Torres Rojas, Genara FOI#14186

From: paton@mltw.com
Sent: Monday, August 05, 2013 3:39 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: 518 366-5037
Required copies of the records: No

List of specific record(s):
Produce Lease AGA-751, originally dated March 17, 1977, together with any and all amendments or 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. 14186

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-751, originally dated March 17, 1977, together with any and all amendments 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/14186-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

AVIATION DEPT.

Lease No. AG-751

AGREEMENT OF LEASE

THIS AGREEMENT OF LEASE, made effective as of the 17th day of March, 1977, 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 EASTERN AIR LINES, INC. (hereinafter called "the Lessee"), a corporation of the State of Delaware and having an office and place of business at 10 Rockefeller Plaza, New York, New York, whose representative is George McCarter,

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 Borough of Queens, City and State of New York, the following described premises:

The land shown in stipple on the drawings (consisting of three (3) sheets) attached hereto, hereby made a part hereof and marked "Exhibit A", together with the fixtures, improvements and other property of the Port Authority located therein, thereon or thereunder, all of the foregoing being sometimes referred to as "the site", and all structures, improvements, additions, buildings and facilities located, constructed or installed or to be located, constructed or installed therein, thereon or thereunder, all of the foregoing being hereinafter collectively referred to as "the premises".

(b) Except to the extent required for the performance of any of the obligations of the Lessee hereunder, nothing contained in this Agreement shall grant to the Lessee any rights whatsoever in the air space above the premises more than seventy-five (75) feet above the present ground level thereof.

Section 2. Construction by the Port Authority

(a) The Port Authority shall plan, design and thereafter construct or cause to be constructed on the site the work generally described as follows and more specifically as shown on the functional drawings (consisting of eight drawings numbered LGA 7292 (Revision #2), LGA 7309, LGA 7293 (Revision #1), LGA 7330 (Revision #2), LGA 7294 (Revision #1), LGA 7295 (Revision #1), LGA 7296 (Revision #1) and LGA 7322), hereby made a part hereof and designated "Exhibit B", which functional drawings cover the Shuttle Terminal Building (as hereinafter defined). The construction on the site, sometimes hereinafter referred to as "the on-site work", shall include:

(i) A two (2) story structure consisting of approximately 100,000 square feet of floor space, the foregoing building together with all associated and related areas and facilities, being hereinafter called "the Shuttle Terminal Building",

(ii) Aircraft loading and unloading gate positions,

(iii) 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 Shuttle Terminal Building, including all necessary relocations,

(iv) Appropriate ground roadways and ramps and pedestrian circulation areas,

(v) Appropriate aircraft ramp and apron areas,

(vi) Appropriate landscaping,

(vii) The demolition of all existing buildings, improvements and structures on the site, if any,

(viii) 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)(1) The Port Authority shall, design and thereafter construct or cause to be constructed off the site the work generally described as follows and hereinafter referred to as "the Off-site work". Without limiting the above, the Off-site work shall include:

(i) the items specified in Section 41 hereof which items the Port Authority is obligated to provide hereunder;

(ii) new airport roads to which the Shuttle Terminal Facilities (as hereinafter defined) would connect at such locations and for such distances at the Airport as may be determined by the Port Authority as well as the extension, widening, relocation and rehabilitation of such existing Airport roads as the Port Authority determines to do in connection with the Shuttle Terminal Facilities, all of the foregoing being hereinafter referred to as "the Off-site roads work".

(iii) the construction of a public automobile parking facility and a private automobile parking facility, to replace the public automobile parking facility and the private automobile parking facility now existing on the site at a location or locations off the site as may be determined by the Port Authority, all of the foregoing being hereinafter referred to as "the parking construction work".

All of the foregoing work shall not be or become a part of the premises under the Lease.

(2) With respect to the Off-site roads work and the parking construction work, it is specifically understood and agreed that nothing contained herein shall obligate or shall be deemed to obligate the Port Authority to maintain or keep in effect the Off-site roads work or the parking construction work once the same are performed. It is further specifically understood and agreed that the Lessee shall have no greater rights in or to the Off-site roads work or to the parking construction work under this Lease or otherwise, but the same may be used by the Lessee on the same basis as they are made available to the public or others at the Airport including but not limited to the rights granted under Section 53 hereof.

(c)(1) The Port Authority shall plan, design and thereafter construct or cause to be constructed an interim facility at a location off the site for the United States Postal Service (hereinafter referred to as "the Postal Service") which facility shall replace the facility now located on the site, leased to the Postal Service and known as the AMF building, all of the foregoing being hereinafter called "the Postal Service work".

(2) Upon the completion of the Postal Service work and when the aforesaid new interim Postal Service facility is ready for use by the Postal Service the Port Authority shall move such personal property of the Postal Service as the Postal Service shall so advise from the aforementioned existing Postal Service facility to the new interim facility off the site which move shall be a part of the Postal Service work. The Postal Service work shall not be or become a part of the premises under the Lease. Notwithstanding the foregoing, the Postal Service work shall be a part of the construction work as hereinafter defined, provided, however, that any contract or contracts for the Postal Service work shall be separate from the contract or contracts for the remaining portion of the construction work.

It is understood and agreed that the commencement of the Postal Service work shall be the date on which the Port Authority or its contractor enters the location off the site at which the said interim Postal Service facility shall be constructed for the purpose of commencing the construction of such interim Postal facility.

(d) All of the work covered under paragraphs (a) and (b) of this Section 2 is sometimes herein referred to as "the Combined Construction".

The Port Authority expects that the Combined Construction shall be basically performed under two (2) contracts, one numbered LGA 530.001 which has not yet been prepared and the other numbered LGA 530.002. The Lessee acknowledges that prior to the execution of this Agreement it has reviewed contract LGA 530.002 as well as the Port Authority's preliminary engineering drawings which form a part of said contract LGA 530.001 and the functional drawings comprising Exhibit B, all of which together show the Combined Construction as contemplated by the parties as of the execution of this Agreement. It is specifically understood and agreed that based on the said review with respect to contract LGA 530.001 there shall be certain fixed percentages ~~with respect to the~~ apportionment of the costs of contract LGA 530.001 and that % shall be the Lessee's fixed percentage of ~~such costs and~~ (2.a.) % shall be the Port Authority's fixed percentage of such costs. The parties understand and agree that the said fixed percentages shall remain so fixed and shall be irrevocable for the term of this Agreement, notwithstanding the fact that the plans and specifications with respect to contract LGA 530.001 described in paragraph (e) hereof have not yet been prepared. It is further specifically understood and agreed that the said fixed percentages shall apply to the construction with respect to the on-site work plans and specifications as hereinafter defined prepared by the Port Authority and accepted by the Lessee pursuant to said paragraph (e) and with like effect thereafter to any changes thereto in accordance with the Lease. Moreover, it is specifically understood and agreed that in the event there is any extra work or change order or any other item or thing made or done in connection with the aforesaid contracts or with the construction work or any other contracts affecting the cost to the Port Authority of the construction work the cost of any such extra work, change order or other contract which is solely for the construction work shall be and become a part of the cost to the Port Authority of the construction work as set forth in paragraph (k) hereof. In the event any extra work or change order or other contract affects both the construction work and the Off-site work, then it is further specifically understood and agreed that the aforesaid fixed percentages shall apply thereto and shall be and become a part of the cost to the Port Authority of the construction work as set forth in paragraph (k)(2) hereof.

(e)(1) The Port Authority shall prepare plans and specifications for the on-site work and the Off-site work. The parties acknowledge that the Lessee has reviewed contract LGA 530.002 and the plans and specifications therefor, that the Lessee has no objection thereto and that the said contract has been awarded prior to the execution of this Agreement. The parties further recognize that plans and specifications for contract LGA 530.001 have not been completed at the time of the execution of this Agreement. Upon the completion of the plans and specifications for contract LGA 530.001, the Port Authority shall submit a copy thereof to the Lessee for the Lessee's examination. The Lessee shall have the right to accept or object to any part or all of the aforesaid plans and specifications for contract LGA 530.001 which cover the on-site work defined in paragraph (a) hereof and referred to as "the on-site work plans and specifications". If the on-site work plans and specifications are acceptable to the Lessee, it shall so indicate by written notice delivered to the Port Authority within five (5) days (excluding Saturdays, Sundays and legal holidays) of the Port Authority's delivery to the Lessee of the on-site work plans and specifications. In the event the Lessee objects to any or all of the on-site work plans and specifications it shall so indicate by stating each objection in a written notice delivered to the Port Authority within five (5) days of the Port Authority's delivery to the Lessee of the on-site work plans and specifications. If the Lessee duly and timely delivers the said notice of objection, the parties may attempt to revise the on-site work plans and specifications so as to remove the cause of the Lessee's objection. If the parties arrive at a mutually acceptable set of on-site work plans and specifications then such agreement shall be acknowledged in a writing prepared by the Port Authority and signed by the Lessee. If after a period of ten (10) days of the Lessee's delivery to the Port Authority of the Lessee's notice of objection, the parties do not arrive at a mutually acceptable set of on-site work plans and specifications, then in such event this Agreement shall terminate upon ten (10) days' written notice by either party to the other. In the event the Lessee does not duly and timely deliver to the Port Authority any notice under this subparagraph then the Lessee shall be deemed to have accepted the on-site work plans and specifications as if it had delivered to the Port Authority notice of acceptance of the same.

(2) All of the work described in paragraph (a) of this Section as shown in the on-site work plans and specifications and as shown in contract LGA 530.002 and the plans and specifications therefor and constructed by the Port Authority on the site shall be and become a part of the premises under the Lease and are sometimes collectively referred to herein as "the Shuttle Terminal Facilities" and as "the construction work".

(f) It is understood and agreed that the Port Authority shall have the right to perform the Postal Service work and the work under contract LGA 530.002 immediately upon the execution of this Agreement notwithstanding the fact that the on-site work plans and specifications have not then been finished. It is further understood and agreed that in the event the Lessee does not exercise its right of termination pursuant to and in accordance with Section 49 hereof, then the Port Authority shall commence the performance of the construction of the Shuttle Terminal Facilities, other than the work already commenced, as aforesaid, provided that the Postal Service work has then been completed.

(g) The construction work may be performed by independent contractors or by the Port Authority using its own forces or by a combination of the foregoing. Any contracts of the Port Authority for the construction work may be made by negotiation or may be awarded after competitive bidding (including awards to other than the lowest bidder) or may be entered into on the basis of the foregoing or on some other basis. As stated in paragraph (d) hereof, the Port Authority expects that the Combined Construction will be primarily performed under two (2) contracts, contracts LGA 530.001 which has not yet been prepared and contract LGA 530.002 referred to in paragraph (d) hereof.

(h) The Port Authority shall have the right to effectuate changes in the design and in construction, to substitute materials and methods and to order extra work and change orders, other than as may be set forth in the on-site work plans and specifications, and other than as may be set forth in contract LGA 530.002 and the plans and specifications therefor as the Port Authority, in its discretion, deems appropriate as long as the same basically conforms to the categories set forth in paragraph (a) of this Section 2, and otherwise to take all steps which in its opinion are necessary or desirable in order to perform the construction work. Notwithstanding the foregoing however, it is understood and agreed that in the event any extra work or change order pursuant to this subparagraph, other than any extra work or change order which in the discretion of the Port Authority affects safety or structural integrity, exceeds a listed or estimated cost of $5,000, then the Lessee shall have the right to object to each such order by notifying the Port Authority in writing within twenty-four (24) hours of the Port Authority's notice to the Lessee of such order which notice shall be delivered to the Lessee's New York representative in charge. The Lessee hereby designates Henry Merkin whose address is the Lessee's Passenger Terminal at John F. Kennedy International Airport, or Edward McCarron (same address) or John Lillibridge whose address is Miami International Airport, Building 23 or such other persons(s) as the Lessee shall designate in writing as its New York representative in charge to receive such notice and with full authority to object or not to object to such order, it being understood that there shall always be during the term of this Agreement at least one such designated representative whose address is within the Port of New York District. In the event the said representative does not duly and timely so notify the Port Authority of any objection then the Lessee shall be deemed to have accepted each such extra work or change order.

The sole and absolute discretion of the Port Authority to do any of the foregoing with respect to the Off-site work and the plans and specifications pertaining thereto shall not affect, change or limit in any way the fact that the fixed percentages applied to the costs of the contracts stated in paragraph (d) of this Section 2 for the Combined Construction and set forth therein as the Lessee's fixed percentage and the Port Authority's fixed percentage shall remain fixed and irrevocable.

(i) Title to the construction work shall pass to the City of New York as the same or any part thereof is erected, constructed or installed.

(j) (1) When the construction work is substantially completed and the Shuttle Terminal Facilities are ready for use, the Port Authority shall deliver to the Lessee a certificate to such effect which certificate shall state that the construction work was done in accordance with the on-site work plans and specifications. Except as provided in subparagraph (2) hereof, the Lessee shall not have the

right to use or occupy the Shuttle Terminal Facilities or any portion thereof for the purposes set forth in Section 5 of the Lease until such certificate is received from the Port Authority. The date specified in the Port Authority's certificate, which shall not be earlier than nor more than five (5) days later than the date of delivery thereof, shall be the Completion Date under the Lease.

(2) When in the opinion of the Lessee a material portion of the construction work is substantially completed and ready for use and occupancy by the Lessee for the purposes set forth in Section 5 hereof, and if the Lessee may wish to use and occupy the same the Lessee shall so advise the Port Authority by written notice to such effect setting forth a description of such portion of the construction work and also stating that in its opinion such use and occupancy will not interfere with the completion of the construction work. Upon its receipt of such notice and if the Port Authority concurs in the opinion of the Lessee as aforesaid and also if the Port Authority determines that in its opinion the Completion Date would be no more than six (6) months from the Partial Occupancy Date, as hereinafter defined, and also that the Outside Utility Lines, as hereinafter defined, have been completed, the Port Authority shall give the Lessee a notice setting forth its description of such portion of the construction work (hereinafter called "the Partial Occupancy Portion") which it believes is substantially completed and ready for use and occupancy and attaching an exhibit setting forth the Partial Occupancy Portion. Within fifteen (15) days after its receipt of the Port Authority's notice the Lessee shall give the Port Authority a notice of its choice to commence use and occupancy or its choice not to commence use and occupancy of the Partial Occupancy Portion. If the Lessee's notice states its choice to commence use and occupancy of the Partial Occupancy Portion, the Partial Occupancy Date as to the Partial Occupancy Portion shall be fifteen days from the date of the receipt by the Port Authority of the said notice of the Lessee and said date shall be set forth in a notice from the Port Authority to the Lessee. In the event the Lessee does not deliver to the Port Authority any notice of its choice as aforesaid within the time specified then the Lessee shall be deemed to have not chosen to commence use and occupancy of the Partial Occupancy Portion until the Completion Date and there shall be no Partial Occupancy Date.

With respect to the Lessee's use and occupancy of the Partial Occupancy Portion, if there be a Partial Occupancy Date, it is specifically agreed that:

(i) Each and every obligation of the Lessee pursuant to the terms and provisions of this Agreement shall apply and pertain with full force and effect to the use and occupancy by the Lessee of the Partial Occupancy Portion as if the terms of the Lease had commenced as to the entire premises. Notwithstanding the foregoing, however, and with respect to the provisions of Sections 42 through 48 hereof, it is agreed that the said Sections 42 through 48 shall not necessarily be performed during the period commencing with the Partial Occupancy Date up to and until the Completion Date;

(ii) The Port Authority shall make available the Outside Utility Lines in accordance with Section 41 hereof with respect to the Partial Occupancy Portion as of the Partial Occupancy Date but the Port Authority does not assume and shall not be deemed to have assumed any obligation to have the same completed and available in the event the Lessee chooses to avail itself of any of the provisions of this subparagraph (2);

(iii) The Port Authority shall make available the services called for in Section 40 hereof to the extent the same are required for the use and occupancy by the Lessee of the Partial Occupancy Portion as of the Partial Occupancy Date;

(iv) Notice given by the Port Authority to the Lessee pursuant to this subparagraph (2) shall not constitute a certification that the construction work as to the Partial Occupancy Portion was done in accordance with the on-site work plans and specifications;

(v) The Lessee shall commence the use and occupancy of the Partial Occupancy Portion subject to the condition that all risk thereafter with respect to the construction and installation thereof and any liability therefor for negligence or other reason shall be borne by the Lessee;

(vi) The Lessee recognizes that as of the Partial Occupancy Date there may be items within the Partial Occupancy Portion the construction of which will not have then been completed. Without limiting any other provision of the Lease, the Lessee specifically agrees that the Port Authority, its officers, employees, agents, representatives and contractors shall have the right to enter upon the Partial Occupancy Portion at all reasonable times for the purpose of doing any act or thing in connection with the completion of the portion of the construction work in the Partial Occupancy Portion. The Lessee hereby grants to the Port Authority, its officers, employees, agents, representatives and contractors the right of access on to the Partial Occupancy Portion for the purpose of doing any act or thing in connection with such completion of such portion of the construction work.

(vii) The Lessee further recognizes that its use and occupancy of the Partial Occupancy Portion shall coincide with the continuance by the Port Authority of the construction work as to the remaining portions of the Shuttle Terminal Facilities, and as to the Partial Occupancy Portion as aforesaid, and that this may involve, among other things, inconvenience, noise, dust, interference and disturbance to the Lessee in its use and occupancy of the Partial Occupancy Portion, the risk of which the Lessee hereby assumes. There shall be no reduction or abatement of the Partial Occupancy Rental, as hereinafter defined, or any other rentals, fees or charges payable by the Lessee on account of the continuance of the construction work and neither the continuance of the construction work by the Port Authority after the Partial Occupancy Date nor the procedures adopted by the Port Authority shall constitute an eviction or constructive eviction of the Lessee, nor be made the grounds for any abatement of rentals, fees and charges payable by the Lessee nor give rise to or be the basis of any claim or demand by the Lessee for damages, consequential or otherwise.

(k) For the purposes of this Agreement the Port Authority's cost of the construction work shall include the costs incurred prior to the commencement of the term of the Lease and shall commence as of March 17, 1977. The cost to the Port Authority of the construction work shall be determined in accordance with the Port Authority's normal accounting practice and shall consist of 1.30 times the sum of the following (said product being hereinafter called "the Cost of the construction work"):

(1) On-the-job payroll costs of Port Authority employees and supervisory personnel working on any aspect of the Total Construction, as hereinafter defined, including but not limited to contributions to any retirement system or the cost of or participation in any pension plans or the like, social security, old age, survivors, disability and unemployment insurance, workmen's compensation 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) Payments by the Port Authority to independent contractors and suppliers engaged or retained by the Port Authority for the construction of any part of the Total Construction, as hereinafter defined, and payments to any persons, firms or corporations for performance of services incidental to or in connection with the Total Construction, as hereinafter defined, including any claims or judgments arising out of or in connection with any part of the Total Construction, as hereinafter defined, performed by them; it being specifically understood and agreed that the portion of the cost to the Port Authority of the construction work under this item (2) shall consist of the sum of the following (i) and (ii): (i)(a) all payments of the types first set forth made with respect to contract LGA 530.002 and the contract for the Postal Service work and any extra work or change order with respect to such contracts, (b) all payments of the types first set forth above made with respect to any extra work or change order in connection with contract LGA 530.001 which affect solely the construction work, and (c) all payments of the types first set forth above with respect to any other contract and extra work and change order in connection therewith which affect solely the construction work, plus (ii) the Lessee's fixed percentage of (2.a.) % of all payments of the types first set forth above made with respect to contract LGA 530.001 and any extra work or change order in connection therewith which affects both the construction work and the off-site work, and the Lessee's fixed percentage of- % of all other payments of the types first set forth above with respect to any other contract and extra work and change order in connection therewith which affects both the construction work and the off-site work.

(3) Payments by the Port Authority to independent consultants, architects, engineers and all other experts engaged or retained by the Port Authority to perform services incidental to or in connection with the Total Construction, as hereinafter defined, including any payments made to any of the foregoing in satisfaction of any claims or judgments arising out of or in connection with any portion of the work or services performed by them;

(4) The cost of all materials, supplies, equipment and utilities (including but not limited to electricity, water, phone and transportation) used in connection with or incidental to the Total Construction, as hereinafter defined,

(5) The amount of any claims or judgments actually paid by the Port Authority and not its insurer to third persons arising out of or in connection with the Total Construction, as hereinafter defined, including but not limited to those for personal injury, death or damage to property, and the Port Authority shall for informational purposes only give the Lessee notice of all claims received and judgments paid, failure on the part of the Port Authority to give such notice shall not however be or be deemed to be a breach of this Agreement;

(6) Payments of premiums on any performance bonds required under any contract, and payments of premiums for any insurance (or as to performance bonds or insurance, an amount equivalent to the premiums for said bonds or insurance), including without limitation thereto, fire and extended coverage, workmen's compensation and comprehensive general liability; it being understood and agreed that in the event the Port Authority covers any of the foregoing by self-insurance then the actual amount of such self-insurance shall be included in the Cost of the construction work and neither the aforesaid 1.30 factor nor the percentage specified in item (10) hereof shall be applied to such self-insurance;

(7) Payments by the Port Authority to any other third persons (excluding Port Authority employees) for work performed or services rendered in connection with or incidental to the Total Construction, as hereinafter defined,

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

(9) The total of all Interim Monthly Amounts incurred by the Lessee in accordance with Section 38 hereof.

(10) An amount equal to fifteen percent (15%) of the sum of the amounts constituting items (1), (2), (3), (4), (6), (7) and (8).

It is understood and agreed that for purposes of this Agreement, the term "Total Construction" shall mean the construction work and the Off-site work and the term "the Cost of the Total Construction" shall mean the sum of the above items (1) through (10) inclusive with respect to the Total Construction as determined in accordance with the Port Authority's normal accounting practice and commencing as of March 17, 1977. With respect to items (1), (3), (4), (5), (6), (7), (8) and (9) above it is specifically understood and agreed that for purposes of determining the cost to the Port Authority of the construction work the amount of each of the said items shall be equal to the product obtained by multiplying the actual total amount of each such item by the Lessee's apportioned percentage, the Lessee's apportioned percentage being determined as follows: When the total amount of the actual payments made by the Port Authority to independent contractors and suppliers engaged or retained by the Port Authority for the construction of any part of the Total Construction and the total amount of the actual payments to all other persons, firms or corporations for the performance of services incidental to or in connection with the Total Construction, including any payments made to any of the foregoing in satisfaction of any claims or judgments arising out of or in connection with any part of the Total Construction, is finally determined by the Port Authority, the Port Authority shall deliver a statement to such effect to the Lessee which statement shall set forth the portion of the said total amount that becomes a part of the cost of the construction work pursuant to item (2) of this paragraph (k) and the balance thereof which does not. The Lessee's apportioned percentage shall be equal to the quotient obtained by dividing the aforesaid portion which becomes a part of the cost of the construction work by the aforesaid total amount of actual payments made by the Port Authority for the Total Construction as aforesaid.

Notwithstanding any references in any provision of this Agreement to any Port Authority contract or contracts with respect to any part of the construction work, it is hereby expressly understood and agreed that the cost of any part of the construction work shall not be limited to the contract or contracts which may have been so mentioned in any provision of this Agreement, and the costs with respect to each part of the construction work shall include the cost of all contracts, purchase orders, extra work and change orders and any other agreements with a third party of whatever kind or nature for, in connection with, relating to or arising out of the planning, design or construction of the said part of the construction work with the provisions of paragraph (d) of this Section 2 hereof to apply thereto, provided, however, that the Port Authority shall not enter into any contract or order in excess of $5,000, other than the contracts specified in paragraph (d) of this Section and the contract for the Postal Service work, without the written approval of the Lessee. The sole and absolute discretion of the Port Authority to do any of the foregoing with respect to the Off-site work and the plans and specifications pertaining thereto, shall not affect, change or limit in any way the fact that the fixed percentages applied to the costs of the contracts stated in paragraph (d) of this Section 2 for the Combined Construction and set forth therein as the Lessee's fixed percentage and the Port Authority's fixed percentage shall remain fixed and irrevocable.

(1) The construction work shall be subject to the following terms and conditions:

(1) The Lessee shall have the right, through its duly designated representatives, to inspect the construction work and the plans and specifications therefor, at any and all reasonable times during the progress thereof.

(2) The Port Authority shall maintain a copy of the plans and specifications mentioned in paragraph (a) above in the office of the Airport's Resident Engineer, which documents the Lessee may inspect during regular business hours. The Port Authority shall deliver to the Lessee after the Completion Date two (2) sets of "as built" drawings of the construction work.

(3) All reports, plans, specifications, drawings, data, records and contract papers of whatever form or nature which are prepared by or for the Port Authority in connection with the construction work shall be and remain the property of the Port Authority and the Port Authority shall have the right to use or permit the use of them and any ideas or methods represented by them for any purpose and at any time.

(4) It is hereby understood that the Port Authority shall retain complete control and discretion as to the manner in which it shall perform the construction work and as to all aspects thereof, of every kind or nature, including but not limited to the right to schedule each or any part of the construction work in stages. It is agreed that the Port Authority shall periodically advise the Lessee of the progress and scheduling of the construction work.

(5) Title to any soil, dirt, sand, or other matter (hereinafter in this item (5) collectively called "the matter") excavated by the Port Authority during the course of the construction work shall vest in the Port Authority. The entire proceeds, if any, of the sale or other disposition of the matter shall belong to the Port Authority.

