of the Project and the purposes shown below.

Unless the context shall clearly indicate some other meaning or may otherwise require, as used in this Disbursement Requisition, any words or phrases of special meaning shall have the meaning specified in Section 1 of the Trust Administration Agreement.

Payee	Amount	Element of the Project	Purpose
[INSERT - name and address of the Person to whom payment is due (which may include the Lessee or the Authority, if applicable) or - in case of payment to the Bond Fund with respect to interest accrued or accruing on the Bonds, instructions to make such payment thereto for such purposes.]			

DATE:_____

REQUISITION NUMBER:_____

The undersigned hereby certifies to you that:

(a) each obligation, item of cost or expense mentioned herein has been properly incurred and is a proper charge against the Construction Fund and has not been the basis of any previous withdrawal from the Construction Fund (unless the amount of such withdrawal was subsequently reimbursed to the Construction Fund);

(b) such obligation, item of cost or expense covered hereby was not incurred before October 3, 1989;

(c) each obligation, item of cost or expense for which payment under this requisition is to be made from the Construction Fund, when added to all other payments previously made from the Construction Fund, will not result in less than ninety-five percent (95%) of the amount set forth in Section 3.2(E) of the Trust Administration Agreement being used (i) to provide a project defined as an "airport" in Section 142(a)(1) of the Code, and the Regulations, and (ii) to pay obligations, items of cost or expenses that are properly chargeable to the capital account of the Project for Federal income tax purposes or would be so chargeable either with a proper election of the Lessee or but for a proper election of the Lessee to deduct the amount of the obligation, item or expense;

(d) no event set forth in Section 30(a)(1), (2), (3) or (7) of the Lease (subject to paragraph (f) of said Section 30) has occurred and the Lessee has not failed to provide sufficient monies for deposit into the Bond Fund to pay Debt Service, when due, or for deposit to the Debt Service Fund to maintain the Minimum Debt Service Fund Balance.

This Disbursement Requisition is being given without prejudice to any rights against third parties which exist as of the date hereof or which may subsequently come into being.

Attached hereto are copies of invoices or other appropriate documentation supporting the payments or reimbursements requested hereby.

CONTINENTAL AIRLINES, INC.

Authorized Company Representative
[INSERT - name]

[INSERT - title]

EASTERN AIR LINES, INC.

Authorized Company Representative
[INSERT - name]

[INSERT - title]

The Port Authority

Initialled for:

The Lessee

SCHEDULE K

TRUST ADMINISTRATION AGREEMENT

THIS TRUST ADMINISTRATION AGREEMENT (hereinafter called the "Trust Administration Agreement") dated as of June 1, 1990, by and between CONTINENTAL AIRLINES, INC. (hereinafter called "Continental"), a corporation of the State of Delaware and EASTERN AIR LINES, INC. (hereinafter called "Eastern"), a corporation of the State of Delaware and a debtor (said Continental and Eastern, acting jointly and severally, being hereinafter called the "Lessee"), and THE BANK OF NEW YORK (hereinafter called the "Trustee"), a New York banking corporation, duly organized and existing under and by virtue of the laws of the State of New York, having the power and authority to accept and execute trusts, and having its principal corporate trust office in New York, New York, as Trustee under a Trust Indenture dated as of June 1, 1990, by and between The Port Authority of New York and New Jersey (hereinafter called the "Authority") and the Trustee.

W I T N E S S E T H:

WHEREAS, on June 9, 1983, the Authority adopted the Special Project Bond Resolution (hereinafter called the "Special Project Bond Resolution"), providing for the issuance of Special Project Bonds of particular series (hereinafter called "Special Project Bonds"), from time to time, in conformity with the Special Project Bond Resolution, for certain specified purposes, on the basis that any such Special Project Bonds so issued would not be direct and general obligations of the Authority and would be secured in the manner and payable from the sources and to the extent set forth in the Special Project Bond Resolution, which constitutes a contract with the holders of the Special Project Bonds so issued; and

WHEREAS, the Special Project Bond Resolution provides that Special Project Bonds shall be issued in such series as the Authority may determine, and that the characteristics of the

bonds of each such series shall be determined by the Authority pursuant to a particular series resolution with respect to such Special Project Bonds, and that such series resolution may contain other terms and provisions not inconsistent with the Special Project Bond Resolution; and

WHEREAS, LaGuardia Lease No. AGA-126, made effective as of June 2, 1989, was entered into by the Authority and the Lessee (the "Original Lease"), to provide for and in connection with, inter alia, the construction of a new passenger terminal project at LaGuardia Airport by the Lessee, with such construction to be provided by the Authority and the Lessee, as appropriate, from sources other than Special Project Bonds; and

WHEREAS, on September 14, 1989, the Authority adopted a resolution, as amended and supplemented by a resolution adopted on December 14, 1989, reflecting its intention to issue Special Project Bonds to finance the Project Costs (such term and all other capitalized terms of special meaning having the meanings ascribed to such terms in or pursuant to Section 1 of this Trust Administration Agreement), and on December 14, 1989, the Authority established and authorized the issuance of the Bonds, to be known as "Special Project Bonds, Series 2, Continental Airlines, Inc. and Eastern Air Lines, Inc. Project", in conformity with the Special Project Bond Resolution (hereinafter called the "Special Project Bond Series Resolution"); and

WHEREAS, on December 13, 1989, the Authority conducted a public hearing pertaining to the issuance of the Bonds for purposes of the passenger terminal project following the due publication of notice of such hearing on November 28, 1989, and the Bonds have been publicly approved consistent with, and to the extent provided under, Section 147(f) of the Code and the Regulations; and

WHEREAS, the Lessee has requested the Authority to issue Special Project Bonds in the aggregate principal amount of to finance the Project Costs; and

WHEREAS, concurrently with the execution of this Trust Administration Agreement, the Authority and the Lessee have entered into the Lease Supplement amending and supplementing the Original Lease (the Original Lease, as amended and supplemented by the Lease Supplement, being hereinafter called the "Lease") to provide for and in connection with, inter alia, the issuance, sale and delivery of Special Project Bonds as the financing arrangement for Project Costs; and

WHEREAS, on June 12, 1990, the Authority shall sell and deliver the Bonds to the underwriters therefor pursuant to a

contract of purchase for the purchase price of $190,838,091.25 plus accrued interest; and

WHEREAS, there will be pledged to the payment of Debt Service, the Trust Estate and the Leasehold Mortgage by the Lessee, and in addition thereto Continental and Eastern shall also agree in the Lease that Continental and Eastern shall pay Debt Service as a separate and independent covenant from the Lessee's obligation to pay Facility Rental; and

WHEREAS, the Code and the Regulations contain certain provisions which are applicable to the Bonds, the activities of the Lessee, the application of the proceeds of the Bonds and earnings thereon and the use of the Project, compliance with which is required in order that interest on the Bonds is not includible, for Federal income tax purposes, in the gross income of the recipients thereof, under Section 103(a) of the Code and the Regulations; and

WHEREAS, in order to ensure that the applicable provisions of the Code and the Regulations are and will continue to be met and to assist the Trustee in meeting its responsibilities with respect to the Bonds under the Special Project Bond Resolution, the Special Project Bond Series Resolution, the Trust Indenture, the Leasehold Mortgage and the Personal Property Security Interest, the Lessee and the Trustee have determined to enter into this Trust Administration Agreement setting forth certain representations, intentions, conditions and covenants relating to the activities of the Lessee and the Trustee, the Bonds, the Project, and the application of the proceeds of the Bonds;

NOW THEREFORE, in consideration of the mutual covenants and undertakings set forth herein and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Lessee and the Trustee hereby agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. Definitions. Unless the context shall clearly indicate some other meaning or may otherwise require, as used in this Trust Administration Agreement, any words or phrases specially defined in the Special Project Bond Resolution, the Special Project Bond Series Resolution, or the Lease, shall be read and construed in accordance with such special definitions. In addition thereto, the following terms shall have the following meanings:

Average Economic Life shall mean the average reasonably expected economic life, within the meaning of Section 147(b) of the Code, of the Passenger Terminal Facilities.

Average Maturity shall mean the average maturity of the Bonds within the meaning of Section 147(b) of the Code.

Bond Year shall mean the one-year period beginning on the day after the expiration of the preceding Bond Year, with the first Bond Year beginning on the date of issue and ending on May 31, 1991; provided, that for purposes of computing Yield on the Bonds the last day of a Bond Year shall be the last day of a compounding interval used in computing yield under Regulation §1.148-3T.

Code shall mean the Internal Revenue Code of 1986, as amended.

Computation Date shall mean each Installment Computation Date and the Final Computation Date.

Computation Date Credit shall mean an amount equal to $1,000 or $625 or $250 on an eligible Computation Date if the aggregate issue price of the Bonds that are outstanding immediately before the eligible Computation Date is respectively greater than $5 million or greater than $1 million (but not greater than $5 million) or not greater than $1 million. For purposes of the preceding sentence, an "eligible Computation Date" is any Computation Date unless (i) it is sooner than one (1) year after the immediately preceding Computation Date (or the date of issue of the Bonds if such date is the first Computation Date) or (ii) on or before such date less than seventy-five percent (75%) of the net sale proceeds of the Bonds have been allocated to expenditures, not counting expenditures for Debt Service.

Fair Market Value of an Investment shall have the following meanings:

(A) In General. Except as elsewhere specifically stated below, the Fair Market Value of an Investment is the price at which a willing buyer would purchase the Investment from a willing seller; provided, that if an Investment is not readily saleable, then its Fair Market Value shall be equal to the price at which a willing buyer would purchase the same (or a substantially similar) Investment from the issuer of the Investment. In no instance may a price be increased by brokerage commissions, administrative charges or similar expenses.

(B) Established Securities Market. Subject to (C) through (E) below, the price at which a willing buyer would purchase an Investment that is traded in an established securities market is to be determined, in descending order of priority, (i) on the basis of selling prices for which there is complete data, or failing (i), then (ii) on the basis of bid and asked prices for which there is complete data, or failing (i) and (ii), then (iii) on the basis of selling prices or bid and asked prices for which there is partially complete data, all as set forth below. If none of these methods applies, then reference is to be made to Treasury Regulation §20.2031-2(f) for the relevant factors that may be taken into account in the case of an Investment that is so traded. An "established securities market" includes a national securities exchange which is registered under section 6 of the Securities Exchange Act of 1934; an exchange which is exempted from registration under section 5 of the Securities Exchange Act of 1934 because of its limited volume of transactions; and any over-the-counter market which is reflected by the existence of an interdealer quotation system--i.e., any system of general circulation to brokers and dealers which regularly disseminates quotations of obligations by identified brokers or dealers (other than a quotation sheet prepared and distributed by a broker or dealer in the regular course of business and containing only quotations of such broker or dealer).

(1) Selling Prices. The Fair Market Value of an Investment that is traded in an established securities market is to be determined by giving first preference to selling prices, as follows:

(a) All Securities. The Fair Market Value shall be equal to the mean between the highest and lowest selling prices of the Investment on a valuation date; provided, that if there were no sales of the

Investment on the valuation date but there were such sales within a reasonable period of time both before and after the valuation date, then the Fair Market Value of the Investment shall be equal to the average between the highest and lowest selling prices on the nearest date before and the nearest date after the valuation date (which average shall be weighted inversely by the respective number of trading days between the selling dates and the valuation date). If the Investment is listed on more than one exchange, then the records of the exchange where it is principally dealt shall be employed so long as appropriate records are maintained in a generally available listing or a publication of general circulation. If records are not so maintained and the Investment is listed on a composite listing of combined exchanges for which records are maintained in a generally available listing or publication of general circulation, then the records for such combined exchanges shall be employed.

(b) Bonds. If the highest and lowest selling prices for a bond, note or other evidence of indebtedness that is traded in an established securities market are not available but the closing selling prices are maintained in a generally available listing or a publication of general circulation, the Fair Market Value of such an Investment shall be equal to the mean between its quoted closing selling price on the valuation date and its quoted closing selling price on the trading day immediately before the valuation date; provided, first, that if no closing selling price was quoted for the trading day immediately before the valuation date but there were sales of the Investment on a date within a reasonable period of time before the valuation date, the Fair Market Value of the Investment shall be equal to the average of its quoted closing selling price on the valuation date and its

quoted closing selling price on the nearest date before the valuation date (which average is to be weighted by the number of trading days between the previous selling date and the valuation date); provided, second, that if there were no sales of the Investment within a reasonable period before the valuation date but there were sales on the valuation date, the Fair Market Value of the Investment shall be equal to its quoted closing selling price on the valuation date; and provided, third, that if there were no sales of the Investment on the valuation date but there were sales on dates within a reasonable period both before and after the valuation date, the Fair Market Value of the Investment shall be equal to the average of the quoted closing selling price on the nearest date before and the quoted closing selling price on the nearest date after the valuation date (which average shall be weighted inversely by the respective number of trading days between the selling dates and the valuation date). If an Investment is listed on more than one exchange, then the records of the exchange where the bond is principally listed shall be employed.

(2) Bid and Asked Prices. The Fair Market Value of an Investment that is traded in an established securities market is to be determined by giving second preference to the mean between the bona fide bid and asked prices for such an Investment on the valuation date; provided, that if such mean is not determinable on the valuation date, then the Fair Market Value of the Investment shall be equal to the average of the means between the bid and asked prices on the nearest date before (if reasonably proximate to) and on the nearest date after (if reasonably proximate to) the valuation date (which average shall be weighted inversely by the respective number of trading days between the dates on which bona fide bid and asked prices are posted and the valuation date).

(3) Partially Complete Data. If selling prices or bid and asked prices are available for an Investment that is traded in an established securities market on a date within a reasonable period before, but not after, the valuation date (or vice versa), then the Fair Market Value of such an Investment shall be equal to the mean between the highest and lowest selling prices or between the bona fide bid and asked prices on such date.

(C) United States Obligations. The price at which a willing buyer would purchase an Investment that is an obligation of the United States (or any agency or instrumentality thereof) and is backed by the full faith and credit of the United States (or any such agency or instrumentality) shall be the mean between the bid and asked prices on the valuation date (or, if there are no bid and asked prices on such date, on the first day preceding such date for which there are bid and asked prices). The bid and asked prices shall be determined either by reference to "Composite Closing Quotations for United States Government Securities" published by the Federal Reserve Bank of New York, or by reference to a comparable compilation of bid and asked prices regularly published in a newspaper of general circulation throughout the United States.

(D) Restricted Escrows. Except as elsewhere specifically stated herein, the Fair Market Value of an Investment that is held in an account that is subject to restriction as to yield on an Installment Computation Date shall be the Present Value of the Investment.

(E) Non-Restricted SLGs. On any valuation date, the Fair Market Value of an Investment that is a SLG which is not subject to restriction as to yield shall be the Present Value of the Investment. Solely for the purpose of the preceding sentence, the discount rate in respect of the Investment shall be equal to the maximum interest rate in effect on such valuation date for a SLG having a term equal to the remaining term of the Investment.

Final Computation Date shall mean the day on which the Bonds are completely discharged.

Future Value shall mean the amount determined by using the following formula:

$$FV=PV(1+i)^n$$

where FV equals the future value of the receipt or payment at the end of the interval, with each interval ending on the last day of

a compounding interval used in computing yield under Regulation §1.148-3T, PV equals the future value of the receipt or payment at the beginning of the interval or the amount thereof if the computation is for the first interval, with the first interval beginning on the date the receipt or payment is actually or constructively received or paid (or otherwise taken into account), i equals the Yield on the Bonds divided by the number of compounding intervals in a Bond Year and n equals the sum of (i) the number of whole compounding intervals for the period ending on the Computation Date and (ii) a fraction the numerator of which is the length of any short compounding interval during such period and the denominator of which is the length of a whole compounding interval.

Gross Proceeds of the Bonds shall mean:

(A) Sale proceeds, which are amounts actually or constructively received on the sale of the Bonds;

(B) Investment proceeds, which are amounts actually or constructively received from the investment of sale proceeds or investment proceeds;

(C) Sinking fund proceeds, which are amounts reasonably expected to be used to pay principal or interest on the Bonds;

(D) Amounts in the Debt Service Fund;

(E) Discount proceeds, as determined under Regulation 1.148-8T(d)(7);

(F) Any other amounts set aside to pay Debt Service; and

(G) Amounts not otherwise taken into account which are received as a result of investing the amounts described above.

Imputed Receipts shall mean any receipt imputed to an Investment that does not bear interest at an arm's length interest rate, all in accordance with Regulation 1.148-5T.

(A) Bond Yield Limitation. No receipt shall be imputed with respect to the investment of the Gross Proceeds in a nonpurpose receipt account or a checking account to the extent that the receipt would cause the Yield-to-Maturity of the Investments allocated to any such account to exceed the Yield on the Bonds, but only if the average daily balance for a calendar month in any such account does not exceed the greater of (i) $250,000 and (ii) the lesser of ten percent (10%) of the Gross Proceeds which have not been expended and $2,500,000. For purposes of this

limitation, the term "nonpurpose receipt account" refers to a demand deposit or similar account with a bank, trust company or broker if the account is used to hold payments attributable to Investments for a short period of time until the amounts can be reinvested in Investments at an arm's length interest rate, substantially all such amounts are in the account for not more than five (5) business days before being reinvested as aforesaid and substantially all Investments acquired with such amounts are not demand deposits and are held, on average, for a period of thirty (30) days or more; and the term "checking account" refers to a checking or similar account if the account is used to hold funds for a short period of time until the funds are used to pay expenditures and substantially all such funds are transferred to the account no earlier than five (5) business days before such funds are used to pay expenditures. Also for purposes of this limitation, all accounts in which Gross Proceeds are invested that are either nonpurpose receipt accounts or checking accounts shall be aggregated and treated, category-by-category, as one such account to which there shall not be credited any funds that are not Gross Proceeds; provided, however, for this purpose the term "Gross Proceeds" shall not include any amounts that may not be invested in "higher yielding investments" (as defined in Section 148(b)(1) of the Code) without causing the Bonds to be "arbitrage bonds" (as defined in Section 148(a) of the Code) and any amounts comprising the Debt Service Fund.

(B) Certain Temporary Investments. No receipt shall be imputed with respect to the investment of Gross Proceeds in a nonpurpose receipt account (as defined in (A)) if the average daily balance for a calendar month in any such account does not exceed the greater of (i) and (ii) the lesser of ten percent of the Gross Proceeds which have not been expended and

Installment Computation Date shall mean the last day of the fifth Bond Year and the last day of each succeeding fifth Bond Year (until and excluding the Final Computation Date).

Investment shall mean any Investment Security which would constitute "investment property" within the meaning of Section 148(b) of the Code.

Minimum Debt Service Fund Balance shall mean the lesser of (A) the lesser of (i) maximum principal and interest due in any year with respect to the Bonds and (ii) one hundred twenty-five percent (125%) of average annual Debt Service; and (B) ten percent (10%) of the proceeds of the Bonds.

Passenger Terminal Facilities shall mean those elements of the Project generally described in paragraph (A) of Section 2.1

of this Trust Administration Agreement, which are leased by the Authority to the Lessee pursuant to the Lease.

Person shall mean any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

Present Value shall mean the amount determined by using the following formula:

$$PV = \frac{FV}{(1+i)^n}$$

where PV equals the present value of the amount to be received or paid, FV equals the amount to be received or paid, i equals the discount rate divided by the number of compounding intervals in a year and n equals the sum of (i) the number of whole compounding intervals for the period ending on the Computation Date and (ii) a fraction the numerator of which is the length of any short compounding interval during such period and the denominator of which is the length of a whole compounding interval.

Present Value of an Investment shall mean the Present Value, as of any date of calculation, of all payments of principal of and interest on the Investment to be received after such date, determined by using as the discount rate the Yield-to-Maturity of the Investment.

Rebate Amount shall mean, with respect to the Bonds, the amount computed as described in Section 6.2 of this Trust Administration Agreement.

Regulations shall mean the Income Tax Regulations (including Temporary and Proposed Regulations) promulgated by the Treasury pursuant to Section 103 of the Internal Revenue Code of 1954, as amended, or pursuant to Section 103 and related provisions of the Code, from time to time.

Related Person shall mean, with respect to any Person, a Person which is a related person as defined in Section 147(a)(2) of the Code.

Section 148(f) Payment Fund shall mean the fund established by the Trustee pursuant to Section 8 of the Trust Indenture and Section 6.7 of this Trust Administration Agreement.

SLG shall mean a security issued by the Treasury pursuant to the State and Local Government Series program described in 31 C.F.R. part 344.

Treasury shall mean the United States Department of Treasury.

Variable Rate Obligation shall mean any obligation the yield on which, under the terms of the obligation, is adjusted periodically according to a prescribed formula such that the yield over the term of the obligation cannot be determined on the date of original issuance.

Weighted Average Rate of Interest of an obligation for any period shall mean the total interest paid or deemed paid during such period divided by the product of (i) the principal amount of such obligation, and (ii) the amount of time from the beginning of such period that the obligation is outstanding (expressed in percentage of years). Weighted Average Rate of Interest for two or more obligations for any period shall mean the total interest paid during such period divided by the sum of the products described above.

Yield shall mean, as of any Computation Date, that discount rate which when used in computing the Present Value of all "Issue Payments Made" or all "Issue Payments to be Made" in respect of the Bonds produces an amount equal to the sum of the "Issue Prices" of the obligations that are part of the Bonds. For this purpose:

(A) "Issue Payments Made" consist of amounts that have been paid on or before the Computation Date for Debt Service. Call premiums, if any, are not to be taken into account.

(B) "Issue Payments to be Made" consist of amounts, (excluding any call premium) that are to be paid after the Computation Date for Debt Service, which in each instance (except as stated in the next sentence) shall be determined by assuming that the Bonds are retired on their final maturity date or dates for their stated redemption prices. Notwithstanding the preceding sentence, it shall be assumed that an obligation is to be retired on a retirement date in advance of its final maturity date if the obligation (i) is subject to mandatory early redemption, (ii) is to be retired before final maturity pursuant to a binding contract in existence on the Computation Date or (iii) is to be refunded with proceeds of a refunding issue issued on or before the Computation Date.

(C) "Issue Price" shall be determined in accordance with paragraph (B) of Section 3.1 of this Trust Administration Agreement.

Yield-to-Maturity of an Investment means that discount rate which, when used in determining the Present Value of the actual and anticipated payments of principal and interest in respect of such investment as of the later of its purchase date or the date on which it is allocated to the Gross Proceeds of the Bonds and assuming semi-annual compounding, produces an amount equal to the Fair Market Value of the Investment, including any accrued interest, on such date. In the case of an Investment that is a Variable Rate Obligation, the Yield-to-Maturity shall be calculated by assuming that the rate of interest thereon will at all times be the Weighted Average Rate of Interest during the preceding one-year period (or portion thereof while such investment remained outstanding); provided, that if an Investment which is a Variable Rate Obligation is purchased on its date of issue, then the Yield-to-Maturity for the first one-year period shall be calculated by assuming that the rate of interest thereon is the initial rate as determined under the prescribed formula on such date of issue (without regard to any fixed rate initially applicable thereto).

SECTION 1.2. Reliance on Documents. The Trustee and the Authority shall be permitted to conclusively rely on the contents of any certification, document and instruction delivered by the Lessee pursuant to this Trust Administration Agreement, and shall not be responsible or liable in any way for verifying the accuracy or correctness of the contents of any such certification, document or instruction or the failure of the Lessee to deliver any of such certifications, documents or instructions required or contemplated by this Trust Administration Agreement.

The Trustee may (but shall have no obligation), upon reasonable basis therefor and at the sole cost and expense of the Lessee, obtain such opinions, verifications or other information from such experts (including accountants and attorneys) as the Trustee may deem necessary to verify or determine the information set forth or as should be set forth in any certification, document or instruction delivered or required or contemplated to be delivered by the Lessee under this Trust Administration Agreement.

The Lessee acknowledges and consents to the reliance upon this Trust Administration Agreement by any authorized officer of the Authority in delivering a certificate on behalf of the Authority with respect to the use, investment and disposition of the proceeds of, and other actions to be taken in connection with, the Bonds, and by Patrick J. Falvey, Esq., General Counsel of the Authority.

ARTICLE II

THE PROJECT

SECTION 2.1. Description of Project.

The Lessee represents that it has undertaken certain construction and installation constituting the Project, located at and a part of the Airport. The Airport is leased to the Authority under a lease with The City of New York.