(6) Any contracts entered into for the construction work (other than the Postal Service work and contract LGA 530.002) shall provide for an indemnity to be given to the Lessee by the contractor in form and substance as shown in the exhibit attached hereto, hereby made a part hereof and marked Exhibit F.

(m) It is hereby understood and agreed that in the event the Port Authority receives a grant or grants of money for the construction work, or any portion thereof, from the Administrator of the Federal Aviation Administration pursuant to the Airport and Airways Development Act of 1970, as the same has been amended and supplemented, then the amount of such grant or grants shall be credited by the Port Authority toward the Cost of the construction work, provided, however, that nothing contained herein shall create or shall be deemed to create any obligation on the part of the Port Authority to apply to the said Administrator for any such grant or grants or to accept any such grant if offered.

Section 3. Term

(a) (1) The term of the letting under this Agreement shall commence as to all of the premises on the Completion Date as set forth in Section 2(j) (1) hereof.

(2) Notwithstanding the foregoing, the term of the letting under this Agreement shall commence as to a portion of the premises on the Partial Occupancy Date as set forth in and in accordance with Section (2)(j)(2) hereof.

(b) Unless sooner terminated, the term of the letting hereunder shall expire as to all of the premises on the last day of the month during which the twenty-fifth (25th) anniversary of the Completion Date occurs.

(c)(1) It is understood and agreed that the date of the commencement of the construction work, other than the Postal Service work and other than the work under Contract LGA 530.002, shall be the date on which the Port Authority's contractor enters the site for the purpose of commencing construction. It is further understood and agreed that in the event the construction work, other than the Postal Service Work and the work covered by Contract LGA 530.002, has not commenced by January 15, 1980, regardless of the cause or reason therefor, then this Agreement shall be deemed cancelled and of no further force or effect and in such event each party shall and does hereby release the other party of and from any and all claims or demands based on this Agreement, any breach or alleged breach thereof or the non-performance thereof, except for the obligations of the Lessee under paragraph (b) of Section 49 of this Agreement which shall survive such cancellation.

(2) Although it is hereby estimated that the construction work will be completed on or before December 31, 1981 (hereinafter referred to as "the estimated completion date"), if nevertheless the performance of any part or all of the construction work is delayed, interrupted or rendered impossible for any reason whatsoever, including but not limited to causes or conditions beyond the control of the Port Authority, so that the construction work is not completed by the estimated completion date, the Lessee shall have no right or claim for damages or otherwise against the Port Authority, or any of its contractors or subcontractors, based upon delay in construction, and no such delay or postponement shall in any way affect the validity of this Agreement.

Section 4. Rental

The Lessee agrees to pay to the Port Authority the following rentals:

1. Ground Rental

A rental (hereinafter called "the Ground Rental") at the rate of (2.a.) per annum commencing on the Completion Date and continuing for each and every year of the term of the letting under the Lease, said annual rental being computed at the rate of per acre per annum.

2. Facility Rental

(a) Commencing on the Completion Date if said date is the first day of the month or on the first day of the month following the Completion Date if said date is other than the first day of the month, an additional rental (hereinafter called "the Facility Rental") which shall be an amount, payable on the first day of each and every calendar month during the term of the letting hereunder, so that such payment would after 300 such consecutive payments (combining monthly amortization and interest on the declining unpaid balance at the rate of (2.a.) per annum) discharge a debt equal to the Cost of the construction work as defined in paragraph (k) of Section 2 of this Agreement.

(b) It is recognized that on the Completion Date the Cost of the construction work cannot be finally determined. Therefore, until the Cost of the construction work has been finally determined as set forth in paragraph (c)(1) of this Subdivision 2 of this Section 4 the Lessee shall pay the Facility Rental at the rate of per month which rental shall commence as set forth in paragraph (a) hereof and which rental shall be adjusted as provided in paragraph (c)(1) hereof.

(c)(1) When the Cost of the construction work has been finally determined by the Port Authority, the Port Authority shall deliver a statement to the Lessee certifying the same. On the first day of the month following the delivery of such statement the Lessee shall commence the payments of the Facility Rental pursuant to and in the amount required by the provisions of paragraph (a) of this Subdivision 2 of this Section 4. The Port Authority, upon the delivery of the said statement to the Lessee, shall also determine the amount of the Facility Rental that would have been payable under said paragraph (a) had the Cost of the construction work been determined as of the commencement of said rental as compared to what was payable under paragraph (b) of this Subdivision 2, and if any monies are due to the Port Authority they shall be promptly paid by the Lessee and if any monies are due to the Lessee they shall be promptly credited to it.

(2) The Port Authority shall keep in an office or offices within the Port of New York District such books and records and accounts as may be necessary or proper to record the items and transactions affecting the computation of the Cost of the Construction work, as herein defined. The Lessee shall have the right to examine such books and records of the Port Authority during regular business hours by prior appointment and also such books and

records of the Port Authority that show the amount of fees and rentals received by the Port Authority pursuant to Sections 43, 44 and 46 hereof. It is understood, however, that the Lessee shall have no right to inspect such parts thereof as pertain to any costs or expenses which are part of administration or overhead.

3. Airport City Rental

An additional rental (hereinafter called "the Airport City Rental") at the rate of (2.a.)) per annum commencing on the Completion Date and continuing for each and every year of the term of the letting under the Lease.

4. Time of Payments

The Lessee shall pay the Ground Rental and the Airport City Rental in advance in equal monthly installments commencing on the Completion Date and on the first day of each and every month thereafter until the expiration of the term of the letting hereunder. The Lessee shall pay the Facility Rental in advance in equal monthly installments commencing on the Completion Date and on the first day of each and every month thereafter until the expiration of the term of the letting hereunder subject to provision for initial payment under and (2.a.) subsequent adjustments as provided in Subdivision 2(b) and (c) of this Section 4. 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.

5. Abatement

(a) In the event that the Lessee shall at any time by the provisions of this Agreement become entitled to an abatement of the Ground Rental and the Airport City Rental, said abatement shall be computed as follows (it being understood that there shall be no abatement of the Ground Rental and the Airport City 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 on Exhibit A, and as shown on Exhibit E (if, as and when the same became a part of the premises), the use of which is denied to the Lessee, at the annual rate of

(b) In the event that the Lessee shall at any time by the provisions of this Agreement become entitled to an abatement of the Facility Rental, said abatement shall be computed as follows (it being understood that there shall be no abatement of the Facility Rental for any portion of the premises or for any portion of the term except as specifically provided herein): For each square foot of enclosed interior space forming a part of the Shuttle Terminal Building the use of which is denied to the Lessee, at the monthly rate determined by dividing 86% of the monthly installment of the Facility Rental by the number of enclosed interior square feet in the Shuttle Terminal Building and for each square foot of improved open space upon which construction of the matters covered by items (ii), (iii), (iv) or (v) of paragraph (a) of Section 2 hereof was performed, the use of which is denied to the Lessee, at the monthly rate determined by dividing 14% of the monthly installment of the Facility Rental by the number of square feet of open space contained in the premises upon which the construction covered by items (ii), (iii), (iv) or (v) as aforesaid was performed.

The Port Authority shall after the Completion Date determine the total number of square feet of enclosed interior space in the Shuttle Terminal Building and shall also determine the number of square feet of open area contained in the premises upon which the construction covered by items (ii), (iii), (iv) and (v) of paragraph (a) of Section 2 of the Lease were performed. Said computations and the determinations of annual abatement rates called for in this subparagraph shall be forwarded to the Lessee.

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

6. Partial Occupancy Rental

In the event there is a Partial Occupancy Date pursuant to Section (2)(j)(2) hereof, the Lessee hereby agrees to pay to the Port Authority an additional rental (hereinafter called "the Partial Occupancy Rental") at the rate of

per month, commencing on the Partial Occupancy Date and continuing for each and every month thereafter up to the Completion Date, it being understood that the Partial Occupancy Rental shall terminate upon the Completion Date. The Lessee shall pay the Partial Occupancy Rental in advance on the Partial Occupancy Date and on the first day of each and every month thereafter until the Completion Date, provided, however, that if any Partial Occupancy Rental payable hereunder shall be for less than a full calendar month, then the payment of the Partial Occupancy Rental for the portion of the month for which said payment is made shall be the Partial Occupancy Rental prorated on a daily basis using the actual number of days in the said month.

Section 5. Use of Premises

(a) The Lessee, in connection with its business of transportation by aircraft, may use the premises as a Shuttle Terminal, as hereinafter defined, for as long as the Lessee operates such Shuttle Terminal at the Airport and thereafter as a passenger terminal for the following purposes and for activities reasonably required for such purposes and for such purposes and activities only:

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

(2) For the reservation of space and the sale of tickets for transportation by other carriers but only as an incident to or in connection with transportation performed or to be performed by the Lessee or as an

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

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

(4) For the handling of baggage of passengers of the Lessee.

(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 Lessee during layovers between flights and for the establishment of lounges for employees of the Lessee.

(10) For the loading and unloading of passengers, baggage and commissary supplies.

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

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

(13) For the performance of aircraft maintenance, subject to the limitations imposed by Section 9(j) hereof.

(14) For any other purpose or activity, in addition to those specified in this Section 5, for which the premises are expressly authorized to be used by any other provision of this Agreement.

(b) The term "Shuttle Terminal" shall mean a terminal which is used by the Lessee as a passenger terminal in connection with its providing air transportation between the passenger terminal and specified geographic points (as distinguished from all geographic points which the Lessee is authorized to service from the Airport) at regular intervals.

Section 6. Compliance with Governmental Requirements

(a) The Lessee shall comply with all laws and ordinances and governmental rules, regulations and orders now or at any time during the term of this Lease which as a matter of law are applicable to or which affect the operations of the Lessee at the premises hereunder, and the Lessee shall, in accordance with and subject to the provisions of Section 33 hereof, make any and all structural and non-structural improvements, alterations or repairs of the premises that may be required at any time hereafter by any such present or future law, rule, regulation, requirement, order or direction.

(b) The Lessee shall procure from all governmental authorities having jurisdiction over the operations of the Lessee hereunder 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.

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

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

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

Section 7. Rules and Regulations

(a) The Lessee covenants and agrees to observe and obey (and to require its officers, employees, guests, invitees and those doing business with it to observe and obey) the existing Rules and Regulations of the Port Authority and such reasonable future Rules and Regulations 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.

(b) 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.

Section 8. Various Obligations of the Lessee

(a) 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 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 the Airport; and

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

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

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

(d) The Lessee shall control all vehicular traffic on the roadways or other areas within the premises and shall take all precautions reasonably necessary to promote the safety of its passengers and 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.

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

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

(g) It is the intention of the parties hereto that 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 and where appropriate shall employ noise arresting and noise reducing devices that are suitable.

(h) In its use of the premises, the Lessee shall use its best efforts to minimize jet or prop blast interference to aircraft operating on or to buildings and structures now located on or which in the future may be located on areas adjacent to the premises. In the event the Port Authority determines at any time and from time to time that the Lessee has not so minimized the jet or prop blast interference, it may serve a notice 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, it being agreed that the Port Authority shall pay to the Lessee 50% of the cost of the construction upon the Lessee's completion of such construction to the satisfaction of the Port Authority. The obligations assumed by the Lessee under this paragraph shall not diminish, limit, modify or affect all other obligations of the Lessee with respect to interference under this Agreement.

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

(j) In addition to compliance by the Lessee with all laws, ordinances, governmental rules, regulations and orders now or at any time in effect during the term of the letting hereunder which as a matter of law are applicable to the operation, use or maintenance by the Lessee of the premises or the operations of the Lessee under this Agreement (the foregoing not to be construed as a submission by the Port Authority to the application to itself of such requirements or any of them), the Lessee agrees that it shall exercise the highest degree of safety and care and shall conduct all its operations under 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 (j) shall continue throughout the term of this Lease and shall not be limited, affected, impaired or in any manner modified by the fact that the Port Authority shall have

performed 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 (j) is a special inducement and consideration to the Port Authority in entering into this Lease with the Lessee.

(k) (1) The Lessee shall, after the Completion Date, and earlier if the provisions of subparagraph (2) become effective, furnish and install at its own cost and expense all necessary and proper equipment, trade fixtures including loading bridges and baggage conveyor systems (removable without injury to the premises), materials and other personal property (all of the foregoing items being hereinafter referred to as "the Lessee's personal property") so that the premises may be used for the purposes set forth in the Lease. All the foregoing shall be and remain the property of the Lessee.

(2) During the course of the construction work and prior to the Completion Date and upon fifteen (15) days' written notice to the Port Authority, the Lessee, by its contractors, employees and representatives may enter upon the premises for the sole purpose of taking dimensions and obtaining other data in connection with the installation of the Lessee's personal property, provided, however, that the Lessee, its contractors, employees and representatives, in the exercise of said entry shall not interfere with the construction work.

Prior to the Completion Date and upon thirty (30) days' written notice to the Port Authority, the Lessee, by its contractors, employees and representatives may enter upon such portion of the premises, as may be specified by the Port Authority from time to time by written notice to the Lessee, for the sole purpose of providing and installing the Lessee's personal property, it being specifically understood, however, that the completion of the construction work shall have complete and absolute priority over the installation by the Lessee of the Lessee's personal property and the Lessee shall promptly cease and shall cause its contractors, employees and representatives to promptly cease installation of the Lessee's personal property upon notice to such effect given to the Lessee by the Port Authority, and such right of entry is expressly made subject thereto. The Lessee shall comply and shall require its contractors, employees and representatives to comply with all requirements of the Port Authority covering the installation of the Lessee's personal property.

Without limiting the foregoing and expressly subject thereto and to the right of the Port Authority to cause the Lessee to cease its work, in the event the Lessee exercises the foregoing, the Lessee and the Port Authority hereby agree that they shall cooperate with each other and that they shall require their respective contractors to cooperate with each other so that the operations of each contractor will not unduly interfere with the operations of the other in the performance of their respective work during the course of the installation of the Lessee's personal property.

Section 9. Prohibited Acts

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

(b) The Lessee shall not create nor permit to be caused or created upon the premises any obnoxious odors or smokes, or noxious gases or vapors. The creation of exhaust fumes by

the operation of the Lessee's internal-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 (b).

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

(d) The Lessee shall not do or permit to be done any act or thing upon the premises (1) which will invalidate or conflict with any fire insurance, extended coverage or rental insurance policies covering the premises or any part thereof, or the Airport, or any part thereof, or (2) which in the opinion of the Port Authority, may constitute an extra-hazardous condition, so as to increase the risks normally attendant upon the operations contemplated by Section 5 hereof. The Lessee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of the 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 on the premises, and the Lessee shall, subject to and in accordance with the provisions of Section 33 hereof, make any and all structural and non-structural improvements, alterations or repairs of the premises required at any time hereafter by any such present or future rule, regulation, requirement, order or direction. If by reason of any failure on the part of the Lessee to comply with the provisions of this paragraph any fire insurance rate, extended coverage or rental insurance rate on the premises or any part thereof, or on the Airport or any part thereof, shall at any time be higher than it would be if the premises were properly used for the purposes permitted by Section 5 hereof, then the Lessee shall pay to the Port Authority, as an item of additional rental, that part of all insurance premiums paid by the Port Authority which shall have been charged because of such violation or failure by the Lessee.

(e) The Lessee shall not dispose of nor permit any one to dispose of any waste material taken from its aircraft (whether liquids or solid) by means of the toilets, manholes, sanitary sewers or storm sewers in the premises except after treatment in installations or equipment which have been constructed by the Port Authority pursuant to Section 2 of this Agreement or included in plans and specifications submitted to and approved by the Port Authority.

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

(g) The Lessee shall prevent access by persons or vehicles (unless duly authorized by the Port Authority) to the Public Landing Area from the premises except for aircraft, which aircraft shall be equipped with radio receivers tuned to control tower frequencies and adequately manned. Such aircraft may be towed by a motor vehicle or such other means as may be approved by the Port Authority. The Lessee shall prevent such access by such means as the Port Authority shall approve. Such prevention

shall be accomplished on a 24-hour, seven day week basis. The Lessee shall also control access by the public to the ramp and apron areas by proper measures designed to maintain the highest standards of safety.

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

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

(j) Except as otherwise expressly stated herein, the Lessee shall not perform any aircraft maintenance on the premises except that emergency aircraft maintenance and transit or turn around aircraft maintenance shall not be deemed to be prohibited by this provision.

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

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

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

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

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

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

(4) Provide and maintain all obstruction lights and similar devices on the premises, and provide and maintain all fire protection and safety equipment and all other equipment of every kind and nature required by any law, rule, ordinance, resolution or regulation of the type and nature described in Sections 6 and 7 of this Agreement;

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

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

(7) Be responsible for appropriate lighting of all ramp and apron areas and for the maintenance and repair of all access roadways, taxiways and ramp and apron areas located upon the premises.

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

(c) The Port Authority shall make all repairs and replacements necessary to remedy damage to the premises constructed by the Port Authority occurring within one year after the Completion Date as the result of original defects in workmanship and materials.

Upon the expiration of such year, the Port Authority's obligations under this paragraph (c) shall be discharged but any construction contract entered into by the Port Authority for the construction work and any warranties contained therein will be for the benefit of the Lessee as well as the Port Authority, and the Port Authority agrees that such construction contracts shall contain a provision giving to the Lessee a direct right of action to enforce the provisions of such construction contracts, including without limitation the right to recover damages for breach thereof by the contractor. The Port Authority shall, however, not be deemed to be in breach of this Agreement in the event that any court holds any such provision invalid or unenforceable. The Lessee shall not exercise any such right of enforcement or make demand upon such warrantor prior to the expiration of such year and all damages recovered from contractors, less the reasonable and proper cost of collection, shall be expended by the Lessee to remedy that part of the construction with which the contractor was deficient.

Section 11. Insurance

The Lessee shall during the term of this Agreement insure and keep insured to the extent of 100% of the replacement value thereof, all buildings, structures, improvements, installations, facilities and fixtures now or in the future located on the premises against such hazards and risks as may now or in the future be included under the Standard Form of Fire Insurance Policy of the State of New York and also against damage or loss by windstorm, cyclone, tornado, hail, explosion, riot, civil commotion, aircraft, vehicles and smoke, under the Standard Form of Fire Insurance Policy of New York and the form of extended coverage endorsement prescribed as of the effective date of the said insurance by the Rating Organization having jurisdiction, and, if the Port Authority so requests, also covering nuclear property losses and contamination hazards and risks and boiler and machinery hazards and risks in a separate insurance policy or policies or as an additional coverage endorsement to the aforesaid policies in the form as may now or in the future be prescribed as of the effective date of said insurance by the Rating Organization having jurisdiction and/or the Superintendent of Insurance of the State of New York and the Lessee shall furthermore provide additional insurance covering any other property risk that the Port Authority may at any time during the term of this Agreement cover by carrier or self-insurance covered by appropriate reserves at other locations at the Airport upon written notice to the Lessee to such effect.

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

In the event the premises or any part thereof shall be damaged by any casualty against which insurance is carried pursuant to this Section 11, the Lessee shall promptly furnish to the Port Authority such information and data as may be necessary to enable the Port Authority to adjust the loss.

The policies or certificates representing insurance covered by this Section 11 shall be delivered by the Lessee to the Port Authority at least fifteen (15) days prior to the use of any portion of the premises by the Lessee 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 ten (10) days' advance notice of the cancellation, termination, change or modification of the insurance evidenced by said policy or certificate. Renewal policies or certificates shall be delivered to the Port Authority at least ten (10) days before the expiration of the insurance which such policies are to renew.

Regardless, however, of the persons whose interests are insured, the proceeds of all policies covered by this Section 11 shall be applied as provided in Section 12; and the word "insurance" and all other references to insurance in said Section 12 shall be construed to refer to the insurance which is the subject matter of this Section 11, and to refer to such insurance only.

The insurance covered by this Section 11 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.

Section 12. Damage to or Destruction of Premises

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

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

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

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

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

Section 13. Indemnity and Liability Insurance

(a) The Lessee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives from all claims and demands of third persons including but not limited to claims and demands for death or personal injuries, or for property damages, arising out of the use or occupancy of the premises by the Lessee or out of any of the acts or omissions of the Lessee, its officers, employees, guests, invitees and business visitors on the premises including claims and demands of the City of New York against the Port Authority pursuant to the provisions of the Basic Lease, whereby the Port Authority has agreed to indemnify the City against claims.

(b) In addition to the obligations set forth in paragraph (a) of this Section and all other insurance required under this Agreement, the Lessee in its own name as assured and naming the Port Authority as an additional insured shall maintain and pay the premiums during the term of this Agreement on a policy or policies of comprehensive general liability insurance broadened to include or equivalent separate policies covering airport operator's liability under an airport liability policy, none of the foregoing to contain care, custody or control exclusions, and providing for coverage in the following limits: $10,000,000 per occurrence, liability and property damage under all said policies; $5,000,000 on property damage to aircraft in the care, custody or control of the Lessee.

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

Section 14. Signs

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

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

Section 15. Obstruction Lights

Except as may otherwise be provided in Section 2 of the Lease the Lessee shall install and the Lessee shall maintain and operate at its own expense such obstruction lights on the premises as the Federal Aviation Administration may direct or as the Manager of the Airport may reasonably direct, and shall energize such lights daily for a period commencing thirty (30) minutes before sunset and ending thirty (30) minutes after sunrise (as sunset and sunrise may vary from day to day throughout the year) and for such other period as may be directed or requested by the Control Tower of the Airport.

Section 16. Additional Rent and Charges

If the Port Authority is required or elects to pay any sum or sums or incurs any obligations or expense by reason of the failure, neglect or refusal of the Lessee to perform or fulfill any one or more of the conditions, covenants or agreements contained in this Agreement or as a result of an act or omission of the Lessee contrary to the said conditions, covenants and agreements, the Lessee agrees to pay the sum or sums so paid or the expense so incurred, including all interest, costs, damages and penalties, and the same may be added to any installment of rent thereafter due hereunder, and each and every part of the same shall be and become additional rent, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the rent as set forth in Section 4 hereof; it being understood and agreed that the Port Authority shall, except for emergency situations, give the Lessee prior written notice of any such failure, neglect, refusal, act or omission.

Section 17. Rights of Entry Reserved

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

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

(c) In the event that any property of the Lessee shall obstruct the access of the Port Authority, its employees, agents or contractors to any of the existing or future utility, mechanical, electrical and other systems and thus shall

interfere with the inspection, maintenance or repair of any such system, the Lessee shall move such property, as directed by the Port Authority, in order that the access may be had to the system or part thereof for its inspection, maintenance or repair, and, if the Lessee shall fail to so move such property after direction from the Port Authority to do so, the Port Authority may move it and the Lessee hereby agrees to pay the cost of such moving upon demand.

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

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

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

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

Section 18. (a) Condemnation of All or Any Part of the Premises

(1) In any action or other proceeding by any governmental agency or agencies for the taking for a public use of any interest in all or part of the premises, or in case of any deed lease or other conveyance in lieu thereof (all of which are in this Section referred to as "taking"), the Lessee shall not be entitled to assert any claim to any compensation, award or part thereof made or to be made therein or therefor or any claim to any consideration or rental or any part thereof paid therefor, or to institute any action or proceeding or to assert any claim against such agency or agencies or proceeding or to assert any claim against such agency or agencies or against the Port Authority for any such taking, it being understood and agreed between the parties hereto that (except for any of the Lessee's personal property) the Port Authority shall be entitled to all compensation or awards made or to be made or paid, and all such consideration or rental, free of any claim or right of the Lessee.

(2) In the event that all or any portion of the premises 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 notice given to the Lessee terminate the letting with respect to all or such portion of the premises so required. If the Port Authority so elects to terminate all or such portion of the premises so required it shall give the Lessee written notice to such effect. 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 so required upon the effective date of such termination in the same condition as that required for the delivery of the premises 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, or in the event that the letting is terminated with respect to the entire premises pursuant to paragraph (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 in the event that the letting is terminated with respect to a part only of the premises pursuant to paragraph (a)(2) of this Section, then the letting 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 rentals 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 rentals 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 Subdivision 5 of Section 4 hereof.

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 19. Assignment and Sublease

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

(b) The Lessee shall not sublet the premises or any part thereof, without the prior written consent of the Port Authority.

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

(d) Neither the limited right of assignment provided in paragraph (a) hereof nor the exercise of said right by the Lessee shall be construed or deemed to release, relieve or discharge any succeeding assignee, successor or transferee of the Lessee or any other person claiming any right, title or interest in this Agreement from the requirement of obtaining the prior written consent of the Port Authority in the event it wishes to sell, convey, transfer, mortgage, pledge, sublet or assign this Agreement or any part thereof, or any rights created thereby or the letting hereunder or any part thereof; 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 or the letting thereunder or any part thereof without such prior written consent of the Port Authority.

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

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

Section 20. Termination by the Port Authority

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

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

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

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

(4) The Lessee shall voluntarily abandon, desert or vacate the premises or discontinue its operations at the Airport, or after exhausting or abandoning any right of further appeal, the Lessee shall be prevented for a period of thirty (30) days by action of any governmental agency other than the Port Authority having jurisdiction thereof, from conducting its operations at the Airport, regardless of the fault of the Lessee; or

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

(6) Except as otherwise provided in paragraph (a) of Section 19, the letting hereunder or the interest or estate of the Lessee under this Agreement shall be tranferred directly by the Lessee or shall pass to or devolve upon, by operation of law or otherwise, any other person, firm or corporation; or

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

(8) Except as otherwise provided in paragraph (a) of Section 19, the Lessee shall, without the prior written approval of the Port Authority, become a possessor or merged corporation in a merger, a constituent corporation in a consolidation, or a corporation in dissolution; or

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

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

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

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

(c) No waiver by the Port Authority of any default on the part of the Lessee in performance of any of the terms, covenants or conditions hereof to be performed, kept or observed by the Lessee shall be or be construed to be a waiver by the Port Authority of any other or subsequent default in performance of any of the said terms, covenants and conditions.