The Project, listed on Schedule I to the Lease, generally consists of:

(A) The construction of the following elements on and under the site:

(1) A two (2) level passenger terminal building consisting of approximately 260,000 square feet of floor space, the foregoing together with all associated and related areas and facilities, including but not limited to stairwells, stairways, escalators, passenger loading bridges, baggage conveyor systems and elevators, and a ground control tower (as more fully described in Section 52 of the Lease);

(2) All necessary and appropriate work together with all associated and related areas and facilities for the connecting of the Passenger Terminal Facilities and the Shuttle Terminal;

(3) Ten aircraft loading and unloading gate positions, Numbers 1 through 10, consisting of nine gate positions that will accommodate both wide-body aircraft (including Boeing 757 aircraft) and narrow-body aircraft and one aircraft gate position for narrow-body aircraft;

(4) All appropriate work for the construction of general utility and mechanical equipment rooms and spaces and crawl spaces within the Passenger Terminal Facilities;

(5) All appropriate work for the construction of a utility room or rooms and a heating plant for the purpose of providing heat, air-conditioning, ventilation, electricity, water and all other utilities for the Passenger Terminal Facilities, including without limitation all machinery, equipment and facilities required to be installed in the Common Areas in connection with the said facilities;

(6) A vehicular maintenance building of approximately 20,000 square feet in the area shown in diagonal hatch in Exhibit D attached to the Original Lease;

(7) All appropriate work for the construction of the concession areas to be made available for consumer services, as more fully described in Sections 57 through 65 of the Lease, including the construction and installation of utility lines which are to serve the said concession areas as and to the extent such work is not to be performed by a consumer service operator pursuant to its agreement with the Authority;

(8) All appropriate lines, pipes, mains, cables, manholes, wires, conduits and other facilities required in connection with or relating to the mechanical, utility, electrical, storm sewer, sanitary sewer, telephone, fire alarm, fire protection, gas and other systems needed for the Passenger Terminal Facilities including all necessary relocations, and all work necessary or required to tie the foregoing to the utility access stubs now existing which include water, electrical power, sanitary service lines, including all necessary valves and other equipment and accessories necessary to the use and operation of the heating, electrical, water and other utility systems which are to serve the premises;

(9) Upper level roadways on the area shown in diagonal hatch on Exhibit C attached to the Original Lease, and all other necessary or appropriate ground and elevated roadways, ramps, sidewalks, vehicular service areas, and pedestrian circulation areas, together with all related and associated areas and facilities;

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

(11) Appropriate landscaping together with all related and associated work;

(12) The demolition of Hangar Building No. 6 and Hangar Building No. 8 and all other existing buildings, improvements and structures on the site;

(13) All work necessary or appropriate for the realignment of the restricted service road located on the site;

(14) All appropriate or necessary work for the construction of an aircraft taxiway on the area shown in stipple cross-hatch on Exhibit B attached to the Original Lease;

(15) The expansion of the aircraft taxiway shown in stipple diagonal hatch on Exhibit B attached to the Original Lease;

(16) All appropriate work for the construction of a snow removal/melting pit to serve the premises and the Shuttle Terminal;

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

(B) In addition to the Passenger Terminal Facilities, the Project also includes the construction of the following elements off-site:

(1) An expansion of the existing Shuttle Terminal building which forms a part of the Shuttle Terminal Premises under the Shuttle Terminal Lease including, without limitation, such modifications, installations and additions to the Shuttle Terminal Premises as are necessary or appropriate for the expansion of the existing building and for the reconfiguration of the existing aircraft gate positions, and as are necessary or appropriate for

the physical and operational integration of the Passenger Terminal Facilities with the Shuttle Terminal, all necessary or appropriate work together with all associated and related areas and facilities for connecting the existing Shuttle Terminal building to the Passenger Terminal Facilities, all necessary or appropriate work for the construction of suitable piling and foundations to support the Section 2A Additional Construction;

(2) New upper level Airport roads on the areas shown in stipple and cross-hatch on Exhibit C attached to the Original Lease to which certain portions of the circulation areas would connect, as well as any and all associated or related extension, widening, relocation and rehabilitation of existing Airport roads, together with all appropriate ground lighting, lines, pipes, drains, wires, cables, manholes and conduits and other facilities;

(3) All necessary or appropriate work for the construction of an aircraft taxiway shown on the area shown in cross-hatch on Exhibit B attached to the Original Lease.

(4) All necessary or appropriate work for the expansion of the aircraft taxiway shown in diagonal hatch on Exhibit B attached to the Original Lease;

(5) All work necessary or appropriate for the relocation of the restricted service road currently located on the site;

(6) All appropriate lines, pipes, drains, wires, cables, conduits and other facilities so as to tie the Passenger Terminal Facilities and the Shuttle Terminal Expansion into the service lines for the supply of water, electrical power, telephone, sanitary and storm sewers to such location off the premises as the Authority may designate, the foregoing being respectively called "the water lines", "the electric lines", or "sanitary lines";

(7) All work necessary or appropriate for the construction required to be performed by the Lessee under the separate permit issued to the Lessee by

the Authority dated as of March 1, 1989, covering the construction and use of a ground service equipment building to be located at the Airport and bearing Authority Permit No. AGA-141, as said construction and use are described more fully in said permit.

SECTION 2.2. Project Representations of Lessee. The Lessee hereby represents as follows:

(A) All of the elements comprising the Project will consist of

(1) facilities directly related and essential to

(a) servicing aircraft or enabling aircraft to take off and land, or

(b) transferring passengers or cargo to or from aircraft,

which facilities are located at, or in close proximity to, the take-off and landing area in order to perform their function, such as terminals, runways, hangers, loading facilities and repair shops; and

(2) facilities functionally related and subordinate to an airport which are located at the Airport and of a character and size commensurate with the character and size of the Airport, such as restaurants and retail stores located in terminals, roads and utilities and ground transportation parking areas.

(B) No portion of the Project will consist of property (i) designed to serve a system-wide or regional function of an airline unless the property is described in Section 2.2(A)(1) hereof, (ii) to be used by the United States (or any agency or instrumentality thereof) on a basis other than as a member of the general public, (iii) constituting retail facilities (including food and beverage facilities) in excess of a size necessary to serve passengers and employees at the Passenger Terminal Facilities and the Shuttle Terminal or (iv) constituting retail facilities for passengers or the general public located outside of the Passenger Terminal Facilities and the Shuttle Terminal. For these purposes, "passengers" includes persons meeting or accompanying persons arriving or departing on flights to and from the Passenger Terminal Facilities and the Shuttle Terminal, and public parking which is limited to no more than a size necessary

to serve passengers and employees at the Airport is not treated as a "retail facility."

(C) All of the elements comprising the Project are owned by The City of New York and are leased to the Authority under the Basic Lease.

(D) The Lessee has made an irrevocable election (binding on the Lessee and all successors in interest under the Lease) not to claim depreciation or an investment credit with respect to the Project, the Lease term (as defined by reference to Section 168(i)(3) of the Code) is not more than eighty percent (80%) of the Average Economic Life of the Project, and the Lessee has no option under the Lease to purchase the Project.

SECTION 2.3. Use of Project. The Lessee hereby covenants and agrees that the Lessee shall only use the Project in accordance with the provisions of Section 8 of the Lease.

ARTICLE III

USE, INVESTMENT AND DISPOSITION OF THE PROCEEDS OF THE BONDS

SECTION 3.1. Certain Representations Concerning the Project, the Passenger Terminal Facilities and the Bonds. In connection with the issuance of the Bonds, the Lessee hereby represents and reasonably expects as follows:

(A) The Project. The Lessee has entered into contracts for the construction and installation of the Project and has incurred substantial binding obligations with respect thereto. The construction and installation of the Project will proceed with due diligence to completion, and all of the proceeds of the Bonds available to pay the costs of the construction and installation of the Project will be expended for such purpose by December 1, 1992. The Lessee does not expect to sell its interest in the Project and anything necessary to be done to assure that its interest in the Passenger Terminal Facilities will not be disposed of in whole or in part prior to the last maturity of the Bonds in such a manner which will cause the Bonds to become arbitrage bonds under Section 148 of the Code and the Regulations, will be done by the Lessee.

(B) Issue Price; Expected Use of the Proceeds of the Bonds. The issue price (within the meaning of Section 1273 of the Code) of the Bonds is determined on the basis and computed as set forth in Schedule B.

The proceeds to be received by the Authority from the sale of the Bonds are (face amount of , minus original issue discount in the amount of minus underwriters' discount in the amount of plus accrued interest of . Such amount of (together with any earnings derived from the investment thereof), is expected to be needed and fully expended to pay (i) costs incurred by the Lessee in connection with the issuance of the Bonds in the amount of (ii) accrued interest on the Bonds in the amount of (iii) the Minimum Debt Service Fund Balance in the amount of , to the Debt Service Fund, and (iv) Project Costs in the amount of . Any difference in the amount of the total estimated Project Costs and the amount estimated to be available from the proceeds of the Bonds (including any earnings derived from the investment thereof) for the Project is expected to be paid by the Lessee from funds available from other sources.

(C) Construction Fund. Upon the sale of the Bonds, the Trustee shall deposit into the Construction Fund the proceeds of the Bonds received by the Authority from such sale (exclusive of accrued interest in the amount of $, which will be paid directly to the Trustee for deposit into the Bond Fund, and the amount of which will be paid directly to the Trustee for deposit into the Debt Service Fund). Income from investment of amounts on deposit in the Construction Fund will be retained in the Construction Fund, and may be used to pay Project Costs. Amounts are expected to be disbursed from the Construction Fund in accordance with (i) the procedures set forth in Section 3.3 of this Trust Administration Agreement and (ii) the Schedule of Estimated Disbursements from the Construction Fund attached hereto as Schedule D, and applied to the payment or reimbursement of Project Costs. Any amounts remaining in the Construction Fund at completion of the Project are to be transferred, in accordance with the procedures set forth in Section 3.4 of this Trust Administration Ageement, to the Bond Fund and applied as set forth in paragraph (D) of this Section 3.1.

(D) Bond Fund. The Bond Fund has been established primarily to achieve a proper matching of revenues and Debt Service within each Bond Year and (other than amounts transferred from the Construction Fund to the Bond Fund pursuant to the last sentence of Section 3.1(C) of this Trust Administration Agreement or deposited therein pursuant to the last paragraph of this Section 3.1(D)) will be depleted at least once each Bond Year except for a reasonable carryover amount (not to exceed the greater of one year's earnings on amounts in the Bond Fund or one-twelfth (1/12) of annual Debt Service). Monies deposited in the Bond Fund (other than amounts transferred from the Construction Fund to the Bond Fund pursuant to the last sentence of Section 3.1(C) of this Trust Administration Agreement or deposited therein pursuant to the last paragraph of this Section 3.1(D)) will be expended within a thirteen-month period beginning on the date of initial receipt, and all amounts received from the investment of monies held in the Bond Fund will be expended within one year of receipt. All amounts (other than amounts transferred from the Construction Fund to the Bond Fund pursuant to the last sentence of Section 3.1(C) of this Trust Administration Agreement or deposited therein pursuant to the last paragraph of this Section 3.1(D)) on deposit in the Bond Fund, if invested at all, may be invested without regard to restrictions as to yield.

All amounts transferred from the Construction Fund to the Bond Fund pursuant to the last sentence of Section 3.1(C) of this Trust Administration Agreement shall be held by the Trustee separate and apart from other monies in the Bond Fund and shall

be applied by the Trustee, at the direction of the Lessee and upon notice to the Authority. Upon deposit into the Bond Fund of such monies and thereafter until such monies shall be so applied, such monies will not be invested at a yield which is greater than the Yield on the Bonds.

In the event that the Trustee shall receive any monies from a partial sale (by condemnation or otherwise) of the Passenger Terminal Facilities, and the Lease has not been terminated in accordance with its terms, such monies shall be deposited in the Bond Fund and held separate and apart from other monies therein and shall be applied and until so applied invested by the Trustee, at the direction of the Lessee, upon notice to the Authority; provided, that prior to any investment or application of such monies the Trustee and the Authority shall have received an opinion of a firm of bond counsel, designated by the Lessee, to the effect that such application or investment will not impair the non-includibility, for Federal income tax purposes, of the interest on the Bonds then outstanding after such application or investment. Such opinion shall be provided by the Lessee at its sole cost and expense.

(E) Debt Service Fund. There shall be credited to the Debt Service Fund from the proceeds of the Bonds the amount of which amount is the Minimum Debt Service Fund Balance as of June 12, 1990. The Debt Service Fund shall be maintained in an amount equal to the Minimum Debt Service Fund Balance, and shall be disbursed by the Trustee to the Bond Fund, as appropriate, solely for the purpose of paying Debt Service. The Lessee shall make all payments required to maintain the Minimum Debt Service Fund Balance directly to the Trustee for deposit to the Debt Service Fund. If, as of the last business day of any Bond Year or as of any date upon which there is a transfer from the Debt Service Fund to the Bond Fund, the amount on deposit in the Debt Service Fund shall be less than the Minimum Debt Service Fund Balance, the Trustee shall immediately notify the Lessee and the Authority of any such deficiency in the Debt Service Fund and, on or before the fifth business day following the delivery of notice of such deficiency, the Lessee shall pay directly to the Trustee for deposit into the Debt Service Fund the amount of such deficiency. The Trustee shall notify the Authority of any failure by the Lessee to pay any amounts required to maintain the Minimum Debt Service Fund Balance. In the event the Facility Rental shall be accelerated and the Lessee shall become obligated to pay the accelerated Facility Rental pursuant to Section 87(a)(2) of the Lease, the amount on deposit in the Debt Service Fund shall be transferred to the Bond Fund and shall be used by the Trustee to redeem, retire or refund the outstanding Bonds. In the event the Bonds shall be redeemed, retired or refunded, the amount on deposit in

the Debt Service Fund shall be transferred to the Bond Fund and paid to the Lessee to the extent provided in Section 10(b) of the Series Resolution.

The Debt Service Fund is intended as a reserve for the payment of Debt Service. The amount on deposit therein in any Bond Year shall not exceed the Minimum Debt Service Fund Balance.

To the extent and upon the determination of the Trustee that there is in the Debt Service Fund an amount in excess of the Minimum Debt Service Fund Balance, the amount in excess of the Minimum Debt Service Fund Balance otherwise in the Debt Service Fund at any time, shall be transferred by the Trustee to the Construction Fund until the Completion Date, and thereafter to the Bond Fund.

(F) Payment of Debt Service. Although the Bonds are secured by certain mortgages and security interests, it is reasonably expected that Debt Service is to be paid only from amounts in the Bond Fund. Facility Rental will be paid by the Lessee directly to the Trustee, for deposit into the Bond Fund, not later than five (5) days prior to the date for payment of Debt Service, in an amount sufficient to pay Debt Service as then to be due and owing to the holders of the Bonds. If on the day immediately preceding any date for the payment of Debt Service the amount on deposit in the Bond Fund is not sufficient to pay Debt Service then to be due and payable to Bondholders on such payment date, the Trustee shall transfer from the Debt Service Fund for deposit into the Bond Fund an amount, which is sufficient, together with any other monies which may be available therefor in the Bond Fund, to make such payment of Debt Service. Monies in the Bond Fund shall be transmitted by the Trustee to the Paying Agent on the date for the payment of Debt Service pursuant to the Series Resolution, in an amount sufficient to pay Debt Service as then due and owing to the holders of the Bonds. On each date for the payment of Debt Service, the Trustee shall determine whether the Lessee has provided sufficient monies for deposit into the Bond Fund to pay Debt Service, when due. The Lessee shall be deemed to have provided such monies to the extent that such Debt Service is paid on such date.

SECTION 3.2. Certification as to Project Costs. The Lessee hereby certifies with respect to the items shown in Schedule A, Use of the Proceeds of the Bonds, as follows:

(A) The assumptions shown in Item 2 of Schedule A used in calculating the amount of interest estimated to accrue on investments held in the Construction Fund and in the Debt Service Fund (until the Completion Date) are fully consistent with those used in establishing Schedule D, Estimated Disbursements From the Construction Fund.

(B) The sum of the amounts shown in Item 3(E) of Schedule A as costs of issuance of the Bonds does not exceed two percent (2%) of (the face amount of the Bonds, adjusted for original issue discount), consists only of costs which, pursuant to the Lease, are directly related to and necessary for the issuance of the Bonds and does not include any financing or transaction costs of the Lessee paid or payable by the Lessee in connection with the Lease or other agreements relating to the Project.

(C) The amounts shown in Item 3 of Schedule A as "Qualified Costs" consist only of costs of the Project (i) paid or incurred by the Lessee after October 3, 1989, and (ii) which are properly chargeable to the capital account of the Project for Federal income tax purposes or would be so chargeable either with a proper election by the Lessee or but for a proper election of the Lessee to deduct the amount of the obligation, item of cost or expense.

(D) No portion of the proceeds of the Bonds will be used to finance any intercompany profits resulting from the participation in the construction of the Project of a Related Person to either the Lessee or a principal user (which includes any Person who is the owner, lessee or user of more than ten percent (10%) of the Project measured either by occupiable space (excluding common space used by the general public) or fair rental under any formal or informal arrangement pertaining to the Project).

(E) The total amount shown in Item 3 of Schedule A as "Qualified Costs" is ninety-five percent (95%) or more of ((i) the face amount of the Bonds, adjusted for original issue discount, plus (ii) the amount of interest expected to accrue on investments of the proceeds of the Bonds held in the Construction Fund and, prior to the Completion Date, in the Debt Service Fund, minus (iii) the amount of the proceeds of the Bonds, deposited into the Debt Service Fund). All such costs eligible for treatment as "Qualified Costs" consist only of costs paid or incurred in connection with the Project on or after October 3, 1989.

(F) No amount shown in Item 3 of Schedule A represents a cost incurred in connection with the acquisition of any property (or an interest therein), the first use of which shall not be pursuant to such acquisition.

(G) The "Summary Of Use Of Proceeds For Form 8038 Purposes" of Schedule A sets forth on a sample Internal Revenue Service Form 8038, "Information Return for Tax-Exempt Private Activity Bond Issues" certain items for purposes of preparation of such a form to enable its timely filing with the Internal Revenue Service.

SECTION 3.3. Disbursements from the Construction Fund.

(A) Disbursements from the Construction Fund in payment of Port Authority Bond Expenses shall be made solely in accordance with the Lease.

(B) From time to time upon the construction and installation of all or a portion of the elements of the Project to the extent listed on Schedule I of the Lease, and upon certification to the Trustee as hereinafter set forth, the Trustee within five (5) days after receipt of such certification shall make the payment requested by the Lessee in such certification.

(C) Each disbursement from the Construction Fund, other than the disbursement in payment of Port Authority Bond Expenses set forth in clause (ii) of Section 85(c)(2) of the Lease which shall be made by the Trustee in accordance with such provision, shall be made in accordance with the Lease and only upon receipt by the Trustee of a written certificate signed by an Authorized Company Representative certifying with respect to each payment to be made:

(1) the requisition number;

(2) the name and address of the Person to whom payment is due (which may include the Lessee or the Authority, if applicable) or, in the case of payment to the Bond Fund, with respect to interest accrued or accruing on the Bonds, instructions to make such payment thereto for such purposes;

(3) the amount to be paid, the element of the Project to which such disbursement shall be attributable and the purpose and circumstances in reasonable detail under

which each such obligation, item of cost or expense was incurred;

(4) that each obligation, item of cost or expense mentioned therein has been properly incurred and is a proper charge against the Construction Fund;

(5) that such obligation, item of cost or expense has not been the basis of any previous withdrawal from the Construction Fund (unless the amount of such withdrawal was subsequently reimbursed to the Construction Fund);

(6) that such obligation, item of cost or expense was not incurred before October 3, 1989;

(7) that such obligation, item of cost or expense for which payment is to be made from the Construction Fund, when added to all other payments previously made from the Construction Fund, will not result in less than ninety-five percent (95%) of the amount set forth in Section 3.2(E) of this Trust Administration Agreement being used (i) to provide a project defined as an "airport" in Section 142(a)(1) of the Code, and the Regulations, and (ii) to pay obligations, items of cost or expenses that are properly chargeable to the capital account of the Project for Federal income tax purposes or would be so chargeable either with a proper election of the Lessee or but for a proper election of the Lessee to deduct the amount of the obligation, item or expense; and

(8) no event set forth in Section 30(a)(1), (2), (3) or (7) of the Lease (subject to paragraph (f) of said Section 30) has occurred and the Lessee has not failed to provide sufficient monies for deposit into the Bond Fund to pay Debt Service, when due, or for deposit to the Debt Service Fund to maintain the Minimum Debt Service Fund Balance.

The Lessee shall provide a copy of each such written certificate to the Authority at the time the Lessee transmits such certificate to the Trustee. All records of the Lessee with respect to each disbursement from the Construction Fund shall be kept at all times within the Port District for a period of seven (7) years after the final disbursement of the Construction Fund, and shall be subject to the audit and inspection of the Trustee or the Authority, its representatives and employees at any time and from time to time, or the Lessee may maintain said records at the Lessee's offices in Houston, Texas and Miami, Florida, and the Lessee hereby agrees to make the same available at said office, on condition that the Lessee shall pay to the Trustee and the Authority all travel costs and expenses as determined by the Trustee and the Authority for their auditors and other representatives to and from said office in connection with any audit at that location pursuant hereto.

SECTION 3.4. Project Completion. Subsequent to the Completion Date of the construction work, the Lessee shall deliver to the Trustee copies of the certificates described in Section 2(j)(1) of the Lease and shall deliver to the Trustee and to the Authority a certificate signed by an Authorized Company Representative stating that, except for amounts retained by the Trustee at the direction of an Authorized Company Representative for any Project Costs not then due or payable or the liability for payment of which is being contested or disputed by the Lessee, all Project Costs have been paid. Upon receipt of such certificate, the Trustee shall credit to the Bond Fund, subject to the Lease, the Trust Indenture and the Resolutions, all monies remaining in the Construction Fund, except the amount as shall be specified in such certificate to be retained in the Construction Fund for payment of items not then due and payable or the liability for which the Lessee is disputing or contesting.

Upon final settlement and payment of all Project Costs, the Lessee shall deliver a certificate signed by an Authorized Company Representative to such effect to the Trustee and the Authority. Upon receipt of such certificate the Trustee shall credit to the Bond Fund all monies remaining in the Construction Fund.

Notwithstanding the foregoing, each of the two (2) certificates delivered by the Lessee to the Trustee under this Section 3.4 shall state that it is given without prejudice to any rights against third parties which exist on the date thereof or which may subsequently come into being.

SECTION 3.5. Investment of Various Funds. The Trustee shall invest or reinvest any monies in the Construction Fund, the Bond Fund and the Debt Service Fund in such manner and in such Investment Securities as are set forth herein and in Section 7 of the Special Project Bond Resolution, Section 8 of the Special Project Bond Series Resolution and the Trust Indenture. Any earnings or losses from such investments or reinvestments shall be and become a part of or charge against the Construction Fund, the Bond Fund, or the Debt Service Fund, as applicable, and shall be held by the Trustee to be applied as set forth hereunder and in the Trust Indenture and the Resolutions. In conformity with Section 7 of the Special Project Bond Resolution, Section 8 of the Special Project Bond Series Resolution and the Trust Indenture, the monies held in each of the Construction Fund, the Bond Fund, the Debt Service Fund and any fund established pursuant to Section 8 of the Trust Indenture shall be deposited with the Trustee or such other bank or banking institution designated by the Authority. In conformity with Section 7 of the Special Project Bond Resolution and Section 8 of the Special Project Bond Series Resolution, as and when any amounts thus invested are needed for disbursements from the particular fund, the Trustee shall as necessary cause a sufficient amount of such Investment Securities to be sold or otherwise converted into cash to the credit of such fund. Pursuant to the foregoing the Lessee shall direct the Trustee to invest the monies in the Construction Fund, the Bond Fund and the Debt Service Fund in those Investment Securities set forth in a list of Investment Securities to be provided from time to time by the Lessee by notice to the Trustee. The Lessee shall also provide a copy of such notice to the Authority at the same time as it is delivered to the Trustee.

ARTICLE IV

AVERAGE ECONOMIC LIFE AND AVERAGE MATURITY OF BONDS

SECTION 4.1. Average Economic Life. The Lessee represents that Schedules C1 - C4 set forth the computation of the Average Economic Life. As shown in Schedule C4, the Average Economic Life is 43.41 years.

SECTION 4.2. Computation of Average Economic Life. The Lessee represents in connection with the computation of the Average Economic Life, as follows:

(A) The amount shown in Item 1 of Schedule C1 is the total cost of all elements of the Project.

(B) Schedule C1 sets forth, for each element of the Project its cost, the ratio of the cost of each element to total cost and the proceeds of the Bonds allocable to such element.

(C) Schedule C2 sets forth, for each element of the Project its economic life based on Rev. Proc. 62-21, as modified (for new real property), or the Class Life Asset Depreciation Range midpoint life as set forth in Rev. Proc. 87-56, as modified (for new property other than real property).

(D) Schedule C3 sets forth the adjusted economic life of each element listed in Schedule C2, taking into account the period of construction or acquisition from the date of original issuance of the Bonds (none of such elements were placed in service before the date of issue of the Bonds).

(E) Column D of Schedule C4 sets forth the weighted life of each element calculated by multiplying the amount of the proceeds of the Bonds allocable to each element by such element's adjusted economic life.

(F) The Average Economic Life is computed by dividing the total weighted life for all elements of the Project by the total proceeds of the Bonds allocable to the Project.

SECTION 4.3. Average Maturity. The Lessee represents that Schedule C5 sets forth the computation of the Average Maturity. As shown in Schedule C5, the Average Maturity is 19.728 years.

SECTION 4.4. Computation of Average Maturity. The Lessee represents in connection with the computation of the Average Maturity, as follows:

(A) Column A of Schedule C5 sets forth the issue price (within the meaning of Section 1273 of the Code) of each separate maturity of the Bonds.

(B) Column B of Schedule C5 sets forth the number of years carried to the first decimal point from the date of original issuance of each maturity of the Bonds to the maturity date thereof, for each maturity of the Bonds listed in Column A of Schedule C5.

(C) Column C of Schedule C5 sets forth the weighted maturity for each maturity of the Bonds, determined by multiplying the issue price listed (Column A) by the number of years to maturity listed in Column B for each maturity.

(D) The Average Maturity is computed by dividing the total of the "Weighted Maturities" by the total of the "Issue Prices".

SECTION 4.5. 120-Percent Rule. Based on the computations described above, the Average Maturity does not exceed one hundred twenty percent (120%) of the Average Economic Life.

ARTICLE V

FEDERAL GUARANTEES

SECTION 5.1. Federal Guarantees. The Lessee represents that neither the payment of Debt Service nor payments under the Lease are guaranteed in whole or in part, directly or indirectly, by the United States (or any agency or instrumentality thereof) and no portion of the proceeds of the Bonds is to be invested, directly or indirectly, in federally insured deposits or accounts other than (A) investments of the proceeds of the Bonds for an initial temporary period until the proceeds of the Bonds are needed for the Project, (B) investment of the Bond Fund, or (C) investment of the Debt Service Fund.

ARTICLE VI

REPRESENTATIONS AND EXPECTATIONS IN RELATION TO SECTION 148 OF THE CODE

SECTION 6.1. Lessee Actions. The Lessee agrees and covenants that it shall do and perform all acts and things necessary in order to assure that the requirements of Section 148 of the Code are met. To that end, in addition to any other appropriate actions, the Lessee shall take the actions described in Sections 6.2 through 6.6 of this Trust Administration Agreement. The Lessee shall, in addition to any other appropriate actions, direct the Trustee to make the required dispositions and payments described in Section 6.2, 6.3 and 6.6 hereof; provided, however, the Trustee may refuse to make any such disposition or payment if it reasonably believes such disposition or payment to be improper.

SECTION 6.2. Calculation of Rebate Amount. Section 148(f) of the Code requires the payment to the United States of the excess of the amount earned on the investment of Gross Proceeds in Investments over the amount that would have been earned on such investments had the amount so invested been invested at a rate equal to the Yield on the Bonds, together with any income attributable to such excess. The Yield on the Bonds as of the date of this Trust Administration Agreement is equal to 9.574%. Except as provided below, all of the funds and accounts established under the Trust Indenture, and all other funds or accounts treated as Gross Proceeds, are subject to this requirement. In order to meet the rebate requirement of Section 148(f), the Lessee agrees and covenants to take the following actions:

(A) Record of Investments and Expenditures. For each Investment acquired with Gross Proceeds of the Bonds or otherwise allocated to the Bonds, the Lessee (or at the Lessee's direction, the Trustee) shall record its purchase date, its purchase price (reduced by broker's or dealer's commissions or other administrative expenses, which shall also be stated), its Fair Market Value, accrued interest due on its purchase date, its face amount, its coupon rate, its Yield-to-Maturity, the frequency of its interest payments, its disposition price, accrued interest due on its disposition date and its disposition date. The Lessee

shall also record the date and amount of all expenditures made with the proceeds of the Bonds.

(B) Computation of Yield. For each Computation Date, the Lessee (or at the Lessee's direction, the Trustee) shall compute the Yield on the Bonds, as required by Regulation §1.148-3T(d).

(C) Computation of Rebate Amount. Subject to the special rules set forth in paragraph (F) of this Section 6.2, the Lessee shall determine the Rebate Amount on each of the Computation Dates. For this purpose:

(1) Any Computation Date. The Rebate Amount, determined as of any Computation Date, shall be equal to the excess of the Future Value of all receipts with respect to the Investments allocated to the Bonds over the Future Value of all payments with respect to such Investments, which excess, in the case of the Final Computation Date, shall be increased by the amount described in subparagraph (2) below. Anything in this Trust Administration Agreement to the contrary notwithstanding, on the last day of each Bond Year the Lessee shall, in accordance with the provisions of this Section 6.2, determine the Rebate Amount as if such last day was a Computation Date, and on the next following day provide notice to the Trustee of such amount. If the Trustee does not receive such notice the Trustee shall take the actions set forth in Section 6.3(A)(3) of this Trust Administration Agreement. The Lessee shall pay any such amount which would have been the Rebate Amount to the Trustee for deposit to the Section 148(f) Payment Fund at the time it delivers such notice to the Trustee or within five (5) days after receipt of such notice from the Trustee.

(2) Final Computation Date. Only in the case of the Final Computation Date and except as specified in the last sentence of this subparagraph (2), the amount determined under subparagraph (1) shall be increased by the earnings actually derived from investing such amount at an arm's length interest rate during the "payment period" that begins on the Final Computation Date and ends fifteen (15) days before the final Rebate Amount is actually paid; provided, that if the monies representing the final Rebate Amount cannot be identified on the Final Computation Date under a reasonable accounting system or, even if so identified, have not been invested at an arm's length interest rate, then the amount of the increase shall be equal to the earnings that would have accrued if the Rebate Amount had been so identified and had been invested at a rate equal to the maximum rate of interest in effect on the Final Computation Date for a SLG having a term equal to thirty (30) days or, if longer, the payment period referred to above. If the amount determined under this subparagraph (2) is less than then for purposes

of subparagraph (1), the amount described in this subparagraph (2) shall be deemed to be equal to

(D) Receipts with Respect to Investments. For purposes of paragraph (C)(1), receipts with respect to an Investment that is allocated to the Bonds consist of:

(1) Actual Receipts. The amount(s) actually or constructively received with respect to the Investment, determined without reduction for sales commissions, administrative expenses or similar expenses. An amount is constructively received when it is credited to the account of, set apart for, or otherwise made available to or for, a payee so that such amount may be drawn on by such payee (or could be so drawn on, assuming timely notice of the payee's intention to withdraw).

(2) Disposition Receipts. The amount corresponding to the Fair Market Value of an Investment that ceases to be allocated to the Bonds for reasons not related to its sale or retirement, determined as of the date of such cessation.

(3) Installment Date Receipts. The amount corresponding to the Fair Market Value of an Investment that continues to be allocated to the Bonds on any Computation Date for which the Rebate Amount is being computed. For this purpose, the Present Value of all fixed rate Investments may be substituted for their Fair Market Value.

(4) Rebate Receipts. The amount(s), if any, representing the recovery of rebate overpayments, determined as of the date of any such recovery.

(5) Imputed Receipts. The amount(s), if any, representing Imputed Receipts, as determined from time to time in accordance with this Trust Administration Agreement.

(E) Payments with Respect to Investments. For purposes of paragraph (C)(1) of this Section 6.2, payments with respect to an Investment that is allocated to the Bonds consist of:

(1) Direct Payments. The amount of the Gross Proceeds that was used to purchase the Investment, determined without regard to brokerage commissions, administrative expenses or similar expenses.

(2) Constructive Payments. The amount that is equal to the Fair Market Value of an Investment which, although not directly purchased with the Gross Proceeds of the Bonds, is allocated to the Bonds, determined as of the date that such Investment becomes so allocated.

(3) Rebate Payments. The amount which is equal to the portion of the Rebate Amount, if any, that is required to be paid following a Computation Date, determined as of the earlier of the date of any such payment or the due date of any such payment.

(4) Computation Date Credit. The amount corresponding to the applicable Computation Date Credit, on the Computation Date for which the Rebate Amount is being computed.

(F) Gross Earnings Exception. Notwithstanding anything in this Section 6.2 to the contrary, if the gross earnings from the Investments held in the Bond Fund for the Bond Year in question are less than then any amount earned on such Investments in such Bond Year shall not be taken into account in determining the Rebate Amount. For purposes of this paragraph (F), the term "gross earnings" means the aggregate amount earned on the Investments allocated to the Gross Proceeds that are credited to the Bond Fund, including amounts earned on such amounts if in turn credited to the Bond Fund.

SECTION 6.3. Payment to United States.

(A) Due Dates and Amounts Due.

(1) Unless the Bonds are redeemed prior to such time, the Lessee shall direct the Trustee to pay to the United States, not later than sixty (60) days after each Installment Computation Date, an amount not less than ninety percent (90%) of the Rebate Amount determined on each such date. The Lessee shall direct the Trustee to pay to the United States, not later than sixty (60) days after the last outstanding Bonds are paid or redeemed, one hundred percent (100%) of the Rebate Amount for the Final Computation Date.

(2) If the Rebate Amount is not paid in accordance with the provisions of this Trust Administration Agreement and/or the provisions of Section 148(f)(2) or (3) of the Code are not satisfied, the Lessee shall make the payments required by Section 148(f)(7) of the Code and the Regulations, to the extent such Section and Regulations are applicable to the Bonds.

(3) If the Trustee does not receive from the Lessee timely notification of the Rebate Amount or of any penalty to be paid pursuant to Section 6.3 of this Trust Administration Agreement, the Trustee may engage the services of an independent public accountant, at the expense of the Lessee, to make the required calculations of the Rebate Amount or any such penalty.

(B) De Minimis Rule. The portion of any Rebate Amount that is required to be paid following a Computation Date shall be rounded down to the nearest multiple of $100. Any such portion that is less than $100 shall be rounded to $0.

(C) Filing Requirement. The Lessee shall direct the Trustee to mail each payment of a Rebate Amount to the Internal Revenue Service, Internal Revenue Service Center, Philadelphia, Pennsylvania 19255, or such other address as shall be publicly announced by the Internal Revenue Service for such purpose. Each payment shall be accompanied by an appropriately completed Internal Revenue Service Form 8038-T "Arbitrage Rebate" (or successor form thereto).

SECTION 6.4. Recordkeeping.

(A) Retention of Records. The Lessee shall retain records of the determinations made pursuant to Section 6.2 until six (6) years after the retirement of the last of the Bonds.

(B) Miscellaneous. The Lessee shall record all amounts paid to the United States pursuant to Section 6.3. The Lessee shall furnish to the Trustee and the Authority copies of the materials filed with the Internal Revenue Service.

SECTION 6.5. Covenant as to Purchase Price. The Lessee covenants and agrees that it shall not acquire Investments at other than arm's length, Fair Market Value prices.

SECTION 6.6. Limitation on Investments.

(A) In General. Subject to the sentence next following, Section 148(d)(3) of the Code requires that the amount of Gross Proceeds which are invested in Investments having a Yield-to-Maturity more than one-eighth of one percent (1/8%) in excess of the Yield on the Bonds be limited to an amount which does not exceed one hundred fifty percent (150%) of the scheduled Debt Service for the Bond Year in which such calculation is made. The Gross Proceeds held in all of the funds and accounts established for the Bonds under the Trust Indenture are subject to this restriction, except for the investment of Gross Proceeds during

certain designated temporary periods as follows: (i) investments of sale proceeds attributable to accrued interest until needed to pay accrued interest on the first interest payment date for the Bonds; (ii) investments of sale proceeds until needed for the payment of Project Costs, but in no event for more than three (3) years from June 12, 1990; (iii) investments of investment proceeds until one year of receipt; and (iv) investments of amounts deposited in the Bond Fund to the extent such amounts are used to pay Debt Service and are not held for more than thirteen (13) months from the date of receipt of such amounts.

(B) Special Rules. The aggregate amount of Investments subject to the one hundred fifty percent (150%) limitation must be reduced within thirty (30) days of any redemption of Bonds resulting in a reduction in annual Debt Service so that after such reduction the one hundred fifty percent (150%) limitation is met; provided, however, that no Investment need be sold or disposed of if such sale or disposition would result in the realization of a loss for Federal income tax purposes that would exceed the Rebate Amount (determined without regard to such sale or disposition) at the time of such sale or disposition pursuant to Section 6.2 of this Trust Administration Agreement, if a payment were due at that time (not including amounts previously paid to the United States). For purposes of this loss exception, separate blocks of Investments acquired at different times or with different rates of interest or maturities shall be treated as separate Investments.

(C) Compliance Procedures. In order to meet the one hundred fifty percent (150%) limitation of Section 148(d)(3) of the Code, the Lessee agrees and covenants to take the following action:

(1) In General. The aggregate amount invested in Investments with a Yield-to-Maturity more than one-eighth of one percent (1/8%) in excess of the Yield on the Bonds shall be reduced within thirty (30) days of any redemption of a portion of the Bonds which results in a reduction in annual Debt Service so that after such reduction the requirements of paragraph (A) of this Section 6.6 are met.

(2) Valuation. In determining the aggregate amount of Gross Proceeds that are invested in Investments at a Yield-to-Maturity in excess of the Yield on the Bonds, each such Investment shall be valued at its Fair Market Value.

(3) Frequency of Determination. The Lessee (or the Trustee at the direction of the Lessee) shall determine on a monthly basis (or more frequently as may be necessary) during every Bond Year whether the sum of the Fair Market Values of the Investments which are subject to the one hundred fifty percent

(150%) limitation described in paragraph (A) of this Section 6.6 and each of which has a Yield-to-Maturity that is more than one-eighth of one percent (1/8%) in excess of the Yield on the Bonds is likely to exceed the limitation set forth in paragraph (A) of this Section 6.6. If such a case is likely, the Lessee will direct the Trustee as to the action to be taken to ensure that the requirements set forth in paragraph (A) of this Section 6.6 are met, unless the potential losses exceed or would exceed the Rebate Amount, as provided in paragraph (B) of this Section 6.6.

SECTION 6.7. Section 148(f) Payment Fund.

(A) Establishment. In accordance with the Trust Indenture, the Lease and the Resolutions, the Trustee shall establish a special trust fund for and in connection with the Bonds, which shall be known as the "Special Project Bonds, Series 2, Continental Airlines, Inc. and Eastern Air Lines, Inc. Project Section 148(f) Payment Fund." The Section 148(f) Payment Fund shall be administered by the Trustee in accordance with the provisions of this Trust Administration Agreement, the Trust Indenture, the Resolutions and the Lease. The Section 148(f) Payment Fund and the amounts deposited therein shall not be subject to any mortgage, pledge, security interest or assignment to the Trustee in favor of the holders of the Bonds or otherwise be or be deemed to be a part of the Trust Estate or available for the payment of Debt Service.

(B) Payments Into the Section 148(f) Payment Fund. At the time of the direction given by the Lessee to the Trustee pursuant to Section 6.3 of this Trust Administration Agreement, and in the event such direction is not given, not later than fifteen (15) days after receipt by the Lessee of notification from the Trustee of any payment to be made pursuant to Section 6.3 of this Trust Administration Agreement, the Lessee shall, pursuant to Section 85(c)(5) of the Lease, pay directly to the Trustee for deposit to the Section 148(f) Payment Fund, an amount which, together with any other amounts on deposit in the Section 148(f) Payment Fund, shall be equal to the amount of such payment to be made.

(C) Upon payment of one hundred percent (100%) of the Rebate Amount for the Final Computation Date any monies remaining in the Section 148(f) Payment Fund shall be paid to the Lessee.

SECTION 6.8. Survival on Discharge. Notwithstanding anything in this Trust Administration Agreement or any other provisions of the Trust Indenture, the Resolutions or the Lease, the obligations of the Lessee and the Trustee under Section 6.3 of this Trust Administration Agreement and to comply with all other requirements contained in this Article VI shall survive the discharge of the Bonds.

ARTICLE VII

COVENANTS AND AMENDMENTS

SECTION 7.1. Compliance with Code.

(A) It is understood that the Authority will be issuing the Bonds subject to and in accordance with the provisions of Sections 103 and 141 through 150 of the Code and the Regulations. It is the intention of the parties hereto that the interest on the Bonds not be includible, for Federal income tax purposes, in the gross income of the recipients thereof under Section 103(a) of the Code (except for any period that any such bond or bonds shall be held by a "substantial user" or "related person" of facilities provided from the proceeds of the Bonds within the meaning of Section 147(a) of the Code and the Regulations) and to that end the Lessee agrees and covenants with the Trustee that the Lessee shall take any and all actions to assure that no portion of the proceeds of the Bonds will be used in such a manner, and that the Lessee shall neither take any actions nor fail to take any actions (including, to the extent appropriate, under Section 148(f) of the Code and the Regulations, or successor provisions of law, and the regulations thereunder), as will cause interest on the Bonds to be includible, for Federal income tax purposes, in the gross income of the recipients thereof (except as aforesaid) under Section 103(a) of the Code and the Regulations, or successor provisions of law, and the regulations thereunder.

(B) The covenants and conditions set forth in Articles II-VII of this Trust Administration Agreement are based upon the Code and the Regulations as they exist on the date hereof and the Lessee acknowledges that the Code or the Regulations may be subsequently interpreted or modified in a manner which is inconsistent with the covenants set forth herein. The Lessee agrees that any such subsequent modification or interpretation of the Code or the Regulations shall be deemed a requirement that must be met pursuant to the general covenant set forth in paragraph (A) of this Section 7.1.

(C) Notwithstanding any provision of this Trust Administration Agreement to the contrary, the Trustee shall have only those duties as set forth herein, and it is agreed that nothing in this Trust Administration Agreement, either expressed or implied, shall be deemed to impose upon the Trustee any

responsibility for the legal sufficiency of this Trust Administration Agreement to effect compliance with the Code or any duty to independently review or verify any information or calculation furnished to the Trustee by the Lessee pursuant hereto.

SECTION 7.2. Amendment. This Trust Administration Agreement may be amended only with the concurring written consent of the Authority, the Lessee and the Trustee.

SECTION 7.3. Notices. All notices, directions, requests, consents, approvals, certificates, opinions, instruments or other communication required to be given to or by either party hereto 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 registered or certified mail. The Trustee shall from time to time designate in writing an office within the Port 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 Lessee hereby designates the Vice-President-Treasurer of Continental as its officer upon whom notices and requests may be served, and the office of Continental at 2929 Allen Parkway, Houston, Texas 77019, as its office 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 registered or certified mailing thereof, unless otherwise specifically provided. The Trustee shall provide a copy of each notice sent to it or received by it under this Trust Administration Agreement to the Authority, to the attention of the Treasurer, The Port Authority of New York and New Jersey, One World Trade Center, New York, New York 10048, in the manner provided above.

SECTION 7.4. Parties Interested Herein. Nothing in this Trust Administration Agreement expressed or implied is intended or shall be construed to confer upon, or to give to, any Person, other than the Authority, the Lessee, the Trustee and the holders of the Bonds, any right, remedy or claim under or by reason of this Trust Administration Agreement or any covenant, condition or stipulation thereof; and all covenants, stipulations, promises and agreements in this Trust Administration Agreement shall be

for the sole and exclusive benefit of the Authority, the Lessee, the Trustee and the holders of the Bonds.

SECTION 7.5. Interpretation. Notwithstanding anything contained in this Trust Administration Agreement, it is understood and agreed that as among the Lessee, the Trustee, the Authority and the holders of the Bonds, any right, remedy or claim under or by reason of this Trust Administration Agreement shall in all respects be subject and subordinate to the terms, convenants, conditions and provisions of the Trust Indenture, the Lease, the Resolutions, the Leasehold Mortgage and the Personal Property Security Interest.

SECTION 7.6. Counterparts. This Trust Administration Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 7.7. Severability. In the event that any provision hereof shall be deemed to be invalid by any court, such invalidity shall not affect the remainder of this Trust Administration Agreement.

SECTION 7.8. Titles. Titles to the articles and sections of this Trust Administration Agreement are solely for the convenience of the parties and not an aid in the interpretation of this Trust Administration Agreement or any part hereof.

SECTION 7.9. LAW GOVERNING THE TRUST ADMINISTRATION AGREEMENT. THE EFFECT AND MEANING OF THIS TRUST ADMINISTRATION AGREEMENT AND

THE RIGHTS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the parties hereto have caused this Trust Administration Agreement to be executed by their duly authorized officers, all as of the day and year first above written.

ATTEST:

CONTINENTAL AIRLINES, INC.

By: _____

By: _____
Title:

(SEAL)

ATTEST:

EASTERN AIR LINES, INC., a debtor

By: _____

By: _____
Martin R. Shugrue, Jr.,
as trustee

(SEAL)

ATTEST:

THE BANK OF NEW YORK
As Trustee

By: _____

By: _____
Assistant Vice President

(SEAL)

Initialled for:

The Port Authority

The Lessee

STATE OF _____)
) ss.:
COUNTY OF _____)

On the _____ day of June, 1990, before me personally came _____ to me known, who, being by me duly sworn, did depose and say that his office is at _____; that he is the _____ of Continental Airlines, Inc., a corporation described in and which executed the foregoing Trust Administration Agreement; that he knows the seal of the said corporation; that the seal affixed to the said Trust Administration Agreement is such 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

STATE OF _____)
) ss.:
COUNTY OF _____)

On the _____ day of June, 1990, before me personally came _____ to me known, who, being by me duly sworn, did depose and say that his office is at _____; that he is the _____ of Eastern Air Lines, Inc., a corporation described in and which executed the foregoing Trust Administration Agreement; that he knows the seal of the said corporation; that the seal affixed to the said Trust Administration Agreement is such 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

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

On the _____ day of June, 1990, before me personally came Michael J. Guiry to me known, who, being by me duly sworn, did depose and say that his office is at 101 Barclay Street, New York, New York 10286; that he is an Assistant Vice President of The Bank of New York, a corporation described in and which executed the foregoing Trust Administration Agreement; that he knows the seal of the said corporation; that the seal affixed to the said Trust Administration Agreement is such 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

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.

Port Authority Agreement No. AGA-126
Supplement No. 2
Port Authority Facility -
LaGuardia Airport

SECOND SUPPLEMENT AGREEMENT

THIS AGREEMENT, dated September 22, 1993, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter referred to as "the Port Authority") and USAir, Inc., a corporation of the State of Delaware (hereinafter referred to as "the Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority, and Eastern Air Lines, Inc. and Continental Airlines, Inc. heretofore entered into a certain agreement of lease made as of June 2, 1989 (said agreement of lease, as the same has been heretofore supplemented and amended, being hereinafter called "the Lease"), covering certain premises and Common Areas, and rights and privileges at and in respect to LaGuardia Airport as more particularly described in the Lease (hereinafter called the "Airport"), as more particularly described in the Lease.

WHEREAS, the Lease was thereafter assigned to the Lessee pursuant to an Assignment of Lease and Related Documents with Assumption and Consent Agreement made as January 17, 1992; and

WHEREAS, the Lease has attached thereto space Exhibits A, B, C and D all of which are marked "Preliminary", and

WHEREAS, the Port Authority has prepared new final Exhibits A (sheets 1-6), B, C and D and the parties hereto wish to provide for the insertion of these final Exhibits in the Lease in

substitution for the preliminary Exhibits attached thereto:

NOW THEREFORE, in consideration of the covenants and mutual agreements herein contained, it is hereby agreed as follows:

1. (a) The Exhibits attached hereto dated 6-9-93, marked as Exhibit A (Sheet 1 of 6, Sheet 2 of 6, Sheet 3 of 6, Sheet 4 of 6, Sheet 5 of 6 and Sheet 6 of 6) and numbered LGA 93-3, LGA 93-4, LGA 93-5, LGA 93-6, LGA 93-7 and LGA 93-8 and hereby made a part hereof shall be deemed substituted for Exhibit A attached to the Lease, and shall be deemed to be Exhibit A of the Lease in lieu of the preliminary Exhibit A attached to the Lease.

(b) The Exhibit attached hereto dated 6-9-93, marked Exhibit B and numbered LGA 93-9 and hereby made a part hereof shall be deemed substituted for Exhibit B attached to the Lease, and shall be deemed to be Exhibit B of the Lease in lieu of the preliminary Exhibit B attached to the Lease.

(c) The Exhibit attached hereto dated 6-9-93, marked Exhibit C and numbered LGA 93-10 and hereby made a part hereof shall be deemed substituted for Exhibit C attached to the Lease, and shall be deemed to be Exhibit C of the Lease in lieu of the preliminary Exhibit C attached to the Lease.

(d) The Exhibit attached hereto dated 6-9-93, marked Exhibit D and numbered LGA 93-11 and hereby made a part hereof shall be deemed substituted for Exhibit D attached to the Lease, and shall be deemed to be Exhibit D of the Lease in lieu of the preliminary Exhibit D attached to the Lease.

(e) Exhibit A-1 dated 6-9-93 attached hereto and hereby made a part hereof and numbered LGA 93-2 shall be deemed inserted into the Lease as a new Exhibit A-1 for purposes of showing the "Location Plan" as set forth therein.

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

3. 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 by any term or provision of this Supplemental Agreement or because of its execution or attempted execution or because of any breach or attempted or alleged breach thereof.

4. This Supplemental Agreement, together with the Lease (to which it is supplementary) constitutes 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 written instrument duly executed on behalf of the Port Authority and the Lessee. The Lessee agrees that no representations or warranties shall be binding upon the Port Authority unless in writing in the Lease or in this Supplemental Agreement.

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

ATTEST:

ASSISTANT Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By

DEPUTY DIRECTOR OF AVIATION

(Title)

(Seal)

ATTEST:

Secretary

USAir, Inc.
(Lessee)

By

(Title) President

(Corporate Seal)

Robert A. Hazel
Vice President
Properties & Facilities

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

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

On the 13 day of January, 1993, 94 before me came Gerald P. Fitz Gerald to me known, who, being by me duly sworn, did depose and say that he resides at

that he is the Deputy Director 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

Commonwealth of Virginia
~~STATE OF~~)
) ss.
COUNTY OF Arlington)

On the 9th day of November, 1993, before me personally came Robert A. Hazel to me known, who being by me duly sworn, did depose and say, that he resides at

that he is the Vice President - Properties & Facilities of USAIR, 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.

Christine Delores Jones Taylor
(notarial seal and stamp)

Exp 10.31.97

STATE OF)
) ss.
COUNTY OF)

On the day of , 1993, 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 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)

EXEMPTON (4) – DRAWINGS OF NON-PUBLIC AREAS

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

Supplement No. 3
LaGuardia Airport
Port Authority Lease No. AGA-126

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, dated as of January 1, 1993 by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority") and US AIRWAYS, INC (formerly known as USAir, Inc. and hereinafter referred to as the "Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and Eastern Air Lines, Inc. and Continental Airlines, Inc. heretofore entered into a certain agreement of lease made as of June 2, 1989 (said agreement of lease, as the same has been supplemented and amended, being hereinafter called the "Lease"), covering certain premises and Common Areas, and rights and privileges at and in respect to LaGuardia Airport as more particularly described in the Lease (hereinafter called the "Airport");

WHEREAS, the Lease was thereafter assigned to the Lessee pursuant to an Assignment of Lease and Related Documents with Assumption and Consent Agreement made as of January 17, 1992; and

WHEREAS, the Port Authority and the Lessee desire to extend the term of the letting under the Lease and to further amend the Lease in certain respects as hereinafter provided;

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. Effective as of January 1, 1993, the term of the letting under the Lease is extended to midnight December 31, 1993 and thereafter the term shall be extended annually, but not beyond midnight December 31, 1999, unless sooner terminated.

2. Effective as of January 1, 1999, the Lessee shall pay to the Port Authority a Base Rental during the extension of the term of the letting at the monthly rate of

payable on

January 1, 1999 and thereafter on the first day of each calendar month during the said extension period.

3. This Supplemental 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 the Lessee.

4. 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 hold 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.

5. Except as herein amended, all of the terms, rentals, covenants, provisions and conditions of the Lease shall be and remain in full force and effect.

6. No Commissioner, director, officer, agent or employee of the Port Authority shall be charged personally or held contractually liable by the Lessee with any liability or held liable to it by any term or provision of this Supplemental Agreement, or because of any breach thereof, or because of its or their 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) ASSISTANT DIRECTOR

(Seal)

ATTEST:

Jennifer C. McGarry

Secretary

US AIRWAYS, INC.

By

(Title) President

(Corporate Seal)

Robert A. Hazel
Vice President
Properties & Facilities

APPROVED
Form
Terms

FORM XLD - Ack., N.Y. 51380

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

On this 9th day of November, 1999, before me personally came Linda Kilness to me known, who, being by me duly sworn, did depose and say that he resides at ; that he is the Asst Dir Kitrating 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~~ her name thereto by like order.