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

Section 21. Right of Re-entry

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

Section 22. Waiver of Redemption

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

Section 23. Survival of the Obligations of the Lessee

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

(b) The amount of damages for the period of time subsequent to termination or cancellation (or re-entry, regaining or resumption of possession) on account of the Lessee's rental obligations, shall be the sum of the following:

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

(2) An amount equal to all expenses reasonably incurred by the Port Authority in connection with regaining possession and restoring and reletting the demised premises, for legal expenses, putting the premises in order including, without limitation, cleaning, decorating and restoring (on failure of the Lessee to restore), maintenance and brokerage fees.

Section 24. Reletting by the Port Authority

The Port Authority upon termination or cancellation pursuant to Section 20 hereof, or upon any re-entry, regaining or resumption of possession pursuant to Section 21 hereof, may occupy the premises or may relet the premises, and shall have the right to permit any person, firm or corporation to enter upon the premises and use the same. Such reletting may be of part only of the premises or a part thereof together with other space, and for a period of time the same as or different from the balance of the term hereunder remaining, and on the terms and conditions the same as or different from those set forth in this Agreement. The Port Authority shall also, upon termination or cancellation pursuant to the said Section 20, or upon its

re-entry, regaining or resumption of possession pursuant to the said Section 21, have the right to repair or to make structural or other changes in the premises and the suitability thereof for the purpose of the Lessee under this Agreement, without affecting, altering or diminishing the obligations of the Lessee hereunder. In the event either of any reletting or of any actual use and occupancy by the Port Authority (the mere right of the Port Authority to use and occupy not being sufficient however) there shall be credited to the account of the Lessee against its survived obligations hereunder any net amount remaining after deducting from the amount actually received from any lessee, licensee, permittee or other occupier in connection with the use of the said premises or portion thereof during the balance of the letting as the same is originally stated in this Agreement, or from the market value of the occupancy of such portion of the premises as the Port Authority may during such period actually use and occupy, all expenses, costs and disbursements incurred or paid by the Port Authority in connection therewith. No such reletting shall be or be construed to be an acceptance of a surrender.

Section 25. Remedies to be Non-Exclusive

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

Section 26. Surrender

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

Section 27. Acceptance of Surrender of Lease

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

Section 28. Effect of Basic Lease

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

The Port Authority covenants that, during the term of this Agreement, the Port Authority will not take any action which would amount to or have the effect of cancelling, surrendering or terminating the Basic Lease prior to the date specified in the Basic Lease for its expiration insofar as such surrender, cancellation or termination would in any manner deprive the Lessee of any of its rights, licenses or privileges under this Agreement.

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

Nothing contained in this Agreement shall be deemed a waiver by the Lessee of any of its rights, licenses or privileges under this Agreement in the event that the Basic Lease should be surrendered, cancelled or terminated prior to the date specified in the Basic Lease for its expiration.

Section 29. Removal of Property

All personal property (including trade fixtures) removable without material damage to the premises, which are installed by the Lessee in or on the premises leased to the Lessee pursuant to the Agreement, shall be deemed to be and remain the property of the Lessee. All such property may at the Lessee's option be removed by the Lessee from the premises at any time during the term of this Lease and shall, unless otherwise agreed in writing by the parties, be removed by the Lessee at or before the expiration or other termination of the term of this Lease. Any such property remaining on the premises thereafter shall be deemed to be abandoned by the Lessee.

Section 30. Brokerage

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

Section 31. Limitation of Rights and Privileges Granted

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

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

(c) The Lessee acknowledges that it has not relied upon any representation or statement of the Port Authority or its Commissioners, officers, employees or agents as to the condition of the premises or the suitability thereof for the operations permitted on the premises by this Agreement. The Lessee shall commence the use and occupancy of and shall take possession of the premises in the condition they are in as of the Completion Date.

Section 32. Notices

Except where expressly required or permitted herein to be oral, all notices, directions, requests, consents and approvals required to be given to or by either party shall be in writing, and all such notices and requests shall be personally delivered to the duly designated officer or representative of such party or delivered to the office of such officer or representative during regular business hours, or forwarded to him or to the party at such address by registered mail. The Lessee shall from time to time designate in writing an office within the Port of New York District and an officer or representative whose regular place of business is at such office upon whom notices and requests may be served. Until further notice, the Port Authority hereby designates its Executive Director, and the Lessee designates the person named on the first page hereof as their officers upon whom notices and requests may be served, and the Port Authority designates its office at One World Trade Center, New York, New York 10048, and the Lessee designates its office

at att: Manager, Eastern Air Lines, Inc., La Guardia Airport, Flushing, New York as their respective offices where notices and requests may be served. If mailed, the notices herein required to be served shall be deemed effective and served as of the date of the registered mailing thereof. The Port Authority shall for informational purposes send a copy of all such notices and requests to the Lessee at Building #23, Miami International Airport, Miami, Florida, 33140. Failure on the part of the Port Authority to send the informational copy shall not however be or be deemed to be a breach of this Agreement, or impair the validity of the notice actually given.

Section 33. Construction by the Lessee

The Lessee shall not erect any structures, make any improvements or do any construction on the premises or alter, modify, or make additions or improvements to any structure now existing or built at any time during the letting, or install any fixture (other than trade fixtures, removable without material damage to the freehold, any such damage to be immediately repaired by the Lessee) without the prior written approval of the Port Authority and in the event any construction, improvement, alteration, modification or addition is made without such approval, then upon reasonable notice so to do, the Lessee will remove the same, or at the option of the Port Authority cause the same to be changed to the satisfaction of the Port Authority. In case of any failure on the part of the Lessee to comply with such notice, the Port Authority may effect the removal or change and the Lessee shall pay the cost thereof to the Port Authority.

Section 34. Place of Payments

All payments required of the Lessee by this Agreement shall be made at the office of the Treasurer of the Port Authority, One World Trade Center, New York, New York 10048, or to such other officer or address as may be substituted therefor.

Section 35. Construction and Application of Terms

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

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

Section 36. Non-liability of Individuals

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

Section 37. Termination by Lessee

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

(1) If the Lessee shall be prevented from operating its air transportation system by reason of its inability to use a substantial part or all of the runways and taxiways, as hereinafter defined:

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

(ii) for a period of longer than ninety (90) consecutive days, resulting from any order, rule or regulation of the Federal Aviation Administration, or other governmental agency having jurisdiction over the operations of the Lessee with which the Lessee is unable to comply at reasonable cost or expense; or

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

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

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

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

Section 38. Interest During Construction

Commencing on the 1st day of December, 1978 and on the first day of each and every month thereafter up to the first payment of the Facility Rental, the Lessee, in addition to all of its other obligations under this Agreement, shall incur an interest obligation equal to an amount (hereinafter called "the Interim Monthly Amount") equal to one-twelfth (1/12th) of 6.875% of the Cost of the Total Construction as of the beginning of each said month. The Port Authority shall give to the Lessee a quarterly report which shall set forth the Cost of the Total Construction as then reflected on the books of the Port Authority. For purposes of this Section "quarterly report" shall mean a report to be given to the Lessee at the end of each three-month period of each calendar year commencing with the calendar year 1979 up to and including the calendar year of the delivery to the Lessee of the Port Authority's statement of its final determination of certain total amounts with respect to the Total Construction, as specified in the last full paragraph of paragraph (k) of Section 2 hereof.

Section 39. Abatement

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

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

Section 40. Services to the Lessee

(a) The Port Authority shall sell, furnish and supply to the Lessee for use on the premises and the Lessee agrees to take from the Port Authority and pay for electricity of the same voltage, phase and cycle as supplied to the premises by the public utility in the vicinity, but limited, however, to serve a maximum of 1500 KVA installed transformer capacity, at the same charge which would be made by such public utility for the same quantity under the same conditions and in the same service classification; charges shall be payable by the Lessee when billed and the quantity of electricity consumed shall be measured by the meter or meters installed for the purpose; provided, however, that if for any reason, any meter or meters fail to record the consumption of electricity, the consumption during the period such meter or meters are out of service will be considered to be the same as the consumption for a like period either immediately before or after the interruption as elected by the Port Authority. The Port Authority shall not discontinue the supply of electricity except upon fifteen (15) days' notice to the Lessee and unless a supply of electricity of the same voltage, phase and cycle (subject to the KVA limitation aforesaid) shall be available from another supplier and upon any such discontinuance the Lessee shall be at liberty to contract or otherwise arrange for the supply of such current after the expiration of said fifteen (15) days from any other person, firm or corporation. The Port Authority shall install the appropriate meters.

(b) The Port Authority agrees to sell, furnish and supply to the Lessee for use on the premises cold water (of the character furnished by the City of New York) in reasonable quantities through pipes, mains and fittings and the Lessee agrees to take such water from the Port Authority and to pay the Port Authority therefor an amount equal to that which would be charged by the municipality or other supplier of the same (whether or not representing a charge for water or other services measured by water consumption) for the same quantity, used under the same conditions and in the same service classification plus the cost to the Port Authority of supplying such water which shall not be less than ten percent (10%) nor in excess of twenty percent (20%) of the amount charged. The charge therefor shall be payable by the Lessee when billed and the quantity of water consumed shall be measured by the meter or meters installed for the purpose; provided, however, that if for any reason, any meter or meters fail to record the consumption of water, the consumption during the period such meter or meters are out of service will be considered to be the same as the consumption for a like period immediately before or after the interruption, as elected by the Port Authority. The Port Authority shall install the appropriate meters. In the event meters are not installed to measure the consumption of water under high pressure, the quantity of such water used by the Lessee will be based upon equitable estimates of consumption.

(c) The Lessee shall pay to the Port Authority such of the existing and future charges for sewerage services furnished by the City of New York as are presently or may hereafter be imposed or assessed against the Port Authority in respect of the Lessee's premises or its use and occupancy thereof. In the event that the City or the State of New York is now furnishing services with or without charge therefor, which are beneficial to the Lessee in its use and occupancy of the premises, and shall hereafter impose charges or increase existing charges for such services, the Lessee agrees to pay to the Port Authority such of the charges or the increase in charges as may be imposed or assessed against the Port Authority in respect of the Lessee's premises or its use and occupancy thereof.

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

(e) The Port Authority shall be under no obligation to supply services if and to the extent and during any period that the supplying of any such service or the use of any component necessary therefor shall be prohibited or rationed by any federal, state or municipal law, rule, regulation, requirement, order or direction and if the Port Authority deems it in the public interest to comply therewith, even though such law, rule, regulation, requirement, order or direction may not be mandatory on the Port Authority as a public agency. The Port Authority shall not be obligated to perform or furnish any other service whatsoever in connection with the premises or any services at any time while the Lessee shall be in default hereunder or has breached any of the provisions hereof after the period, if any, herein granted to cure such default shall have expired.

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

Section 41. Outside Utility Lines

The Port Authority, shall, if and to the extent required, bring appropriate roadway access stubs and service lines for the supply of water, electric power, telephone (limited to two (2) four inch telephone conduits), sanitary sewers and storm sewers to such locations at the perimeter of the premises or to other locations off the premises as the Port Authority shall determine, the foregoing being respectively called "the Access Stubs", "the Water Lines", "the Electric Lines", "the Telephone Lines", "the Sanitary Sewer Lines", and "the Storm Sewer Lines" and all of the foregoing being herein collectively called "the Outside Utility Lines".

Anything in the Lease to the contrary notwithstanding the Lessee hereby expressly understands that the Outside Utility Lines are not and shall not be or be deemed to be a part of the premises hereunder nor a part of the construction work.

Section 42. Restaurant and Bar

The Lessee may select and thereafter enter into an agreement with a qualified Restaurant Operator (hereinafter referred to in this Section as the "Restaurant Operator") authorizing the Restaurant Operator to operate in the premises facilities for the sale of food, alcoholic and non-alcoholic beverages and similar items for consumption in the premises (the Service) provided, however, that prior to any such selection and prior to the entering by the Lessee into any such agreement with the Restaurant Operator, said Restaurant Operator obtains a permit from the Port Authority authorizing such Restaurant Operator to operate the Service in a portion of the premises hereunder. Prior to the issuance of any such permit, the proposed Restaurant Operator may be required to submit to the Port Authority evidence satisfactory to the Port Authority of its qualifications, the scope of its proposed operations and the standards of service it will provide. Any such permit will provide that the Restaurant Operator will conduct its operations at the premises in a first-class manner in accordance with the best practices in the industry and shall comply with maximum Port Authority standards with respect to service, health, sanitary and safety measures. The permit will not be revoked without cause by the Port Authority without the prior consent of the Lessee. In the event of any inconsistencies between the terms of the permit and the terms of the agreement between the Lessee and the Restaurant Operator, the terms of the permit shall control and be prevailing. Without limiting the foregoing, it is agreed that prior to the issuance of the permit the Port Authority shall make a copy of the same available to the Lessee and that upon the execution of the permit by the proposed Restaurant Operator the same shall be subscribed to by the Lessee.

The agreement between the Lessee and the Restaurant Operator shall cover the arrangements for the space to be used in the Service within the premises including the amount, type and location of the space. The Lessee will bring to the perimeter of the space to be occupied by the Restaurant Operator pipes, wires and conduits for the supply of electricity, gas and water, together with the necessary steam and waste lines for use in connection with the Service and shall provide said utilities to the Restaurant Operator. Said agreement will also provide that the Restaurant Operator will furnish and install at its own expense all necessary fixtures, furniture and personal property required in connection with the Service and that the Restaurant Operator may be required to perform all work necessary or required to finish off the space, including the finishing of the floors and ceilings from the structural slab and the walls from the rough partitions. In addition to other rights of termination or revocation that may be contained therein, said agreement between the Restaurant Operator and the Lessee may contain appropriate provisions permitting cancellation of the agreement by the Lessee on short notice in the event the Service provided by the Restaurant Operator is unsatisfactory to the Lessee.

The agreement between the Lessee and the Restaurant Operator shall not call for any fixed rental or fee but shall provide that the Operator shall pay a percentage fee based upon the gross receipts of the Restaurant Operator from the sale of food, alcoholic and non-alcoholic beverages, which fee shall be subject to the prior written approval of the Port Authority and shall be incorporated into the permit to be issued by the Port Authority. There shall be no other payments by the Restaurant Operator to the Lessee except for appropriate payments for any utilities which may be furnished to the Restaurant Operator by the Lessee, it being understood, however, that the foregoing shall not preclude the Lessee from furnishing services to the Restaurant Operator, such as janitorial and garbage removal services, and from receiving payments from the Restaurant Operator for such services provided the same are covered by appropriate written agreements duly entered into between the Lessee and the Restaurant Operator including the charges therefor, and that the Lessee hereby agrees to provide the Port Authority with any and all agreements covering any such services promptly and upon the receipt of a request therefor from the Port Authority. It is hereby understood and agreed that 80% of the percentage fee payable by the Restaurant Operator shall be paid by the Restaurant Operator to the Lessee and 20% of the percentage fee payable by the Restaurant Operator shall be paid by the Restaurant Operator to the Port Authority. Both the agreement between the Lessee and the Restaurant Operator and the permit to be issued by the Port Authority shall have provisions covering the fee in accordance with this Section and, without limiting the generality of any other provision of this Section, the permit shall control as to the manner, conditions and terms of payment.

In the event the Restaurant Operator is the same person providing plane meal and hangar meal service to the Lessee and is a wholly owned subsidiary of the Lessee, the fees to be paid by the Restaurant Operator shall apply only to the gross receipts of the Restaurant Operator from the sale of food, alcoholic and non-alcoholic beverages in the Shuttle Terminal Facilities, and the Port Authority shall determine the percentage fee.

Section 43. Vending Machines, Public Telephones, Advertising Displays

If requested by the Lessee the Port Authority, by itself or through contractors, lessees, or permittees, shall endeavor to install and maintain in the premises vending machines, public telephones, and advertising displays, at such locations and to such extent as requested by the Lessee. The Lessee shall provide the necessary wires and conduits for the supply of electricity for such machines and displays and shall provide such electricity.

The Port Authority shall require its contractors, lessees, or permittees to pay a fixed or a percentage fee or a combination of both (hereinafter in this Section 43 referred to as "the fee") based in whole or in part upon the gross receipts received from such vending machines, public telephones, and advertising displays.

The Port Authority shall pay the Lessee a fee equivalent to 80% of the fee collected by the Port Authority from its contractors, lessees or permittees aforementioned. The fees payable hereunder shall be paid in the manner, under the conditions and at the times, provided in Section 48 hereof. It is agreed, however, that if any agreement between the Port Authority and any of its contractors, lessees or permittees covered by this Section 43 hereof calls for direct payment to the Lessee by such contractor, lessee or permittee of the Lessee's share, as aforesaid, the provisions of the last paragraph of Section 48 hereof after the word "Lessee" in the fifth line thereof shall not apply.

Section 44. Insurance Covering Air Transportation

The Port Authority may enter into agreements with one or more qualified insurance vendors requiring such insurance vendors to sell or arrange for the sale at the premises of insurance covering air transportation of such types and coverages as may be required by the Lessee (the Service).

Any agreement between the insurance vendor and the Port Authority shall provide that such insurance vendor shall pay to the Port Authority a basic rental for the space occupied by such insurance vendor in the premises in connection with the Service. The basic rental will be based upon the cost to the Lessee of providing such space to the insurance vendor. In determining the cost to the Lessee there shall be considered the Facility Rental, the Airport City Rental, the Ground Rental and the cost of providing, operating and maintaining public areas within the Shuttle Terminal Facilities. The amount of the basic rental to be paid by the insurance vendor shall be agreed upon between the Port Authority and the Lessee, when the costs aforementioned are determined or can be reasonably estimated.

Notwithstanding any determination as to the amount that would be called for to satisfy the criteria of the cost to the Lessee as set forth above in establishing the basic rental, it is hereby expressly understood and agreed that the amount to be charged to the insurance vendor as the amount of the basic rental shall in no event exceed a rate in excess of $35 per square foot per annum.

The agreement shall provide further that the insurance vendor shall pay to the Port Authority a percentage fee based upon the gross receipts of said insurance vendor in the operation of the Service, less the amount of the basic rental payable by the insurance vendor, the amount of said percentage fee payable to the Port Authority up to the amount of the basic rental being herein called "the basic rental equivalent".

The Port Authority shall pay to the Lessee the amount of the basic rental. As and to the extent that the percentage fee paid to the Port Authority exceeds the basic rental, the Port Authority shall retain the percentage fee up to the amount of the basic rental equivalent. The excess if any of the percentage fee remaining shall be divided equally between the Port Authority and the Lessee and the Port Authority shall pay the Lessee's share to the Lessee. The rental and fees payable hereunder shall be paid in the manner, under the conditions and at the times provided in Section 48.

The agreement with the insurance vendor will provide that: (a) if the Lessee so requests, the insurance vendor shall provide a general information service to the public; and (b) the insurance vendor shall not be required to provide a counter for the sale of insurance if, in its opinion, there will be insufficient patronage to support such a counter; and (c) the insurance vendor shall not be required to continue to provide at any designated location vending machines for the sale of insurance when the gross premiums from any such machines at any such locations is less than $100.00 per month, provided, however, if twenty-four (24) hour counter coverage is not provided there shall be at least one machine in the Shuttle Terminal Facilities.

The location of insurance counters and insurance vending machines shall be determined by the Lessee subject to the approval of the Port Authority. The insurance vendor will furnish and install at its expense all necessary fixtures, machines, counters and equipment required in connection with its operations. The Lessee shall provide the necessary wires and conduits for the supply of electricity for use in connection with the insurance vendor's operation and shall provide such electricity to the insurance vendor.

Section 45. Newsstands

The Lessee may select and thereafter enter into an agreement or agreements with a qualified Newsstand Operator or Operators (hereinafter referred to in this Section as the "Newsstand Operator") authorizing the Newsstand Operator to operate in the premises stands for the sale at retail of newspapers and magazines, cigarettes, cigars and other supplies for smoking and candy, chewing gum, playing cards and paper-bound books, to the extent required by the Lessee, provided, however, that prior to any selection and prior to the entering by the Lessee into any such agreement with any Newsstand Operator, said Newsstand Operator obtains a permit from the Port Authority authorizing said Newsstand Operator to operate the Service in a portion of the premises hereunder. Prior to the issuance of any such permit, the proposed Newsstand Operator may be required to submit to the Port Authority evidence satisfactory to the Port Authority of its qualifications, the scope of its proposed operations and the standards of service it will provide. Any such permit will provide that the Newsstand Operator will conduct its operations at the premises in a first-class manner in accordance with the best practices in the industry and shall comply with maximum Port Authority standards with respect to service, health, sanitary and safety measures. The permit will not be revoked without cause by the Port Authority without the prior consent of the Lessee. In the event of any inconsistencies between the terms of the permit and the terms of the agreement between the Lessee and the Newsstand Operator, the terms of the permit shall control and be prevailing. Without limiting the foregoing, it is agreed that prior to the issuance of the permit the Port Authority shall make a copy of the same available to the Lessee and that upon the execution of the permit by the proposed Newsstand Operator the same shall be subscribed to by the Lessee.

The agreement between the Lessee and the Newsstand Operator shall cover the arrangements for the space to be used in the Service within the premises including the amount, type and location of the space and the amount of the storage space. The Lessee will bring to the perimeter of the space to be occupied by the Newsstand Operator pipes, wires and conduits for the supply of electricity and water for use in connection with the Service and shall provide said utilities to the Newsstand Operator. Said agreement will also provide that the Newsstand Operator will furnish and install at its own expense all necessary fixtures, stands, counters, equipment and other personal property required in connection with the Service and that the Newsstand Operator may be required to perform all work necessary or required to finish off the space, including the finishing of the floors and ceilings from the structural slab and the walls from the rough partitions. In addition to other rights of termination or revocation that may be contained therein, said agreement between the Newsstand Operator and the Lessee may contain appropriate provisions permitting cancellation of the agreement by the Lessee on short notice in the event the Service provided by the Newsstand Operator is unsatisfactory to the Lessee.

In addition to the items mentioned in the first paragraph of this Section, the agreement with the Newsstand Operator will provide that the Newsstand Operator will be permitted to sell at retail on the premises such other merchandise as set forth in the prior written consent of the Port Authority and the Lessee which consent may be given from time to time. Furthermore, the agreement between the Newsstand Operator and the Lessee shall provide that said Newsstand Operator shall pay to the Lessee a basic rental for the space occupied by such Newsstand Operator in the premises in connection with the Service (excluding storage space). The basic rental will be based upon the cost to the Lessee of providing such space (excluding storage space) to the Newsstand Operator. In determining the cost to the Lessee there shall be considered the Facility Rental, the Airport City Rental, the Ground Rental and the cost of providing operating and maintaining public areas within the Shuttle Terminal Facilities. The amount of the basic rental to be paid by the Newsstand Operator shall be agreed upon between the Port Authority and the Lessee when the costs aforementioned are determined or can be reasonably estimated.

Notwithstanding any determination as to the amount that would be called for to satisfy the criteria of cost to the Lessee as set forth above in establishing the basic rental, it is hereby expressly understood and agreed that the amount to be charged to the Newsstand Operator as the amount of the basic rental shall in no event exceed a rate in excess of $35 per square foot per annum. The agreement shall provide further that the Newsstand Operator shall pay to the Port Authority a percentage fee based upon the gross receipts of said Newsstand Operator in the operation of the Service, less the amount of the basic rental payable by the Newsstand Operator to the Lessee, the amount of said percentage fee payable to the Port Authority up to the amount of the basic rental being herein called "the basic rental equivalent". The Lessee shall furnish without charge storage space in the premises for the use of the Newsstand Operator.

The agreement with the Newsstand Operator shall provide furthermore that the Newsstand Operator shall pay directly to the Port Authority and to the Lessee the excess, if any, of the percentage fee remaining after the Newsstand Operator has paid to the Port Authority the basic rental equivalent, said excess to be divided equally between the Lessee and the Newsstand Operator and the permit to be issued by the Port Authority shall have provisions covering the percentage fee in accordance with this Section and without limiting the generality of any other provision of this Section, the permit shall control as to the manner, conditions and terms of payment.

Section 46. Sale of Other Merchandise

If the Lessee requests that additional consumer services be provided in the premises for the sale of other items or the furnishing of other services the Port Authority will endeavor to secure a qualified tenant, permittee or licensee (hereinafter referred to as the "Additional Operator"), to furnish such consumer services and if such operator is secured the Port Authority shall enter into contracts or agreements with such Additional Operator requiring it to furnish the items or services to the extent required by the Lessee (hereinafter referred to as "the Service").

Any agreement between the Additional Operator and the Port Authority shall provide that the Additional Operator shall pay to the Port Authority a basic rental for the space occupied by the Additional Operator in the premises in connection with the Service. The basic rental will be based upon the cost to the Lessee of providing such space to the Additional Operator, the amount, type and location of the space to be agreed upon by the Port Authority and the Lessee. In determining the cost to the Lessee there shall be considered the Facility Rental, the Airport City Rental, the Ground Rental and the cost of providing, maintaining and operating public areas within the Shuttle Terminal Facilities. The amount of the basic rental to be paid by the Additional Operator shall be agreed upon between the Port Authority and the Lessee, when the costs aforementioned are determined or can be reasonably estimated.