Karen E. Eastman
(notarial seal and stamp)

KAREN E. EASTMAN
Notary Public, State of New York
No. 01EA4766314
Qualified in New York County
Commission Expires Feb. 28, 2001

Commonwealth ~~STATE OF~~ Virginia)
) ss.
COUNTY OF Arlington)

On the 1st day of October, 1999, before me personally came Robert A. Hazel to me known, who, being by me duly sworn, did depose and say that he resides at ; that he is the Vice President Properties & Facilities ~~President~~ of US AIRWAYS, 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.

Christine Rebecca Jensen Aylor
Christine Rebecca Jensen Aylor
Notary Public
Exp 10/31/2001

(notarial seal and stamp)

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

Supplement No. 4
LaGuardia Airport
Port Authority Lease No. AGA-126

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, dated as of January 1, 2000 by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority") and US AIRWAYS, INC (formerly known as USAir, Inc. and hereinafter referred to as the "Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and Eastern Air Lines, Inc. and Continental Airlines, Inc. heretofore entered into a certain agreement of lease made as of June 2, 1989 (said agreement of lease, as the same has been supplemented and amended, being hereinafter called the "Lease"), covering certain premises and Common Areas, and rights and privileges at and in respect to LaGuardia Airport as more particularly described in the Lease (hereinafter called the "Airport");

WHEREAS, the Lease was thereafter assigned to the Lessee pursuant to an Assignment of Lease and Related Documents with Assumption and Consent Agreement made as of January 17, 1992; and

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

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. Effective as of January 1, 2000, the term of the letting under the Lease is extended to midnight December 31, 2000, unless sooner terminated.

2. This Supplemental 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 the Lessee.

3. 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 hold 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. Except as herein amended, all of the terms, rentals, covenants, provisions and conditions of the Lease shall be and remain in full force and effect.

5. No Commissioner, director, officer, agent or employee of the Port Authority shall be charged personally or held contractually liable by the Lessee with any liability or held liable to it by any term or provision of this Supplemental Agreement, or because of any breach thereof, or because of its or their 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)

(Seal)

FRANCIS A. DIMOLA
ASSISTANT DIRECTOR
AVIATION DEPT.

ATTEST:

Joseph C. McCarey
Secretary

US AIRWAYS, INC.

By

(Title) President

(Corporate Seal)

Robert A. Hazel
Vice President
Properties & Facilities

APPROVED

Form	Terms
TN	

Form - All-Purpose Ack. N.Y. (rev 1/4/2000)

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

On the 8th day of June in the year 2000, before me, the undersigned, a Notary Public in and for said state, personally appeared Francis A. DiMola, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Linda C. Handel
(notarial seal and stamp)

LINDA C. HANDEL
Notary Public, State of New York
No. 01HA6035589
Qualified in New York County
Commission Expires January 3, 2002

Commonwealth of Virginia
~~STATE OF~~)
) ss.
COUNTY OF Arlington)

On the 24th day of April in the year 2000, before me, the undersigned, a Notary Public in and for said state, personally appeared Robert A. Hazel, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Christine Rebecca Jensen Aylor
(notarial seal and stamp)

Christine Rebecca Jensen Aylor
Exp 10.31.2001

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

Supplement No. 5
LaGuardia Airport
Port Authority Lease No. AGA-126

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, dated as of January 1, 2001 by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority") and US AIRWAYS, INC (formerly known as USAir, Inc. and hereinafter referred to as the "Lessee").

WITNESSETH, That:

WHEREAS, the Port Authority and Eastern Air Lines, Inc. and Continental Airlines, Inc. heretofore entered into a certain agreement of lease made as of June 2, 1989 (said agreement of lease, as the same has been supplemented and amended, being hereinafter called the "Lease"), covering certain premises and Common Areas, and rights and privileges at and in respect to LaGuardia Airport as more particularly described in the Lease (hereinafter called the "Airport");

WHEREAS, the Lease was thereafter assigned to the Lessee pursuant to an Assignment of Lease and Related Documents with Assumption and Consent Agreement made as of January 17, 1992; and

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

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. Effective as of January 1, 2001, the term of the letting under the Lease is extended to January 31, 2001 and month to month thereafter as a periodical tenancy but in no event beyond December 31, 2001, unless sooner terminated, subject to paragraph (c) of Section 4 of the Lease (as set forth in Supplement No. 1 of the Lease), and upon all other terms, covenants, provisions and conditions of the Lease.

2. This Supplemental 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 the Lessee.

3. 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 hold 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. Except as herein amended, all of the terms, rentals, covenants, provisions and conditions of the Lease shall be and remain in full force and effect.

5. No Commissioner, director, officer, agent or employee of the Port Authority shall be charged personally or held contractually liable by the Lessee with any liability or held liable to it by any term or provision of this Supplemental Agreement, or because of any breach thereof, or because of its or their 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) FRANCIS A. DIMOLA
ASSISTANT DIRECTOR
AVIATION DEPT.

(Seal)

ATTEST:

Secretary

US AIRWAYS, INC.

By

Robert A. Hazel
Vice President
(Title): Properties & Facilities ~~President~~

(Corporate Seal)

APPROVED

Form	Terms

Form - All-Purpose Ack. N.Y. (rev 1/4/2000)

For The Port Authority of NY & NJ

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

On the 11th day of December ~~in~~ the year ~~2001,~~ 2000 before me, the undersigned, a Notary Public in and for said state, personally appeared FRANCIS A. DIMOLA, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Peggy M. Spinelli
(notarial seal and stamp)

PEGGY M. SPINELLI
Notary Public, State of New York
No. 01SP6057870
Qualified in New York County
Commission Expires April 30, 2003

For USAirways, Inc.

Commonwealth
~~STATE~~ OF Virginia)
) ss.
COUNTY OF Arlington)

On the 20th day of August in the year 2001, before me, the undersigned, a Notary Public in and for said state, personally appeared Robert A. Hazel, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Christie Rebecca Jones
(notarial seal and stamp)
Exp 10.31.2001

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

Supplement No. 6
LaGuardia Airport
Port Authority Lease No. AGA-126

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, dated as of January 1, 2002 by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority") and US AIRWAYS, INC (formerly known as USAir, Inc. and hereinafter referred to as the "Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and Eastern Air Lines, Inc. and Continental Airlines, Inc. heretofore entered into a certain agreement of lease made as of June 2, 1989 (said agreement of lease, as the same has been supplemented and amended, being hereinafter called the "Lease"), covering certain premises and Common Areas, and rights and privileges at and in respect to LaGuardia Airport as more particularly described in the Lease (hereinafter called the "Airport");

WHEREAS, the Lease was thereafter assigned to the Lessee pursuant to an Assignment of Lease and Related Documents with Assumption and Consent Agreement made as of January 17, 1992; and

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

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. Effective December 31, 2001, the term of the letting under the Lease is extended to January 31, 2002, both dates inclusive, and month to month thereafter as a periodical tenancy, but in no event beyond December 31, 2002, unless sooner terminated, subject to paragraph (c) of Section 4 of the Lease (as set forth in Supplement No. 1 of the Lease), and upon all other terms, covenants, provisions and conditions of the Lease.

2. This Supplemental 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 the Lessee.

3. 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 hold 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. Except as herein amended, all of the terms, rentals, covenants, provisions and conditions of the Lease shall be and remain in full force and effect.

5. No Commissioner, director, officer, agent or employee of the Port Authority shall be charged personally or held contractually liable by the Lessee with any liability or held liable to it by any term or provision of this Supplemental Agreement, or because of any breach thereof, or because of its or their 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

FRANCIS A. DIMOLA
ASSISTANT DIRECTOR
AVIATION DEPT.

ATTEST:

Secretary

US AIRWAYS, INC.

By

Charles Stipancic, Jr.
Vice President

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

(Corporate Seal)

APPROVED

Form	Terms

Form - All-Purpose Ack. N.Y. (rev 1/4/2000)

FOR THE PORT AUTHORITY OF NY & NJ

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

On the 11th day of December in the year 2002, before me, the undersigned, a Notary Public in and for said state, personally appeared FRANCIS A. DiMOLA, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Peggy M. Spinelli
(notarial seal and stamp)

PEGGY M. SPINELLI
Notary Public, State of New York
No. 01SP6057870
Qualified in New York County
Commission Expires April 30, 2003

FOR THE LESSEE

Commonwealth ~~STATE~~ OF Virginia)
) ss.
COUNTY OF Arlington)

On the 15th day of May in the year 2002, before me, the undersigned, a Notary Public in and for said state, personally appeared Charles Stipancic, Jr., personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Christine Rebecca Jensen Aylor
(notarial seal and stamp)
Christine Rebecca Jensen Aylor
Exp. 10-31-2005

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

Supplement No. 7
LaGuardia Airport
Port Authority Lease No. AGA-126

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, dated effective as of December 31, 2002, by and between **THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY** (hereinafter called the "Port Authority") and **US AIRWAYS, INC.** (formerly known as USAir, Inc. and hereinafter referred to as the "Lessee");

WITNESSETH, That:

WHEREAS, the Port Authority and Eastern Air Lines, Inc. and Continental Airlines, Inc. heretofore entered into a certain agreement of lease made as of June 2, 1989 (said agreement of lease, as the same has been supplemented and amended, being hereinafter called the "Lease"), covering certain premises and Common Areas, and rights and privileges at and in respect to LaGuardia Airport as more particularly described in the Lease (hereinafter called the "Airport");

WHEREAS, the Lease was thereafter assigned to the Lessee pursuant to an Assignment of Lease and Related Documents with Assumption and Consent Agreement made as of January 17, 1992; and

WHEREAS, the Lessee (along with its parent company) on August 11, 2002 filed a petition with the United States Bankruptcy Court for the Eastern District of Virginia seeking protection for a restructuring under Chapter 11 of the United States Bankruptcy Code, and thereafter the Lessee assumed the Lease as part of its Joint Plan of Reorganization which was confirmed by the said Bankruptcy Court and which became effective on March 31, 2003; and

WHEREAS, the Lessee (along with certain of its affiliates) on September 12, 2004 again filed for bankruptcy protection with the United States Bankruptcy Court for the Eastern District of Virginia under Chapter 11 of the United States Bankruptcy Code and thereafter the Lessee assumed the Lease as part of its Plan of Reorganization which was confirmed by the said Bankruptcy Court and which became effective on September 27, 2005;

WHEREAS, the Port Authority and the Lessee desire to extend the term of the letting 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 December 31, 2002, the term of the letting under the Lease is extended to January 31, 2003 and month to month thereafter as a periodical tenancy but in no event beyond December 31, 2003, unless sooner terminated, subject to paragraph (c) of Section 4 of the Lease

(as set forth in Supplement No. 1 of the Lease), and upon all other terms, covenants, provisions and conditions of the Lease.

2. This Supplemental Agreement constitutes the entire agreement of the parties hereto on the subject matter hereof 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.

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

5. No Commissioner, director, officer, agent or employee of the Port Authority shall be charged personally or held contractually liable by the Lessee with any liability or held liable to it by any term of provision of this Supplemental Agreement, or because of any breach thereof, or because of its or their execution or attempted execution.

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) David Kagan
Assistant Director
Business, Properties & Airport Development

(Seal)

ATTEST:

Caroline B. Ray
Secretary

US AIRWAYS, INC.

By

Print Name PAUL M. LAMBERT

(Title) VICE PRESIDENT
President

(Corporate Seal)

APPROVED

Form	Terms

For The Port Authority of New York & New Jersey

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

On the 30TH day of OCTOBER in the year 2007, before me, the undersigned, a Notary Public in and for said state, personally appeared DAVID KAGAN

personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Gail E. Mitchell
(notary seal and stamp)

GAIL E. MITCHELL
NOTARY PUBLIC-STATE OF NEW YORK
No. 01MI6026210
Qualified in Queens County
My Commission Expires June 14, 2011

For US Airways, Inc.

STATE OF Arizona)
)ss.:
COUNTY OF Maricopa)

On the 31st day of August in the year 2007, before me, the undersigned, a Notary Public in and for said state, personally appeared Paul M. Lambert

personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Lorraine Carey
(notary seal and stamp)

OFFICIAL SEAL
LORRAINE CAREY
NOTARY PUBLIC - State of Arizona
MARICOPA COUNTY
My Comm. Expires May 11, 2011

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

Supplement No. 8
LaGuardia Airport
Port Authority Lease No. AGA-126

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, dated effective as of December 31, 2003, by and between **THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY** (hereinafter called the "Port Authority") and **US AIRWAYS, INC.** (formerly known as USAir, Inc. and hereinafter refered to as the "Lessee");

WITNESSETH, That:

WHEREAS, the Port Authority and Eastern Air Lines, Inc. and Continental Airlines, Inc. heretofore entered into a certain agreement of lease made as of June 2, 1989 (said agreement of lease, as the same has been supplemented and amended, being hereinafter called the "Lease"), covering certain premises and Common Areas, and rights and privileges at and in respect to LaGuardia Airport (hereinafter called the "Airport"), as more particularly described in the Lease;

WHEREAS, the Lease was thereafter assigned to the Lessee pursuant to an Assignment of Lease and Related Documents with Assumption and Consent Agreement made as of January 17, 1992; and

WHEREAS, the Lessee (along with its parent company) on August 11, 2002 filed a petition with the United States Bankruptcy Court for the Eastern District of Virginia seeking protection for a restructuring under Chapter 11 of the United States Bankruptcy Code, and thereafter the Lessee assumed the Lease as part of its Joint Plan of Reorganization which was confirmed by the said Bankruptcy Court and which became effective on March 31, 2003; and

WHEREAS, the Lessee (along with certain of its affiliates) on September 12, 2004 again filed for bankruptcy protection with the United States Bankruptcy Court for the Eastern District of Virginia under Chapter 11 of the United States Bankruptcy Code and thereafter the Lessee assumed the Lease as part of its Plan of Reorganization which was confirmed by the said Bankruptcy Court and which became effective on September 27, 2005;

WHEREAS, the Port Authority and the Lessee desire to extend the term of the letting 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 December 31, 2003, the term of the letting under the Lease is extended to December 31, 2004, unless sooner terminated, subject to paragraph (c) of Section

4 of the Lease (as set forth in Supplement No. 1 of the Lease), and upon all other terms, covenants, provisions and conditions of the Lease.

2. This Supplemental Agreement constitutes the entire agreement of the parties hereto on the subject matter hereof 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.

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

5. No Commissioner, director, officer, agent or employee of the Port Authority shall be charged personally or held contractually liable by the Lessee with any liability or held liable to it by any term of provision of this Supplemental Agreement, or because of any breach thereof, or because of its or their execution or attempted execution.

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) David Kagan
Assistant Director
Business, Properties & Airport Development

(Seal)

ATTEST:

Caroline B. Ray
Secretary

US AIRWAYS, INC.

By

Print Name PAUL M. LAMBERT

(Title) VICE PRESIDENT
President

(Corporate Seal)

APPROVED	
Form	Terms

Form – All-Purpose Ack. N.Y. (rev 1/4/2000)

For The Port Authority of New York & New Jersey

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

On the 30TH day of OCTOBER in the year 2007, before me, the undersigned, a Notary Public in and for said state, personally appeared DAVID KAGAN

personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Gail E. Mitchell
(notary seal and stamp)

GAIL E. MITCHELL
NOTARY PUBLIC-STATE OF NEW YORK
No. 01MI6026210
Qualified in Queens County
My Commission Expires June 14, 20 11

For US Airways, Inc.

STATE OF Arizona)
)ss.:
COUNTY OF Maricopa)

On the 31st day of August in the year 2007, before me, the undersigned, a Notary Public in and for said state, personally appeared Paul M. Lambert

personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Lorraine Carey
(notary seal and stamp)

OFFICIAL SEAL
LORRAINE CAREY
NOTARY PUBLIC - State of Arizona
MARICOPA COUNTY
My Comm. Expires May 11, 2011

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

Supplement No. 9
LaGuardia Airport
Port Authority Lease No. AGA-126

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, made effective as of December 31, 2004, by and between **THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY** (hereinafter called the "Port Authority") and **US AIRWAYS, INC.** (formerly known as USAir, Inc. and hereinafter referred to as the "Lessee");

WITNESSETH, That:

WHEREAS, the Port Authority and Eastern Air Lines, Inc. and Continental Airlines, Inc. heretofore entered into a certain agreement of lease made as of June 2, 1989 (said agreement of lease, as the same has been supplemented and amended, being hereinafter called the "Lease"), covering certain premises and Common Areas, and rights and privileges at and in respect to LaGuardia Airport (hereinafter called the "Airport"), as more particularly described in the Lease;

WHEREAS, the Lease was thereafter assigned to the Lessee pursuant to an Assignment of Lease and Related Documents with Assumption and Consent Agreement made as of January 17, 1992; and

WHEREAS, the predecessor to Lessee (along with its parent company) on August 11, 2002 filed a petition with the United States Bankruptcy Court for the Eastern District of Virginia seeking protection for a restructuring under Chapter 11 of the United States Bankruptcy Code, and thereafter the Lessee assumed the Lease as part of its Joint Plan of Reorganization which was confirmed by the said Bankruptcy Court and which became effective on March 31, 2003; and

WHEREAS, the predecessor to Lessee (along with certain of its affiliates) on September 12, 2004 again filed for bankruptcy protection with the United States Bankruptcy Court for the Eastern District of Virginia under Chapter 11 of the United States Bankruptcy Code and thereafter the Lessee assumed the Lease as part of its Plan of Reorganization which

was confirmed by the said Bankruptcy Court and which became effective on September 27, 2005;

WHEREAS, the Port Authority and the Lessee desire to extend the term of the letting 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 as follows:

1. Effective as of December 31, 2004, the term of the letting under the Lease is extended to December 31, 2007, unless sooner terminated, subject to paragraph (c) of Section 4 of the Lease (as set forth in Supplement No. 1 of the Lease), and upon all other terms, covenants, provisions and conditions of the Lease.

2. The address "One World Trade Center, New York, New York 10048" located in Section 43 of the Terms and Conditions of the Lease shall be deemed deleted and the new address "225 Park Avenue South, New York, New York 10003" shall be substituted in lieu thereof.

3. Effective as of June 1, 2004, Section 45 to the Lease shall be deemed deleted and the following new Section 45 shall be deemed substituted in lieu thereof:

"Section 45. <u>Place of Payments</u>

All payments required of the Lessee by this Agreement shall be made to The Port Authority of New York & New Jersey, P.O. Box 95000-1517, Philadelphia, PA 19195-0001, or via the following wire transfer instructions: Bank: TD Bank, Bank ABA Number: 031201360, Account Number: . or such other address as may be substituted therefor by the Port Authority, from time to time, by notice to the Lessee."

4. Effective as of November 24, 2004 the Lease shall be deemed amended as follows:

(a) Paragraph (c) of Section 78 of the Lease shall be deemed deleted and the following new paragraph (c) shall be deemed substituted in lieu hereof:

"(c) (1) "Airport" or "Facility" shall mean LaGuardia Airport, consisting of certain premises identified as "LaGuardia Airport" on Sheet LGA-1 of Exhibit A, and more particularly described in Exhibit B, annexed to the Basic Lease, and such other property as may be acquired in connection with and added to such premises pursuant to the terms of the Basic Lease.

(2) "City" shall mean The City of New York, a municipal

corporation of the State of New York."

(b) Paragraph (e) of Section 78 of the Lease shall be deemed deleted and the following new paragraph (e) shall be substituted in lieu thereof:

> "(e) "Basic Lease" shall mean the Amended and Restated Agreement of Lease of the Municipal Air Terminals between The City of New York, as Landlord, and The Port Authority of New York and New Jersey, as Tenant, dated as of November 24, 2004 and recorded in the office of the City Register of the City on December 3, 2004 under City Register File No. 2004000748687, as the same may have been or may be amended or supplemented. All references in this Lease to the Agreement between the City and the Port Authority dated April 17, 1947 shall be deemed to refer to the Basic Lease."

(c) Section 39 of the Lease shall be deemed deleted and the following new Section 39 shall be substituted in lieu thereof:

"Section 39. Effect of Basic Lease

(a) The Lessee acknowledges that it has received, and is familiar with the contents of, a copy of the Basic Lease. 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) In accordance with the provisions of the Basic Lease, the Port Authority and the Lessee hereby agree as follows:

(1) This Agreement is subject and subordinate to the Basic Lease and to any interest superior to that of the Port Authority;

(2) The Lessee shall not pay rent or other sums under this Agreement for more than one (1) month in advance (excluding security and other deposits required under this Agreement);

(3) With respect to this Agreement, the Lessee on the termination of the Basic Lease will, at the option of The City of New York, attorn to, or enter into a direct lease on identical terms with, the City;

(4) The Lessee shall indemnify the City with respect to all matters described in Section 31 of the Basic Lease that arise out of the Lessee's operations at the Airport, or arise out of the acts or omissions of the Lessee's

officers, employees, agents, representatives, contractors, customers, business visitors and guests at the Airport with the Lessee's consent;

(5) The Lessee shall not use the premises hereunder for any use other than as permitted under the Basic Lease;

(6) The Lessee shall use, operate and maintain the premises hereunder in a manner consistent with the Port Authority's obligations under Section 28 of the Basic Lease;

(7) The failure of the Lessee to comply with the foregoing provisions shall be an event of default under this Agreement, which, after the giving of reasonable notice, shall provide the Port Authority with the right to terminate this Agreement and exercise any other rights that the Port Authority may have as the landlord hereunder; and

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

(c) The rights and obligations of the Lessee with respect to continuance of this Agreement upon the expiration or termination of the Basic Lease shall be as set forth in paragraph (b)(3) of this paragraph and the Lessee shall not enter into any recognition or non-disturbance agreement with the City with respect to the continuance of this Agreement after the termination or expiration thereof or into any other agreement covering the Lessee's use and occupancy of the premises hereunder."

1. (a) Effective as of October 13, 2005, the Lessee acknowledges and agrees that should the Port Authority terminate the Lease with cause the Lessee shall be obligated to pay to the Port Authority an amount equal to all costs and expenses reasonably incurred by the Port Authority in connection with such termination, cancellation, re-entry, regaining or resumption of possession, collecting all amounts due to the Port Authority, the cleaning, repair and restoration of the premises (on failure of the Lessee to have cleaned, repaired and restored), the care and maintenance of the premises during any period of vacancy of the premises, the foregoing to include without limitation, boiler insurance premiums, if any, personnel costs and legal expenses (including but not limited to the cost to the Port Authority of in-house legal services), brokerage fees and commissions, repairing the premises and putting the premises in order (such as but not limited to repairing, cleaning and restoring the premises).

(b) Effective from and after October 13, 2005, in the event that, upon conducting an examination and audit as described in subparagraph (5) of paragraph (b) of Section 66 to the Lease or elsewhere in the Lease, the Port Authority determines that unpaid amounts are due to

the Port Authority by the Lessee, the Lessee shall be obligated, and hereby agrees, to pay to the Port Authority a service charge in the amount of five percent (5%) of each amount determined by the Port Authority audit findings to be unpaid. Each such service charge shall be payable immediately upon demand (by notice, bill or otherwise) made at any time therefor by the Port Authority. Such service charge(s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority by the Lessee under the Lease or otherwise. Such service charge shall not be payable if the Port Authority has received, for each month covered by the examination and audit period, the monthly sworn statement of gross receipts. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid service charge shall be deemed a waiver of the right of the Port Authority to payment of any late charge(s) or other service charge(s) payable under the provisions of the Lease with respect to such unpaid amount. Each such service charge shall be and become fees or rentals, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the fees or rentals to be paid hereunder. Nothing in this paragraph is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under the Lease, including, without limitation, the Port Authority's rights to terminate the Lease or (ii) any obligations of the Lessee under the Lease.

2. Effective as of February 1, 2006, the Lessee shall pay to the Port Authority a Base Rental during the extended of the term of the letting of the Lease, as herein amended, at the monthly rate of
payable on February 1, 2006 and thereafter on the first day of each calendar month during the extended term of the letting of the Lease.

3. Effective as of February 1, 2006, it is mutually agreed that the loading bridges located on the premises (or any replacement of such loading bridges), as exclusive area, may be used for a particular consumer service, i.e., advertising displays, as more fully set forth in Section 59 to the Lease. The Port Authority hereby notifies the Lessee has it has granted, or intends to grant, permission to contractor(s) or permittee(s) to provide such advertising service and the Lessee hereby acknowledges its consent thereto. The Lessee shall be entitled to eighty percent (80%) of the percentage fee paid by operator(s) of the advertising displays at such loading bridge areas.

4. The parties acknowledge and agree that they have entered into Port Authority Agreement No. AGA-680, dated January 1, 2004, also known as the Freedom Agreement, relating to the payment by the Lessee to the Port Authority of flight fees.

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

6. This Supplemental Agreement constitutes the entire agreement of the parties hereto on the subject matter hereof 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.

7. 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 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.

8. Except 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. No Commissioner, director, officer, agent or employee of either party shall be charged personally by the other party with any liability, or held liable to the other party, under any term or provision of the Lease, or because of the party's execution or attempted execution, or because of any breach thereof.

[THE REMAINDER OF THIS PAGE WAS INTENTIONALLY LEFT BLANK]

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

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

(Seal)

ATTEST:

Carolie B. Ray
Secretary

USAIRWAYS, INC.

By

Print Name Michael J. Minerva

(Title) Vice President - Corporate Real Estate

(Corporate Seal)

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

For The Port Authority of NY & NJ

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

On the 12th day of February in the year ~~2009~~ 2010, before me, the undersigned, a Notary Public in and for said state, personally appeared David Kagan

personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(notary seal and stamp)

MICHAEL F. SCHMIDT
Notary Public, State of New York
No. 01SC6118149
Qualified in New York County
Commission Expires November 1, 2012

For USAirways, Inc.

Commonwealth
~~STATE~~ OF Virginia)
)ss.:
COUNTY OF Arlington)

On the 2nd day of February, 2010 in the year ~~2009~~ 2010, before me, the undersigned, a Notary Public in and for said state, personally appeared Michael J. Minerva and Caroline B. Ray

personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Christie Rebecca Jensen Aylor
(notary seal and stamp)

CHRISTINE REBECCA JENSEN AYLOR
NOTARY PUBLIC
REG # 103481
MY COMMISSION EXPIRES
10/31/2013
COMMONWEALTH OF VIRGINIA

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

Supplement No. 10
LaGuardia Airport
Port Authority Lease No. AGA-126

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, dated as of January 1, 2008, by and between **THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY** (hereinafter called the "Port Authority") and **US AIRWAYS, INC.** (formerly known as USAir, Inc. and hereinafter referred to as the "Lessee");

WITNESSETH, That:

WHEREAS, the Port Authority and Eastern Air Lines, Inc. and Continental Airlines, Inc. heretofore entered into a certain agreement of lease made as of June 2, 1989 (said agreement of lease, as the same has been supplemented and amended, being hereinafter called the "Lease"), covering certain premises and Common Areas, and rights and privileges at and in respect to LaGuardia Airport (hereinafter called the "Airport"), as more particularly described in the Lease;

WHEREAS, the Lease was thereafter assigned to the Lessee pursuant to an Assignment of Lease and Related Documents with Assumption and Consent Agreement made as of January 17, 1992; and

WHEREAS, the Lessee (along with its parent company) on August 11, 2002 filed a petition with the United States Bankruptcy Court for the Eastern District of Virginia seeking protection for a restructuring under Chapter 11 of the United States Bankruptcy Code, and thereafter the Lessee assumed the Lease as part of its Joint Plan of Reorganization which was confirmed by the said Bankruptcy Court and which became effective on March 31, 2003; and

WHEREAS, the predecessor to Lessee (along with certain of its affiliates) on September 12, 2004 again filed for bankruptcy protection with the United States Bankruptcy Court for the Eastern District of Virginia under Chapter 11 of the United States Bankruptcy Code and thereafter the Lessee assumed the Lease as part of its Plan of Reorganization which was confirmed by the said Bankruptcy Court and which became effective on September 27, 2005; and

WHEREAS, the predecessor to Port Authority and the Lessee desire to extend the term of the letting under the Lease and to amend the Lease in certain other respects, as hereinafter provided; and

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 December 31, 2007, the term of the letting under the Lease is extended to December 31, 2010, unless sooner terminated, subject to paragraph (c) of Section 4 of the Lease (as set forth in Supplement No. 1 of the Lease), and upon all other terms, covenants, provisions and conditions of the Lease.

2. (a) Effective as of January 1, 2008, to and including December 31, 2008, the Lessee shall pay to the Port Authority a Base Rental at the monthly rate of , payable on January 1, 2008 and thereafter on the first day of each calendar month during such period.

(b) Effective as of January 1, 2009, to and including December 31, 2009, the Lessee shall pay to the Port Authority a Base Rental at the monthly rate of), payable on January 1, 2009 and thereafter on the first day of each calendar month during such period.

(c) Effective January 1, 2010, to and including December 31, 2010, the Lessee shall pay to the Port Authority a Base Rental at the monthly rate of payable on January 1, 2010, and thereafter on the first day of each calendar month during such period.

3. Notwithstanding any other provisions set forth in the Sections of the Lease entitled *"Termination by the Port Authority"*, *"Right of Re-entry"* and *"Survival of the Obligations of the Lessee"*, the:

(a) Lessee acknowledges that the failure of the Lessee to surrender, vacate and yield up the premises to the Port Authority on the effective date of such expiration or termination will or may cause the Port Authority injury, damage or loss. The Lessee hereby assumes the risk of such injury, damage or loss and hereby agrees that it shall be responsible for the same and shall pay the Port Authority for the same whether such are foreseen or unforeseen, special, direct, consequential or otherwise and the Lessee hereby expressly agrees to indemnify and hold the Port Authority harmless against any such injury, damage or loss.

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

4. (a) Even if the Lease does not set forth a stated amount of security deposit that must be provided by the Lessee prior to or upon the Effective Date of the Lease in connection

with the Lessee's operations thereunder, nothing in the Lease shall prevent or preclude, or shall be construed as preventing or precluding, the Port Authority from requiring a security deposit at any time during the term of the Lease, or as a condition of entering into any agreement (including without limitation extensions, amendments or supplements to the Lease or existing agreements) which may be entered into between the Port Authority and the Lease subsequent to the execution of the Lease. Accordingly, the Port Authority reserves the right, in its sole discretion, upon fifteen (15) days written notice, to require that a security deposit be delivered to it by the Lessee and, in such event, the amount and type of security deposit set forth in said notice shall be deposited with the Port Authority forthwith in strict accordance with the Port Authority's notice. Similarly, the Port Authority reserves the right, in its sole discretion, to further adjust such amount, at any time and from time to time, upon sixty (60) days written notice to the Lessee, thereby increasing or decreasing the security amount, based upon changes in the Lessee's activity at any Port Authority facility; provided, however, in no event would the adjusted amount equal more than three months of fees that would be payable to the Port Authority. From and after the effective date set forth in said notice, the Lessee shall deposit with the Port Authority the new security amount as set forth in said notice.

(b) If the Lessee is obligated by any other agreement ("Other PA Agreement") to maintain a security deposit with the Port Authority to insure payment and performance by the Lessee of all fees, rentals, charges and other obligations which may become due and owing to the Port Authority arising from the Lessee's operations at the Airport (or other Port Authority facility) pursuant to any such Other PA Agreement or otherwise, then all such security deposit-related obligations under such Other PA Agreement, and any deposit pursuant thereto, also shall be deemed obligations of the Lessee under the Lease and as security thereunder, as well as under any such Other PA Agreement. All provisions of such Other PA Agreement with respect to security deposit-related obligations, and any obligations thereunder of the Port Authority as to the security deposit, are hereby incorporated into the Lease by this reference as though fully set forth therein and thereby made a part thereof. It is understood that the term Other PA Agreement refers both to agreements entered into prior to, or as of, the effective date of this Supplement Agreement, as well as agreements hereinafter entered into.

(c) The Lessee hereby certifies that its Federal Tax Identification Number is for purposes of this paragraph 5.

5. This Supplemental Agreement constitutes the entire agreement of the parties hereto on the subject matter hereof 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.

6. 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 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.

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

8. No Commissioner, director, officer, agent or employee of either party shall be charged personally by the other party with any liability, or held liable to the other party, under any term or provision of the Lease, or because of the party's execution or attempted execution, or because of any breach thereof.

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) David Kagan
Assistant Director
Business, Properties & Development

(Seal)

ATTEST:

Caroline B. Ray
Secretary

USAIRWAYS, INC.

By

Print Name MIKE MINERVA

(Title) VICE President

(Corporate Seal)

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

For The Port Authority of NY & NJ

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

On the 30th day of March in the year ~~2009~~ 2010, before me, the undersigned, a Notary Public in and for said state, personally appeared David Kagan

personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their *signature(s) on the instrument, the individual(s), or the person upon behalf of which the* individual(s) acted, executed the instrument.

(notary seal and stamp)

MICHAEL F. SCHMIDT
Notary Public, State of New York
No. 01SC6118149
Qualified in New York County
Commission Expires November 1, 20 12

For USAirways, Inc.

Commonwealth
~~STATE~~ OF Virginia)
)ss.:
COUNTY OF Arlington)

On the 2nd day of February in the year ~~2009~~ 2010, before me, the undersigned, a Notary Public in and for said state, personally appeared Michael J. Minerva and Caroline B. Ray

personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(notary seal and stamp)

Commission Expires:
October 31, 2013

CHRISTINE REBECCA JENSEN AYLOR
NOTARY PUBLIC
REG # 103481
MY COMMISSION EXPIRES 10/31/2013
COMMONWEALTH OF VIRGINIA

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

Port Authority Lease No. AGA-126
Supplement No. 11
LaGuardia Airport

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, dated as of January 1, 2011, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority") and US AIRWAYS, INC. (formerly known as USAir, Inc. and hereinafter called the "Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and Eastern Air Lines, Inc. and Continental Airlines, Inc. heretofore entered into a certain agreement of lease made as of June 2, 1989 (said agreement of lease, as the same has been supplemented and amended, being hereinafter called the "Lease"), covering certain premises and Common Areas, and rights and privileges at and in respect to LaGuardia Airport (hereinafter called the "Airport"), as more particularly described in the Lease;

WHEREAS, the Lease was thereafter assigned to the Lessee pursuant to an Assignment of Lease and Related Documents with Assumption and Consent Agreement made as of January 17, 2992; and

WHEREAS, the Lessee (along with its parent company) on August 11, 2002 filed a petition with the United States Bankruptcy Court for the Eastern District of Virginia seeking protection for a restructuring under Chapter 11 of the United States Bankruptcy Code, and thereafter the Lessee assumed the Lease as part of its Joint Plan of Reorganization which was confirmed by the said Bankruptcy Court and which became effective on March 31, 2003; and

WHEREAS, the predecessor to Lessee (along with certain of its affiliates) on September 12, 2004 again filed for bankruptcy protection with the United states Bankruptcy Court for the Eastern District of Virginia under Chapter 11 of the United States Bankruptcy Code and thereafter the Lessee assumed the Lease as part of its Plan of Reorganization which was confirmed by the said Bankruptcy Court and which became effective on September 27, 2005; and

WHEREAS, the predecessor to Port Authority and the Lessee desire to extend the term of the letting under the Lease and to amend the Lease in certain other respects, as hereinafter provided; and

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. Effective as of December 31, 2010, the term of the letting under the Lease is extended to December 31, 2015, unless sooner terminated, subject to paragraph (c) of Section 4 of the Lease (as set forth in Supplement No. 1 of the Lease), and upon all other terms, covenants, provisions and conditions of the Lease.

2. The Lessee shall pay a Base Rental to the Port Authority, as last amended in Supplement No. 10 of the Lease, as follows:

(i) For the period from January 1, 2011 through December 31, 2011, both dates inclusive,

per month.

(ii) For the period from January 1, 2012 through December 31, 2012, both dates inclusive,

(iii) For the period from January 1, 2013 through December 31, 2013, both dates inclusive,

) per month.

(iv) For the period from January 1, 2014 through December 31, 2014, both dates inclusive,

(v) From and after January 1, 2015,

3. In the event that the Lessee shall at any time by the provisions of this Agreement become entitled to an abatement of the Base Rental, said abatement shall be computed as follows (it being understood that there shall be no abatement of the Base Rental of any portion of the premises or for any portion of the term except as specifically provided herein): For each square foot of the ground space as shown on Exhibit A the use of which is denied to the Lessee, as follows:

(i) For the period from January 1, 2011 through December 31, 2011, at a daily rate of

(ii) For the period from January 1, 2012 through December 31, 2012, at a daily rate of

(iii) For the period from January 1, 2013 through December 31, 2013, at a daily rate of

(iv) For the period from January 1, 2014 through December 31, 2014, at a daily rate of

(v) For the period from and after January 1, 2015, at a daily rate of

4. (a) Upon the execution of this Supplemental Agreement by the Lessee and delivery thereof to the Port Authority, the Lessee shall deliver to the Port Authority, as security for the full, faithful and prompt performance of and compliance with, on the part of the Lessee, all of the terms, provisions, covenants and conditions of the Lease, as herein amended, on its part to be fulfilled, kept, performed or observed, a clean irrevocable letter of credit issued by a banking institution satisfactory to the Port Authority and having its main office within the Port of New York District and acceptable to the Port Authority, in favor of the Port Authority, and payable in the Port of New York District in the amount of Two Hundred Eighty Thousand Dollars and No Cents ($280,000.00). The form and terms of such letter of credit, as well as the institution issuing it, shall be subject to the prior and continuing approval of the Port Authority. Such letter of credit shall provide that it shall continue throughout the term of the letting of the Lease, as herein extended, and for a period of not less than six (6) months thereafter; such continuance may be by provision for automatic renewal or by substitution of a subsequent clean and irrevocable satisfactory letter of credit. If requested by the Port Authority, said letter of credit shall be accompanied by a letter explaining the opinion of counsel for the banking institution that the issuance of said clean, irrevocable letter of credit is a appropriate and valid exercise by the banking institution of the corporate power conferred upon it by law. Upon notice of cancellation of a letter of credit, the Lessee agrees that unless, by a date twenty (20) days prior to the effective date of cancellation, the letter of credit is replaced by another letter of credit satisfactory to the Port Authority, the Port Authority may draw down the full amount thereof and thereafter the Port Authority will hold the same as security. Failure to provide such a letter of credit at any time during term of the letting of the Lease, as herein extended, valid and available to the Port Authority, including any failure of any banking institution issuing any such letter of credit previously accepted by the Port Authority to make one or more payments as may be provided in such letter of credit shall be deemed to be a breach of the Lease on the part of the Lessee. Upon acceptance of such letter of credit by the Port Authority, and upon request by the Lessee made thereafter, the Port Authority will return the security deposit, if any, theretofore made. The Lessee shall have the same rights to receive such deposit during the existence of a valid letter of credit as it would have to receive such sum upon expiration of the term of the letting under the Lease, as herein extended, and fulfillment of the obligations of the Lessee hereunder. If the Port Authority shall make any drawing under a letter of credit held by the Port Authority hereunder, the Lessee on demand of the Port Authority and within two (2) days thereafter, shall bring the letter of credit back up to its full amount. No action by the Port Authority pursuant to the terms of any letter of credit, or any receipt by the Port Authority of funds from any bank issuing such letter of credit, shall be or be deemed to waiver of any default by the Lessee under the terms of the Lease and all remedies of the Lease and of the Port Authority consequent upon such default shall not be affected by the existence of a recourse to any such letter of credit.

(b) The Lessee hereby certifies that its Federal Tax Identification Number is 53-0218143 for the purposes of this paragraph No. 3.

(c) The Lessee acknowledges and agrees that the Port Authority reserves the right, at its sole discretion, to adjust at any time and from time to time upon sixty (60) days notice to the Lessee, the security deposit amount as set forth in subparagraph (a) above. Not later than the effective date set forth in said notice the Lessee shall deposit with the Port Authority the new security deposit amount as set forth in and in such form as requested by said notice which new amount (including without limitation an amendment to or a replacement of the letter of credit) shall thereafter constitute the security deposit subject to this paragraph.

5. OFAC Compliance

(a) *Lessee's Representation and Warranty.* The Lessee hereby represents and warrants to the Port Authority that the Lessee (x) is not a person or entity with whom the Port Authority is restricted from doing business under the regulations of the Office of Foreign Assets Control ("**OFAC**") of the United States Department of the Treasury (including, without limitation, those named on OFAC's Specially Designated and Blocked Persons list) or under any statute, executive order or other regulation relating to national security or foreign policy (including, without limitation, Executive Order 13224 of September 23, 2001, *Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit, or Support Terrorism*), or other governmental action related to national security, the violation of which would also constitute a violation of law, such persons being referred to herein as "**Blocked Persons**" and such regulations, statutes, executive orders and governmental actions being referred to herein as "**Blocked Persons Laws**") and (y) is not engaging in any dealings or transactions with Blocked Persons in violation of any Blocked Persons Laws. The Lessee acknowledges that the Port Authority is entering into this Supplemental Agreement in reliance on the foregoing representations and warranties and that such representations and warranties are a material element of the consideration inducing the Port Authority to enter into and execute this Supplemental Agreement.

(b) *Lessee's Covenant.*

(c) *Lessee's Indemnification Obligation.* The Lessee shall indemnify and hold harmless the Port Authority and its Commissioners, officers, employees, agents and representatives from and against any and all claims, damages, losses, risks, liabilities and expenses (including, without limitation, attorney's fees and disbursements) arising out of, relating to, or in connection with the Lessee's breach of any of its representations and warranties made under this Supplemental Agreement. Upon the request of the Port Authority, the Lessee shall at its own expense defend any suit based upon any such claim or demand (even if such suit,

claim or demand is groundless, false or fraudulent) and in handling such it shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provision of any statutes respecting suits against the Port Authority.

(d) *Survival.* The provisions of this Supplement Agreement shall survive the expiration or earlier termination of the term of the Lease.

6. 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 hold 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.

7. Except as hereby amended all the provisions, terms and conditions of the Lease shall be and remain in full force and effect.

8. This Supplemental 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 the Lessee.

9. No Commissioner, director, officer, agent or employee of either party shall be charged personally by the other party with any liability, or held liable to the other party, under any term or provision of this Supplemental Agreement, or because of the party's execution or attempted execution, or because of any breach thereof.

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

ATTEST:

Deputy Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By DAVID KAGAN

(Title) Asst Director

(Seal)

ATTEST:

Carolie B. Ray
Secretary

USAIRWAYS, INC.

By

Print Name: MICHAEL MINERVA

(Title) VICE President

(Corporate Seal)

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

LL/mmw

For The Port Authority of New York & New Jersey

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

On the 13 day of December in the year 2011, before me, the undersigned, a Notary Public in and for said state, personally appeared David Kagan, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

MOIRA MCGINN WALLACE
Notary Public, State of New York
No. 01WA4889637
Qualified in Richmond County
Commission Expires on ~~April 13, 20~~
June 11, 2015

Moira McGinn Wallace
(notarial seal and stamp)

For USAirways, Inc.

District of Columbia; SS
~~STATE OF~~
) ss.
COUNTY OF)

On the 18th day of November in the year 2011, before me, the undersigned, a Notary Public in and for said state, personally appeared Michael J. Minerva, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(notarial seal and stamp)

CHRISTINE REBECCA JENSEN AYLOR
NOTARY PUBLIC DISTRICT OF COLUMBIA
My Commission Expires June 14, 2015

AGA-126 Supp#11

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

Supplement No. 12
LaGuardia Airport
Port Authority Lease No. AGA-126

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, made as of the 13th day of December, 2011 by and between the **PORT AUTHORITY OF NEW YORK AND NEW JERSEY** (hereinafter referred to as the "Port Authority"), and **DELTA AIR LINES, INC.** (hereinafter called the "Lessee"),

WITNESSETH, That:

WHEREAS, by a certain agreement of lease made as of June 2, 1989 (which agreement of lease, as the same has been supplemented and amended, is hereinafter called the "Lease"), the Port Authority leased and granted to the Lessee (as successor to US Airways, Inc. pursuant to that certain Assignment of Lease and Related Documents with Assumption and Consent Agreement, dated as of the date hereof) certain premises, rights, licenses and privileges at and in respect of LaGuardia Airport (hereinafter called "the Airport"), as more particularly described in the Lease; and

WHEREAS, the parties hereto desire to amend the lease in certain respects as hereinafter provided;

NOW, THEREFORE, in consideration of the covenants and mutual agreements herein contained, the Port Authority and the Lessee hereby agree to amend the Lease, effective as of the date set forth above as follows:

1. Notwithstanding anything to the contrary contained in the Lease, as amended, the Lessee hereby agrees that this Lease is one of the "PA Agreements", as such term is defined in that certain Security Agreement entered into between the Port Authority and the Permittee, dated as of December 9, 2010, and identified by Port Authority Agreement No. AX-852 (as supplemented and amended, the "Security Agreement"). From and after the date of this Agreement, any provision heretofore governing the obligation of the Lessee to deposit security pursuant to the terms of this Lease is hereby deleted and of no further force and effect.

2. A new Section 10(f) shall be added to the Lease, to read as follows, and the existing Section 10(f) shall be designated Section 10(g):

"(f) Federal Regulation of Airports

i. Federal regulations.

Operation of the Airport by the Port Authority is governed by federal statutes and regulations.

ii. Federal grants and permissions.

(A) The Port Authority has applied for and received a grant or grants of money from the Administrator of the Federal Aviation Administration and has applied for and received permission to collect and use Passenger Facility Fees pursuant to An Act To Revise, Codify, And Enact Without Substantive Change Certain General And Permanent Laws, Related To Transportation, Pub. Law 103-272, 108 Stat 745 (July 5, 1994), and under prior federal statutes which said Act superseded.

(B) The Port Authority may apply for and receive such grants and permissions in the future.

iii. The Port Authority has undertaken, and may in the future undertake, certain obligations respecting its operation of the Airport and the activities of its contractors, lessees and permittees thereon in applications for such grants and permissions.

iv. The Lessee acknowledges the statements in paragraphs i. and ii and that the performance by the Lessee of the covenants and obligations contained in this Lease is a special consideration and inducement to the making of this Lease by the Port Authority.

v. The Lessee further covenants and agrees that:

(A) The Lessee shall follow any direction issued by the Port Authority to comply with any applicable law, or with any applicable regulation, order, statement of policy, or recommendation or suggestion in written form, of the Administrator of the Federal Aviation Administration or any other governmental officer or body having jurisdiction over the enforcement of the obligations of the Port Authority under federal law, or arising from the applications described in paragraph ii.

(B) For the purpose of this paragraph, "governmental officer or body" shall not be construed to refer to or include the Port Authority.

(C) The direction of the Port Authority made under this paragraph (v) shall include, but not be limited to, a direction to Lessee to take an action, to not take an action, or to cease an action, including but not limited to the granting of a contract or permission or directing another person to take an action, refrain from taking an action, or cease an action.

(D) The Lessee covenants and agrees that the Port Authority's interpretation of any such law, order, statement of policy, recommendation or suggestion, including those of a general nature which do not refer specifically to the Airport or any specific person, shall be final and

determinative for the purposes of this section, unless such interpretation is irrational or exhibits a manifest disregard of the law.

(E) The Lessee covenants and agrees that the Port Authority may require any permittee, sublessee, subtenant, licensee or contractor of the Lessee who acts for or on behalf of the Lessee in or regarding the Premises to perform the obligations imposed by, and be subject to, the terms of, this Section 10(f), as if such permittee, sublessee, subtenant, licensee or contractor were the Lessee with respect to the obligations of the Lessee set forth in this Section 10(f).

(F) 1. In the event of any disagreement between Lessee and the Port Authority with respect to the interpretation of a federal law, regulation, order, statement of policy or written direction of the FAA or other governmental body, Port Authority and Lessee shall immediately meet and negotiate in good faith to attempt to resolve such disagreement.

2. Either party may elect to challenge in an administrative or judicial proceeding, or seek guidance with respect to, any such law, regulation, order, statement of policy or written direction of the FAA or such other governmental body.

3. Unless the Port Authority's interpretation of a federal law, regulation, order, statement of policy or written direction of the FAA or other governmental body is irrational or exhibits a manifest disregard of the law, if Lessee challenges such interpretation, such interpretation shall be determinative until such interpretation is determined to be incorrect by the governmental body ruling upon the challenge or issuing guidance as set forth in Section 10(f)(v)(F)(2).

vi. (A) The Port Authority shall use commercially reasonable efforts to include in all agreements, and in all amendments, supplements or extensions of agreements, offered to an airline for occupancy or use of the Airport to conduct scheduled passenger flight operations a provision or provisions substantially similar to this Section

(B) The Port Authority agrees that Lessee shall not be prejudiced in the enforcement of this Section by virtue of Lessee having executed a supplement with this Section prior to the inclusion of a provision or provisions substantially similar to this Section in an agreement with another airline for occupancy or use of the Airport to conduct scheduled passenger flight operations."

3. Sections 31 and 75 of the Lease shall be deleted, and the following Sections 31 and 75 shall be inserted in lieu of the existing Sections 31 and 75:

"Section 31. **Requesting Airlines at the Airport.**

(a) Definitions.

For the purposes of '

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

5. The Lessee represents and warrants that no broker has been concerned in the negotiation of this Agreement and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Lessee shall indemnify and save harmless the Port Authority of and from 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 Agreement.

6. 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 Agreement, or because of its execution or attempted execution or because of any breach or attempted or alleged breach thereof. No director, officer, agent or employee of Lessee shall be charged personally by the Port Authority with any liability or held liable to it under any term or provision of this Agreement, or because of its execution or attempted execution or because of any breach or attempted or alleged breach thereof. The parties agree that no representations or warranties with respect to this Agreement shall be binding upon any party unless expressed in writing herein.

7. This Agreement, together with the Lease (to which it is supplementary) constitutes the entire agreement between the Port Authority and the Lessee on the subject matter thereof, 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 parties agree that no representations or warranties shall be binding upon the Port Authority or the Lessee unless expressed in writing in the Lease or this 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:_____
Name: David Kagan
Title: Assistant Director, Business and Properties, Aviation Department
(Seal)

WITNESS:

DELTA AIR LINES, INC.

By_____
Name: John W. Boatright
Title: Vice President - Corporate Real Estate
(Corporate Seal)

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

FOR THE PORT AUTHORITY

STATE OF NEW YORK)

) ss.

COUNTY OF NEW YORK)

On the day of December in the year 2011, before me, the undersigned, a Notary Public in and for said state, personally appeared David Kagan, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(notarial seal and stamp)

FOR THE LESSEE

STATE OF New York)

) ss.

COUNTY OF New York)

On the day of December in the year 2011 before me, the undersigned, a Notary Public in and for said state, personally appeared John W. Boatright, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Constance L. Seebach

(notarial seal and stamp)

CONSTANCE L. SEEBACH
Notary Public, State of New York
No. 01SE6037492
Qualified in New York County
My Commission Expires Feb. 22, 2014

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:_____
Name: David Kagan
Title: Assistant Director, Business and Properties, Aviation Department
(Seal)

WITNESS:

_____

DELTA AIR LINES, INC.

By_____
Name: John W. Boatright
Title: Vice President - Corporate Real Estate
(Corporate Seal)

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

FOR THE PORT AUTHORITY

STATE OF NEW YORK)

) ss.

COUNTY OF NEW YORK)

On the 13 day of December in the year 2011, before me, the undersigned, a Notary Public in and for said state, personally appeared David Kagan, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

MOIRA MCGINN WALLACE
Notary Public, State of New York
No. 01WA4889637
Qualified in Richmond County
Commission Expires on ~~April 13, 20~~
June 11, 2015

Moira McG Wallace
(notarial seal and stamp)

FOR THE LESSEE

STATE OF)

) ss.