Notwithstanding any determination as to the amount that would be called for to satisfy the criteria of the cost to the Lessee in establishing the basic rental as set forth above, it is hereby expressly understood and agreed that the amount to be charged to the Additional Operator as the amount of the basic rental shall in no event exceed a rate in excess of $35 per square foot per annum. The agreement shall provide further that the Additional Operator shall pay to the Port Authority a percentage fee based upon the gross receipts of said Additional Operator in the operation of the Service, less the amount of the basic rental payable by the Additional Operator, the amount of said percentage fee payable to the Port Authority up to the amount of the basic rental being herein called "the basic rental equivalent.

The Port Authority shall pay to the Lessee the amount of the basic rental. As and to the extent that the percentage fee paid to the Port Authority exceeds the basic rental, the Port Authority shall retain the percentage fee up to the amount of the basic rental equivalent. The excess if any of the percentage fee remaining shall be divided equally between the Port Authority and the Lessee and the Port Authority shall pay the Lessee's share to the Lessee. The rental and fees payable hereunder shall be paid in the manner, under the conditions and at the times provided in Section 48. It is agreed, however, that if any agreement between the Port Authority and the Additional Operator calls for direct payment to the Lessee by the Additional Operator of any such rental or fees the provisions of the last paragraph of Section 48 after the word "Lessee" in the fifth line thereof shall not apply.

The Agreement with the Additional Operator shall provide that the Additional Operator will furnish and install at its expense all necessary fixtures, stands, counters and equipment required in connection with the Service and all construction necessary to accommodate the same.

In the event the Port Authority is unable to secure a qualified tenant, permittee or licensee satisfactory to the Lessee to provide the consumer services requested by the Lessee in accordance with the terms and conditions set forth in this Section, the Lessee may make its own arrangements with a person of its own choice, subject to the Port Authority's approval of such person. Such approval may include limitations as to the scope of the activities of such person in the light of the availability of similar services in the Central Terminal Building (as such Building is described in Section 58 hereof).

Furthermore such person must also obtain a permit from the Port Authority authorizing such Person to operate the Service at the Airport in or on the premises leased to the Lessee. Prior to the issuance of any such permit such Person may be required to submit to the Port Authority evidence satisfactory to the Port Authority of its qualifications, the scope of its proposed operations and the standards of service it will provide. Any such permit will provide that such Person will conduct its operations thereunder in a first-class manner in accordance with the best practices in the industry and shall comply with the maximum Port Authority standards with respect to service, health, sanitary and safety measures. Such other Person shall be required to pay to the Port Authority a fee but such fee shall not in any event exceed the fees or charges that would be proposed to be retained by the Port Authority if such establishment were operated by a regular Operator of the Authority. The permit will not be revoked without cause, without the prior consent of the Lessee.

Section 47. Subletting of Lessee's Premises for Consumer Services

Irrespective of whether the Persons selected in accordance with this Agreement to furnish the Consumer Services set forth in Sections 42, 43, 44, 45 and 46 hereof have agreements with or are contractors or permittees of the Port Authority, the Lessee may require that such Persons enter into separate agreements or subleases with the Lessee as a condition precedent to the occupancy of space within and the operation of such establishments upon the Lessee's premises, provided, however, that all such Persons must have first obtained a permit from the Port Authority authorizing them to operate such establishments. The terms and provisions of the said agreements or subleases shall not be inconsistent with the terms of this Agreement except that the same may provide for cancellation by the Lessee on short notice in the event the services furnished by such Persons are unsatisfactory to the Lessee. Without limiting the generality of Section 19 hereof, all of the said agreements or subleases shall be subject to the prior written consent of the Port Authority.

Prior to the issuance of any of the aforementioned permits, such Persons may be required to submit to the Port Authority evidence satisfactory to the Port Authority of their qualifications, the scope of their proposed operations and the standards of service they will provide. Any such permits will provide that such Persons will conduct their operations thereunder in a first-class manner in accordance with the best practices in the industry and shall comply with the maximum Port Authority standards with respect to service, health, sanitary and safety measures. Such Persons shall be required to pay to the Port Authority a fee but such fee shall not in any event exceed the fees or charges that would be retained by the Port Authority if their respective establishments were operated by regular Operators of the Port Authority.

Section 48. Obligations in Connection with Consumer Services Agreements

The Port Authority shall administer all contracts and agreements with such tenants, licensees or permittees furnishing consumer services at the premises as are covered by Sections 43, 44 and 46. All such contracts and agreements shall contain provisions, among others, providing that such tenant, licensee or permittee shall:

(a) Take all reasonable measures in every proper manner to maintain, develop and increase the business conducted by it at the premises;

(b) Not divert or cause or allow to be diverted any business from the premises;

(c) Maintain in accordance with accepted accounting practice, records and books of account recording all transactions at, through or in anywise connected with the premises, which records and books of account shall be kept at all times within the Port of New York District and permit, in ordinary business hours during such time, the examination and audit by the officers, employees and representatives of the Port Authority of such records and books of account;

(d) Permit in ordinary business hours the inspection by the officers, employees and representatives of the Port Authority or the Lessee of any equipment used by the tenant, licensee or permittee, including but not limited to cash registers and recording tapes;

(e) Furnish on or before the twentieth day of each month following the commencement date of the operation a sworn statement of gross receipts arising out of the operations of the tenant, licensee or permittee, for the preceding month;

(f) Install and use such cash registers, sales slips, invoicing machines and any other equipment or devices for recording orders taken or services rendered as may be appropriate to the business and necessary or desirable to keep accurate records of gross receipts;

(g) Furnish good, prompt and efficient service, adequate to meet all demands therefor at the premises; furnish said service on a fair, equal and non-discriminatory basis to all users thereof; and charge fair, reasonable and non-discriminatory prices for all items and/or services which it is permitted to sell and/or render;

(h) Promptly observe, comply with and execute the provisions of any and all present and future governmental laws, rules, regulations, requirements, orders and directions which may pertain and apply to its operations or the use and occupancy of the premises.

The Port Authority does not guarantee the payments of rentals and fees required to be paid by the tenant, licensee, permittee or operator pursuant to the provisions of Sections 43, 44 and 46 hereof and shall have no obligation to the Lessee to make any payments to the Lessee until the fees or rentals are actually collected from the tenant, licensee, permittee or operator. The Port Authority will advise the Lessee of all accounts remaining delinquent for more than sixty (60) days and will consult with the Lessee as to the appropriate steps to effect collection. A default by the Port Authority in observing the provisions of the preceding sentence shall not result in the imposition of any liability on the Port Authority with respect to the Lessee.

Section 49. Lessee's Right of Termination

(a) Upon the Port Authority's determination of the estimated proposed aggregate price of Contract LGA 530.001 and LGA 530.002 covering the Combined Construction and prior to the award of contract LGA 530.001 the Port Authority shall in writing notify the Lessee of the estimated proposed aggregate price of said contracts for the Combined Construction. The Lessee shall have the right to terminate this Agreement by notifying the Port Authority in writing of such election within ten (10) days after delivery of the Port Authority's notice. In the event that the Lessee does not duly and timely so notify the Port Authority of the exercise of its right of termination then the Lessee shall be deemed to have waived the right of termination provided in this Section.

(b) In the event the Lessee duly and timely exercises it right of termination as aforesaid, then

(1) The Lessee shall within thirty (30) days after the delivery by the Port Authority to the Lessee of a statement to such effect pay to the Port Authority the amount of the Cost of the Total Construction as defined in paragraph (k) of Section 2 hereof incurred and ascertained as of the date of said statement less any payments previously made and shall continue to do so until all such costs have been ascertained, it being understood that, except for the Postal Service work, and the work under contract LGA 530.002, the Port Authority shall not incur additional costs after the effective date of termination. It is specifically understood that for purposes of this subparagraph (1) the amounts specified in item (9) of paragraph (k) of Section 2 hereof and designated as Interim Monthly Amounts shall be included in the Cost of the Total Construction up to the final payment of the amounts due under this subparagraph (1) instead of up to the first payment of the Facility Rental.

(2) This Agreement shall be deemed cancelled and of no further force or effect and each party shall and does hereby release the other party of and from any and all claims or demands based on this Agreement, any breach or alleged breach thereof or the non-performance thereof, except for the obligations of the Lessee under subparagraph (1) of paragraph (b) of this Section 49 which shall survive such cancellation.

(c) It is understood and agreed that the provisions of paragraph (b) hereof shall apply and pertain with like effect in the event of the termination of this Agreement pursuant to paragraph (e)(1) of Section 2 of this Agreement or in the event of the cancellation of this Agreement pursuant to paragraph (c)(1) of Section 3 hereof.

(d) It is hereby expressly understood and agreed that the Port Authority makes no representations that the aforesaid estimated proposed aggregate price of the contracts for the Combined Construction shall be the actual total aggregate price paid under such contracts for the Combined Construction. The fact that the Lessee does not exercise its right of termination as provided in paragraph (a) of this Section 49, shall not preclude, prevent or estop the Port Authority from thereafter making payments to the contractor or contractors performing the construction work or the Off-site work in excess of the total estimated aggregate price of said contract or contracts, if said excess amounts paid are incurred pursuant to any provision of this Agreement, and the total price paid by the Port Authority to its contractor or contractors including any amounts in excess of the total estimated proposed aggregate price of the contract or contracts shall be included in the Cost of the construction work as provided in paragraph (k) of Section 2 of this Lease.

Section 50. Ground Transportation Services

The Lessee shall make available within the premises at reasonable rental rates, such counter spaces as may be reasonably determined by the Lessee and at such locations as may be determined by the Lessee for use by limousine, bus, car rental and other ground transportation operators at the Airport, all of the foregoing being hereinafter called "the ground transportation operators". The Lessee shall enter into agreements with, but only with, such ground transportation operators as are designated or approved by the Port Authority, covering the occupancy of said counter space, which agreements may provide for the payment of basic rental (but no

other rental, charge or fee of any kind) to the Lessee for the counter space, provided that such basic rental shall in no event exceed a rate in excess of $35 per square foot per annum. The Port Authority shall have the right to, in its agreement with any ground transportation operator, impose obligations on the ground transportation operator with respect to its operation at the counter space, including but not limited to the dissemination of information applicable to said service, and may charge such fees payable to the Port Authority as it may determine. Without limiting the generality of Section 19 hereof, all of the said agreements between the Lessee and ground transportation operators shall be subject to the prior written consent of the Port Authority.

Section 51. Automobile Parking

The Lessee shall prevent all persons from parking automobiles on the premises, except that automobiles may be permitted to be on the premises for a reasonable period of time for the purpose of discharging or picking up passengers and for official and special purposes.

Section 52. Force Majeure

(a) The Port Authority shall not be liable for any failure, delay or interruption in performing its obligations hereunder due to causes or conditions beyond its control, by which is meant acts of God, the elements, weather conditions, tides, earthquakes, settlements, fire, acts of governmental authority, war, shortage of labor materials, acts of third parties for which the Port Authority is not responsible, injunctions, labor troubles or disputes of every kind (including all those affecting the Port Authority, its contractors, suppliers or subcontractors) or any other condition or circumstances, whether similar to or different from the foregoing, (it being agreed that the foregoing enumeration shall not limit or be characteristic of such conditions or circumstances) which is beyond the control of the Port Authority.

(b) No abatement, diminution or reduction of the rent or other charges payable by the Lessee, shall be claimed or allowed to the Lessee for any inconvenience, interruption, cessation or loss of business or other loss caused, directly or indirectly, by any present or future laws, rules, requirements, orders, directions, ordinances or regulations of the United States of America, or of the state, county or city governments, or of any other municipal, governmental, or lawful authority other than the Port Authority whatsoever, or by priorities, rationing or curtailment of labor or materials, or by war or any matter or thing resulting therefrom or by any other cause or causes beyond the control of the Port Authority, nor shall this Agreement be affected by any such causes, except as otherwise herein specifically provided.

Section 53. Ingress and Egress

(a) The Lessee, its officers, employees, passengers, patrons, invitees, contractors, suppliers of material and furnishers of services, shall have the right of ingress and egress between the premises and the city streets or public ways outside the Airport by means of existing roadways 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 54. Non-Discrimination

(a) Without limiting the generality of any of the provisions of the Agreement, the Lessee, for itself, its successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (1) no person on the grounds of race, color, creed, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the premises, (2) that in the construction of any improvements on, over, or under the premises and the furnishing of services thereon, no person on the grounds of race, color, creed, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Lessee shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended, and any other present or future laws, rules, regulations, orders or directions of the United States of America with respect thereto which from time to time may be applicable to the Lessee's operations at the Airport whether by reason of agreement between the Port Authority and the United States Government or otherwise.

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

(c) The Lessee's noncompliance with the provisions of this Section shall constitute a material breach of this Agreement. In the event of the breach by the Lessee of any of the above nondiscrimination provisions the Port Authority may take any appropriate action to enforce compliance; or in the event such noncompliance shall continue for a period of twenty (20) days after receipt of written notice from the Port Authority, the Port Authority shall have the right to terminate this Agreement and the letting hereunder with the same force and effect as a termination under the Section of this Agreement providing for termination for default by the Lessee in the performance or observance of any other term or provision of this Agreement, or may pursue such other remedies as may be provided by law; and as to any or all of the foregoing, the Port Authority may take such action as the United States may direct.

(d) The Lessee shall indemnify and hold harmless the Port Authority from any claims and demands of third persons including the United States of America resulting from the Lessee's noncompliance with any of the provisions of this Section and the Lessee shall reimburse the Port Authority for any loss or expense incurred by reason of such noncompliance.

(e) Nothing contained in this Section shall grant or shall be deemed to grant to the Lessee the right to transfer or assign this Agreement, to make any agreement or concession of the type mentioned in paragraph (b) hereof, or any right to perform any construction on the premises.

Section 55. Additional Right of Termination by the Port Authority

(a) (1) In the event and at any time during the term of the Lease the Port Authority pursuant to a resolution of its Board adopts a plan under which the hangars at the Airport known as Hangars Nos. 2, 4, 6 and 8 are to be demolished for the purpose of the construction of passenger terminal facilities at the Airport, (hereinafter called "the ~~Westerly~~ Easterly Project"), whether such construction is to be performed by the Port Authority, by its independent contractors or by proposed tenant or tenants of said passenger terminal facilities or by any combination of the foregoing, then upon the commencement of the implementation of the ~~Westerly~~ Easterly Project and upon six (6) months' prior written notice thereof to the Lessee, the Port Authority shall have the right to terminate the letting under the Lease as to the portion of the premises shown in stipple and stipple hatching on Exhibit C, attached hereto and hereby made a part hereof. Upon such termination, the term of the letting hereunder as to the portion of the premises as shown in stipple and stipple hatching on Exhibit C shall cease and expire on the effective date of termination as shall be stated in said notice as if said date were the date originally stated in this Lease for the expiration of the term of the letting as to said portion of the premises. This Agreement and the letting hereunder as to all other portions of the premises shall continue in full force and effect.

(2) Subject only to the appropriate written concurrence of the lessees, tenants or other users as set forth below in this subparagraph (2), the strip of land shown in

stipple hatching on Exhibit C, together with the corresponding contiguous strip of land on the premises shown in hatching on Exhibit C, 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, of the portion of the premises terminated under subparagraph (1) of this paragraph (a) or by any successors in interest of either or any of them or other sublessees or other occupants or users who, pursuant to Port Authority permission, may occupy or use the premises herein and such rights of easement for such taxiway purposes shall continue during the effective period of the respective agreements covering the same. The land shown in stipple hatching and hatching on Exhibit C as aforesaid shall be used as dual joint taxiways. The Port Authority hereby agrees that it shall enter into the necessary agreements with any such other lessees, tenants or other users. In the event and during any period when there is no lessee, tenant or other user of the portion of the premises terminated under subparagraph (1) of this paragraph (a), then the strip of land shown in stipple hatching on Exhibit C shall be subject to an easement for a taxiway to be used by the Lessee together with the strip of land shown in hatching on Exhibit C.

(3) In the event of the termination of the portion of the premises pursuant to subparagraph (1) of this paragraph (a), the annual amount payable by the Lessee to the Port Authority from and after the effective date hereof as Ground Rental pursuant to Section 4 of this Lease shall be reduced by the amount of per annum.

(4) In the event the Port Authority enters into a lease with a Schedule Aircraft Operator covering any of the passenger terminal facilities constructed as part of the ~~Wester~~ly Project which lease calls for a lower ground rental rate than the ground rental rate herein, then from and after the effective date of such lease, the Ground Rental set forth in Section 4 hereof shall be prospectively reduced so that it would be at the ground rental rate under such lease with said Schedule Aircraft Operator, and the Port Authority shall serve a written notice to the Lessee to such effect which notice shall also set forth abatement rates appropriately adjusted to reflect the aforesaid lower ground rental rate.

(b) (1) In the event and at any time during the term of the Lease the Port Authority pursuant to a resolution of its Board adopts a plan under which passenger terminal facilities will be constructed and which will utilize the portion of the premises as shown in stipple and stipple hatching on Exhibit D, attached hereto and hereby made a part hereof (such plan being hereinafter called "the Easterly Project"), whether such construction is to be performed by the Port Authority, by its independent contractors or by proposed tenant or tenants of said passenger terminal facilities or by any combination of the foregoing, then upon the commencement of the implementation of the ~~Easterly~~ Project and upon six (6) months' prior written notice thereof to the Lessee, the Port Authority shall have the right to terminate the letting under the Lease as to the portion of the premises shown in stipple and stipple hatching on Exhibit D. Upon such termination, the term of the letting as to the portion of the premises as shown in stipple and stipple hatching on Exhibit D shall cease and expire on the effective date of termination as shall be stated in said notice as if said date were the date originally stated in this Lease for the expiration of the term of the letting as to said portion of the premises. This Agreement and the letting hereunder as to all other portions of the premises shall continue in full force and effect.

(2) In the event the Port Authority exercises its right of termination pursuant to subparagraph (1) of this paragraph (b), then, as and for a replacement of the portion of the premises so terminated, upon the effective date of termination as stated in

the notice mentioned in said subparagraph (1) and without any further document to be executed, the Port Authority shall let to the Lessee and the Lessee shall hire and take from the Port Authority upon all the terms, provisions and conditions of the Lease the land shown in stipple on Exhibit E, attached hereto and made a part hereof, said land together with any fixtures, improvements and other property of the Port Authority, if any, which may be located therein or thereon, to be and become a part of the premises under the Lease.

(3) Subject only to the appropriate written concurrence of the lessees, tenants or other users as set forth below in this subparagraph (3), the strip of land shown in stipple hatching on Exhibit D, together with the corresponding contiguous strip of land on the premises shown in hatching on Exhibit D, 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, of the portion of the premises terminated under subparagraph (1) of this paragraph (b) or by any successors in interest of either or any of them or other sublessees or other occupants or users who, pursuant to Port Authority permission, may occupy or use the premises herein and such rights of easement for such taxiway purposes shall continue during the effective period of the respective agreements covering the same. The land shown in stipple hatching and hatching on Exhibit D as aforesaid shall be used as dual joint taxiways. The Port Authority hereby agrees that it shall enter into the necessary agreement with any such other lessees, tenants or other users. In the event and during any period when there is no lessee, tenant or other user of the portion of the premises terminated under subparagraph (1) of this paragraph (b), then the strip of land shown in stipple hatching on Exhibit D shall be subject to an easement for a taxiway to be used by the Lessee together with the strip of land shown in hatching on Exhibit D.

(4) In the event of the termination of the portion of the premises pursuant to subparagraph (1) and the letting pursuant to subparagraph (2) of this paragraph (a), the annual amount payable by the Lessee to the Port Authority for Ground Rentals pursuant to Section 4 of the Lease shall from and after the effective date thereof be reduced by the amount of (2.a.) per annum.

(5) In the event the Port Authority enters into a lease with a Scheduled Aircraft Operator covering any of the passenger terminal facilities constructed as part of the Easterly Project which lease calls for a lower ground rental rate than the ground rental rate herein, then from and after the effective date of such lease, the Ground Rental set forth in Section 4 hereof shall be prospectively reduced so that it would be at the ground rental rate under such lease with said Aircraft Operator, and the Port Authority shall serve a written notice to the Lessee to such effect which notice shall also set forth abatement rates appropriately adjusted to reflect the aforesaid lower ground rental rate.

Section 56. Commuter Airlines

The Port Authority recognizes that the Lessee has entered into various agreements with certain Commuter Airlines (hereinafter called "the Commuter Agreements") covering the occupancy of space or the providing of services in the hangar known as Hangar No. 8 at the Airport, which hangar was let to the Lessee by the Port Authority pursuant to an agreement of lease entered into between the Lessee and the Port Authority on the 17th day of July, 1961 and bearing Port Authority File No. AG-388, as the same has been heretofore amended and supplemented (sometimes hereinafter referred to as "the Hangar 8 premises") and that the Port Authority has approved or consented to the same. The Port Authority has no objection to the continuance in effect under the Lease of all or any of the Commuter Agreements subject

to the terms and conditions under which said Commuter Agreements are now in effect, which include but are not limited to the right of the Port Authority to revoke the consent granted to any such Commuter Agreement without cause. The Lessee shall prior to the Completion Date submit to the Port Authority for its approval and for the execution of such form of Consent Agreement as the Port Authority may determine such Commuter Agreements with such Commuter Airlines as the Lessee wishes to continue. It is hereby specifically understood and agreed that no consent given hereunder by the Port Authority shall be for the term of the Lease but shall be for an indefinite period or for such fixed term as consented to by the Port Authority and in all cases subject to revocation by the Port Authority without cause on thirty (30) days' notice.

Section 57. Definitions

The following terms, when used in this Agreement, shall, unless the context shall require otherwise, have the respective meanings given below.

(a) "Airport" shall mean the land and premises in The City of New York, in the County of Queens and State of New York, which are shown in green upon the Exhibit attached to the Basic Lease between The City of New York and the Port Authority referred to in subdivision (b) below, said Exhibit being marked "Map I" and lands contiguous thereto which may have been heretofore or may hereafter be acquired by the Port Authority to use for air terminal purposes.

(b) "Basic Lease" shall mean the agreement between The City of New York and the Port Authority dated April 17, 1947, as the same from time to time may have been or may be supplemented or amended. Said agreement dated April 17, 1947, has been recorded in the Office of the Register of The City of New York, County of Queens, on May 22, 1947, in Liber 5402 of Conveyances, at pages 319, et seq.

(c) "Agreement" shall mean this agreement of lease.

(d) "Lease" shall mean this agreement of lease.

(e) "Letting" shall mean the letting under this Agreement for the original term stated herein, and shall include any extension thereof.

(f) "Premises" shall mean and include the land, the buildings, structures and other improvements located or to be located or to be constructed therein or thereon, the equipment permanently affixed or permanently located therein, such as electrical, plumbing, sprinkler fire protection and fire alarm, heating, steam, sewage, drainage, refrigerating, communications, gas and other systems, and their pipes, wires, mains, lines, tubes, conduits, equipment and fixtures, and all paving, drains, culverts, ditches and catch-basins.

(g) "Public Landing Area" shall mean the area of land at the Airport including runways, taxiways and the areas between and adjacent to runways and taxiways, designated and made available from time to time by the Port Authority for the landing and taking off of aircraft.

(h) "Public Ramp and Apron Area" shall mean the area adjacent to the Public Landing Area designated and made available from time to time by the Port Authority for common use for the loading or unloading of passengers or cargo to or from aircraft using the public landing area.

(i) "Runways" (including approaches thereto) shall mean the portion of the Airport used for the purpose of the landing and taking-off of aircraft.

(j) "Scheduled Aircraft Operator" shall mean a Civil Aircraft Operator engaged in transportation by aircraft operated wholly or in part on regular flights to and from the Airport in accordance with published schedules; but so long as the Federal Aviation Act of 1958, or any similar federal statute providing for the issuance of Foreign Air Carrier Permits or Certificates of Public Convenience and Necessity or substantially similar permits or certificates, is in effect, no person shall be deemed to be a Scheduled Aircraft Operator within the meaning of this Lease unless he also holds such a permit or certificate.

(k) "Manager of the Airport" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the said Manager by this Agreement; but until further notice from the Port Authority to the Lessee it shall mean the Manager (or the temporary or acting Manager) of the Airport for the time being, or his duly designated representative or representatives.

(l) "Taxiways" shall mean the portion of the Airport used for the purpose of the ground movement of aircraft to, from and between the runways, the public ramp and apron area, the aircraft parking and storage space and other portions of the Airport (not including, however, any taxiways, the exclusive use of which is granted to the Lessee or any other person by lease, permit or otherwise).

(m) For purposes of Sections 42, 43, 44, 45, 46, 47 and 48 the phrase "gross receipts" shall mean and include all monies paid or payable to the Operator for sales made and for services rendered at or from the Shuttle Terminal Facilities, regardless of when or where the order therefor is received, and outside the Shuttle Terminal Facilities, if the order therefor is received at the Shuttle Terminal Facilities, and any other revenues of any type arising out of or in connection with the Operator's operations at the Shuttle Terminal Facilities, provided, however, that any taxes or other governmental charges imposed by law which are separately stated to and paid by a customer and directly payable to the taxing authority by the Operator, shall be excluded therefrom.