COUNTY OF)

On the day of December in the year 2011 before me, the undersigned, a Notary Public in and for said state, personally appeared John W. Boatright, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(notarial seal and stamp)

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

ASSIGNMENT OF LEASE AND RELATED DOCUMENTS WITH ASSUMPTION AND CONSENT AGREEMENT

Lease No. AGA-126

THIS AGREEMENT (the "Agreement"), made as made as of the 1st day of December, 2011, by **THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY** (hereinafter called "the Port Authority"), a body corporate and politic created by Compact between the States of New York and New Jersey, with the consent of the Congress of the United States of America, having an office for the transaction of business at 225 Park Avenue South, New York, NY 10003, **US AIRWAYS, INC.** (hereinafter called the "Assignor"), a corporation organized and existing under the laws of the State of Delaware with an office and place of business at 111 W. Rio Salado Parkway, Tempe, Arizona 85281, and **DELTA AIR LINES, INC.** (hereinafter called the "Assignee"), a corporation organized and existing under the laws of the State of Delaware, with an office and place of business at 1030 Delta Boulevard, Atlanta, GA 30354.

WITNESSETH, that:

WHEREAS, by a certain agreement of lease made effective as of June 2, 1989 and identified by the above stated lease number (which agreement of lease, as the same has been amended and supplemented by the supplements described in Schedule 1 hereto, being hereinafter collectively called the "Lease"), the Port Authority let to Continental Airlines, Inc. ("Continental Airlines") and to Eastern Air Lines, Inc. (hereinafter called "Eastern Air Lines"), jointly and severally, and Continental Airlines and Eastern Air Lines, jointly and severally, hired and took from the Port Authority, certain premises and common areas located at LaGuardia Airport located in the Borough of Queens, New York, New York (the "Airport"), as more particularly described in the Lease; and

WHEREAS, Eastern Air Lines, the original lessee under the Lease with Continental Airlines, as aforesaid, prior to the execution of the Lease filed for protection under Chapter 11 of the federal bankruptcy laws in the United States Bankruptcy Court for the Southern District of New York; and

WHEREAS, Continental Airlines and Eastern Air Lines also entered into certain agreements with Trump Shuttle, Inc., a corporation of the State of New York ("Trump Shuttle"), relating to matters affecting the premises under the Lease and the premises under the Shuttle Terminal Lease, assigned by Eastern Air Lines to said Trump Shuttle, to wit: the Gate Permit Agreement, the Sublease, the Facilities Sharing Agreement, each dated as of June 2, 1989, and the Consent to Permit Agreement, the Consent to Sublease and the Consent to Facilities Sharing

Agreement, each dated as of June 2, 1989 and each such consent made among the Port Authority, Continental Airlines, Eastern Air Lines and said Trump Shuttle, Inc. (hereinafter collectively referred to respectively as the "Trump Shuttle Agreements" and the "Trump Shuttle Consents"); and

WHEREAS, Trump Shuttle was merged into Shuttle, Inc., which was subsequently merged into Assignor, and the Trump Shuttle Agreements and the Trump Shuttle Consents have expired and are of no further force or effect; and

WHEREAS, the Lease provided for a new "financing arrangement", as therein defined, covering the financing of the Project as defined in the Lease by the issuance of Special Project Bonds as therein defined and the execution of collateral documents governing the said financing arrangement, including without limitation a Trust Indenture appointing a Trustee for the purposes stated therein (hereinafter the "Trustee"); and

WHEREAS, in connection with the Special Project Bonds, Continental Airlines and Eastern Air Lines executed a Leasehold Mortgage dated as of June 1, 1990 in favor of the Trustee and a Trust Administration Agreement dated as of June 1, 1990 with the Trustee (collectively, the "Related Documents"); and

WHEREAS, Continental Airlines thereafter filed for protection under Chapter 11 of the federal bankruptcy laws in the United States Bankruptcy Court for the District of Delaware (hereinafter the "Bankruptcy Court"); and

WHEREAS, Continental Airlines obtained orders of the Bankruptcy Court dated June 3, 1991, August 14, 1991 and October 24, 1991 approving, among other matters, (i) the assumption by Continental Airlines of the Lease and (ii) the agreement as between Continental Airlines and Eastern Air Lines with respect to Continental Airlines' sole rights of occupancy of the premises under the Lease, all with the consent of the Port Authority; and

WHEREAS, Continental Airlines obtained a further preliminary order of the Bankruptcy Court dated December 11, 1991 with respect to assignment of the Lease from Continental Airlines to the Assignor as well as related transactions and transfers from Continental Airlines to the Assignor, all as more fully set forth in said order (the "Preliminary Order"), all with the consent of the Port Authority; and

WHEREAS, a further order of the Bankruptcy Court was obtained by Continental Airlines and entered, after notice to the Port Authority and to the Trustee, which Final Order (the "Final Order"), among other matters, (i) expressly allowed the assignment of the Lease to Assignor, and the execution and delivery of all related instruments and agreements, and (ii) expressly provided for the continuation of Continental Airlines' obligations under the aforesaid Special Project Bonds, all with the consent of the Port Authority; and

WHEREAS, Assignor and Assignee have entered into that certain Amended and Restated Mutual Asset Purchase and Sale Agreement dated as of May 20, 2011 (as may be amended, supplemented or modified, the "Purchase Agreement"), pursuant to which, among other things, Assignee agreed to acquire from Assignor certain assets located at the Airport; and

WHEREAS, the execution and delivery of this Agreement by Assignor, Assignee and the Port Authority is a condition to the obligations of the Assignor and Assignee to consummate the transactions contemplated by the Purchase Agreement; and

WHEREAS, pursuant to the Purchase Agreement, the Assignor desires to assign the Lease and the Related Documents to the Assignee; and

WHEREAS, the Assignee has advised the Port Authority and the Assignor that it is desirous of acquiring the leasehold under the Lease and becoming the tenant of the Port Authority thereunder, and of assuming liability under the Lease and the Related Documents; and

WHEREAS, the Assignee and the Port Authority, contemporaneously with the execution and delivery of this Agreement by the Port Authority, are entering into an Operating Agreement (the "Operating Agreement"), a copy of which is attached hereto as Exhibit A and the execution of which is a condition of this Agreement; and

WHEREAS, the Port Authority is willing to consent to such assignment and assumption of the Lease and the Related Documents on certain terms, provisions, covenants and conditions:

NOW, THEREFORE, in consideration of the covenants and mutual agreements herein contained, the Port Authority, the Assignor and the Assignee hereby agree effective as of 12:00 o'clock a.m. on the date of the sale of certain assets of the Assignor to the Assignee pursuant to a certain Amended and Restated Asset Purchase and Sale Agreement dated as of May 20, 2011 (as may be amended, supplemented or modified) among Delta Air Lines, Inc., US Airways, Inc. and US Airways Group, Inc. (the "Closing Date"), as follows:

1. The Assignor does hereby assign, transfer and set over to the Assignee and its successors, to its and their own proper use, benefit and behoof forever, the Lease, to have and to hold the same unto the Assignee, its successors from the date hereof, for and during all of the rest, residue, and remainder of the term of the letting under the Lease, subject nevertheless to all the terms, provisions, covenants and conditions therein contained. The Assignor does further assign, transfer and set over to the Assignee and its successors and assigns all of the rights, titles and interests of the Assignor under the Related Documents.

2. The Port Authority hereby consents to the foregoing assignment and assumption. Notwithstanding anything herein to the contrary, the granting of such consent by the Port Authority shall not be, or be deemed to operate as, a waiver of the requirement (for consent or consents) to each and every subsequent assignment by the Assignee or by any subsequent assignee, nor shall the Assignor be relieved of liability under the terms, provisions, covenants and conditions of the Lease and the Related Documents by reason of this consent of the Port Authority or of one or more other consents to one or more other assignments thereof.

3. The Assignor agrees that this assignment of the Lease and the Related Documents and this consent of the Port Authority thereto shall not in any way whatsoever affect or impair the liability of the Assignor to perform all the terms, provisions, covenants and conditions, including without limitation thereto the obligation to pay rent, of the Lease on the part of the Lessee or tenant thereunder to be performed, or impair the liability of the Assignor under the Related Documents, and that the Assignor shall continue fully liable for the performance of all the terms,

provisions, covenants and conditions, including without limitation thereto the obligation to pay rent, on the part of the Lessee or tenant thereunder to be performed, and under the Related Documents, giving effect to any cure period for performance of such obligations set forth in the Lease or under the Related Documents. The liability of the Assignor as set forth in this paragraph shall remain and continue in full force and effect as to any and every renewal, modification, or extension of the Lease or the Related Documents (whether in accordance with the terms of the Lease or the Related Documents or by a separate or additional document) and notwithstanding any such renewal, modification or extension, provided the Assignor has consented in writing to such renewal, modification or extension; except that it is expressly understood and agreed that the liability of the Assignor shall continue in full force and effect, as aforesaid, as to any and all renewals or extensions which are in accordance with or pursuant to the existing terms of the Lease, including, without limitation, the extension agreements called for under Section 88 of the Lease, whether or not consented to by the Assignor, but not any modification to any provision of the Lease (other than the extension of the term of the Lease accomplished thereby) unless specifically consented to by the Assignor. The liability of the Assignor under the existing Lease or Related Documents or the Lease as extended or the Lease or the Related Documents, as modified, extended or renewed with the consent of the Assignor (or without the consent of the Assignor where such consent is not required hereby) herein shall in no way be affected by the failure of the Port Authority to obtain the Assignor's consent to any such renewal, modification or extension with the Assignor's consent.

4. The Assignee does hereby assume (i) all liabilities and obligations of Assignor for the performance of and does hereby agree to perform all the terms, provisions, covenants and conditions, including without limitation thereto the obligation to pay rent, contained in the Lease, to be performed on the part of the Lessee or tenant thereunder, from the commencement thereof, as though the Assignee were the original signatory to the Lease and (ii) all liabilities and obligations of Assignor contained in the Related Documents. As long as Assignee is in possession under the Lease, Assignee shall be responsible for giving all instructions and taking all ministerial actions required of the Lessee under the Trust Administration Agreement. The execution of this instrument by the Port Authority does not constitute a representation by it that the Assignor has performed or fulfilled every obligation required by the Lease; as to such matters, the Assignee agrees to rely solely upon the representation by the Assignor.

5. The liability of the Assignor shall not be affected by:

(a) The release or discharge of the Assignee in any creditors' receivership, bankruptcy or other similar proceeding; or

(b) The impairment, limitation or modification of the liability of the Assignee or its estate in bankruptcy, or of any remedy for the enforcement of said liability under the Lease, resulting from the operation of any present or future provision of the Bankruptcy Code or any other statute or from the decision of any court having jurisdiction over the Assignee or its estate; or

(c) The rejection or disaffirmance of the Lease or any Related Document in any creditors' receivership, bankruptcy, or other similar proceeding; or

(d) Any disability or any defense of the Assignee.

6. Without in any way limiting Paragraph 3 or Paragraph 4 hereof or any other term or provision of this Agreement, it is understood and agreed that the Port Authority shall also deliver to the Assignor a copy of all written notices of default (including, without limitation, any notice of nonpayment) served upon the Assignee, such service upon the Assignor to be made contemporaneously with the notice served upon the Assignee at the address of the Assignor stated on the first page hereof in accordance with the terms of the Lease or each of the Related Documents, as the case may be, and any such notice shall not be deemed effective unless served in accordance herewith. In the event Assignee fails to cure any matter that is the subject of any such notice within the applicable cure period after receipt of the required notice thereof, Assignor shall be provided an additional five (5) business days after expiration of Assignee's applicable cure period in which to cure such failure (other than a default in the payment of Facility Rental, Accelerated Facility Rental or other amounts payable under the Financing Arrangement (as defined in the Lease) or the Special Project Bonds, which shall not be subject to an additional five (5) day cure period), and no "default" shall be deemed to have occurred under the Lease and the Port Authority shall have no right to exercise any right or remedies in connection therewith unless and until Assignor and Assignee have failed to cure such matter within the cure periods provided to each under the Lease and this Section 6.

7. The Port Authority agrees and acknowledges that (i) the Port Authority and the Assignee are parties to that certain security agreement denominated by Port Authority Agreement No. AX-852, dated as of December 9, 2010 (the "Delta Security Deposit Agreement") and (ii) as of the date hereof, all security deposits required pursuant to the terms of the Lease are satisfied by the terms, conditions and agreements set forth in the Delta Security Deposit Agreement. Notwithstanding anything to the contrary contained herein, in the event that Assignee is not in compliance with the terms of the Lease due to a breach or default of its obligations under the terms of the Delta Security Deposit Agreement with respect to the premises under the Lease (the "Premises"), Assignor shall be deemed to have cured such failure if it shall post a security deposit in the amount not to exceed two months of the Base Rental payable under the Lease, as to the Premises only, and otherwise in accordance with the terms and conditions of the Lease within five (5) business days of written notice from the Port Authority of such failure on the part of the Assignee to comply with its obligations under the Delta Security Deposit Agreement with respect to the Premises. The Port Authority agrees and acknowledges that, except as set forth in this paragraph 7, Assignor shall have no obligation to cure any failure by Assignee to comply with the terms of the Delta Security Deposit Agreement. In the event that Assignee thereafter cures its default under the Delta Security Deposit Agreement, the Port Authority shall promptly return any and all amounts, and any other form of security deposit, provided by Assignor pursuant to the terms of this paragraph 7.

8. Without limiting any term or provision of this Agreement or the Lease, the Port Authority agrees that if the Assignee's right to occupy the premises under the Lease is terminated and the Assignor is then operating as a scheduled air carrier and promptly cures all monetary defaults under the Lease and other defaults under the Lease not involving the payment of money for which occupancy of the premises under the Lease is not reasonably necessary to effect a cure and undertakes to commence cure of all other defaults under the Lease within thirty (30) days of such reoccupation and to diligently pursue cure until completion, the Port Authority shall allow

the Assignor to reoccupy the premises under the Lease as lessee thereunder for the purpose of operating its air transportation business at the Airport in accordance with and subject to the terms, provisions, covenants and conditions of the Lease; it being expressly understood and agreed that such right of the Assignor to reoccupy is expressly subject to all terms, provisions, covenants and conditions of the Lease including each and every modification, renewal and extension thereof, entered into by the Assignee or any successor of the Assignee whether or not the Assignor has consented thereto notwithstanding anything to the contrary herein. The Port Authority agrees that in any bankruptcy proceeding of the Assignee, and provided that Assignor has cured all monetary defaults under the Lease, it will at the request of the Assignor and at the Assignor's sole cost and expense, take the following actions:

(i) file a motion to compel the Assignee to assume or reject the Lease within a specified period not to exceed sixty-five (65) days following the filing of such motion, and

(ii) oppose any attempt by Assignee to extend any period in which the Assignee must assume or reject the Lease.

Notwithstanding the foregoing, the Port Authority's obligation to take any action at the request of the Assignor shall be subject to the condition precedent that the Assignor provide the Port Authority with reasonable evidence, which may be an opinion of Assignor's counsel, that there is reasonable doubt whether the Assignor has standing to take such action in its own name. The Port Authority agrees that nothing contained herein shall affect or otherwise limit any right of the Assignor to exercise any rights or remedies against Assignee in its own capacity and consents to the jurisdiction of the United States Bankruptcy Court with jurisdiction over Assignee's bankruptcy case with respect to any dispute over the Port Authority's obligations under this paragraph. Except as specifically provided in this paragraph 8, the Port Authority shall not be limited in the exercise of any and all rights or remedies with respect to the Lease.

9. Neither this Agreement nor anything contained herein shall or shall be deemed to release or reduce any obligation or liability of the Assignor, Continental Airlines or Eastern Air Lines to the Port Authority, the Trustee or the Bondholders (as defined in Section 85 of the Lease), or otherwise adversely affect the rights of the Port Authority, the Trustee or the Bondholders; provided, however, that each such obligation of the Assignor shall be deemed satisfied through actual performance of such obligation by the Assignee; it being understood that as long as the Assignee is actually performing any such obligation, the Assignor shall also be deemed to be in compliance therewith to the extent of and during the course of such actual performance and the Port Authority will accept such performance from the Assignee and will not look for such performance from the Assignor. The Port Authority further agrees to accept performance of any and all obligations of the Lessee under the Lease from the Assignor.

10. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof, shall be charged personally by the Assignor or by the Assignee with any liability or held liable to either of them under any term or provision of this Agreement, or because of its execution or attempted execution, or because of any breach or attempted or alleged breach thereof. No director, officer, agent or employee of Assignor or Assignee shall be charged personally by the Port Authority with any liability or held liable to it under any term or provision

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

11. As reimbursement for the costs incurred by the Port Authority in connection with the preparation and review of documentation for this transaction, each of Assignor and Assignee agree to pay the Port Authority at Closing (as such term is defined in the Purchase Agreement) the sum of

12. Assignee agrees to make a payment to the Port Authority at Closing in the sum of

13. This Agreement is also expressly conditioned on the execution by the Port Authority and the Assignee of the Operating Agreement contemporaneously with the execution of this Agreement.

14. As between Assignor and Assignee, nothing contained in this Agreement shall in any way supersede, modify, replace, amend, rescind, waive, narrow or broaden Sections 2 and 3 of the Purchase Agreement or any of the rights, remedies or obligations arising therefrom.

15. The agreements contained herein shall be binding upon, and shall inure to the benefit of, any successors and permitted assigns of each of the parties hereto.

16. Assignor, Assignee and the Port Authority each hereby represents, acknowledges and agrees that Assignee is a "Scheduled Aircraft Operator" (as described in paragraph (t) of Section 78 of the Lease).

17. Assignor, Assignee and the Port Authority each hereby acknowledges and agrees that this Assignment shall constitute an "instrument in a form satisfactory to the Port Authority assuming the obligations of the Lessee as if it were the original tenant" thereunder (as contemplated in paragraph (a) of Section 29 of the Lease).

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement (this "Agreement"), dated as of December 13, 2011, is made by and between Delta Air Lines, Inc., a Delaware corporation ("Delta") and US Airways, Inc., a Delaware corporation ("US Airways").

Delta, US Airways and US Airways Group, Inc., a Delaware corporation, have entered into an Amended and Restated Mutual Asset Purchase and Sale Agreement, dated as of May 20, 2011 (the "Purchase Agreement"), pursuant to which, among other things, US Airways agreed to assign all of its rights and delegate all of its duties to Delta under certain agreements, including the US Airways LaGuardia Contracts, as more specifically described in the Purchase Agreement.

Unless otherwise defined herein, capitalized terms used in this Agreement have the meanings given to them in the Purchase Agreement.

In consideration of the representations, warranties, covenants and agreements contained herein and in the Purchase Agreement, US Airways and Delta, intending to be legally bound by this Agreement, agree as set forth below.

1. Assignment and Assumption. Pursuant to Section 3.01(a) and 3.03 of the Purchase Agreement, and subject to Section 2 hereof, US Airways hereby assigns and transfers to Delta all of the US Airways LaGuardia Contracts set forth on Schedule 1 attached hereto (including, without limitation, the agreements with third parties and the Port Authority privilege permits set forth on Schedule 1) from and after the date hereof, free and clear of all Liens other than Permitted Liens, and Delta hereby assumes and agrees to pay, perform and discharge when due, all obligations and liabilities with respect to the Assumed US Airways Liabilities from and after the date hereof. For the avoidance of doubt, Delta does not assume and shall not be obligated to pay, perform or otherwise discharge any Excluded US Airways Liabilities.

2. Purchase Agreement. This Agreement is made subject to and with the benefit of the respective representations and warranties, agreements, covenants, terms, conditions, limitations and other provisions of the Purchase Agreement (including without limitation the Schedules attached thereto), and nothing contained in this Agreement shall in any way supersede, modify, replace, amend, rescind, waive, narrow or broaden any provision set forth in the Purchase Agreement or any of the rights, remedies or obligations arising therefrom.

3. Assignment. This Agreement and all rights and powers granted by this Agreement shall bind and inure to the benefit of the parties and their respective successors and permitted assigns. This Agreement and the rights, interests and obligations under this Agreement may not be assigned by either party without the prior written consent of the other party.

4. Governing Law. This Agreement and any dispute arising in connection therewith will be governed by and construed under the law of the State of New York without regard to conflicts-of-laws principles that would require the application of any other law.

5. Waiver of Jury Trial. Each party hereby waives, to the fullest extent permitted by applicable Law, any right it may have to a trial by jury in respect of any suit, action or other proceeding arising out of this Agreement or any of the other transactions contemplated by this Agreement. Each party (a) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such party would not, in the event of any action, suit or proceeding, seek to enforce the foregoing waiver and (b) acknowledges that it and the other party have been induced to enter into this Agreement, by, among other things, the mutual waiver and certifications in this Paragraph 5.

6. Amendment. This Agreement may not be amended or modified except by an instrument in writing signed by the parties hereto.

7. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original but all of which together shall be deemed to be one and same instrument.

8. Order of Precedence. In the event of a conflict between this Agreement and the Purchase Agreement, the terms of the Purchase Agreement shall take precedence and control.

[Signature Page Follows]

IN WITNESS WHEREOF, intending to be legally bound, the parties hereto have executed this Agreement as of the day and year first above written.

US AIRWAYS, INC.

By: _____
Name: Stephen L. Johnson
Title: Executive Vice President - Corporate and Government Affairs

DELTA AIR LINES, INC.

By: _____
Name: John W. Boatright
Title: Vice President – Corporate Real Estate

IN WITNESS WHEREOF, intending to be legally bound, the parties hereto have executed this Agreement as of the day and year first above written.

US AIRWAYS, INC

By: _____
Name: Stephen L. Johnson
Title: Executive Vice President - Corporate and Government Affairs

DELTA AIR LINES, INC.

By: _____
Name: John W. Boatright
Title: Vice President – Corporate Real Estate

Schedule 1
US Airways LaGuardia Contracts[1]

1. Amended and Restated Sublease and Concession Agreement For the Development and Operation of Food and Beverage Concessions at LaGuardia Airport by and between US Airways, Inc. and LaGuardia USA LLC, dated March 1, 2007. [Privilege Permit AGA-767]

2. Sublease and Concession Agreement For the Development and Operation of a Spa Concession at LaGuardia Airport by and between US Airways, Inc. and XPRESSPA LaGuardia Airport LLC, dated July 1, 2007. [Privilege Permit AGA-806]

3. Sublease and Concession Agreement For the Development and Operation of a Specialty Retail Concession at LaGuardia Airport by and between US Airways, Inc. and Brookstone Stores, Inc. d/b/a Brookstone, dated as of August 1, 2008. [Privilege Permit AGA-831]

4. Sublease and Concession Agreement For the Development and Operation of a Retail Concession at LaGuardia Airport by and between US Airways, Inc. and Project Horizon, Inc. t/a InMotion Entertainment, dated August 1, 2008. [Privilege Permit AGA-830]

5. Sublease and Concession Agreement For the Development and Operation of a Retail Concession at LaGuardia Airport by and between US Airways, Inc. and Relay at LGA, LLC. [Privilege Permit AGA-814]

6. Unison-Maximus, Inc. (No Contract). Concession management services.

7. LGA USAIR Shuttle Terminal Shoe Shine Service License Agreement by and between US Airways Inc., (as successor-in-interest to Shuttle, Inc. d/b/a USAir Shuttle) and Genaro Tierno, dated July 1, 1996. [Privilege Permit AGA-881]

8. Agreement for Club Services by and between US Airways, Inc. and Air Serv Corporation, dated May 14, 2011.

9. Sublease of Airport Facility by and between US Airways, Inc. and Deluxe Super Shine, dated as of June 1, 2007. [Privilege Permit AGA-879]

10. Sublease by and between US Airways, Inc. and the United States Department of Homeland Security, Transportation Security Administration, dated May 29, 2008, as amended by Amendment of Solicitation/Modification of Contract, dated July 13, 2009.

11. Contract for Building Maintenance Services at LaGuardia Airport (LGA) Flushing, New York by and between US Airways, Inc. and ABM Facility Services (successor-in-interest to Control Building Services, Inc.), dated as of December 1, 2000, as amended by Letter

[1] Contracts that expire in accordance with their own terms shall be automatically deleted from this list.

Agreement dated January 29, 2003 and further amended by Letter Agreement dated August 24, 2005.

12. Contract for Janitorial Services at LaGuardia Airport (LGA) Flushing, New York by and between US Airways, Inc. and ABM Facility Services (successor-in-interest to Laro Service Systems, Inc.), dated as of June 1, 2004, as amended by Letter Agreement dated August 11, 2005, the Second Amendment dated as of January 1, 2006 and the Third Amendment dated as of January 1, 2007.

13. Contract for Security Services at LaGuardia Airport (LGA) Flushing, New York by and between US Airways, Inc. and FJC Security Services, Inc., dated as of October 29, 2002, as amended by Letter Agreement dated August 17, 2005 and further amended by Letter Agreement dated August 1, 2007.

14. Trash Removal Services Agreement by and between US Airways, Inc. and Royal Waste Services, Inc., dated January 1, 2008.

15. Travelex (No Contract): Right to install and operate ATMs. Receivable of approximately $2,700/month. [Privilege Permit AGA-325]

16. Avis Budget Group (No Contract): Right to install and maintain a direct dial phone and certain signage in the baggage claim area. Receivable of approximately $400/month.

17. National Car Rental (No Contract): Right to install and maintain a direct dial phone and certain signage in the baggage claim area. Receivable of approximately $400/month.

18. SmarteCarte (No Contract): Baggage cart rental. Receivable of approximately $200/month.

19. Southwest Airlines, Inc. (No Contract): Use of one gate for remote overnight parking. Receivable of approximately $3,830/month.