(n) "Governmental Authority", "Governmental Board", "Governmental Agency" shall mean federal, state, municipal and other governmental authorities, boards and agencies of any state, nation or government, except that it shall not be construed to include The Port Authority of New York and New Jersey, the lessor under this Lease.

(o) "Subsidiary" shall mean any corporation or company in which the Airline owns sixty percent or more of the total outstanding voting stock (other than treasury stock).

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

(q) "Civil Aircraft Operator" shall mean a Person engaged in civil transportation by aircraft or otherwise operating aircraft for civilian purposes, whether governmental or private. If any such Person is also engaged in the operation of aircraft for military, naval or air force purposes, he shall be deemed to be a Civil Aircraft Operator only to the extent that he engages in the operation of aircraft for civilian purposes.

(r) "Person" shall mean not only a natural person, corporation or other legal entity, but also two or more natural persons, corporations or other legal entities acting jointly as a firm, partnership, unincorporated association, consortium, joint adventurers or otherwise.

Section 58. LaGuardia Airline Lease

The Lessee and the Port Authority have heretofore entered into a separate Agreement of Lease dated the first day of January 1957, which covers, among other things, space in the Central Terminal Building at the Airport and flight fees at the Airport, which Agreement of Lease, as the same may have been heretofore or may hereafter be supplemented or amended, is herein called "the LaGuardia Airline Lease". The Lessee specifically acknowledges and recognizes that the LaGuardia Airline Lease expires on July 31, 1980. It is recognized by the Port Authority and the Lessee that neither the execution of this Lease, the performance of the construction work by the Port Authority, nor any of the obligations assumed by the Lessee under this Lease shall constitute an agreement by either of them that the parties will enter into negotiations with respect to an extension to or a replacement of the LaGuardia Airline Lease. The Lessee hereby specifically acknowledges that this Lease does not grant nor shall it be deemed to grant any rights whatsoever in the Lessee for an extension to or replacement of the LaGuardia Airline Lease. The Lessee understands that the foregoing can only be granted pursuant to specific authorization of the Board of Commissioners of the Port Authority which is subject to gubernatorial veto.

The Lessee hereby agrees that it shall never introduce in any forum the fact that the Lessee entered into this Lease or anything contained herein as the basis for a contention that there is in fact or by inference or by implication an agreement between the Lessee and the Port Authority to enter into an extension of the LaGuardia Airline Lease or to enter into any new lease in replacement thereof. The Lessee hereby agrees that it shall never claim that it is entitled in law or in equity to an extension of the LaGuardia Airline Lease or a new lease in replacement thereof because of the execution of this Lease or anything contained herein. Nor shall the Lessee introduce in any forum any alleged statements, representations, promises or assurances made or alleged to be made by representatives of the Port Authority to the extent that the same would change or affect the foregoing provisions of this Section.

Section 59. Acknowledgment of Risks and Obligations Assumed by the Lessee

The Lessee hereby specifically acknowledges that by its execution of this Agreement it has assumed certain risks including, but not limited to, the risks that the Agreement may be terminated if there are no mutually acceptable on-site work plans and specifications, the risk that the Agreement may be cancelled if the construction work is not commenced by January 15, 1980, and the risk that the Agreement may be terminated after the Lessee receives the Port Authority's notice of the estimated proposed aggregate price of the Combined Construction. The Lessee further specifically acknowledges that it has assumed certain financial obligations hereunder, as set forth herein, in the event the Agreement is so terminated or cancelled and that these financial obligations may represent a complete waste of monies for the Lessee. Notwithstanding the foregoing however, the Lessee expressly understands and agrees that neither the assumption of said risks and obligations by the Lessee nor any expense or loss incurred by the Lessee as a result thereof shall affect or limit in any way the discretion of the Port Authority in preparing or revising the plans and specifications, in negotiating and awarding any contract or contracts hereunder, in performing or causing to be performed the construction work or the Off-site work, or in doing any act or thing necessary, desirable or appropriate hereunder. The Port Authority shall have as full discretion in regard to the foregoing as if the Lessee had not assumed the aforementioned risks and obligations.

Section 60. Revision to Use of Premises

As stated in the Lease, it is hereby expressly acknowledged and agreed that the premises have been planned, designed and constructed for use as a Shuttle Terminal and it is the intention of the parties and the Lease provides that the premises be so used. In the event that any or all of the events hereinafter listed shall occur, then the Lessee may, subsequent to but no earlier than two (2) years after the commencement of the term hereof, serve a written notice upon the Port Authority representing to the Port Authority that (1) the operation of the premises as a Shuttle Terminal has resulted in substantial adverse economic consequences to the Lessee; (2) the operation of the premises as a Shuttle Terminal has resulted in a substantial underutilization of the premises; (3) as a result of changes in the air transportation industry, shuttle operations are no longer a practical and efficient method of using terminal facilities, whichever events are applicable. The Lessee's notice shall also set forth a request to the Port Authority for an amendment to Section 5 of the Lease requesting either (i) the right in the Lessee to utilize the premises for passenger terminal operations in addition to the operation of a Shuttle Terminal or (ii) the right in the Lessee to use the premises as a passenger terminal with no shuttle terminal operations.

Upon receipt of such notice and provided that the Lessee shall not be in default of the Lease at the time of such notice, the Port Authority, in reliance upon the representations of the Lessee as required to be set forth in its notice, shall prepare a Supplement to the Lease in form satisfactory to the Port Authority reflecting an amendment to Section 5 of the Lease as requested by the Lessee in its notice. Such Supplement shall not go into effect earlier than six (6) months after the Lessee's notice to the Port Authority has been served, provided the Lessee shall not be in default of the Lease as of the effective date of the Supplement and only if the Lessee validly executes and delivers the Supplement to the Port Authority within thirty (30) days of the Lessee's receipt of said Supplement as prepared by the Port Authority. Nothing contained herein shall be deemed to limit or affect the provisions of Section 33 of the Lease.

Section 61. Entire Agreement

This Agreement consists of the following: Sections 1 through 61, inclusive, and Exhibits A, B, C, D, E and F. Although all Exhibits have been expressly stated under the terms of this Agreement to be attached hereto, Exhibit B, because of its size and bulk, has not been physically attached to this Agreement, but the same shall be bound in separate packet or packets appropriately marked and initialled by the parties and shall be deemed to be attached to this Agreement. This 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. The Lessee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in this Agreement.

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

ATTEST:

s/ Doris Landrec
Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By s/ C B Pattarini

(Title) _____

(Seal)

ATTEST:

s/ Jos T. Healy Jr
Secretary

EASTERN AIR LINES, INC.

By s/ G W McCarter

(Title) Vice President

(Corporate Seal)

RISKS ASSUMED BY THE CONTRACTOR.

The Contractor assumes the following distinct and several risks, whether they arise from acts or omissions (whether negligent or not) of the Contractor, of the Authority, or of third persons, or from any other cause, and whether such risks are within or beyond the control of the Contractor, excepting only risks which arise solely from affirmative acts done by the Authority subsequent to the opening of Proposals on this Contract with actual and wilful intent to cause the loss, damage and injuries described in subparagraphs (a) through (c) below:

(a) The risk of loss or damage to the permanent construction prior to the rendition of the Certificate of Final Completion, (other than loss or damage to the portions of the permanent construction with respect to which Certificates of Partial Completion have been issued, if any) and the Contractor shall forthwith repair, replace and make good any such loss or damage to the permanent construction without cost to the Authority;

(b) The risk of claims, just or unjust, by third persons made against the Contractor or the Authority on account of injuries (including wrongful death), loss or damage of any kind whatsoever arising or alleged to arise out of or in connection with the performance of the Work (whether or not actually caused by or resulting from the performance of the Work) or out of or in connection with the Contractor's operations or presence at or in the vicinity of the construction site or Authority premises, whether such claims are made and whether such injuries, damage and loss are sustained at any time both before and after the rendition of the Certificate of Final Completion;

(c) The risk of loss or damage to any property of the Contractor, and of claims made against the Contractor or the Authority for loss or damage to any property of subcontractors, materialmen, workmen and others performing the Work, occurring at any time prior to completion of removal of such property from the construction site or Authority premises or the vicinity thereof.

For the Port Authority

Initialled:

For the Lessee

EXHIBIT F

The Contractor shall indemnify the Authority against all claims described in subparagraphs (b) and (c) above and for all expense incurred by it in the defense, settlement or satisfaction thereof, including expenses of attorneys except for claims for damage caused by or resulting from the sole negligence of the Authority, it agents or employees. If so directed, the Contractor shall defend against any claim described in subparagraphs (b) and (c) above, in which event he shall not without obtaining express advance permission from the General Counsel of the Authority raise any defense involving in any way jurisdiction of the tribunal, immunity of the Authority, governmental nature of the Authority or the provisions of any statutes respecting suits against the Authority. Unless a claim is one which the Contractor is not required to indemnify the Authority against as described in the first sentence of this paragraph, such defense shall be at the Contractor's cost.

The provisions of this numbered clause shall also be for the benefit of the Commissioners, officers, agents and employees of the Authority, so that they shall have all the rights which they would have under this numbered clause if they were named at each place above at which the Authority is named, including a direct right of action against the Contractor to enforce the foregoing indemnity, except, however, that the Authority may at any time in its sole discretion and without liability on its part cancel the benefit conferred on any of them by this numbered clause, whether or not the occasion for invoking such benefit has already arisen at the time of such cancellation.

Neither the issuance of a Certificate of Completion nor the making of Final Payment shall release the Contractor from his obligations under this numbered clause. Moreover, neither the enumeration in this numbered clause nor the enumeration elsewhere in this Contract of particular risks assumed by the Contractor or of particular claims for which he is responsible shall be deemed (a) to limit the effect of the provisions of this numbered clause or of any other clause of this Contract relating to such risks or claims, (b) to imply that he assumes or is responsible

BPC

For the Port Authority

Initialled:

GWJMC

For the Lessee

EXHIBIT F

for risks or claims only of the type enumerated in this numbered clause or in any other clause of this Contract, or (c) to limit the risks which he would assume or the claims for which he would be responsible in the absence of such enumerations.

Inasmuch as the Authority has agreed to indemnify the City of New York against claims of the types described in subparagraph (b) above made against said city, the Contractor's obligation under subparagraph (b) above shall include claims by said city against the Authority for such indemnification, including those arising from acts or omissions (whether negligent or not) of said city.

Additionally, the Contractor assumes the risk of claims against, and loss or damage to, Eastern Air Lines, Inc. (herein called "Eastern") who will be the lessee of certain of the property upon which the Contractor is performing Work under this Contract, on account of injuries (including wrongful death), loss or damage of any kind whatsoever arising or alleged to have arisen out of or in connection with the performance of the Contractor's Work (as such Work is defined in the Contract) or out of or in connection with the Contractor's operations or presence at or in the vicinity of the construction site or Port Authority premises. Such loss and damage include those sustained at any time, both before and after the rendition of the Certificate of Final Completion. The Contractor shall indemnify Eastern against all such assumed claims and loss and damage except for claims, loss or damage caused by sole negligence of Eastern, its officers, employees or agents. Eastern shall have a direct right of action against the Contractor to enforce the foregoing indemnity.

BPC

For the Port Authority

Initialled:

GWMcC

For the Lessee

EXHIBIT F

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

On the day of , 1978, 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)
) ss.
COUNTY OF)

On the day of , 1978, 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 Eastern Air Lines, 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.

(notarial seal and stamp)

EXMEPTION (4)

DRAWINGS OF NON-PUBLIC AREAS

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

AVIATION DEPT.
BUS ADM DIV - JFKIA
FILE COPY

LaGuardia Airport
Port Authority Lease No. AG-751
Supplement No. 1

SUPPLEMENTAL AGREEMENT TO LEASE AG-751

THIS SUPPLEMENTAL AGREEMENT, made effective as of the 17th day of March, 1977, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and EASTERN AIR LINES, INC. (hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, by a certain agreement of lease made effective as of March 17, 1977 and executed simultaneously herewith (which agreement of lease is hereinafter referred to as "the Lease") the Port Authority, among other things, let to the Lessee and the Lessee hired and took from the Port Authority certain premises at LaGuardia Airport, all as more particularly described in the Lease; and

WHEREAS, the Port Authority and the Lessee desire to amend the Lease in certain respects as hereafter set forth;

NOW, THEREFORE, the Port Authority and the Lessee, in consideration of the mutual covenants and agreements herein set forth, hereby agree to amend the Lease as follows:

1. Under Section 56 of the Lease, the parties acknowledge that the Lessee and the Port Authority have heretofore entered into a separate agreement of lease made as of the 17th day of July, 1961 and bearing Port Authority File No. AG-388 (which agreement of lease, as the same has been or may be supplemented and amended is sometimes herein referred to as "the Hangar 8 Lease"). The Lessee hereby specifically acknowledges and recognizes that the Hangar 8 Lease expires on July 31, 1980. It is hereby furthermore specifically recognized and understood by the parties that a portion

of the premises under this Lease is presently a part of the premises under the Hangar 8 Lease and more specifically is Area A thereof. It is understood and agreed that in the performance of construction of the on-site work as provided under the Lease, the Port Authority shall perform construction on the portion of the premises under this Lease which is also Area A under the Hangar 8 Lease as among the last portions of the one-site work to be performed, and that prior written notice thereof will be given by the Port Authority to the Lessee at that time and an appropriate Supplement to the Hangar 8 Lease executed between the parties which would delete Area A from the Hangar 8 Lease and provide for an appropriate reduction of the rental under the Hangar 8 Lease.

2. With respect to the Postal Service Work as defined in Section 2 of the Lease, it is understood that the move of personal property as set forth in paragraph (c) of Section 2 of the Lease shall include the two-way radio and public address system from the existing Postal Service facility and the installation thereof in the new interim Postal Service facility all of which work may be performed by Port Authority personnel and at a time and in a manner to cause minimal interference with Postal Service operations at the Airport. It is understood furthermore that, notwithstanding the provisions of paragraph (f) of Section 2 of the Lease the Port Authority shall have the right but not the obligation to commence performance of the construction of the Shuttle Terminal Facilities prior to the completion of the Postal Service work.

3. It is understood that the Port Authority has awarded Contract MF-107.743 covering borings which borings are part of the construction work, that the Lessee has approved the award of said contract, and the said contract shall be deemed to be one of the contracts covered by paragraph (k)(2)(i)(c) of Section 2.

4. Paragraph (a) of Subdivision 5 of Section 4 of the Lease shall be amended by deleting the annual rate now appearing therein as "$1.004" and inserting the annual rate of "$0.97" in lieu thereof.

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

6. No Commissioner, director, officer, agent or employ of either party shall be charged personally or held contractually

liable by or to the other party under any term or provision of this Agreement, or 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 the day and year first above written.

ATTEST:

Doris Lanbre
Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By C. B. Pattarini

(Title) _____
(Seal)

ATTEST:

Jos. T. Healy, Jr
Secretary

EASTERN AIR LINES, INC.

By G. W. McCarter

(Title) Vice President
(Corporate Seal)

APPROVED FOR TRANSMITTAL

FORM	TERMS
FROM LAW BY HAND 1-15-79 CLC	CLC

FORM XLD–Ack., N.Y. 6/72

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

On the _____ day of _____, 1979, 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 _____, 1979, 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 Eastern Air Lines, 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.

_____
(notarial seal and stamp)

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

On the _____ day of _____, 197__, 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)

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

AVIATION DEPT.
BUS ADM — WTC
FILE COPY

Supplement No. 2
LaGuardia Airport
Lease No. AG-751

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated November 3, 1981, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and EASTERN AIR LINES, INC., a corporation of the State of Delaware (hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, by a certain agreement of lease made effective March 17, 1977 and identified by the above stated Lease Number (which agreement of lease as the same has been supplemented and amended, is hereinafter called "the Lease") the Port Authority let to the Lessee and the Lessee hired and took from the Port Authority certain premises at LaGuardia Airport as more particularly described in the Lease; and

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

NOW, THEREFORE, in consideration of the covenants and agreements herein contained, the Port Authority and the Lessee hereby agree effective as of November 3, 1981, as follows:

1. (a) The Exhibit attached hereto dated November, 1982, and marked Exhibit A (Sheet 3 of 3), and hereby made a part hereof shall be deemed substituted for Sheet 3 of Exhibit A dated December 11, 1978 and numbered LGA 78-27 attached to the Lease.

(b) The Exhibit attached hereto, dated November, 1982 and marked Exhibit E and hereby made a part hereof shall be deemed to be Exhibit E to the Lease in lieu of Exhibit E dated December 11, 1978, and numbered LGA 78-30 previously a part thereof and all references in the Lease and in this Supplemental Agreement to Exhibit E shall be deemed references to the said attached Exhibit E.

2. Section 55(b) of the Lease provides that the letting of the portion of the premises under the Lease shown in stipple and stipple hatching on Exhibit D attached to the Lease (hereinafter called "the Exhibit D premises") would be terminated upon the implementation of the commencement of the Easterly Project, as therein defined, and further, that upon the effective date of such termination of the Exhibit D premises and as a replacement therefor, the Port Authority would let to the Lessee the land shown in stipple and hatching on Exhibit E (hereinafter called "the Exhibit E premises"). Further, Section 55(b) of the Lease calls for the said termination of the Exhibit D premises and the letting of the Exhibit E premises to be effected upon six (6) months' prior written notice to the Lessee. However, the parties now wish to waive the notice provisions of Section 55(b) and to accomplish the termination of the Exhibit D premises and the letting of the Exhibit E premises by execution of this Supplemental Agreement. Accordingly, the Lessee agrees to terminate its occupancy of the Exhibit D premises and to surrender the same to the Port Authority effective as of 11:59 o'clock P.M. on "the effective date". For purposes of this Supplemental Agreement, "the effective date" shall mean the Completion Date of the Eastern Aircraft Parking Area, as hereinafter defined, or the Completion Date of the Easterly Taxiway, as hereinafter defined, whichever is later. The Port Authority is willing to accept such surrender on the following terms and conditions:

(a) The Lessee has granted, bargained, sold, surrendered and yielded up and does by these presents grant, bargain, sell, surrender and yield up unto the Port Authority, its successors and assigns, forever, the Exhibit D premises and the term of years with respect thereto under the Lease yet to come and has given, granted and surrendered and by these presents does give, grant and surrender to the Port Authority, its successors and assigns, all the rights, rights of renewal, licenses, privileges and options of the Lessee granted by the Lease with respect to the Exhibit D premises, all to the intent and purpose that the said term under the Lease and the said rights of renewal, licenses, privileges and options may be wholly merged, extinguished and determined on the effective date, with the same force and effect as if the said term were in and by the provisions of the Lease originally fixed to expire on the effective date;

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

(b) The Lessee hereby covenants on behalf of itself, its successors and assigns that (1) it has not done or suffered and will not do or suffer anything whereby the Exhibit D premises, or the Lessee's leasehold therein, has been or shall be encumbered as of the effective date in any way whatsoever; (2) the Lessee is and will remain until the effective date the sole and absolute owner of the leasehold estate in the Exhibit D premises and of the rights, rights of renewal, licenses, privileges and options granted by the Lease with respect thereto and that the same are and will remain until the effective date free and clear of all liens and encumbrances of whatsoever nature; and (3) the Lessee has full right and power to make this Supplemental Agreement.

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

(d) The Lessee has released and discharged and does by these presents release and discharge the Port Authority from any and all obligations of every kind, past, present or future on the part of the Port Authority to be performed under the Lease with respect to the Exhibit D premises. The Port Authority does by these presents release and discharge the Lessee from any and all obligations on the part of the Lessee to be performed under the Lease with respect to the Exhibit D premises for that portion of the term subsequent to the effective date; it being understood that nothing herein contained shall release, relieve or discharge the Lessee from any liability for rentals or for other charges that may be due or become due to the Port Authority for any period or periods prior to the effective date, or for breach of any other obligation on the Lessee's part to be performed under the Lease for or during such period or periods or maturing pursuant to subparagraph (c) above.

(e) In consideration of the making of this Supplemental Agreement by the Port Authority and the above described release, the Lessee agrees that it shall remove from the Exhibit D premises, prior to the effective date, all equipment, inventories, removable fixtures and other personal property of the Lessee or for which the Lessee is responsible. With respect to any such property not so removed, the Port Authority may at its option, as agent for the Lessee and at the risk and expense of the Lessee, remove such property to a public warehouse or may retain the same in its own possession and in either event, after the expiration of thirty (30) days, may sell or consent to the sale of the same at a public auction; the proceeds of any such sale shall be applied first to the expenses of removal, sale and storage, and second to any sums owed by the Lessee to the Port Authority; any balance remaining shall be paid to the Lessee. The Lessee shall pay to the Port Authority any excess of the total cost of removal, storage and sale over the proceeds of sale.

3. In addition to the premises heretofore let to the Lessee under the Lease, the letting as to which shall continue in full force and effect, except for the Exhibit D premises as hereinbefore provided, subject to and in accordance with all the terms, provisions, covenants and conditions of the Lease as herein amended, the Port Authority, effective as of the effective date, as defined in paragraph 2 hereof, hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority the Exhibit E premises and also the strip of land shown in stipple on Exhibit F attached hereto and hereby made a part hereof, together with the fixtures, improvements and other property, if any, of the Port Authority located or to be located therein or thereon, to be and become part of the premises under the Lease as hereby amended let to the Lessee subject to and in accordance with all the terms, provisions and covenants of the Lease as herein amended for and during all the residue and remainder of the term of the letting under the Lease.

4. From and after the effective date, as defined in paragraph 2 hereof, the first three lines of item 1 of Section 4 of the Lease shall be deemed amended to read as follows:

"A rental (hereinafter called 'the Ground Rental') at the rate of

($ annum".

5. The Lessee hereby acknowledges that it has been advised by the Port Authority that the Port Authority by resolutions of its Board has adopted a plan for the construction of passenger terminal facilities which will utilize the Exhibit D premises and the leasing of the same to Delta Air Lines, Inc. (hereinafter called "Delta"). It is hereby recognized that said plan constitutes the Easterly Project as defined in Section 55(b)(1) of the Lease. It is further recognized that pursuant to said resolutions (hereinafter called "the Delta resolutions"), the Port Authority has submitted a proposed lease to Delta covering, among other things, the letting to Delta of the Exhibit D premises (hereinafter called "the proposed Delta lease"). Under the terms of the proposed Delta lease Delta would be obligated to perform certain construction on the Exhibit E premises, which Exhibit E premises, as improved by Delta, are called "the Eastern Aircraft Parking Area" in the proposed Delta lease. In addition, under the proposed Delta lease, Delta would be obligated to construct a taxiway on the strip of land lying along and within the easterly boundary line of the premises under the proposed Delta lease which strip of land is shown in hatching on Exhibit F as well as on the adjoining strip of land shown in stipple on Exhibit F which are to be subject to a joint and mutual easement for a taxiway to be used jointly by the Lessee and Delta (the foregoing are collectively hereinafter and in the proposed Delta lease called "the Easterly Taxiway"). Under the terms of the proposed Delta lease there is to be a Completion Date of the Eastern Aircraft Parking Area (the Exhibit E premises hereunder) which is to be the date appearing on the certificate of completion issued by the Port Authority to Delta, and, further, a Completion Date of the Easterly Taxiway, also to be the date appearing on the certificate of completion issued by the Port Authority to Delta. As aforesaid in paragraph 2 hereof, the surrender and letting provided for herein, shall be effective on the Completion Date of the Eastern Aircraft Parking Area or the Completion Date of the Easterly Taxiway, whichever is later. The Port Authority shall contemporaneously with the issuance to Delta of the said certificates give the Lessee written notice of the said Completion Dates by submitting to the Lessee copies of the said certificates of completion.

6. The strip of land on the premises shown in stipple on Exhibit F, together with the corresponding contiguous strip of land shown in hatching on Exhibit F shall be subject to a joint and mutual easement for a taxiway to be used jointly by the Lessee and Delta or by any successors in the interest of either or both or other sublessees or other occupants or users who, pursuant to Port Authority permission, may occupy or use the premises and such rights of easement for such taxiway purposes shall continue during the effective period of the respective agreements covering the same. The said strips of land shown in stipple and hatching on Exhibit F constitute the Easterly Taxiway and shall be used as dual joint taxiways. The Lessee's right to use said taxiways shall commence on the Completion Date of the Easterly Taxiway or the Completion Date of the Eastern Aircraft Parking Area, whichever is later, as aforesaid.

7. (a) It is hereby recognized and the Lessee acknowledges that the portion of the Exhibit E premises shown in hatching on Exhibit E has been the subject of discussions among the Port Authority, the Lessee, Delta and the Federal Aviation Administration (hereinafter referred to as "The FAA") with respect to the question of the necessary taxiway clearance for aircraft using the Easterly Taxiway, and that there is a possibility that the FAA may determine that said portion of the Exhibit E premises is needed for such clearance and that a waiver of said requirement is not to be granted. Accordingly, it is hereby agreed that in the event and at any time during the term of the letting of the Exhibit E premises there is a determination by the FAA that the portion of the Exhibit E premises shown in hatching on Exhibit E is required for taxiway clearance for aircraft, and that no waiver will be granted by the FAA with respect to the same, then upon thirty (30) days' prior written notice thereof to the Lessee the Port Authority shall have the right to terminate the letting under the Lease as to the portion of the Exhibit E premises shown in hatching on Exhibit E. Upon such termination, the term of the letting as to the said portion of the Exhibit E premises shown in hatching on Exhibit E shall cease and expire on the effective date of termination as shall be stated in said notice as if said date were the date originally stated in the Lease for the expiration of the term of the letting as to said portion of the premises. The Lease and the letting thereunder as to all other portions of the premises shall continue in full force and effect.

(b) In the event of the termination of the portion of the Exhibit E premises pursuant to subparagraph (a) above, the annual amount payable by the Lessee to the Port Authority for Ground Rental pursuant to Section 4 of the Lease shall from and after the effective date thereof be reduced by the amount of $_____per annum.

8. It is expressly recognized that Exhibit A (Sheet 3 of 3) as well as Exhibits E, F and G, are preliminary Exhibits, and are so marked and, further, that the said Exhibits E, F and G are based on a preliminary description of the areas shown thereon and do not contain precise metes and bounds description. It is further expressly recognized that the amount of the Ground Rental as set forth in paragraph 4 hereof as well as the amount of the reduction with respect to the Ground Rental as set forth in paragraph 6 hereof have been computed on the basis of the said preliminary description. The Port Authority and the Lessee hereby expressly agree that upon the Port Authority's determination of the actual metes and bounds of the areas shown on the said Exhibits E, F and G final versions of Exhibits A, E, F and G shall be prepared and the amount of the Ground Rental as set forth in said paragraph 4 hereof shall be appropriately adjusted and that the provisions covering such adjustment, including payment by or crediting to the Lessee of any amount of Ground Rental as a result of such adjustment, shall be set forth in a Supplemental Agreement to the Lease as well as appropriate adjustment in the amount set forth in paragraph 7 hereof, which Supplemental Agreement shall be prepared by the Port Authority and submitted to the Lessee for execution and shall have attached thereto the final versions of Exhibits A, E, F and G which shall be deemed to have retroactive effect to the effective date of the letting of the land shown on said Exhibits E and F. The Lessee agrees to execute the said Supplemental Agreement and return the same to the Port Authority within ten (10) days of the receipt of the same.

9. (a) The Lessee hereby further acknowledges that in addition to the construction of passenger terminal facilities, Delta, under the terms of the proposed Delta lease and pursuant to the Delta resolutions, will also be constructing various facilities off the site of the Delta passenger terminal which off-site facilities are to be for use by the Lessee and by other third persons. The Lessee agrees that it has been advised and is aware that the performance of the said construction by Delta will coincide with and will have a direct impact on the use by the Lessee of its Shuttle Terminal Facilities, and, further, that the performance of the said construction will also coincide with and have a direct impact on the use by the Lessee and by other third persons of portions of the said off-site facilities to be constructed by Delta, including the Eastern Aircraft Parking Area and the Easterly Taxiway. The Lessee hereby agrees to cooperate with Delta and its contractors so that the operations of each will not unduly interfere with the operations of the other during the course of the performance of the said construction by Delta.

(b) The Lessee further acknowledges that it is aware that one of the off-site facilities to be constructed by Delta, under the proposed Delta lease, will be a Shuttle Terminal Taxi Hold Area. The Lessee also acknowledges that it has been advised by the Port Authority that ingress to and egress from the Shuttle Terminal Taxi Hold Area will require the granting of rights of easement for roadway purposes by the Lessee to the Port Authority. Accordingly, it is hereby agreed as follows:

(1) From and after the effective date, as defined in paragraph 2 hereof, the Lessee hereby grants to the Port Authority, during the term of the Lease, the right, with respect to the areas on the premises shown in stipple on Exhibit G, attached hereto and hereby made a part hereof, (hereinafter called "the Easement Roadway") to make the Easement Roadway available to the general public and others having rights of passage for general or limited highway use.

(2) It is hereby specifically understood that no provision of this paragraph 9 shall relieve the Lessee from its liabilities, obligations, indemnities and responsibilities under the Lease nor limit, in any way its obligation to provide cleaning, snow and ice removal and to exercise control over its patrons, employees and invitees using the premises. There shall be no reduction in rental or any other charge under the Lease.

(3) Without limiting the generality of the foregoing, the Port Authority shall have the right but not the obligation to designate the Easement Roadway as part of the Air Terminal Highway System at the Airport.

10. It is hereby recognized, and the Lessee hereby expressly acknowledges, that prior to the execution of this Supplemental Agreement Delta commenced and has been performing construction work within the Exhibit D premises and that for a certain period of time the Lessee and Delta together used the Exhibit D premises and accommodated each other in their use of said premises. It is further recognized that as of the date of the execution of this Supplemental Agreement, the Exhibit D premises are being used in their entirety solely by Delta in its performance of the said construction work and that the Lessee accepted the use of an off-premises interim replacement area for the parking of its aircraft on a temporary basis. The said interim replacement area consists of a designated portion of the taxiway at the Airport known as "Taxiway Metro", (hereinafter referred to as "the interim area"). The Lessee may continue the use of the interim area for the parking of its aircraft subject to the following:

(a) The Lessee's use of the interim area shall be in accordance with and subject to the terms, provisions and conditions of the Lease, but the same shall not be or be deemed to be a part of the premises thereunder;

(b) The interim area shall be used solely for the parking of aircraft owned or operated by the Lessee and used by the Lessee in conjunction with its operations under the Lease and for no other purpose or purposes whatsoever;

(c) The Manager of the Airport shall have the right at any time and from time to time to designate another location or locations of the interim area and the Lessee hereby agrees to comply with each such designation;

(d) Notwithstanding any term or provision of the Lease, as hereby amended, the permission hereby granted to the Lessee to use the interim area shall cease, expire and terminate on the effective date as defined in paragraph 2 above, except that the Lessee may use the interim area for a period of sixty (60) days from the date of the Port Authority's notice setting forth the Completion Dates of the Eastern Aircraft Parking Area and the Easterly Taxiway. Notwithstanding the foregoing, however, it is specifically understood and agreed that the permission hereby granted to the Lessee to use the interim area shall in any event terminate upon the actual use by the Lessee of either the Eastern Aircraft Parking Area or the Easterly Taxiway.

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

12. 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.

13. 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 Supplemental Agreement or because of its execution or attempted execution or because of any breach or attempted or alleged breach thereof.

14. 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 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 Port Authority and the Lessee have executed these presents as of the date first above written.

ATTEST:

S/ DORIS E. LANDRE
Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

S/ By S.J. NOWINSKI

(Title) EXEC. ASST. TO DIR OF AVIATION
(Seal)

ATTEST:

S/ Illegible
Secretary

EASTERN AIR LINES, INC.

S/ By GEORGE W. McCARTER

(Title) VICE President - PROPERTIES
(Corporate Seal)

APPROVED FOR TRANSMITTAL	
FORM	TERMS
S.M.B 11-17-82	

FORM XLD—Ack., N.Y. 51380

STATE OF NEW YORK
COUNTY OF NEW YORK } ss.

On the _____ day of _____, 19 82, 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 82, 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 Eastern Air Lines, 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.

_____
(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)

EXMEPTION (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

AVIATION DEPT.
FILE COPY

Supplement No. 3
LaGuardia Airport
Lease No. AG-751

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of October 1, 1983, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and EASTERN AIR LINES, INC., a corporation of the State of Delaware (hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, by a certain agreement of lease made effective March 17, 1977 and identified by the above stated Lease Number (which agreement of lease as the same has been supplemented and amended, is hereinafter called "the Lease") the Port Authority let to the Lessee and the Lessee hired and took from the Port Authority certain premises at LaGuardia Airport as more particularly described in the Lease; and

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

NOW, THEREFORE, in consideration of the covenants and agreements herein contained, the Port Authority and the Lessee hereby agree effective as of December 1, 1982, as follows:

1. (a) In lieu of the provisions of Section 50 of the Lease obligating the Lessee to make available counter spaces with respect to ground transportation operators at the Airport (as said term is defined in Section 50 but not including car rental operators as to which the provisions of Section 50 shall be and continue in full force and effect), the Lessee shall provide to the Port Authority or its contractors, without charge, such counter space within the premises as may reasonably be required upon which the Port Authority shall construct and install, in accordance with plans and specifications approved by the Port Authority and the Lessee, a consolidated ground transportation reservation and information counter (here-

inafter called "the Consolidated Counter") to be staffed and operated by the Port Authority or its contractors.

(b) The Lessee agrees to provide access to and from the public ways outside the premises to the Port Authority, its employees and its contractors and the ground transportation patrons and other users of the Consolidated Counter; to permit use of such portions of the public pedestrian circulation areas of the premises as may reasonably be required for the operation of the Consolidated Counter and the accommodation of the users thereof; and to permit the installation of such signs and such telephone and other communication lines, cables and conduits on and across the premises as may be required for the operation of the Consolidated Counter. The Lessee acknowledges and agrees that the Consolidated Counter shall at all times be a part of the premises under the Lease and subject to all the terms and provisions thereof including, but not limited to indemnity, the payment of rentals, repair and maintenance. The Lessee shall, at its sole cost and expense, provide basic janitorial services and trash removal and supply all utilities necessary for the operation of the Consolidated Counter including, but not limited to heat, light, ventilation, air conditioning and electricity on a 24-hour, 7-day a week basis. The Lessee shall not be required to provide telephone service to the Consolidated Counter hereunder.

(c) The Port Authority shall have the right at any time, without cause, on 180 days' notice to the Lessee to terminate and cease the operation of the Consolidated Counter and from and after the effective date stated in said notice the operation of the Consolidated Counter shall terminate and cease and the provisions of this Paragraph 1 shall be null, void and of no further force and effect and Section 50 of the Lease and the Lessee's obligations as set forth therein with respect to ground transportation operators, to the extent modified as aforesaid, shall be deemed reinstated and in full force and effect. In the event of such termination, the Port Authority shall remove the Consolidated Counter and restore the space to substantially the same condition as prior to the construction of the Consolidated Counter.

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

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. 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 Supplemental Agreement or because of its execution or attempted execution or because of any breach or attempted or alleged breach thereof.

5. 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 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 Port Authority and the Lessee have executed these presents as of the date first above written.

ATTEST:

s/ Charles Meara
Asst. Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

s/ By Richard F. Klenk
(Title) Asst. Director of Aviation
(Seal)

ATTEST:

s/ Michael J. Smith
Asst. Secretary

EASTERN AIR LINES, INC.

s/ By Gary H. Lantner
(Title) Vice President
(Corporate Seal)
Properties & Purchasing

APPROVED FOR TRANSMITTAL
FORM | TERMS
10-6-83 EMB

FORM XLD—Ack., N.Y. 51380

STATE OF NEW YORK
COUNTY OF NEW YORK } ss.

On the 15th day of March, 19 83 (9), before me personally came Richard Klenk to me known, who, being by me duly sworn, did depose and say that he resides at Seaford, New York;

that he is the Asst. 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.

s/ Sharon R. Seidman
(notarial seal and stamp)

STATE OF Florida
COUNTY OF Dade } ss.

On the 17th day of October, 19 83 (87), before me personally came Gary H. Lantzer to me known, who, being by me duly sworn, did depose and say that he resides at Miami, Florida;

that he is the Vice President of Properties & Purchasing Eastern Air Lines, 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.

s/ Christine P. Cy
(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)

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

AVIATION DEPT.
BUS ADM - LGA
FILE COPY

Port Authority Agreement No. AG-751
Supplement No. 4
Port Authority Facility-
LaGuardia Airport

FOURTH SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, dated April 19, 1985, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter referred to as "the Port Authority") and EASTERN AIR LINES, INC., a corporation of the State of Delaware (hereinafter referred to as "the Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee heretofore as of March 17, 1977 entered into an agreement of lease (which agreement has been heretofore supplemented and amended and is hereinafter referred to as "the Lease") covering the letting by the Port Authority to the Lessee of certain premises at LaGuardia Airport, as more particularly described in the Lease; and

WHEREAS the Lease (in Supplement No. 2) provides for the replacement of preliminary Exhibits A (Sheet 3 of 3), E, F and G attached thereto with final Exhibits upon the Port Authority's determination of the actual metes and bounds of the areas shown on the said Exhibits E, F and G with an appropriate adjustment of the Ground Rental under the Lease; and

WHEREAS the Port Authority has made the said determination of the aforesaid metes and bounds; and

WHEREAS, the Port Authority and the Lessee desire to amend the Lease to provide for the substitution of the final versions of the aforesaid Exhibits and adjustment of the Ground Rental under the Lease;

NOW, THEREFORE, in consideration of the covenants and mutual agreements herein contained, effective as of June 17, 1983, it is hereby agreed as follows:

1. (a) It is hereby expressly acknowledged that the Port Authority has given and the Lessee has received the written

notice, a copy of which is attached hereto, hereby made a part hereof and marked Exhibit Z, which established June 17, 1983 as the Completion Date of the Eastern Aircraft Parking Area and the Easterly Taxiway, as such terms are defined in Supplement No. 2 of the Lease, and as the "effective date" defined in paragraph 2 of said Supplement No. 2.

(b) The Exhibit attached hereto dated 5-25-84, marked Exhibit A (Sheet 3 of 3), numbered LGA84-1, and hereby made a part hereof shall be deemed substituted for Sheet 3 of Exhibit A dated November, 1982 attached to Supplement No. 2 of the Lease.

(c) The Exhibit attached hereto, dated 5-25-84, marked Exhibit E and numbered LGA84-2, and hereby made a part hereof shall be deemed to be Exhibit E to the Lease in lieu of Exhibit E dated November, 1982 attached to Supplement No. 2 of the Lease, and all references in the Lease to Exhibit E shall be deemed references to the said attached Exhibit E.

(d) The Exhibit attached hereto, dated 5-25-84, marked Exhibit F and numbered LGA84-3, and hereby made a part hereof shall be deemed to be Exhibit F to the Lease in lieu of Exhibit F dated November, 1982 attached to Supplement No. 2 of the Lease, and all references in the Lease to Exhibit F shall be deemed references to the said attached Exhibit F.

(e) The Exhibit attached hereto, dated 5-25-84, marked Exhibit G and numbered LGA84-4, and hereby made a part hereof shall be deemed to be Exhibit G to the Lease in lieu of Exhibit G dated November, 1982 attached to Supplement No. 2 of the Lease, and all references in the Lease to Exhibit G shall be deemed references to the said attached Exhibit G.

2. (a) From and after the effective date hereof(June 17, 1983), the first three lines of item 1 of Section 4 of the Lease, as previously amended by Supplement No. 2 to the Lease, is hereby further amended to read as follows:

> "A rental (hereinafter called 'the Ground Rental') at the rate of Three Hundred Eighty-nine Thousand Two Hundred Fifty-three Dollars and No Cents ($389,253.00) per annum".

(b) After the full execution of this Fourth Supplemental Agreement by both parties hereto, any monies due to the Lessee resulting from the adjustment of the Ground Rental provided for herein shall be credited by the Port Authority against future Ground Rental payable by the Lessee under the Lease.

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

4. The Lessee represents and warrants that no broker has been concerned in the negotiation 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 in connection with the negotiation and execution of this Supplemental Agreement.

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

6. 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 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:

s/ Charles Meara
Asst. Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

s/ By Richard F. Klesk
(Title) Asst. Director of Aviation
(Seal)

ATTEST:

s/ Michael J. Smith
Asst. Secretary

EASTERN AIR LINES, INC.

s/ By Gary H. Lantner
(Title) Vice President Properties & Purchasing
(Corporate Seal)

APPROVED FOR TRANSMITTAL

FORM	TERMS
SMB memo 4/19/85	

EXMEPTION (4)

DRAWINGS OF NON-PUBLIC AREAS

51-ASO

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
Lease No. AG-751

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated JUNE 2, 1989, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and EASTERN AIR LINES, INC., a corporation of the State of Delaware (hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, by a certain agreement of lease made effective March 17, 1977 and identified by the above stated Lease Number (which agreement of lease, as the same has been supplemented and amended, is hereinafter called "the Lease") the Port Authority let to the Lessee and the Lessee hired and took from the Port Authority certain premises at LaGuardia Airport as more particularly described in the Lease; and

WHEREAS, the Port Authority, the Lessee and TRUMP SHUTTLE, INC., a corporation of the State of New York, are concurrently with the execution and delivery of this Supplemental Agreement entering into an Assignment of Lease with Assumption and Consent Agreement dated JUNE 2, 1989, whereby the Lease, as hereby amended, is assigned from the Lessee to said Trump Shuttle, Inc. with the consent of the Port Authority effective JUNE 8, 1989;

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

NOW, THEREFORE, in consideration of the covenants and agreements herein contained, the Port Authority and the Lessee hereby agree, effective as of JUNE 8, 1989, as follows:

1. The Lessee and the Port Authority have agreed that the Lessee shall terminate its occupancy of that part of the premises shown in stipple and stipple hatching on Exhibit C attached to the Lease, that part of the premises shown in stipple and hatching on Exhibit E attached to Supplement No. 4 of the Lease, that part of the premises shown in stipple on Exhibit F attached to Supplement No. 4 of the Lease, and that part of the premises shown in stipple cross hatch on Exhibit H attached hereto and hereby made part hereof (the said parts of the

premises being hereinafter collectively called the "surrendered premises") and the Lessee shall surrender the surrendered premises to the Port Authority effective as of JUNE 2, 1989 at 11:59 o'clock P.M., which date and hour are hereinafter collectively called the "effective date" for the purposes of this Paragraph 1. The Port Authority is willing to accept such surrender on the following terms and conditions:

(a) The Lessee has granted, bargained, sold, surrendered and yielded up and does by these presents grant, bargain, sell, surrender and yield up unto the Port Authority, its successors and assigns, forever, the surrendered premises and the term of years with respect thereto under the Lease yet to come and has given, granted and surrendered and by these present does give, grant, and surrender to the Port Authority, its successors and assigns, all the rights, rights of renewal, licenses, privileges and options of the Lessee granted by the Lease with respect to the surrendered premises, all to the intent and purpose that the said term under the Lease and the said rights of renewal, licenses, privileges and options may be wholly merged, extinguished and determined on the effective date, with the same force and effect as if the said term were in and by the provisions of the Lease originally fixed to expire on the effective date;

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

(b) The Lessee hereby covenants on behalf of itself, its successors and assigns that (1) it has not done or suffered and will not do or suffer anything whereby the surrendered premises, or the Lessee's leasehold therein, has been or shall be encumbered as of the effective date in any way whatsoever; (2) the Lessee is and will remain until the effective date the sole and absolute owner of the leasehold estate in the surrendered premises and of the rights, rights of renewal, licenses, privileges and options granted by the Lease with respect thereto and that the same are and will remain until the effective date free and clear of all liens and encumbrances of whatsoever nature; and (3) the Lessee has full right and power to make this Supplemental Agreement.

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

(d) the Lessee has released and discharged and does by these presents release and discharge the Port Authority from any and all obligations of every kind, past, present or future on the part of the Port Authority to be performed under the Lease with respect to the surrendered premises. The Port Authority does by these presents release and discharge the Lessee from any and all obligations on the part of the Lessee to be performed under the Lease with respect to the surrendered premises for that portion of the term subsequent to the effective date; it being understood that nothing herein contained shall release, relieve or discharge the Lessee from any liability for rentals or for other charges that may be due or become due to the Port Authority for any period or periods prior to the effective date, or for breach of any other obligation on the Lessee's part to be performed under the Lease for or during such period or periods or maturing pursuant to subparagraph (c) above.

(e) In consideration of the making of this Supplemental Agreement by the Port Authority and the above described release, the Lessee agrees that it shall remove from the surrendered premises, prior to the effective date, all equipment, inventories, removable fixtures and other personal property of the Lessee or for which the Lessee is responsible. With respect to any such property not so removed, the Port Authority may at its option, as agent for the Lessee and at the risk and expense of the Lessee, remove such property to a public warehouse or may retain the same in its own possession and in either event, after the expiration of thirty (30) days, may sell or consent to the sale of the same at a public auction; the proceeds of any such sale shall be applied first to the expenses of removal, sale and storage, and second to any sums owed by the Lessee to the Port Authority; any balance remaining shall be paid to the Lessee. The Lessee shall pay to the Port Authority any excess of the total cost of removal, storage and sale over the proceeds of sale.

2. (a) In addition to the premises heretofore let to the Lessee under the Lease, the letting as to which shall continue in full force and effect, except for the surrendered premises as hereinbefore provided, subject to and in accordance with all the terms, provisions, covenants and conditions of the Lease as herein amended, the Port Authority, effective as of the effective date, as defined in Paragraph 1 hereof, hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority the land shown in diagonal hatch, cross hatch and stipple on Exhibit H attached hereto and hereby made a part hereof, together with the fixtures, improvements and other property, if any, of the Port Authority located or to be located therein or thereon, to be and become part of the premises under the Lease as hereby amended let to the Lessee subject to and in accordance with all the terms, provisions and covenants of the Lease as herein amended for and during all the residue and remainder of the term of the letting under the Lease.

(b) It is acknowledged and agreed by the parties hereto that the premises under the Lease constitute non-residential real property.

(c) The Lessee acknowledges that it has not relied upon any representation or statement of the Port Authority or its Commissioners, officers, employees and agents as to the suitability of the areas added to the premises pursuant to this Paragraph for the operations permitted thereon by the Lease and agrees to take the said areas and to use the same in their 'as is' condition at the time of the commencement of the letting hereunder. Without limiting any of the obligations of the Lessee under the Lease, the Lessee agrees that no portion of the premises under the Lease will be used initially or at any time during the letting thereof which is in a condition unsafe or improper for the conduct of the Lessee's operations under the Lease, as hereby amended, so that there is any possibility of injury or damage to life or property.

(d) The strip of land lying along and within the westerly boundary line of the premises (which strip is shown in diagonal hatch on the drawing attached hereto, hereby made a part hereof and marked Exhibit I), together with the corresponding contiguous strip of land lying along and within the easterly boundary of the space let to the East End Terminal lessee, as defined in Section 60 of this Lease, and immediately abutting on the westerly side of the premises (which strip is shown in stipple hatch on Exhibit I) shall be subject to a joint and mutual easement for a taxiway to be used jointly by the Lessee and the East End 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 East End Terminal lessee, 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 J, shall be subject to a joint and mutual easement for upper level roadways, to be constructed by the East End Terminal lessee (as hereinafter defined), and which are to be used jointly by the Lessee and the East End 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 East End 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.

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

(1) The title of said Section 5 shall be deemed amended to read as follows:

"Section 5. Use of Premises and Common Areas"

(2) The first seven lines of said Section 5 shall be deemed amended to read as follows:

"The Lessee in connection with its business of transportation by aircraft, and subject to the provisions of Section 66 hereof with respect to Shuttle Service (as defined in Section 66 hereof) operations, may use the premises including the Common Areas as a passenger terminal and as a Shuttle Service (as defined in Section 66 hereof) terminal for the following purposes and for activities reasonably required for such purposes and activities and for such purposes and activities only:

(a) The Premises."

(3) Item (12) of said Paragraph (a) of said Section 5 shall be deemed amended by inserting at the end thereof the following:

"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."

(4) Paragraph (b) of said section 5 shall be deemed deleted and the following new Paragraph (b) shall be deemed inserted immediately following item (14) of said Section 5 (a) reading as follows:

"(b) The Common Areas

(1) The following Areas are hereinafter collectively referred to as the 'Common Areas':

(a) The general utility and mechanical equipment rooms and spaces to be located on the two levels of the East End Terminal 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.

(2) The Lessee shall have the right, commencing on the Completion Date of the East End Terminal construction work, as hereinafter defined, 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 East End Terminal. The Common Areas may also be used by other users and occupants of the East End Terminal 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.

(3) 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 the premises or any part thereof for the purposes set forth in this Lease, whether such use is by sublease, handling or other agreement (any of the foregoing hereinafter for the purposes of this Section 5 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 5 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 this Lessee under the Lease."

4. Section 7 of the Lease is hereby amended by adding at the end thereof the following subparagraph (c):

"(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 Operating Agreement) (as hereinafter defined) 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."

5. Section 10 of the Lease is hereby amended as follows:

(1) Paragraph (a) thereof shall be deemed redesignated as paragraph "(b)" and the following shall be deemed inserted immediately preceding said redesignated Paragraph (b) as a new Paragraph (a) reading as follows:

"(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 the other persons on or at the premises with the Lessee's consent."

(2) Subparagraph (4) of said redesignated Paragraph (b) shall be deemed amended by inserting the following at the end thereof:

"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."

(3) The following new subparagraphs "(8)" and "(9)" shall be deemed added to said redesignated Paragraph (b):

"(8) 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.

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

(4) Paragraphs "(b)" and "(c)" of said Section 10 shall be deemed redesignated as Paragraphs "(c)" and "(d)", respectively.

6. Section 11 of the Lease is hereby amended to read as follows:

"Section 11. 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 windstrom, cyclone, tornado, hail, explosion, riot, civil commotion, aircraft, vehicles and smoke, under the Standard From 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 11, the Lessee shall promptly furnish to the Port Authority such information and data as may be necessary to enable the Port Authority to adjust the loss.

(c) The policies or certificates representing insurance covered by this Section shall be delivered by the Lessee to the Port Authority no later than fifteen (15) days prior to the effective date of Supplemental Agreement No. 5 of this Lease, 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 thirty (30) days' advance notice of the cancellation, termination, change or modification of the insurance evidenced by said policy or certificate, and 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 11 shall be applied as provided in Section 12; and the word "insurance" and all other references to insurance in said Section 12 shall be construed to refer to the insurance which is the subject matter of this Section 11, and to refer to such insurance only.