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

Lease No. AGA-126
LaGuardia Airport

CONSENT TO LICENSE AGREEMENT

THIS CONSENT AGREEMENT, made as of 1st day of December, 2011 (hereinafter referred to as the "Effective Date"), by and among ***THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY*** (hereinafter called "the Port Authority") and ***DELTA AIR LINES, INC.*** (hereinafter called the " Licensor"), and ***US AIRWAYS, INC.***, a corporation of the State of Delaware (hereinafter called the "Licensee"), with an office and place of business at 111 W. Rio Salado Parkway, Tempe, Arizona 85281, **whose representative is Mike Minerva.**

WITNESSETH, That:

WHEREAS, by a certain agreement of lease made effective as of June 2, 1989 and identified by the above stated lease number (which agreement of lease, as the same has been amended and supplemented, being hereinafter collectively called the "Lease"), the Port Authority let to Continental Airlines, Inc. ("Continental Airlines") and to Eastern Air Lines, Inc. (hereinafter called "Eastern Air Lines"), jointly and severally, and Continental Airlines and Eastern Air Lines, jointly and severally, hired and took from the Port Authority, certain premises and common areas (the "Premises") located at LaGuardia Airport located in the Borough of Queens, New York, New York (the "Airport"), as more particularly described in the Lease; and

WHEREAS, Continental Airlines thereafter filed for protection under Chapter 11 of the federal bankruptcy laws in the United States Bankruptcy Court for the District of Delaware (hereinafter the "Bankruptcy Court"); and

WHEREAS, an order of the Bankruptcy Court was obtained by Continental Airlines and entered, which Final Order (the "Final Order"), among other matters, (i) expressly allowed the assignment of the Lease to Licensee, and the execution and delivery of all related instruments and agreements, and (ii) expressly provided for the continuation of Continental Airlines' obligations under certain Special Project Bonds, all with the consent of the Port Authority; and

WHEREAS, by agreement dated as of January 17, 1992, the Port Authority, Continental Airlines and USAIR, Inc., entered into an Assignment of Lease and Related Documents with Assumption and Consent Agreement in which the Port Authority consented to the assignment of the Lease from Continental to US Airways, Inc. (formerly known as USAir, Inc.); and

WHEREAS, Licensor and Licensee have entered into that certain Amended and Restated Mutual Asset Purchase and Sale Agreement dated as of May 20, 2011 (as may be amended, supplemented or modified, the "Purchase Agreement"), pursuant to which, among other things, Licensor agreed to acquire from Licensee certain assets located at the Airport; and

WHEREAS, the Port Authority, Licensor and Licensee, contemporaneously with the execution and delivery of this Agreement to the Port Authority, are entering into an Assignment of Lease and Related Documents with Assumption and Consent Agreement in which the Port Authority has consented to the assignment of the Lease from the Licensee to the Licensor; and

WHEREAS, pursuant to the Purchase Agreement, Licensee has sold to Licensor certain operating rights of Licensee at the Airport (the "LGA Slots"); and

WHEREAS, Licensor and Licensee have agreed upon a transition plan for the operation of the LGA Slots and the relocation of flight operations; and

WHEREAS, as part of such transition plan, Licensee desires to continue to use, on a temporary basis, certain portions of the Premises, and Licensor is willing to grant Licensee a license to use certain portions of the Premises strictly on a temporary basis under the terms and conditions of a License Agreement effective as of the date hereof, between Licensor and Licensee (the "License"); and

WHEREAS, the Licensor has requested the consent of the Port Authority to the License, a copy of which is attached hereto and hereby made a part hereof, between the Licensor and the Licensee effective as of the date hereof, pursuant to which the Licensor shall license to the Licensee, and the Licensee shall license from the Licensor, a certain portion of the Premises as more particularly described in the License ;

NOW, THEREFORE, for and in consideration of the covenants and mutual agreements herein contained, the Port Authority, the Licensor and the Licensee hereby agree effective as of 12:00 o'clock a.m. on the date of the sale of certain assets of the Assignor to the Assignee pursuant to a certain Amended and Restated Asset Purchase and Sale Agreement dated as of May 20, 2011 (as may be amended, supplemented or modified) among Delta Air Lines, Inc., US Airways, Inc. and US Airways Group, Inc. (the "Closing Date"), as follows:

1. On the terms and conditions hereinafter set forth, the Port Authority consents to the License.

2. Notwithstanding anything contained therein, the License shall terminate, without notice to the Licensor or Licensee, on the earlier to occur of the day preceding the date of expiration or earlier termination of the Lease, or such earlier date as the Licensor and the Licensee may agree upon. The Licensee shall quit the Premises and remove its property therefrom on or before termination of the License.

3. If the Licensor shall at any time be in default under the Lease, the Licensee shall on demand of the Port Authority pay directly to the Port Authority any rental, fee or other amount due to the Licensor. No such payment shall relieve the Licensor from any obligation under the Lease or under this Consent Agreement, but all such payments shall be credited against the obligations of the Licensor and the Licensee for each payment or part thereof. The Licensor hereby acknowledges and agrees that the Licensee shall make any such payment upon the demand of the Port Authority without inquiry or confirmation as to whether a default actually exists under the Lease and notwithstanding any contrary instructions of, or demands from, the Licensor.

4. (a) Neither this Consent Agreement nor anything contained herein nor the consent granted hereunder shall constitute or be deemed to constitute a consent to nor shall they create an inference or implication that there has been consent to any enlargement, variation or change in the rights, powers and privileges granted to the Licensor under the Lease, nor consent to the granting or conferring any rights, powers or privileges to the Licensee as may be provided by the License if not granted to the Licensor under the Lease, nor shall they impair, limit, restrict, alter or affect any of the duties, promises, covenants, representations, warranties, indemnities, responsibilities, liabilities and obligations imposed on or agreed to or made by the Licensor under the Lease. The License is an agreement between the Licensor and the Licensee with respect to the various matters set forth therein. Neither this Consent Agreement nor anything contained herein nor the consent granted hereunder shall constitute an agreement between the Port Authority and the Licensor that the provisions of the License shall apply and pertain as between the Licensor and the Port Authority, it being understood that the terms, provisions, conditions and agreements of the Lease shall, in all respects, be controlling, effective and determinative. In any case of difference between the provisions of the Lease and those of the License, the Lease shall be controlling, it being the intention of the Port Authority to merely permit the exercise of the Licensor's rights (to the extent permitted by the License and this Consent Agreement) on behalf of the Licensee, and not to enlarge or otherwise change the rights granted by the

Lease. All of the terms, provisions, covenants and conditions of the Lease shall be and remain in full force and effect. In addition, in any case of difference between the provisions of this Consent Agreement and those of the Lease or the License, this Consent Agreement shall be controlling. The foregoing provision shall not be construed as indicating any modification of the rights and obligations solely between the Licensor and the Licensee as set forth in the License.

The specific mention of or reference to the Port Authority in any part of the License, including without limitation thereto any mention of any consent or approval of the Port Authority now or hereafter to be obtained, shall not be or be deemed to create an inference that the Port Authority has granted its consent or approval thereto under this Consent Agreement or shall hereafter grant its consent or approval thereto or that the subject matter as to which the consent or approval applies has been or shall be approved or consented to in principle or in fact 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 License to Port Authority approval or consent shall not be deemed to imply that no such approval or consent is required and the Lease shall in all respects be controlling, effective and determinative.

No provisions of the License, including but not limited to those imposing obligations on the Licensee with respect to laws, rules, regulations, taxes, assessments and liens, shall be construed as a submission or admission by the Port Authority that the same could or does lawfully apply to the Port Authority, nor shall the existence of any provision of the License covering action which may be undertaken by the Licensor or the Licensee including but not limited to those involving signs, construction, insurance, assignment and subletting, be deemed to imply or infer that Port Authority consent or approval thereto has or will be given or that Port Authority discretion with respect thereto will in any way be affected or impaired. References in this Paragraph to specific matters and provisions as contained in the License shall not be construed as indicating any limitation upon the rights of the Port Authority with respect to its discretion as to granting or withholding approvals or consents as to other matters and provisions in the License which are not specifically referred to herein.

(b) With respect to this Consent Agreement, the Licensor and the Licensee understand and agree that although the Licensor is permitted under the Lease to perform services and functions for itself, the Licensor may not and is expressly prohibited from performing any services or functions at the Airport for the Licensee (even though the Licensor may perform the same for itself pursuant to the Lease) which are performed by organizations at the Airport authorized by lease, permit, contract or other Port Authority agreement to perform such services or functions, unless the Licensor is specifically authorized by permit or by the Lease to perform such services or functions for other aircraft operators at the Airport and the Premises and in such event, said services and functions shall be performed pursuant thereto. The Licensor, however, may make the necessary arrangements with the authorized organizations performing such services or functions at the Airport to have such services or functions performed for the Licensee by such organizations or the Licensee may perform such services and functions itself.

5. The Licensee, in its operations under and in connection with the License and its use and/or occupancy of the Premises, agrees to assume, observe, be bound by and comply with all the terms, provisions and conditions of the Lease with respect to the services, Premises and operations covered by the License.

6. (a) Without in anywise affecting the obligations of the Licensor under the Lease and under this Consent Agreement and notwithstanding the terms and provisions of the License, in the event the Licensor fails to make the repairs and replacements to the Premises as set forth in the Lease, the Licensee, upon notice from the Port Authority, shall make such repairs and replacements to the Premises as if it were the Licensor, as Lessee under the Lease. In addition, the Licensee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives from and against (and shall reimburse the Port Authority for their costs and expenses including reasonable legal expenses incurred in connection with the defense of) all claims and demands of third persons including but not limited to claims and demands for death, for bodily injuries and for property damages, arising out of a breach or default of any term or provision of this Consent Agreement by the Licensee or out of its operations under the License or at the Premises, or out of the use or occupancy of the Premises or any area in the Premises by the Licensee or by others with its consent, or out of any other acts or omissions of the Licensee, its officers, employees, agents, representatives, contractors, customers, guests, invitees and others who are doing

business with the Licensee at the Premises, or out of any other acts or omissions of the Licensee, its officers and employees at the Airport, including claims and demands of the City of New York from which the Port Authority derives its right in the Airport, for indemnification, arising by operation of law or pursuant to the Basic Lease (as defined in the Lease) whereby the Port Authority has agreed to indemnify the City of New York against claims. However, all acts and omissions of the Licensee under the License shall be deemed to be acts and omissions of the Licensor under the Lease and the Licensor shall also be severally responsible therefor, including but not limited to the obligations of indemnification, repair and replacement.

(b) If so directed, the Licensee 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.

(c) In addition to the insurance required to be maintained by the Licensor under the Lease, the Licensee during the period the License shall remain in effect shall in its own name as insured and including the Port Authority and the City of New York as additional insureds obtain, maintain and pay the premiums on a policy or policies of Commercial General Liability Insurance, including premises-operations, products liability, completed operations, and covering bodily injury, including death, and property damage liability, broadened to include or in equivalent separate policies covering aircraft liability and aircraft operators liability under an airport liability policy, and providing for coverage in the limits set forth below, and Commercial Automobile Liability Insurance, covering owned, non-owned and hired vehicles, covering bodily injury, including death, and property damage liability, and providing for coverage in the limits set forth below. All the aforesaid policy or policies of insurance shall also provide or contain an endorsement providing that the protections afforded the Licensee thereunder with respect to any claim or action against the Licensee by a third person shall pertain and apply with like effect with respect to any claim or action against the Licensee by the Port Authority but such endorsement shall not limit, vary, change or affect the protections afforded the Port Authority as an additional insured. In addition, the insurance required hereunder shall provide or contain an endorsement providing that the protections afforded the Port Authority thereunder as an additional insured with respect to any claim or action against the Port Authority by the Licensee shall be the same as the protections afforded the Licensee thereunder with respect to any claim or action against the Licensee by a third person as if the Port Authority were the named insured thereunder. Further, the said policy or policies of insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Licensee under subparagraphs (a) and (b) hereof.

	Minimum Limit
Commercial General Liability Combined single limit per occurrence for death, bodily injury and property damage liability	$100,000,000
Commercial Automobile Liability (for vehicles while on restricted airport premises) Combined single limit per occurrence for death, bodily injury and property damage liability	$ 25,000,000

Without limiting the provisions hereof, in the event the Licensee 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.

All insurance coverages and policies required under this Paragraph may be reviewed by the Port Authority for adequacy of terms, conditions and limits of coverage at any time and from time to time during

the period the Consent Agreement remains in effect. The Port Authority at any such time may make additions, deletions, amendments to or modifications of the above-scheduled insurance requirements, including an increase in such minimum limits, and may require such other and additional insurance against such other insurable hazards in such amounts and of such types, in each case, only to the extent (i) such requirements, as modified, are customary for carriers of comparable size and engaged in the same or similar businesses and leasing properties in the same general areas in which the Licensee operates, provided that such coverage may be obtained in the form of a blanket policy and (ii) any modified aggregate limits and sublimits of coverage are commercially reasonable and available in the market.

(d) As to the insurance required by the provisions of this Paragraph, a certified copy of the policies or a certificate or certificates or binders satisfactory to the Port Authority evidencing the existence thereof, shall be delivered by the Licensee to the Port Authority within fifteen (15) days after delivery of this Consent Agreement to the Port Authority. Each policy, certificate or binder delivered as aforesaid shall bear the endorsement of or be accompanied by evidence of payment of the premium thereon. In the event a binder is delivered, it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy or certificate shall contain a valid provision or endorsement, unqualifiedly committing the insurer not to cancel, terminate, change or modify the policy 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 over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port Authority. Any renewal policy shall be delivered to the Port Authority at least 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 Consent. 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, the Port Authority at any time, in its reasonable discretion, determines that any of the insurance policies shall be or become unsatisfactory to the Port Authority, as to form or substance, or that any of the carriers issuing such policies shall be or become unsatisfactory to the Port Authority, the Licensee shall promptly obtain a new and satisfactory policy in replacement thereof but, in each case, only to the extent any new requirements, policies or required providers (i) are customary for carriers of comparable size and engaged in the same or similar businesses and leasing properties in the same general areas in which the Licensee operates, provided that such coverage may be obtained in the form of a blanket policy and (ii) any modified aggregate limits and sublimits of coverage are commercially reasonable and available in the market. If the Port Authority at any time so requests, a certified copy of each of the policies shall be delivered to the Port Authority.

7. In the event any of the events set forth in Section 30 of the Lease occur as the result of any act or omission by the Licensee in violation of the terms of the Lease or the License or in the event of any default by the Licensee of any of the provisions of this Consent to License Agreement, the Port Authority shall have the right to revoke the consent granted hereunder upon thirty (30) days' prior written notice to the Licensor and the Licensee, but no such revocation shall be deemed to affect the Lease or the continuance thereof, provided, furthermore, that the foregoing shall not be deemed to affect or limit the right of the Port Authority to terminate the Lease as well, in accordance with Section 30 of the Lease. In the event of the revocation of the consent as hereinabove provided, the Licensor shall immediately terminate the License.

8. The granting of the consent hereunder by the Port Authority shall not be deemed to operate as a waiver of the rights of the Port Authority, or as a consent to any subsequent license agreement (by the Licensor or by the Licensee) or to any assignment of the Lease or to any assignment of the License or of any rights under any of the foregoing, whether in whole or in part.

9. [Intentionally Deleted].

10. Each of the Licensor and the Licensee, for itself and not on behalf of the other party, hereby represents to the Port Authority that it has complied with and will comply with all laws, governmental rules, regulations and orders now or at any time during the term of the License which as a matter of law are applicable to

or which affect the operations of the Licensor and the Licensee, respectively, under the Lease or its use and/or occupancy of the Premises. The obligation of the Licensor and the Licensee hereunder to comply with governmental requirements is provided herein for the purpose of assuring proper safeguards for the protection of persons and property. Such provision is not to be construed as a submission by the Port Authority to the application to itself of such requirements or any of them.

11. The Licensee 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 Licensee 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 Licensee assures that it will require that its covered suborganizations provide assurances to the Licensee 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.

12. Nothing contained in this Consent Agreement or the License shall be or deemed to be consent to, or approval of, the erection of any structures, or the making of any improvements, alterations, modifications, additions, repairs or replacements to the Premises including without limitation the installation of any signs at the Airport. The Licensor and Licensee agree that no construction or installation, as aforesaid, shall be performed without the prior written approval of the Port Authority and subject to the terms and conditions of the Lease and of the License and an approved Alteration Application which the Licensor shall prepare and submit to the Port Authority.

13. The consent granted hereunder shall extend and apply solely with respect to and for the license of the Premises by the Licensor to the Licensee under the License and for the use of such Premises by the Licensee solely to conduct the operations described in the section of the Lease entitled "Use of Premises and Common Areas" and for no other purposes whatsoever. Neither this Consent Agreement nor anything hereunder shall constitute or be deemed to constitute the consent of the Port Authority to the providing of any type of passenger handling, ramp handling, cargo handling, aircraft handling services, aircraft maintenance services or any other type of ground handling services, building maintenance services, janitorial services or other services by the Licensee, or to the Licensee by the Licensor, or by any other entity, notwithstanding any term or provision of the License to the contrary; any such passenger handling, ramp handling, cargo handling, aircraft handling services, ground handling services or aircraft maintenance services shall require the separate prior written consent of the Port Authority and separate written permit from the Port Authority as described in Paragraph 4 hereof. Without limiting the foregoing, nothing herein shall be deemed to release or relieve the Licensor from its obligations, if any, under the Lease for the payment to the Port Authority of handling percentage fees, provided however that any payment of any such handling percentage fees to the Port Authority with respect to the handling of the Licensee shall not be deemed to constitute, or waive the requirement for, the separate prior written consent of the Port Authority to such handling.

14. The License shall not be changed, modified or extended except by written instrument duly executed by the parties thereto and only with the express prior written consent of the Port Authority.

15. The Port Authority agrees and acknowledges that (i) it and Licensor are party to that certain security agreement denominated by Port Authority Agreement No. AX-852, dated as of December 9, 2010 (as amended and supplemented, the "Delta Security Deposit Agreement") and (ii) as of the date hereof, all security deposits required pursuant to the terms of the Lease are satisfied by the terms, conditions and agreements set forth in the Delta Security Deposit Agreement. Notwithstanding the foregoing, in the event the Licensor shall be in default of its obligations under the Delta Security Deposit Agreement with respect to the Premises, the Licensee, upon notice from the Port Authority, shall be obligated to deliver directly to, or provide in favor of, the Port Authority a security deposit in an amount not to exceed the amount of the security deposit allocable to the Premises as required by the Delta Security Deposit Agreement.

16. Nothing contained herein shall create or be deemed to have created a landlord tenant relationship or privity of estate between the Port Authority and the Licensee nor shall be or be deemed to be an attornment by the

Licensee to the Port Authority nor acceptance thereof by the Port Authority and the License and the occupancy by the Licensee of the Premises shall in all events be and remain subject and subordinate to the Lease.

17. If the Licensor or the Licensee should fail to pay any amount required under this Consent Agreement when due to the Port Authority, including without limitation 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 amounts remain 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 during each calendar year; 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 Consent 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 shall be deemed a waiver of the right of the Port Authority to payment of any late charge or late charges payable under the provisions of this Paragraph, with respect to such unpaid amount. Nothing in this Paragraph 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 Consent Agreement, including without limitation the Port Authority's rights set forth in Paragraph 7 hereof or (ii) any obligations of the Licensor or the Licensee under this Consent Agreement. In the event that any late charge imposed pursuant to this Paragraph shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Consent Agreement shall be payable instead at such legal maximum.

18. 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 registered or certified mail or nationally recognized overnight courier. Said designated officer or representative of the Port Authority and the Licensor shall be as set forth below. The Licensee 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 Licensee designates the representative named on the first page of this Consent Agreement as its representative upon whom notices and requests may be served and its address stated on the first page of this Consent Agreement as its office where notices and requests may be served. Any such notices herein required to be served shall be deemed effective and served as of the date of the registered or certified mailing thereof if mailed and on the date of hand or courier delivery if delivered by hand or overnight courier.

Port Authority of New York and New Jersey
225 Park Avenue South
New York, New York 10003
Attention: Director of Aviation Department

Licensor:
Delta Air Lines, Inc.
Corporate Real Estate
Department 877
P.O. Box 20706
Atlanta, Georgia 30320 Attention: Vice-President – Corporate Real Estate

19. Anything in the License to the contrary notwithstanding, this Consent Agreement and the interpretation, validity and enforceability thereof shall be governed by the laws of the State of New York.

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

21. The following capitalized terms shall be deemed a substitution of those in the Lease:

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

(c) The Licensor and Licensee acknowledge that they have received a copy of, and are familiar with the contents of, the Basic Lease. The Licensor and the Licensee acknowledge that no greater rights or privileges are hereby granted to the Licensor or the Licensee than the Port Authority has the power to grant under the Basic Lease.

(d) In accordance with the provisions of the Basic Lease, the Port Authority, the Licensor and the Licensee hereby agree as follows:

(i) The Lease is subject and subordinate to the Basic Lease and to any interest superior to that of the Port Authority;

(ii) The Licensor and Licensee shall not pay the fees or other sums under the Lease or this Consent Agreement for more than one (1) month in advance (excluding security and other deposits required under the Lease);

(iii) With respect to this Consent Agreement, the Licensor and the Licensee on the termination of the Basic Lease will, at the option of the City, attorn to, or enter into a direct permit on identical terms with the City;

(iv) The Licensor and the Licensee shall indemnify the City, as third party beneficiary hereunder, with respect to all matters described in Section 31 of the Basic Lease that arise out of the Licensor's or Licensee's respective operations at the Airport;

(v) The Licensor and the Licensee shall not use any portion of the Premises or the Airport for any use other than as permitted under the Basic Lease;

(vi) The Licensor and the Licensee shall use, operate and maintain the Premises in a manner consistent with the Port Authority's obligations under Section 28 of the Basic Lease;

(vii) The failure of the Licensor or the Licensee to comply with the foregoing provisions shall be an event of default under this Consent Agreement, which shall provide the Port Authority with the right to terminate this Consent Agreement and exercise any other rights that the Port Authority may have as lessor under the Lease and as the grantor of the permission or consent hereunder; and

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

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

23. Neither the execution and delivery of this Consent Agreement nor any act done pursuant thereto shall create between the Licensor and the Licensee, on one hand, and the Port Authority on the other hand the relationship of bailor and bailee, or any other relationship or any legal status which would impose upon the Port Authority any duty or obligation whatsoever with respect to any property stored by the Licensee or owned and/or handled by the Licensor or by any service company designated by the Licensee or the Licensor (such handling or designation is not permitted or consented to hereunder). The Licensor and the Licensee expressly agree that the Port Authority shall have no liability with respect to any aircraft cargo or parts or baggage or any other property of the Licensor, the Licensee or of any other person left anywhere on the Airport. Without limiting any other term or provision hereof, the Licensor and the Licensee shall each indemnify the Port Authority and hold it harmless against all claims and demands of third persons for damage to any aircraft cargo or parts or baggage or any other property stored by the Licensee or handled or delivered pursuant to the permission granted by this Consent Agreement or otherwise. This covenant of indemnity shall survive the expiration, termination or revocation of this Consent Agreement.

24. It is understood and agreed that any relocation of the Licensee or any amendments to the License shall require the further prior written consent of the Port Authority which may be in the form of a supplement to this Consent Agreement.

25. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof shall be held personally liable to the Licensor or to the Licensee under any term or provision of this Consent to License Agreement or because of its execution or because of any breach or alleged breach thereof. None of the officers, directors, agents or employees of Licensor or Licensee shall be held personally liable to the Port Authority under any term or provision of this Consent to License Agreement or because of its execution or because of any breach or alleged breach thereof.

IN WITNESS WHEREOF, the Port Authority, the Licensor and the Licensee have executed these presents.

ATTEST:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

_____
Secretary

By_____
Name: David Kagan
Title: Assistant Director, Business and Properties, Aviation Department

(Seal)

WITNESS:

DELTA AIR LINES, INC.

_____

By_____
Name: John W. Boatright
Title: Vice President – Corporate Real Estate

(Corporate Seal)

WITNESS:

Tricia A. Bohl

US AIRWAYS, INC.

By_____
Name: Stephen L. Johnson
Title: Executive Vice President - Corporate and Government Affairs

(Corporate Seal)

FOR US AIRWAYS, INC.

STATE OF ARIZONA)

) ss.

COUNTY OF MARICOPA)

On the 12th day of December in the year 2011, before me, the undersigned, a Notary Public in and for said state, personally appeared Stephen L. Johnson, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(notarial seal and stamp)

OFFICIAL SEAL
CAROLE J. WILDER
Notary Public - State of Arizona
MARICOPA COUNTY
My Comm. Expires Feb. 14, 2014

IN WITNESS WHEREOF, the Port Authority, the Licensor and the Licensee have executed these presents.

ATTEST:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

_____
Secretary

By_____
Name: David Kagan
Title: Assistant Director, Business and Properties, Aviation Department

(Seal)

WITNESS:

Susan L Smith

DELTA AIR LINES, INC.

By John W. Boatright
Name: John W. Boatright
Title: Vice President – Corporate Real Estate

(Corporate Seal)

WITNESS:

_____

US AIRWAYS, INC.

By_____
Name: Stephen L. Johnson
Title: Executive Vice President - Corporate and Government Affairs

(Corporate Seal)

FOR DELTA AIR LINES, INC.

STATE OF NEW YORK)

) ss.

COUNTY OF NEW YORK)

On the 13 day of December in the year 2011, before me, the undersigned, a Notary Public in and for said state, personally appeared John W. Boatright, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Constance L. Seebach

(notarial seal and stamp)

CONSTANCE L. SEEBACH
Notary Public, State of New York
No. 01SE6037492
Qualified in New York County
My Commission Expires Feb. 22, 2014

IN WITNESS WHEREOF, the Port Authority, the Licensor and the Licensee have executed these presents.

ATTEST:

Deputy Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By_____
Name: David Kagan
Title: Assistant Director, Business and Properties, Aviation Department

(Seal)

WITNESS:

_____

DELTA AIR LINES, INC.

By_____
Name: John W. Boatright
Title: Vice President – Corporate Real Estate

(Corporate Seal)

WITNESS:

_____

US AIRWAYS, INC.

By_____
Name: Stephen L. Johnson
Title: Executive Vice President - Corporate and Government Affairs

(Corporate Seal)

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

FOR THE PORT AUTHORITY

STATE OF NEW YORK)

) ss.