The insurance covered by this Section 11 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."

7. Section 13 of the Lease is hereby amended to read as follows:

"Section 13. Indemnity and Liability Insurance

(a) (1) The Lessee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives from and against (and shall reimburse the Port Authority for the Port Authority's costs and expenses including legal expenses 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, 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 no later than fifteen (15) days prior to the effective date of Supplement No. 5 to the Lease as set forth on the first page thereof. In the event any binder is delivered, it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy 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."

8. Section 17 of the Lease is hereby deemed amended by adding at the end thereof the new Paragraph "(h)" reading as follows:

"(h) Further, without limiting the generality of this Section the Port Authority, by its officers, employees, agents, representatives and contractors and furnishers of service shall have the right, for its own benefit, for the benefit of the Lessee, or for the benefit of others than the Lessee at the Airport to maintain the portions of the Underground Fuel Distribution System as described in Section 70 hereof to be located under or on the premises, in the event the Port Authority elects to proceed with the said System as described in said Section 70, and to enter upon the premises at all times to make such repairs, replacements or alterations to the said portions of the Underground Fuel Distribution System as may, in the opinion of the Port Authority, be deemed necessary or desirable and, from time to time to construct or install over, in or under the premises additions or extensions to said portions of the Underground Fuel Distribution System; provided however, that in the exercise of such rights of access, repair, alteration or new construction the Port Authority shall not unreasonably interfere with the use and occupancy of the premises by the Lessee pursuant to the provisions of this Agreement.

Neither the aforesaid portions of the Underground Fuel Distribution System or any part thereof as described in Section 70 hereof shall be or be deemed to the part of the premises under the Lease."

9. Paragraph (a) of Section 20 of the Lease is hereby amended as follows:

(1) The word "or" shall be deemed inserted at the end of subparagraph "(10)" thereof.

(2) There shall be deemed added immediately following said paragraph (10) thereof a new subparagraph (11) reading as follows:

"(11) The Lessee shall fail to keep perform and observe each and every promise, condition, term and agreement set forth in the Operating Agreement (as defined in Section 57 hereof) on its part to be kept, performed or observed, including without limitation the obligation to pay the fees and charges thereunder; and shall have continued such failure after the expiration of the cure period, if any, applicable under the Operating Agreement;".

9A. Subparagraph (1) of Paragraph (a) of Section 37 of the Lease is hereby amended by redesignating item (ii) thereof as item "(iii)" and by inserting the following new item "(ii)" immediately preceding redesignated item (iii):

"(ii) For a period of longer than thirty (30) consecutive days, resulting from a permanent injunction issued by any court of competent jurisdiction; or".

10. (a) Section 57 of the Lease is hereby amended by adding at the end thereof the following new paragraphs "(s)", "(t)" and (v):

"(s) (1) 'Handled Airlines' shall mean the Requesting Airlines, as defined in Section 73 hereof, or any other Scheduled Aircraft Operator who is not a Central Terminal Building Airline Lessee but who is operating at the Airport pursuant to accommodations provided by the Lessee (including Accommodated Airlines as defined in Section 5 hereof), whether by sublease, handling agreement, or a combination of both, which agreement has been consented to by the Port Authority and in which consent the Port Authority has designated said Operator a Handled Airline.

(2) "Operating Agreement" shall mean the Operating Agreement entered into between the Port Authority and Trump Shuttle, Inc., a corporation of the State of New York, and bearing Port Authority identification Number AGA-146 and dated JUNE 2, 1989.

"(t) 'Shuttle Terminal' shall mean the premises hereunder, including the building(s) thereon together with all associated and related areas and facilities, and any and all additional and alterations thereto and replacements thereof.

"(v) 'Central Terminal Building Airline Lessee' shall mean a Scheduled Aircraft Operator who has entered into a lease with the Port Authority (herein called a 'CTB Lease') covering premises in the Central Terminal Building, the East Wing building or the West Wing Building at LaGuardia Airport (which buildings are herein collectively called 'the Central Terminal Area') as well as the use of the Public Aircraft Facilities."

(b) Paragraph (j) of said Section 57 is hereby amended as follows:

(1) The word "authority" shall be deemed inserted after the word "similar" on the eighth line thereof.

(2) The last line thereof shall be deemed amended to read: "a permit or certificate or substantially similar authority."

(c) The first line of paragraph (k) thereof shall be deemed amended to read: "Manager of the Airport or General Manager of the Airport shall mean the".

11. (a) Section 60 of the Lease as set forth on page 60 thereof is hereby deleted therefrom and shall be of no further force or effect.

(b) Section 61 of the Lease shall be deemed renumbered to read "Section 74"; and the first sentence of said Section 74, as so renumbered, shall be deemed amended to read as follows:

"This Agreement consists of the following: Sections 1 through 74, inclusive, and Exhibits A, B, C, D, E, F, G, H, I, J, K and L."

(b) The following new Sections 60 through 73 shall be deemed added to the Lease:

"Section 60. East End Terminal Construction and Shuttle Terminal Expansion

(a) The Lessee hereby acknowledges that it has been advised by the Port Authority that the Port Authority has prior to or contemporaneously with the execution of this Agreement entered into a separate agreement of lease with Continental Airlines, Inc. (hereinafter called 'Continental Airlines') and Eastern Air Lines, Inc. (hereinafter called 'Eastern Air Lines') jointly and severally, said agreement of lease being dated JUNE 2, 1989, bearing Port Authority identification Number AGA-126 and herein as the same may hereafter be supplemented, amended and extended called "the East End Terminal lease". It is recognized that under the terms of the East End Terminal lease, the East End Terminal lessee is obligated to perform certain construction work, as set forth in and defined in Section 2 of the East End Terminal lease, including without limitation, the construction of a new passenger terminal and related facilities on the East End Terminal lease premises and construction on the premises under this Lease and construction on other areas of the Airport; and that the construction on the premises under this Lease will include the expansion of the existing Shuttle Terminal building consisting of building expansion work and modifications, installations and additions to the premises hereunder as are necessary or appropriate for the expansion of the existing Shuttle Terminal building and for the reconfiguration of aircraft gate positions and as are necessary or appropriate for the physical and operational

integration of the Shuttle Terminal with the East End Terminal facilities, and including the necessary foundations work for the additional work described in paragraph (g) below. In addition, under the East End Terminal lease, the East End Terminal lessee is obligated to construct as part of the said construction an expansion of the mutual easement taxiways described in Paragraph 2 (d) of Supplement No. 5 to this Lease, as well as the Easement Roadways (as defined in Section 72 hereof).

(b) For purposes of this Lease, the term 'Shuttle Terminal Expansion' shall mean all of the work to be performed by the East End Terminal lessee on, under or at the premises hereunder as described above and as more fully set forth in Section 2 of the East End Terminal lease; and the term 'East End Terminal construction work' shall mean the construction work to be performed under and as set forth in Section 2 of the East End Terminal lease (including the Shuttle Terminal Expansion). The term 'East End Terminal lessee' shall mean Continental Airlines and Eastern Air Lines, jointly and severally, as lessee under the East End Terminal lease, or their successor or successors in interest, including the Port Authority.

(c) The Lessee hereby acknowledges that in order to perform the Shuttle Terminal Expansion and other portions of the East End Terminal construction work, it shall be necessary for the East End Terminal lessee and its contractors employees, agents and representatives to enter upon and to have access to and ingress to and egress from the premises hereunder. Accordingly, the Lessee hereby grants to the Port Authority and to the East End Terminal lessee and its contractors, employees, agents and representatives rights to enter upon the premises (including rights of access, ingress and egress) for the purpose of performing, inspecting, completing, observing the performance of and the doing of any act or thing in connection with the Shuttle Terminal Expansion and other related portions of the East End Terminal construction work. The exercise of any or all of the foregoing rights by the Port Authority and the East End Terminal lessee, its contractors, employees, agents and representatives shall at all times take into account the continuing operations of the Lessee in the premises, and shall not be or be construed to be an eviction of the Lessee nor be made the grounds for any abatement of rental nor any claim or demand for damages against the Port Authority, consequential or otherwise.

(d) The Lessee hereby acknowledges its awareness that the performance by the East End Terminal lessee of the Shuttle Terminal Expansion and other

related portions of the East End Terminal construction work will result in the displacement of the Lessee from areas on the premises hereunder now used or occupied by the Lessee in connection with its operations at the premises and which form an essential part thereof. Accordingly, the Lessee agrees that it will cooperate with the East End Terminal lessee in its staging of the construction of the East End Terminal construction work so that the Shuttle Terminal Expansion and other portions of the East End Terminal construction work which relate to the premises hereunder may be performed promptly as among the first items of the said construction. The Lessee hereby further agrees to cooperate with the East End Terminal lessee and its contractors so that the operations of each will not unduly interfere with the operations of the other during the course of the performance of the said East End Terminal construction work.

(e) The Lessee further acknowledges that it intends to continue to use and occupy all or portions of the premises hereunder during the period of time of the performance of the Shuttle Terminal Expansion by the East End Terminal lessee. The Lessee further acknowledges that this would involve among other things inconvenience, noise, dust, interference and disturbance to it in its use and occupancy of the premises as well as to its passengers, patrons, invitees and employees and possibly other risks as well. The Lessee hereby expressly assumes all of the foregoing risks and agrees that there will be no reduction or abatement of any of the rentals, fees or charges payable under this Lease on account of the performance of the East End Terminal construction work and that the performance of the East End Terminal construction work including the Shuttle Terminal Expansion shall not constitute an eviction or constructive eviction of the Lessee nor be grounds for any abatement of rents, fees or charges payable under this Lease nor give rise to or be the basis of any claim or demand by the Lessee against the Port Authority, its Commissioners, officers, employees or agents for damages, consequential or otherwise, under this Lease or otherwise.

(f) It is recognized that Section 2 (j) of the East End Terminal lease calls for the establishment of a 'Completion Date' for the East End Terminal construction work upon the submission of the certificate called for thereunder. Accordingly, it is specifically understood and agreed that the Lessee shall not use or occupy or permit the use or occupancy of the Shuttle Terminal Expansion or any other portions of the East End Terminal construction work unless and until the requirements of said Section 2 (j) of the East End

Terminal lease are met and the certificates called for thereunder are given and the 'Completion Date' as called for thereunder is established; it being understood that the Port Authority will contemporaneously with the submission to the East End Terminal lessee of the certificate called for in Section 2 (j) of the East End Terminal lease give the Lessee written notice of the said Completion Date by sending to the Lessee copies of the said certificate.

(g) The Lessee acknowledges that the Port Authority has advised the East End Terminal lessee that the Port Authority believes that the building and roadway layout set forth in the conceptual plan submitted by the East End Terminal lessee to the Port Authority for its approval covering the East End Terminal construction work under Section 2 of the East End Terminal 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 East End Terminal lessee a conceptual plan as set forth on the sketch attached hereto, made a part hereof, and marked "Exhibit L" 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.

It is recognized that the East End Terminal 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 has proposed that it be permitted to proceed with the construction work under Section 2 of the East End Terminal lease in accordance therewith.

The terms of the East End Terminal lease set forth the basis for the Port Authority's approval of the conceptual plan submitted by the East End Terminal lessee and upon which the East End Terminal Lessee may proceed on the basis of said conceptual plan, which terms specifically provide that the Port Authority and East End Terminal lessee thereby understand and agree that if, at any time after the completion of the East End Terminal construction work generally in accordance with the conceptual design submitted by the East End Terminal lessee, it is determined by the Port Authority 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, upon written notice from the Director of the Aviation Department of the Port Authority, the East End Terminal 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 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 L. Under the terms of the East End Terminal lease, such design and construction will be performed by the East End Terminal lessee in accordance therewith and the terms and provisions thereof.

The Lessee agrees that the foregoing provisions set forth in Paragraphs (c), (d), (e) and (f) of this Section 60 shall be deemed to apply to the said design and construction to be performed by the East End Terminal lessee as described in this paragraph (g) and in Section 2A of the East End Terminal lease.

(h) The Lessee hereby acknowledges that it is aware that included in the East End construction work will be the construction of a snow-melting/removal pit in the premises under the East End Terminal lease of such size and capacity to serve both the premises hereunder and the premises under the East End Terminal lease. The Lessee shall and hereby agrees to use the said snow-melting/removal pit after the Completion Date (as defined in Section 2 (j) of the East End Terminal lease) in common with the East End Terminal lessee for the disposal of accumulated snow on the premises.

Section 61. <u>Relationship Among The Lessee and The East End Terminal Lessee</u>

(a) It is hereby understood and agreed that all of the obligations of the Lessee under this Agreement with respect to the Common Areas may be fulfilled by the Lessee directly or jointly with the East End Terminal lessee or through a contractor, <u>provided</u>, <u>however</u>, 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 shall be the joint and several obligations of the Lessee and said East End 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 involving only the Lessee or only the East End terminal lessee, then with respect to the occurrence, it is hereby agreed that as between the Lessee and the East End terminal lessee, the airline who is solely so involved shall indemnify and hold harmless the other so that, as between the Lessee and the East End terminal lessee, the ultimate obligation, responsibility and liability shall be on the airline solely involved in the occurrence.

Section 62. Assumption of Maintenance and Repair 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 10 hereof as to the premises and the Common Areas hereunder; and

(ii) Section 6 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.

(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 Indexes" 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

affect 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 20 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 37 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 12 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 62.

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 63. 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 Ground Rental, Facility Rental, Airport City Rental or other rental or charges or any payment of utility or other charges or if any such amount if found to be due as the result of an audit, then, in such event, the Port Authority may impose (by statement, bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period (hereinbelow described) during the entirety of which such amount remains unpaid, each such late charge not to exceed an amount equal to eight tenths of one percent of such unpaid amount for each late charge period. There shall be twenty-four late charge periods on a calendar year basis; each late charge period shall be for a period of at least fifteen (15) calendar days except one late charge period each calendar year may be for a period of less than fifteen (but not less than thirteen) calendar days. Without limiting the generality of the foregoing, late charge periods in the case of amounts found to have been owing to the Port Authority as the result of Port Authority audit findings shall consist of each late charge period following the date the unpaid amount should have been paid under this Agreement. Each late charge shall be payable immediately upon demand made at any time therefor by the Port Authority. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid late charge amount shall be deemed a waiver of the right of the Port Authority of payment of any late charge or late charges payable under the provisions of

this Section with respect to such unpaid amount. Each late charge shall be and become additional rent, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the rental. Nothing in this Section is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Agreement, including without limitation the Port Authority's rights to terminate set forth in Section 20 of this Agreement or (ii) any obligations of the Lessee under this Agreement. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum such late charges payable under this Agreement shall be payable instead at such legal maximum.

Section 64. Additional Right of Termination - Securities Ownership

(a) (1) The following provisions of this Section 64 shall be effective upon the effective date of the Assignment of Lease with Assumption and Consent Agreement as set forth on the first page of this Supplemental Agreement whereby this Lease is assigned with the consent of the Port Authority from the Lessee to said Trump Shuttle, Inc. Accordingly, as used in this Section 64, the "Lessee" shall mean and refer to said Trump Shuttle, Inc. as the successor in interest of Eastern Airlines, Inc. pursuant to said Assignment of Lease with Assumption and Consent Agreement.

(2) It is recognized that the Lessee has herein represented, pursuant to and as set forth in paragraph (e) below, that the Lessee is a privately held entity (as defined in paragraph (i) below). It is hereby expressly agreed that in the event the Lessee becomes or proposes to be or become a publicly owned entity (as defined in paragraph (i) below, the Lessee, promptly and no later than twenty (20) days after its filing of its prospectus or documents or forms with the Securities and Exchange Commission or any successor or substitute body ("SEC") shall submit to the Port Authority true and complete copies of such prospectus and other such documents and forms filed or to be filed with the SEC.

(b) In the event the Lessee shall at anytime be or become a publicly owned entity (as defined in paragraph (i) below), and any individual, corporation, partnership or other entity (other than a Trump Entity as defined in paragraph (c) hereof, or any corporation, partnership or other business entity which is under the control of a Trump Entity) shall have direct or indirect beneficial ownership (as described below) of a portion of any class of outstanding voting securities of the Lessee in excess of fifteen percent (15%) thereof unless the Port Authority

shall have given its written consent thereto, then upon the occurrence of any such event or at any time thereafter during the continuance thereof the Port Authority shall have the right to terminate the Agreement and the letting hereunder pursuant to the provisions of Section 20 hereof, provided, however, that the provisions of Section 23 hereof shall not apply to such termination

(c) (1) In the event the Lessee at any time, as a privately held entity (as defined in paragraph (i) below) shall have in excess of forty-nine and nine-tenth percent (49.9%) of its securities or shares or any rights or privileges thereunder held by any individual or entity (other than a Trump Entity (as defined below), or any corporation, partnership or other business entity which is under the control of a Trump Entity) then, upon the occurrence of such event or at any time thereafter during the continuance thereof the Port Authority shall have the right to terminate the Agreement and the letting hereunder pursuant to the provisions of Section 20 hereof, provided, however, that the provisions of Section 23 hereof shall not apply to such termination.

(2) (i) "Trump Entity", as used herein, shall mean and include Donald J. Trump, any member of his immediate family, including parents, spouse, siblings and children, trusts for the exclusive benefit of any of the foregoing, and the estate of Donald J Trump or any of his immediately family as aforesaid.

(ii) For purposes of the foregoing, a Trump Entity shall be deemed to have control of a corporation, partnership or other business entity only if the Trump Entity has the direct or indirect ownership of more than fifty percent (50%) of such corporation, partnership or other business entity, if such corporation, partnership or other business entity is a privately owned entity, or fifteen percent (15%) of such corporation, partnership or other business entity if such corporation, partnership or other business entity is a publicly owned entity (provided there is no single larger percentage owner of the same).

(d) The foregoing right of termination shall be in addition to all other rights of termination the Port Authority has under this Agreement and the failure of the Port Authority to exercise its right of termination under this Section at any time in which it may have such right shall not affect, waive or limit its right to exercise said right of termination at any subsequent time.

(e) The Lessee hereby represents, knowing that the Port Authority is relying on the accuracy of such representation, that it is a corporation organized and existing under the laws of the State of New York that ten (10) shares of common stock with no par value constitute all its outstanding securities, that Donald J. Trump is the sole owner of all ten (10) of said

shares of common stock, that there are no other shares issued and outstanding, and that there are no other individuals and no corporations, partnerships or other entities having a direct or indirect beneficial ownership of any portions of said entity.

(f) The phrase "direct or indirect beneficial ownership" shall include without limiting the generality thereof the direct or indirect power through contract, arrangement, understanding, relationship or otherwise to dispose of or to direct the disposal of, or to vote or to direct the voting of, any voting security of an entity.

(g) The term "voting security" shall include any stock, bond or other obligation of a corporation the holder of which has any voting rights including but not limited to the right to vote for the election of members of the board of directors of said corporation and shall include any security convertible into a voting security and any right, option or warrant to purchase a voting security.

(h) The Lessee shall promptly advise the Port Authority of any change in the representation made in paragraph (e) of this Section.

(i) A "publicly owned entity" shall be and mean one that has any class of securities subject to the registration requirements of the Securities Exchange Act of 1934, or any successor or substitute therefor. A "privately held entity" shall be and mean an entity which is not a publicly owned entity.

(j) The above provisions shall not limit the Lessee's limited right of assignment provided in Paragraph (a) of Section 19 of the Lease.

Section 65. <u>Additional Rights of Termination by the Port Authority as to Portions of the Premises</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 the calendar year 1988, would be 6000, hereinafter called the 'Lessee's Commencement Basic Schedules'.

(b) Commencing with calendar year 1991 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 1990 experience, said revenue seats daily average shall be called the 'Lessee's Basic Schedule for 1990'.

(c) As of January 1, 1991 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 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 4 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.

(d) The failure of the Port Authority to exercise its right of termination 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 of termination in any subsequent year.

(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 fifteen (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 57 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.

Section 66. Lessee's Use of the Premises for the Shuttle Service - Additional Rights of Termination by the Port Authority

(a) The Port Authority has advised the Lessee and the Lessee hereby acknowledges and agrees that it is of the utmost importance and of the essence of this agreement with the Lessee that suitable and adequate Shuttle Service (as hereinafter defined) be available to passengers at the Airport and that the premises under the Lease be used to provide the Shuttle Service, at the frequency measured in accordance with the following paragraphs.

(b) Commencing with calendar year 1991 and for each and every calendar year thereafter, the Port Authority may ascertain the shuttle revenue seats daily average of the Lessee for the Airport for the preceding calendar year in accordance with the provisions of paragraph (e) hereof, which shuttle revenue seats daily average shall be the Lessee's Basic Shuttle Schedule for the preceding calendar year and shall be referred to as such. Thus, for example, in the case of the first calculation which would be based on the calendar year 1990 experience, said revenue seats daily average shall be called the "Lessee's Basic Shuttle Schedule for 1990".

(c) As of January 1, 1991 and as of January 1 of each succeeding calendar year (i) in the event that the Lessee's Basic Shuttle Schedule for the immediately preceding calendar year for the Airport are less than eighty percent (80%) of the Lessee's Measuring Shuttle Schedule or (ii) in the event that because of reasons beyond the control of the Lessee the Lessee's Basic Shuttle Schedule for the immediately preceding two calendar years are less than eighty percent (80%) of the Lessee's Measuring Shuttle Schedule, (for each preceding calendar year) 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 except (gates designated as 7, 8 and 9), that the Port Authority determines are not needed by the Lessee to perform the Lessee's Basic Shuttle Schedule as determined for the most recent calendar year (and without consideration of any other passenger air transportation service provided by the Lessee at the premises). 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 set forth in said notice with the same force and effect as if said date were the date originally stated in this Agreement for the expiration of the term of the letting as to 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. The Lessee understands that it will be required to make available to the Port Authority or to others who shall occupy and use such space on a reasonable basis ingress and egress thereto, and such other utilities and services as are necessary to the operation thereof as an airline terminal. 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 4 of the Lease.

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 the Lessee has submitted to the Port Authority definite plans for the use of the entire premises at least at the minimum levels specified in subparagraph (i) and (ii) above provided the Lessee in fact commences such use including the portions of the premises proposed to be terminated by the Port Authority within ninety (90) days after the submission of the said plans.

(d) The failure of the Port Authority to exercise its right of termination 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 of termination in any subsequent year.

(e) (1) In the event the Port Authority decides to ascertain the shuttle revenue seats daily average of the Lessee for the preceding calendar year it shall do so as follows: based upon the Official Airline Guide (herein called "the Guide"), or in the event that the Guide shall not list the Lessee's schedules then based upon the generally accepted United States aviation industry standard published airline schedule reference which shall include the Lessee's published schedules, the Port Authority shall ascertain the total number of revenue seats that were accommodated on the aircraft equipment scheduled to have been used by the Lessee on its published aircraft arrivals at the Airport in performing the Shuttle Service (as hereinafter defined) as set forth in the Guide during the applicable calendar year which are hereinafter called "the total shuttle revenue seats" of the Lessee.

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 in the Shuttle Service at the Airport. The total revenue seats of the Lessee shall then be divided by 365, the resulting quotient being herein called "the shuttle revenue seats daily average" of the Lessee.

(2) It is hereby agreed that for the purpose of this paragraph the term "the Lessee's Measuring Shuttle Schedule" shall be and mean the shuttle revenue seats daily average (as said term is defined in subparagraph (e) (1) hereof of the Aircraft Operator at the Airport (not including the Lessee and herein called "the Other Shuttle Operator") which shall have had the greatest shuttle revenue seats daily average for the preceding calendar year. The Lessee's Measuring Shuttle Schedule shall be ascertained in accordance with subparagraph (e) (1) above and the term "the Lessee" as used therein, for the purpose of ascertaining the Lessee's Measuring Shuttle Schedule under this subparagraph (2) shall be deemed to mean and refer to the Other Shuttle Operator as set forth above.

(f) In the event the Port Authority shall, from time to time, exercise its right of termination hereunder as to a portion or portions of the premises then, effective upon the date the Port Authority takes possession thereof, (i) the Lessee's Basic Shuttle Schedules as set forth in paragraph (a) hereof shall be adjusted by multiplying the Lessee's Basic Shuttle Schedules as originally set forth herein by a fraction, the denominator of which shall be 6 and the numerator of which shall be 6 less the number of gate positions in the portion or portions of the premises then or previously terminated by the Port Authority hereunder.

(g) The term "Shuttle Service" as used in this Lease shall mean the transportation by aircraft of passengers to and from the Airport and the City of Boston Massachusetts on one hand and to and from the Airport and the City of Washington D.C. on the other hand, in a regularly and frequently scheduled air service, with guaranteed seating, permitting reservation or ticket purchase immediately prior to aircraft boarding.

Section 67. Consolidated Ramp Control Operations

(a) Without limiting any other term or provision of this Agreement, the Lessee in its use and operation of the ground control tower on the premises or on the East End Terminal premises and the conduct of aircraft and other operations on the aircraft ramp and common taxiway areas shall at all times comply with the requirements, directives and requests of the FAA, and any and all other government agencies pertaining thereto.