COUNTY OF NEW YORK)

On the 13 day of December in the year 2011, before me, the undersigned, a Notary Public in and for said state, personally appeared David Kagan, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Moira McGinn Wallace

(notarial seal and stamp)

MOIRA MCGINN WALLACE
Notary Public, State of New York
No. 01WA4889637
Qualified in Richmond County
Commission Expires on ~~April 19, 20~~
June 11, 2015

EXEMPTON (4) – DRAWINGS OF NON-PUBLIC AREAS

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

Lease No. AGA-126
LaGuardia Airport

CONSENT TO SUBLEASE AGREEMENT

THIS CONSENT AGREEMENT, made as of the 1st day of December, 2011 (hereinafter referred to as the "Effective Date"), by and among ***THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY*** (hereinafter called "the Port Authority") and ***DELTA AIR LINES, INC.*** (hereinafter called the "Lessee"), and ***US AIRWAYS, INC.***, a corporation of the State of Delaware (hereinafter called the "Sublessee"), with an office and place of business at 111 W. Rio Salado Parkway, Tempe, Arizona 85281, **whose representative is Mike Minerva.**

WITNESSETH, That:

WHEREAS, by a certain agreement of lease made effective as of June 2, 1989 and identified by the above stated lease number (which agreement of lease, as the same has been amended and supplemented, being hereinafter collectively called the "Lease"), the Port Authority let to the Lessee (as successor to US Airways, Inc. pursuant to that certain Assignment of Lease and Related Documents with Assumption and Consent Agreement, dated as of the date hereof), and the Lessee hired and took from the Port Authority certain premises and common areas located at Terminal C at the Airport as more particularly described in the Lease (the "Leased Premises"); and

WHEREAS, the Lessee has requested the consent of the Port Authority to the proposed sublease agreement (herein called the "Sublease") attached hereto and hereby made a part hereof, between the Lessee and the Sublessee effective as of the date hereof, pursuant to which the Lessee shall sublease to the Sublessee, and the Sublessee shall sublease from the Lessee, a certain portion of the Leased Premises as more particularly described in the Sublease (the "Premises");

NOW, THEREFORE, for and in consideration of the covenants and mutual agreements herein contained, the Port Authority, the Lessee and the Sublessee hereby agree, effective as of 12:00 o'clock a.m. on the date of the sale of certain assets of the Assignor to the Assignee pursuant to a certain Amended and Restated Asset Purchase and Sale Agreement dated as of May 20, 2011 (as may be amended, supplemented or modified) among Delta Air Lines, Inc., US Airways, Inc. and US Airways Group, Inc. (the "Closing Date"), as follows:

1. On the terms and conditions hereinafter set forth, the Port Authority consents to the Sublease.

2. Notwithstanding anything contained therein, the Sublease shall terminate, without notice to the Lessee or the Sublessee, on the earlier to occur of the day preceding the date of expiration or earlier termination of the Lease, or such earlier date as the Lessee and the Sublessee may agree upon. The Sublessee shall quit the Premises and remove its property therefrom on or before termination of the Sublease. Notwithstanding the foregoing, in the event the Lease has expired and (i) has not been renewed by agreement duly executed by the Port Authority and the Lessee, and (ii) the Lessee remains in occupancy as a holdover tenant, the Sublessee shall have the right to continue to occupy the Premises under the terms of the Sublease with Lessee so long as the Port Authority and the Lessee are negotiating in good faith to extend the terms of the Lease. During the period prior to the termination of any such holdover tenancy of the Lessee, the Lessee and the Sublessee shall continue to be subject to all of the terms, provisions, covenants and conditions of the Lease and the terms of this Consent Agreement.

3. If the Lessee shall at any time be in default under the Lease, the Sublessee shall on demand of the Port Authority pay directly to the Port Authority any rental, fee or other amount due to the Lessee. No such payment shall relieve the Lessee from any obligation under the Lease or under this Consent Agreement, but all such payments shall be credited against the obligations of the Lessee and the Sublessee for each payment or part thereof. The Lessee hereby acknowledges and agrees that the Sublessee shall make any such payment upon the demand of the Port Authority without inquiry or confirmation as to whether a default actually exists under the Lease and notwithstanding any contrary instructions of, or demands from, the Lessee.

4. (a) Neither this Consent Agreement nor anything contained herein nor the consent granted hereunder shall constitute or be deemed to constitute a consent to nor shall they create an inference or implication that there has been consent to any enlargement, variation or change in the rights, powers and privileges granted to the Lessee under the Lease, nor consent to the granting or conferring any rights, powers or privileges to the Sublessee as may be provided by the Sublease if not granted to the Lessee under the Lease, nor shall they impair, limit, restrict, alter or affect any of the duties, promises, covenants, representations, warranties, indemnities, responsibilities, liabilities and obligations imposed on or agreed to or made by the Lessee under the Lease. The Sublease is an agreement between the Lessee and the Sublessee with respect to the various matters set forth therein. Neither this Consent Agreement nor anything contained herein nor the consent granted hereunder shall constitute an agreement between the Port Authority and the Lessee that the provisions of the Sublease shall apply and pertain as between the Lessee and the Port Authority, it being understood that the terms, provisions, conditions and agreements of the Lease shall, in all respects, be controlling, effective and determinative. In any case of difference between the provisions of the Lease and those of the Sublease, the Lease shall be controlling, it being the intention of the Port Authority to merely permit the exercise of the Lessee's rights (to the extent permitted by the Sublease and this Consent Agreement) on behalf of the Sublessee, and not to enlarge or otherwise change the rights granted by the Lease. All of the terms, provisions, covenants and conditions of the Lease shall be and remain in full force and effect. In addition, in any case of difference between the provisions of this Consent Agreement and those of the Lease or the Sublease, this Consent Agreement shall be controlling. The foregoing provision shall not be construed as indicating any modification of the rights and obligations solely between the Lessee and the Sublessee as set forth in the Sublease.

The specific mention of or reference to the Port Authority in any part of the Sublease, including without limitation thereto any mention of any consent or approval of the Port Authority now or hereafter to be obtained, shall not be or be deemed to create an inference that the Port Authority has granted its consent or approval thereto under this Consent Agreement or shall hereafter grant its consent or approval thereto or that the subject matter as to which the consent or approval applies has been or shall be approved or consented to in principle or in fact 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 Sublease to Port Authority approval or consent shall not be deemed to imply that no such approval or consent is required and the Lease shall in all respects be controlling, effective and determinative.

No provisions of the Sublease, including but not limited to those imposing obligations on the Sublessee with respect to laws, rules, regulations, taxes, assessments and liens, shall be construed as a submission or admission by the Port Authority that the same could or does lawfully apply to the Port Authority, nor shall the existence of any provision of the Sublease covering action which may be undertaken by the Lessee or the Sublessee including but not limited to those involving signs, construction, insurance, assignment and subletting, be deemed to imply or infer that Port Authority consent or approval thereto has or will be given or that Port Authority discretion with respect thereto will in any way be affected or impaired. References in this Paragraph to specific matters and provisions as contained in the Sublease shal. not be construed as indicating any limitation upon the rights of the Port Authority with respect to its discretion as to granting or withholding approvals or consents as to other matters and provisions in the Sublease which are not specifically referred to herein.

(b) With respect to this Consent Agreement, the Lessee and the Sublessee understand and agree that although the Lessee is permitted under the Lease to perform services and functions for itself, the Lessee may not and is expressly prohibited from performing any services or functions at the Airport for the Sublessee (even though the Lessee may perform the same for itself pursuant to the Lease) which are performed by organizations at the Airport authorized by lease, permit, contract or other Port Authority agreement to perform such services or functions, unless the Lessee is specifically authorized by permit or by the Lease to perform such services or functions for other aircraft operators at the Airport and the Premises and in such event, said services and functions shall be performed pursuant thereto. The Lessee, however, may make the necessary arrangements with the authorized organizations performing such services or functions at the Airport to have such services or functions performed for the Sublessee by such organizations or the Sublessee may perform such services and functions itself.

5. The Sublessee, in its operations under and in connection with the Sublease and its use and/or occupancy of the Premises, agrees to assume, observe, be bound by and comply with all the terms, provisions and conditions of the Lease with respect to the services, Premises and operations covered by the Sublease.

6. (a) Without in anywise affecting the obligations of the Lessee under the Lease and under this Consent Agreement and notwithstanding the terms and provisions of the Sublease, in the event the Lessee fails to make the repairs and replacements to the Premises as set forth in

the Lease, the Sublessee, upon notice from the Port Authority, shall make such repairs and replacements to the Premises as if it were the Lessee under the Lease. In addition, the Sublessee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives from and against (and shall reimburse the Port Authority for their costs and expenses including reasonable legal expenses incurred in connection with the defense of) all claims and demands of third persons including but not limited to claims and demands for death, for bodily injuries and for property damages, arising out of a breach or default of any term or provision of this Consent Agreement by the Sublessee or out of its operations under the Sublease or at the Premises, or out of the use or occupancy of the Premises or any area in the Premises by the Sublessee or by others with its consent, or out of any other acts or omissions of the Sublessee, its officers, employees, agents, representatives, contractors, customers, guests, invitees and others who are doing business with the Sublessee at the Premises, or out of any other acts or omissions of the Sublessee, its officers and employees at the Airport, including claims and demands of the City of New York from which the Port Authority derives its right in the Airport, for indemnification, arising by operation of law or pursuant to the Basic Lease (as defined in the Lease) whereby the Port Authority has agreed to indemnify the City of New York against claims. However, all acts and omissions of the Sublessee under the Sublease shall be deemed to be acts and omissions of the Lessee under the Lease and the Lessee shall also be severally responsible therefor, including but not limited to the obligations of indemnification, repair and replacement.

(b) If so directed, the Sublessee 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.

(c) In addition to the insurance required to be maintained by the Lessee under the Lease, the Sublessee during the period the Sublease shall remain in effect shall in its own name as insured and including the Port Authority and the City of New York as additional insureds obtain, maintain and pay the premiums on a policy or policies of Commercial General Liability Insurance, including premises-operations, products liability, completed operations, and covering bodily injury, including death, and property damage liability, broadened to include or in equivalent separate policies covering aircraft liability and aircraft operators liability under an airport liability policy, and providing for coverage in the limits set forth below, and Commercial Automobile Liability Insurance, covering owned, non-owned and hired vehicles, covering bodily injury, including death, and property damage liability, and providing for coverage in the limits set forth below. All the aforesaid policy or policies of insurance shall also provide or contain an endorsement providing that the protections afforded the Sublessee thereunder with respect to any claim or action against the Sublessee by a third person shall pertain and apply with like effect with respect to any claim or action against the Sublessee by the Port Authority but such endorsement shall not limit, vary, change or affect the protections afforded the Port Authority as an additional insured. In addition, the insurance required hereunder shall provide or contain an endorsement providing that the protections afforded the Port Authority thereunder as an

additional insured with respect to any claim or action against the Port Authority by the Sublessee shall be the same as the protections afforded the Sublessee thereunder with respect to any claim or action against the Sublessee by a third person as if the Port Authority were the named insured thereunder. Further, the said policy or policies of insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Sublessee under subparagraphs (a) and (b) hereof.

	Minimum Limit
Commercial General Liability Combined single limit per occurrence for death, bodily injury and property damage liability	$100,000,000
Commercial Automobile Liability (for vehicles while on restricted airport premises) Combined single limit per occurrence for death, bodily injury and property damage liability	$ 25,000,000

Without limiting the provisions hereof, in the event the Sublessee 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.

All insurance coverages and policies required under this Paragraph may be reviewed by the Port Authority for adequacy of terms, conditions and limits of coverage at any time and from time to time during the period the Consent Agreement remains in effect. The Port Authority at any such time may make additions, deletions, amendments to or modifications of the above-scheduled insurance requirements, including an increase in such minimum limits, and may require such other and additional insurance against such other insurable hazards in such amounts and of such types, in each case, only to the extent (i) such requirements, as modified, are customary for carriers of comparable size and engaged in the same or similar businesses and leasing properties in the same general areas in which the Sublessee operates, provided that such coverage may be obtained in the form of a blanket policy and (ii) any modified aggregate limits and sublimits of coverage are commercially reasonable and available in the market.

(d) As to the insurance required by the provisions of this Paragraph, a certified copy of the policies or a certificate or certificates or binders satisfactory to the Port Authority evidencing the existence thereof, shall be delivered by the Sublessee to the Port Authority within fifteen (15) days after delivery of this Consent Agreement to the Port Authority. Each policy, certificate or binder delivered as aforesaid shall bear the endorsement of or be accompanied by evidence of payment of the premium thereon. In the event a binder is delivered, it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy or certificate shall contain a valid provision or endorsement, unqualifiedly committing the insurer not to cancel, terminate, change or modify the policy 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 over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port Authority. Any renewal policy shall be delivered to the Port Authority at least 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 Consent. 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, the Port Authority at any time, in its reasonable discretion, determines that any of the insurance policies shall be or become unsatisfactory to the Port Authority, as to form or substance, or that any of the carriers issuing such policies shall be or become unsatisfactory to the Port Authority, the Sublessee shall promptly obtain a new and satisfactory policy in replacement thereof but, in each case, only to the extent any new requirements, policies or required providers (i) are customary for carriers of comparable size and engaged in the same or similar businesses and leasing properties in the same general areas in which the Sublessee operates, provided that such coverage may be obtained in the form of a blanket policy and (ii) any modified aggregate limits and sublimits of coverage are commercially reasonable and available in the market. If the Port Authority at any time so requests, a certified copy of each of the policies shall be delivered to the Port Authority.

7. In the event any of the events set forth in Section 30 of the Lease occur as the result of any act or omission by the Sublessee in violation of the terms of the Lease or the Sublease or in the event of any default by the Sublessee of any of the provisions of this Consent to Sublease Agreement, the Port Authority shall have the right to revoke the consent granted hereunder upon thirty (30) days' prior written notice to the Lessee and the Sublessee, but no such revocation shall be deemed to affect the Lease or the continuance thereof, provided, furthermore, that the foregoing shall not be deemed to affect or limit the right of the Port Authority to terminate the Lease as well, in accordance with Section 30 of the Lease. In the event of the revocation of the consent as hereinabove provided, the Lessee shall immediately terminate the Sublease.

8. The granting of the consent hereunder by the Port Authority shall not be deemed to operate as a waiver of the rights of the Port Authority, or as a consent to any subsequent sublease agreement (by the Lessee or by the Sublessee) or to any assignment of the Lease or to any assignment of the Sublease or of any rights under any of the foregoing, whether in whole or in part.

9. [Intentionally Deleted].

10. Each of the Lessee and the Sublessee, for itself and not on behalf of the other party, hereby represents to the Port Authority that it has complied with and will comply with all laws, governmental rules, regulations and orders now or at any time during the term of the Sublease which as a matter of law are applicable to or which affect the operations of the Lessee and the Sublessee, respectively, under the Lease or its use and/or occupancy of the Premises.

The obligation of the Lessee and the Sublessee hereunder to comply with governmental requirements is provided herein for the purpose of assuring proper safeguards for the protection of persons and property. Such provision is not to be construed as a submission by the Port Authority to the application to itself of such requirements or any of them.

11. The Sublessee 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 Sublessee 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 Sublessee assures that it will require that its covered suborganizations provide assurances to the Sublessee 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.

12. Nothing contained in this Consent Agreement or the Sublease shall be or deemed to be consent to, or approval of, the erection of any structures, or the making of any improvements, alterations, modifications, additions, repairs or replacements to the Premises including without limitation the installation of any signs at the Airport. The Lessee and Sublessee agree that no construction or installation, as aforesaid, shall be performed without the prior written approval of the Port Authority and subject to the terms and conditions of the Lease and of the Sublease and an approved Alteration Application which the Lessee shall prepare and submit to the Port Authority.

13. The consent granted hereunder shall extend and apply solely with respect to and for the subleasing of the Premises by the Lessee to the Sublessee under the Sublease and for the use of such Premises by the Sublessee solely to conduct the operations described in the section of the Lease entitled "Use of Premises and Common Areas" and for no other purposes whatsoever. Neither this Consent Agreement nor anything hereunder shall constitute or be deemed to constitute the consent of the Port Authority to the providing of any type of passenger handling, ramp handling, cargo handling, aircraft handling services, aircraft maintenance services or any other type of ground handling services, building maintenance services, janitorial services or othe services by the Sublessee, or to the Sublessee by the Lessee, or by any other entity, notwithstanding any term or provision of the Sublease to the contrary; any such passenger handling, ramp handling, cargo handling, aircraft handling services, ground handling services or aircraft maintenance services shall require the separate prior written consent of the Port Authority and separate written permit from the Port Authority as described in Paragraph 4 hereof. Without limiting the foregoing, nothing herein shall be deemed to release or relieve the Lessee from its obligations, if any, under the Lease for the payment to the Port Authority of handling percentage fees, provided however that any payment of any such handling percentage fees to the Port Authority with respect to the handling of the Sublessee shall not be deemed to constitute, or waive the requirement for, the separate prior written consent of the Port Authority to such handling.

14. The Sublease shall not be changed, modified or extended except by written instrument duly executed by the parties thereto and only with the express prior written consent of the Port Authority.

15. The Port Authority agrees and acknowledges that (i) it and Lessee are party to that certain security agreement denominated by Port Authority Agreement No. AX-852, dated as of December 9, 2010 (the "Delta Security Deposit Agreement") and (ii) as of the date hereof, all security deposits required pursuant to the terms of the Lease are satisfied by the terms, conditions and agreements set forth in the Delta Security Deposit Agreement. Notwithstanding the foregoing, in the event the Lessee shall be in default of its obligations under the Delta Security Deposit Agreement with respect to the Premises, the Sublessee, upon notice from the Port Authority, shall be obligated to deliver directly to, or provide in favor of, the Port Authority a security deposit in an amount not to exceed the amount of the security deposit allocable to the Premises as required by the Delta Security Deposit Agreement.

16. Nothing contained herein shall create or be deemed to have created a landlord tenant relationship or privity of estate between the Port Authority and the Sublessee nor shall be or be deemed to be an attornment by the Sublessee to the Port Authority nor acceptance thereof by the Port Authority and the Sublease and the occupancy by the Sublessee of the Premises shall in all events be and remain subject and subordinate to the Lease.

17. If the Lessee or the Sublessee should fail to pay any amount required under this Consent Agreement when due to the Port Authority, including without limitation 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 amounts remain 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 during each calendar year; 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 Consent 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 shall be deemed a waiver of the right of the Port Authority to payment of any late charge or late charges payable under the provisions of this Paragraph, with respect to such unpaid amount. Nothing in this Paragraph 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 Consent Agreement, including without limitation the Port Authority's rights set forth in Paragraph 7 hereof or (ii) any obligations of the Lessee or the Sublessee under this Consent Agreement. In the event that any late charge imposed pursuant to this Paragraph shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Consent Agreement shall be payable instead at such legal maximum.

18. 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 registered or certified mail or nationally recognized overnight courier. Said designated officer or representative of the Port Authority and the Lessee shall be as set forth below. The Sublessee 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 Sublessee designates the representative named on the first page of this Consent Agreement as its representative upon whom notices and requests may be served and its address stated on the first page of this Consent Agreement as its office where notices and requests may be served. Any such notices herein required to be served shall be deemed effective and served as of the date of the registered or certified mailing thereof if mailed and on the date of hand or courier delivery if delivered by hand or overnight courier.

Port Authority of New York and New Jersey
225 Park Avenue South
New York, New York 10003
Attention: Director of Aviation Department

Lessee:
Delta Air Lines, Inc.
Corporate Real Estate
Department 877
P.O. Box 20706
Atlanta, Georgia 30320 Attention: Vice-President – Corporate Real Estate

19. Anything in the Sublease to the contrary notwithstanding, this Consent Agreement and the interpretation, validity and enforceability thereof shall be governed by the laws of the State of New York.

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

condition thereof shall continue in full force and effect with respect to any other then existing or subsequent breach or default thereof.

21. The following capitalized terms shall be deemed a substitution of those in the Lease:

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

(c) The Lessee and Sublessee acknowledge that they have received a copy of, and are familiar with the contents of, the Basic Lease. The Lessee and the Sublessee acknowledge that no greater rights or privileges are hereby granted to the Lessee or the Sublessee than the Port Authority has the power to grant under the Basic Lease.

(d) In accordance with the provisions of the Basic Lease, the Port Authority, the Lessee and the Sublessee hereby agree as follows:

(i) The Lease is subject and subordinate to the Basic Lease and to any interest superior to that of the Port Authority;

(ii) The Lessee and Sublessee shall not pay the fees or other sums under the Lease or this Consent Agreement for more than one (1) month in advance (excluding security and other deposits required under the Lease);

(iii) With respect to this Consent Agreement, the Lessee and the Sublessee on the termination of the Basic Lease will, at the option of the City, attorn to, or enter into a direct permit on identical terms with the City;

(iv) The Lessee and the Sublessee shall indemnify the City, as third party beneficiary hereunder, with respect to all matters described in Section 31 of the Basic Lease that arise out of the Lessee's or Sublessee's respective operations at the Airport;

(v) The Lessee and the Sublessee shall not use any portion of the Premises or the Airport for any use other than as permitted under the Basic Lease;

(vi) The Lessee and the Sublessee shall use, operate and maintain the Premises in a manner consistent with the Port Authority's obligations under Section 28 of the Basic Lease;

(vii) The failure of the Lessee or the Sublessee to comply with the foregoing provisions shall be an event of default under this Consent Agreement, which shall provide the Port Authority with the right to terminate this Consent Agreement and exercise any other rights that the Port Authority may have as lessor under the Lease and as the grantor of the permission or consent hereunder; and

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

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

23. Neither the execution and delivery of this Consent Agreement nor any act done pursuant thereto shall create between the Lessee and the Sublessee, on one hand, and the Port Authority on the other hand the relationship of bailor and bailee, or any other relationship or any legal status which would impose upon the Port Authority any duty or obligation whatsoever with respect to any property stored by the Sublessee or owned and/or handled by the Lessee or by any service company designated by the Sublessee or the Lessee (such handling or designation is not permitted or consented to hereunder). The Lessee and the Sublessee expressly agree that the Port Authority shall have no liability with respect to any aircraft cargo or parts or baggage or any other property of the Lessee, the Sublessee or of any other person left anywhere on the Airport. Without limiting any other term or provision hereof, the Lessee and the Sublessee shall each indemnify the Port Authority and hold it harmless against all claims and demands of third persons for damage to any aircraft cargo or parts or baggage or any other property stored by the Sublessee or handled or delivered pursuant to the permission granted by this Consent Agreement or otherwise. This covenant of indemnity shall survive the expiration, termination or revocation of this Consent Agreement.

24. Notwithstanding anything to the contrary in Section 24 of the Sublease, it is understood and agreed that any relocation of the Sublessee or any amendments to the Sublease shall require the further prior written consent of the Port Authority which may be in the form of a supplement to this Consent Agreement.

25. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof shall be held personally liable to the Lessee or to the Sublessee under any term or provision of this Consent or because of its execution or because of any breach or alleged breach thereof. None of the officers, directors, agents or employees of Lessee or Sublessee shall be held personally liable to the Port Authority under any term or provision of this Consent or because of its execution or because of any breach or alleged breach thereof.

IN WITNESS WHEREOF, the Port Authority, the Sublessor and the Sublessee have executed these presents.

ATTEST:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

_____
Secretary

By_____
Name: David Kagan
Title: Assistant Director, Business and Properties, Aviation Department

(Seal)

WITNESS:

DELTA AIR LINES, INC.

_____

By_____
Name: John W. Boatright
Title: Vice President - Corporate Real Estate

(Corporate Seal)

WITNESS:

Tricia A. Bohl

US AIRWAYS, INC.

By_____
Name: Stephen L. Johnson
Title: Executive Vice President - Corporate and Government Affairs

(Corporate Seal)

FOR US AIRWAYS, INC.

STATE OF ARIZONA)

) ss.

COUNTY OF MARICOPA)

On the 12TH day of December in the year 2011, before me, the undersigned, a Notary Public in and for said state, personally appeared Stephen L. Johnson, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(notarial seal and stamp)

OFFICIAL SEAL
CAROLE J. WILDER
Notary Public - State of Arizona
MARICOPA COUNTY
My Comm. Expires Feb. 14, 2014

IN WITNESS WHEREOF, the Port Authority, the Sublessor and the Sublessee have executed these presents.

ATTEST:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

_____
Secretary

By_____
Name: David Kagan
Title: Assistant Director, Business and Properties, Aviation Department

(Seal)

WITNESS:

DELTA AIR LINES, INC.

By_____
Name: John W. Boatright
Title: Vice President – Corporate Real Estate

(Corporate Seal)

WITNESS:

US AIRWAYS, INC.

_____

By_____
Name: Stephen L. Johnson
Title: Executive Vice President - Corporate and Government Affairs

(Corporate Seal)

FOR DELTA AIR LINES, INC.

STATE OF NEW YORK)

) ss.

COUNTY OF NEW YORK)

On the 13 day of December in the year 2011, before me, the undersigned, a Notary Public in and for said state, personally appeared John W. Boatright, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Constance L. Seebach

(notarial seal and stamp)

CONSTANCE L. SEEBACH
Notary Public, State of New York
No. 01SE6037492
Qualified in New York County
My Commission Expires Feb. 22, 2014

IN WITNESS WHEREOF, the Port Authority, the Sublessor and the Sublessee have executed these presents.

ATTEST:

Deputy Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By_____
Name: David Kagan
Title: Assistant Director, Business and Properties, Aviation Department

(Seal)

WITNESS:

_____

DELTA AIR LINES, INC.

By_____
Name: John W. Boatright
Title: Vice President – Corporate Real Estate

(Corporate Seal)

WITNESS:

_____

US AIRWAYS, INC.

By_____
Name: Stephen L. Johnson
Title: Executive Vice President - Corporate and Government Affairs

(Corporate Seal)

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

FOR THE PORT AUTHORITY

STATE OF NEW YORK)

) ss.

COUNTY OF NEW YORK)

On the 13 day of December in the year 2011, before me, the undersigned, a Notary Public in and for said state, personally appeared David Kagan, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

MOIRA MCGINN WALLACE
Notary Public, State of New York
No. 01WA4889637
Qualified in Richmond County
Commission Expires on ~~April 13, 20~~ June 11, 2015

Moira McGinn Wallace
(notarial seal and stamp)