(b) Without limiting the provisions of paragraph (a) above, the Lessee shall consult, cooperate and coordinate with the Aircraft Operators at the premises, the East End Terminal and the Delta Terminal, as herein defined, in establishing procedures for the operation, maintenance and staffing of a consolidated facility to coordinate and control, in a safe and efficient manner, all arriving, departing, and relocating aircraft and ground vehicle movements on the ramp and apron areas serving the premises, the East End Terminal and the Delta Terminal and access to the public taxiways adjacent thereto. Such consultation, cooperation and coordination shall include staffing, the sharing of costs, and the establishment of ramp coordination and communication procedures. All operations and procedures hereunder shall at all times be consistent with the rules, regulations, requests, requirements and directions of the FAA and the Port Authority; and the provisions of this Lease. As used herein 'Delta Terminal' shall mean the terminal building and facilities at the Airport adjacent to the Shuttle Terminal now occupied by Delta Air Lines, Inc.

(c) All communications among the ground control facility, vehicles, aircraft and others will be recorded to monitor compliance with the procedures established.

(d) The procedures and recordings called for herein shall be made available by the Lessee to the Port Authority upon request of the Port Authority given at any time and from time to time.

Section 68. Affirmative Action

In addition to and without limiting any other term or provision of this Agreement, the Lessee assures

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

Section 69. The Lessee's Ongoing Affirmative Action-Equal Opportunity Commitment

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

(b) In addition to and without limiting the foregoing, and without limiting the provisions of Sections 54 and 68 hereof, it is hereby agreed that the Lessee in connection with its continuing operation, maintenance and repair of the premises, or any portion thereof, and the Common Areas, as provided in this Agreement, and in connection with every award or agreement for concessions or consumer services at the Airport, shall throughout the term of the letting hereunder commit itself to and use good faith efforts to implement an extensive program of Affirmative Action, including specific affirmative action steps to be taken by the Lessee, to ensure maximum opportunities for employment and contracting by minorities and women, and by Minority Business Enterprises and Women-owned Business Enterprises. In meeting the said commitment the Lessee agrees to submit its said extensive Affirmative Action program, including the specific affirmative action steps to be taken by the Lessee to meet its aforesaid commitment, within six (6) months after the effective date of Supplement No. 5 of this Agreement as set forth on the first page thereof, to the Port Authority for its review and approval. The Lessee

shall incorporate in its said program such revisions and changes which the Port Authority initially or from time to time may reasonably require. The Lessee throughout the term of the letting hereunder shall document its efforts in implementing the said program, shall keep the Port Authority fully advised of the Lessee's progress in implementing the said program and shall supply to the Port Authority such information, data and documentation with respect thereto as the Port Authority may from time to time and at any time request, including but not limited to annual reports.

(c) (1) "Minority" as used herein shall have the following meaning:

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

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

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

(iv) American Indian or Alaskan Native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).

(2) "Minority Business Enterprise" (MBE) as used herein shall have the following meaning: any business enterprise which is at least fifty-one percent owned by, or in the case of a publicly owned business, at least fifty-one percent of the stock of which is owned by citizens or permanent resident aliens who are minorities and such ownership is real, substantial and continuing.

(3) "Women-owned Business Enterprise" (WBE) as used herein shall have the following meaning: any business enterprise which is at least fifty-one percent owned by, or in the case of a publicly owned business, at least fifty-one percent of the stock of which is owned by women and such ownership is real, substantial and continuing.

(4) Good faith efforts to include meaningful participation by MBEs and WBEs shall include at least the following:

(i) Dividing the work to be subcontracted into smaller portions where feasible.

(ii) Actively and affirmatively soliciting bids for subcontracts from MBEs and WBEs, including circulation of solicitations to minority and female contractor associations. The Lessee shall maintain records detailing the efforts made to provide for meaningful MBE and WBE participation as called for in paragraph (b) above, including the names and addresses of all MBEs and WBEs contacted and, if any such MBE or WBE is not selected as a joint venturer or subcontractor, the reason for such decision.

(iii) Making plans and specifications for prospective work available to MBEs and WBEs in sufficient time for review.

(iv) Utilizing the list of eligible MBEs and WBEs maintained by the Port Authority or seeking minorities and women from other sources for the purpose of soliciting bids for subcontractors.

(v) Encouraging the formation of joint ventures, partnerships or other similar arrangements among subcontractors, where appropriate, to insure that the Lessee will meet its obligations hereunder.

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

(vii) Submitting quarterly reports to the Port Authority (Office of Business and Job Opportunity) detailing its compliance with the provisions hereof.

(d) The Lessee's non-compliance with the provisions of this Section shall constitute a material breach of this Agreement. In the event of the breach by the Lessee of any of the above provisions the Port Authority may take any appropriate action to enforce compliance; or in the event such non-compliance shall continue for a period of twenty (20) days after receipt of written notice from the Port Authority, the Port Authority shall have the right to terminate this Agreement and the letting hereunder with the same force and effect as a termination under the Section of this Agreement providing for termination for default by the Lessee in the performance or observance of any other term or provision of this Agreement, or may pursue such other remedies as may be provided by law.

(e) In the implementation of this Section, the Port Authority may consider compliance by the Lessee with the provisions of any federal, state or local law concerning affirmative action-equal employment opportunity which are at least equal to the requirements of this Section, as effectuating the provisions of this Section. If the Port Authority determines that by virtue of such compliance with the provisions of any such federal, state or local law that the provisions hereof duplicate or conflict with such law the Port Authority may waive the applicability of the provisions of this Section to the extent that such duplication or conflict exists.

(f) Nothing herein provided shall be construed as a limitation upon the application of any laws which establish different standards of compliance or upon the application of requirements for the hiring of local or other area residents.

(g) Nothing in this Section shall grant or be deemed to grant to the Lessee the right to make any agreement or award for concessions or consumer services at the Airport.

Section 70. Underground Fuel Distribution System

The Lessee acknowledges that the Port Authority has been discussing with it and other Airlines operating at the Airport the desirability of the planning, design, construction, maintenance and operation of facilities for the receipt, storage and dispensing of aviation fuel at the Airport (herein collectively called the 'Underground Fuel Distribution System' or 'Fuel System'). The Lessee also understands that if the Port Authority proceeds with the construction of the Fuel System there would be charges for the Fuel System for the aforesaid study, planning, design, construction, maintenance and operation of the Fuel System, as and to the extent that the same are performed by or on behalf of the Port Authority. The Lessee and the Port Authority agree that each will consult with the other from time to time on all aspects of the said study, planning, design, construction, maintenance and operation of the Fuel System and how the Port Authority proposes to establish charges therefor.

The Lessee agrees that a Fuel System is necessary and desirable and will benefit and enhance the operation of the Airport. The Lessee further understands that the construction of the Fuel System will require the location on a portion of the premises of a portion of the new System which will not become a part of the premises as set forth in Section 17 (h)

hereof and the Lessee agrees that the Port Authority by its contractors, representatives, agents and engineers shall have the right of access to the premises for the construction, installation, maintenance, repair and reconstruction of the same without abatement of any rental or charges hereunder or any payments by the Port Authority to the Lessee therefor. The Lessee further understands that certain facilities may be required to be constructed by the Lessee on its premises, which shall remain a part of the premises, and the responsibility of the Lessee to maintain and repair.

The Lessee agrees that if the Fuel System is constructed as hereinbefore provided the Lessee will utilize the same, will pay to the Port Authority charges for the same and will comply with such procedures, rules and regulations as, in the opinion of the Port Authority, may be appropriate for the efficient or proper utilization of the Fuel System for the benefit of all users of the Airport. Once the new System is in effect, the Lessee agrees that it shall not perform the fueling of Aircraft in the premises as set forth in Section 5(a)(12) and that the entity operating the Fuel System will be performing the same.

Without limiting the foregoing, the Lessee understands and agrees that if the Fuel System is constructed that it would be appropriate that an agreement supplemental to this Lease setting forth all of the details thereof should be executed and that it will execute such supplemental agreement prepared by the Port Authority but execution of said supplemental agreement shall not be a condition or prerequisite to the operation or effectiveness of the foregoing provisions of this Section.

The Lessee further agrees that once the Fuel System is placed in effect and one entity is authorized to provide the fuel dispenser service then from and after said date neither the Lessee nor any other persons shall dispense aviation fuel to the Lessee other than the operator as hereinabove set forth.

Section 71. <u>Rotary Wing and Tilt-Rotor Operations</u>

The Lessee hereby acknowledges that the Lease does not grant to it any right and the Lessee does not have any right to use or permit the use of any portion of the premises or the Shuttle Terminal Facilities for the landing or taking off of helicopters, rotary wing, tilt-rotor or other similar aircraft. In the event that the Port Authority determines that approval for such use will be given at any time hereafter, the same shall be granted only in accordance with such terms and

conditions, including but not limited to, fees, charges and rights of user, as the Port Authority may set forth in a supplement to the Lease, which is duly executed by the Lessee and the Port Authority.

Section 72. Easement Roadways

(a) Without limiting any provision of this Agreement, the Port Authority hereby reserves the right, with respect to the areas shown in stipple, diagonal hatch and cross-hatch on the sketch attached hereto, hereby made a part hereof and marked 'Exhibit J' (which areas are herein sometimes collectively called 'the Easement Roadways'), to make the Easement Roadways available to the general public for general or limited highway use.

(b) All obligations, liabilities, indemnities and responsibilities, including without limitation those under Sections 6 through 13 hereof, to be performed, observed or fulfilled by the Lessee with respect to the premises or the Common Areas shall extend and apply to the Easement Roadways as though the same formed a part thereof.

(c) It is hereby specifically understood that nothing contained in this Section shall relieve the Lessee from its liabilities, obligations, indemnities and responsibilities under the Lease nor limit, in any way, its obligations to operate and maintain the Easement Roadways, including but not limited to, its obligations of cleaning, snow and ice removal and to exercise control over its patrons, employees and invitees using the premises.

(d) Without limiting the generality of the foregoing, the Port Authority shall have the right but not the obligation to designate the Easement Roadways as part of its Air Terminal Highway System at the Airport.

Section 73. Requesting Airlines at the Airport

(a) If a Scheduled Aircraft Operator (hereinafter called a 'Requesting Airline') advises the Lessee that it would like to be accommodated by the Lessee at the premises under the Lease, the Lessee in furtherance of the public interest of having the premises fully and most effectively utilized shall use its best efforts to accommodate the request of said Requesting Airline. If the Lessee fails to reach agreement with said Requesting Airline for its accommodation, the Lessee shall advise the Port Authority to such effect. Thereafter, the Port Authority shall make a determination as to whether the

Lessee should accommodate the Requesting Airline as requested and if so, whether there are any limitations on the nature, extent, cost, duration and extension of such accommodation. Determinations of the Port Authority shall not be arbitrary or capricious. Such determinations of the Port Authority would take into consideration the then existing utilization of the premises under the Lease and the necessity for the flights, schedules, flight times, operations, operating practices and aircraft equipment of the Requesting Airline to be compatible with those of the Lessee, as well as the need for labor harmony. The Lessee agrees to comply with such determinations of the Port Authority.

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

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

12. The last four lines of Paragraph 5 (a) of Section 4 of the Lease as set forth on page 14 thereof shall be deemed amended to read as follows:

"For each square foot of land of the premises the use of which is denied to the Lessee, at the daily rate of

13. It is hereby agreed that from and after the effective date of this Supplemental Agreement, the Easement Roadway, as defined in Paragraph 9 (b) of Supplement No. 2 to the Lease, shall include the area shown in stipple on Exhibit K attached hereto and hereby made a part hereof.

14. It is expressly recognized that Exhibits H, I, J and K are preliminary Exhibits, and are so marked and, further, that the said Exhibits H, I, J and K are based on a preliminary description of the areas shown thereon and do not contain precise metes and bounds description. The Port Authority and the Lessee hereby expressly agree that upon the Port Authority's determination of the actual metes and bounds of the areas shown on the said Exhibits, final versions of Exhibits H, I, J and K shall be prepared and shall be set forth in a Supplemental Agreement to the Lease, which Supplemental Agreement shall be

prepared by the Port Authority and submitted to the Lessee for execution and shall have attached thereto the final versions of Exhibits H, I, J and K which shall be deemed to have retroactive effect to the effective date hereof. The Lessee agrees to execute the said Supplemental Agreement and return the same to the Port Authority within ten (10) days of the receipt of the same.

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

16. 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.

17. 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.

18. 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 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 Agreement.

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By:

(Title) Director of Aviation

(Seal)

ATTEST:

Assistant Secretary

EASTERN AIR LINES, INC.

By:

(Title)

(Corporate Seal)

CONSENTED TO AND AGREED:

TRUMP SHUTTLE, INC.

By:

(Title) President

(Corporate Seal)

ATTEST:

(Secretary)

APPROVED
FORM
TERMS

EXMEPTION (4)

DRAWINGS OF NON-PUBLIC AREAS

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

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

On the 6th day of June, 1989, before me came Morris Silver, to me known, who, being by me duly sworn, did depose and say that he resides at (Ex. 1)

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

(Notarial Seal and Stamp)

ROSEANN GUDDEMI
Notary Public, State of New York
No. 4735751
Qualified in Nassau County
Term Expires ~~March~~ June 30, 1989

STATE OF Florida)
) ss.
COUNTY OF Dade)

On the 5th day of June, 1989, before me personally came Peter M. Pingras to me known, who being by me duly sworn, did depose and say, that he resides at (Ex. 1)

that he is the Staff Vice President of EASTERN AIR LINES, 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 E. Camacho
(Notarial Seal and Stamp)

NOTARY PUBLIC. STATE OF FLORIDA.
MY COMMISSION EXPIRES: JAN. 23, 1993.
BONDED THRU NOTARY PUBLIC UNDERWRITERS.

STATE OF New York)
) ss.
COUNTY OF New York)

On the 6th day of June, 1989, before me personally came Bruce R. Nobles. to me known, who, being by me duly sworn, did depose and say, that he resides at

that he is the President of TRUMP SHUTTLE, 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.

(Notarial Seal and Stamp)

KEITH E. REICH
Notary Public, State of New York
No. 31-4760868
Qualified in New York County
Commission Expires March 30, 1990

USA-751
4992.A

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

Lease No. AG-751
Operating Agreement No. AGA-146
LaGuardia Airport

CONSENT AGREEMENT TO CHANGE OF CONTROL,
MERGER AND TO MANAGEMENT
BY THE LESSEE'S MANAGING AGENT
AND SUPPLEMENT NO. 6 TO LEASE

THIS AGREEMENT, dated April 10, 1992, made by and among 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 One World Trade Center in the Borough of Manhattan, City, County and State of New York, and SHUTTLE, INC. (hereinafter called "the Lessee") a corporation organized and existing under the laws of the State of Delaware with an office and place of business at 75-20 Astoria Boulevard, Jackson Heights, New York, 11320, and the successor by merger with and into Trump Shuttle, Inc. a New York corporation, and USAIR, INC., a corporation of the State of Delaware with an office and place of business at 2345 Crystal Drive, Arlington, Virginia 22227 (hereinafter called "the Managing Agent");

WITNESSETH, That:

WHEREAS, the Port Authority and Eastern Air Lines, Inc. heretofore entered into a certain agreement of lease made as March 17, 1977 (said agreement of lease, as the same has been supplemented and amended, and as the same is herein 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 therein set forth; and

WHEREAS, the Lease was thereafter assigned by said Eastern Air Lines, Inc. to Trump Shuttle, Inc. pursuant to an Assignment of Lease with Assumption and Consent Agreement entered into among the Port Authority, said Eastern Air Lines, Inc. and Trump Shuttle, Inc. made as of June 2, 1989 and effective as of June 8, 1989; and

WHEREAS, said Trump Shuttle, Inc. thereafter and effective as of April 10, 1992 merged with and into the Lessee, with the Lessee surviving such merger and succeeding to all of the rights, obligations and liabilities of said Trump Shuttle, Inc. (the "Merger"); and

WHEREAS, said Trump Shuttle, Inc. and the Lessee have requested the consent of the Port Authority to the Merger and the change of control of Trump Shuttle, Inc. relating thereto and the Port Authority is willing to grant its consent thereto subject to certain terms and conditions hereinafter set forth;

WHEREAS, the Lessee has also requested the consent of the Port Authority to the proposed performance of management services for the Lessee by the Managing Agent; such management services by the Managing Agent (hereinafter collectively called the "Management Services") to be provided by the Managing Agent under a Management Agreement entered into between the Lessee and the Managing Agent dated as of April 10, 1992 a copy of which is attached hereto (hereinafter referred to as the "Management Agreement") in accordance with, subject and subordinate to and limited and restricted by the Lease;

WHEREAS, the Lessee and the Managing Agent have also requested the consent of the Port Authority to the exercise of the USAir Purchase (as hereinafter defined) by USAir (as hereinafter defined);

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

NOW, THEREFORE, in consideration of the covenants and mutual agreements of all the parties hereto, it is hereby agreed by the parties hereto as follows:

1. On the terms and conditions hereinafter in this Agreement set forth, the Port Authority consents to the Merger, and to the Management Agreement.

2. Neither this Consent 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 of any rights, powers or privileges to the Lessee under the Lease as may be provided by the Management Agreement if not granted to the Lessee under the Lease, nor shall they impair or affect any of the duties, liabilities and obligations imposed on the Lessee under the Lease. The Management Agreement is an agreement between the Lessee and the Managing Agent with respect to the various matters set forth therein. Neither this Consent

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 Management Agreement shall apply and pertain as between the Lessee and the Port Authority, it being understood that the terms, provisions, covenants, conditions and agreements of the Lease shall, in all respects, be controlling, effective and determinative. The specific mention of or reference to the Port Authority in any part of the Management Agreement, 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 Management Agreement 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 Management Agreement, including but not limited to those imposing obligations, if any, on the Managing Agent 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 Management Agreement covering action which may be undertaken by the Lessee and the Managing Agent including but not limited to those involving signs, construction on the premises or the Common Areas under the Lease, 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 Management Agreement 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 Management Agreement which are not specifically referred to herein.

3. The granting of this Consent by the Port Authority shall not be or be deemed to operate as a waiver of the rights of the Port Authority, or as a consent to any like agreement for management services or other use or occupancy or any subsequent subleasing (including but not limited to any by the Lessee or the Managing Agent) or to any assignment of the Lease, the Management Agreement, or of any rights under any of them, whether in whole

or in part, nor shall the granting of this Consent or anything contained herein, nor the Management Agreement or anything contained therein constitute or be deemed to constitute a waiver of the right of the Port Authority to include the requirement for the payment of fees to the Port Authority as a condition of any further Port Authority consent and as part of any further consent agreement.

4. The Management Agreement shall not be changed, modified or extended in any manner (a) which affects the operations of the Lessee at the Airport or (b) which materially adversely affects the rights of the Port Authority pursuant to the Lease or this Consent Agreement except by written instrument duly executed by the parties thereto and only with the express prior written consent of the Port Authority.

5. (a) Notwithstanding anything contained therein, the Lessee and the Managing Agent shall provide to the Port Authority a copy of each notice of termination, if any, of the Management Agreement given or received thereunder.

(b) Neither this Agreement nor the Management Agreement shall grant or be construed to grant to the Managing Agent any interest or estate in real property, and a landlord-tenant relationship shall not be or be deemed to be created hereunder.

6. The operations and services of the Managing Agent under or in connection with the Management Agreement shall not be inconsistent with the terms, provisions, covenants and conditions of the Lease.

7. (a) The Managing Agent hereby acknowledges that it has received and reviewed a complete copy of the Lease and is familiar with all of the terms, provisions, covenants, and conditions thereof.

(b) The Managing Agent 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 (a) a breach or default by the Lessee under the Lease, provided that such breach or default was caused by Lessee or its officers or employees acting, or failing to act, at the direction of or under the supervision of the Managing Agent, (b) acts or omissions by the Lessee or its officers or employees at the premises or at the Common Areas, as defined in the Lease, provided that such acts or omissions occurred under the supervision of or resulted from the

direction of the Managing Agent, (c) a breach or default by the Managing Agent of any of its obligations under this Agreement, (d) the acts or omissions of the Managing Agent, its officers, employees, guests, invitees and business visitors on the premises or the Common Areas and (e) the acts or omissions of the Managing Agent, its officers and employees, elsewhere at the Airport (f) the use and occupancy, if any, of the premises or the Common Areas under the Lease by the Managing Agent or by others authorized by the Managing Agent. The claims and demands referenced in the preceding sentence shall include 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. Notwithstanding anything to the contrary set forth in this Paragraph 7 (b), in no event shall the Managing Agent be liable to the Port Authority for any rent, additional rent, or any other fees, charges or amounts payable by the Lessee to the Port Authority under the Lease.

If so directed, the Managing Agent 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.

8. The following provisions of this Paragraph 8 shall be deemed to be and constitute Supplement No. 6 to the Lease:

(a) Section 4 of the Lease, as previously amended, is hereby further amended by adding at the end thereof a new item 7 thereof reading as follows:

"(7) <u>Additional Rental Payments</u>:

(a) In addition to the foregoing rentals, the Lessee hereby agrees to pay to the Port Authority additional rental (hereinafter 'Additional Rental') at the rate of (2.a.) per annum commencing on the USAir Purchase Date (as hereinafter defined) and continuing during each and every year of the term of the letting under the Lease. The Lessee shall pay the Additional Rental in advance in equal monthly installments commencing on the USAir Purchase Date and on the first day of each and every month thereafter until the expiration of the term of the letting hereunder. If the commencement date for the payment of the Additional

Rental be other than the first day of the month, or if any installment of Additional Rental payable hereunder shall be for less than a full calendar month, then the Additional 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 said month.

(b) The term 'USAir Purchase Date' shall mean the first to occur of (1) the date of the closing by USAir (as defined in Section 64 hereof) of the USAir Purchase Option (as defined and described in Section 64 of this Lease) or (2) the date of closing by USAir of the USAir Right of First Refusal (as defined and described in Section 64 hereof). Without limiting any term, provision, covenant or condition of this Lease including without limitation the Lessee's obligation to pay the Additional Rental hereunder, the Lessee shall and hereby agrees to deliver to the Port Authority a written notice setting forth the USAir Purchase Date, such notice to be delivered by the Lessee no later than ten (10) days after the occurrence of such Date."

(b) Section 64 of the Lease (as set forth in Supplement No. 5 thereof) is hereby amended to read as follows:

"Section 64. <u>Additional Right of Termination - Securities Ownership</u>

(a) (1) The following provisions of this Section 64 shall be effective upon the Merger Closing Date (as defined in paragraph (k) below). Accordingly, as used in this Section 64, the 'Lessee' shall mean and refer to said Shuttle, Inc. as the successor by merger with and into Trump Shuttle, Inc. pursuant to the Merger.

(2) It is recognized that the Lessee has herein represented, pursuant to and as set forth in paragraph (e) below, that the Lessee is a privately held entity (as defined in paragraph (i) below). It is hereby expressly agreed that in the event the Lessee becomes or proposes to be or become a publicly owned entity (as defined in paragraph (i) below) the Lessee, promptly and no later than twenty (20) days after its filing of its prospectus or documents or forms with the Securities and Exchange Commission or any successor or substitute body ('SEC') shall submit to the Port Authority true and complete copies of such prospectus and other such documents and forms filed or to be filed with the SEC.

(b) In the event the Lessee shall at anytime be or become a publicly owned entity (as defined in paragraph (i) below), and any individual, corporation, partnership or other entity (other than 'USAir' as defined in paragraph (c) hereof and other than an Exhibit Z Institution as defined in paragraph (g) (viii) hereof), shall have direct or indirect beneficial ownership (as described below) of a portion of any class of outstanding voting securities of the Lessee in excess of twenty-five percent (25%) thereof unless the Port Authority shall have given its prior written consent thereto, then upon the occurrence of any such event or at any time thereafter during the continuance thereof the Port Authority shall have the right to terminate the Agreement and the letting hereunder pursuant to the provisions of Section 20 hereof.

(c) In the event the Lessee at any time, as a privately held entity (as defined in paragraph (i) below) shall have in excess of fifty percent (50%) of its securities or shares or any rights or privileges thereunder in the aggregate held by any individual or entity (other than 'USAir' and other than an Exhibit Z Institution as defined in paragraph (g) (viii) hereof) then, unless the Port Authority shall have given its prior written consent thereto, upon the occurrence of such event or at any time thereafter during the continuance thereof the Port Authority shall have the right to terminate the Agreement and the letting hereunder pursuant to the provisions of Section 20 hereof.

(d) The foregoing rights of termination shall be in addition to all other rights of termination the Port Authority has under this Agreement and the failure of the Port Authority to exercise any right of termination under this Section at any time in which it may have such right shall not affect, waive or limit its right to exercise said right of termination at any subsequent time.

(e) The Lessee hereby represents, knowing that the Port Authority is relying on the accuracy of such representation, (1) that at the time of the execution hereof it is a corporation organized and existing under the laws of the State of Delaware and has securities authorized and/or issued as follows:

Common Stock:	Class A Shares	Class B Shares	Class C Shares
Authorized	1000	1000	1000
Issued	195	133.4	None

(2) that the only voting securities of the Lessee are the Class B series 1 shares of which there are only 20 authorized and issued and outstanding; (3) that the only other securities of the Lessee authorized and/or outstanding are as follows: Class A warrants, Class B warrants and Class C warrants; (4) that the holders of the aforesaid securities of the Lessee at the time of the execution of this Agreement are as listed on the Exhibit attached hereto ('Exhibit Z'); (5) that there is no other capital stock authorized or issued and outstanding; and (6) that there are no other individuals and no corporations, partnerships or other entities having a direct or indirect beneficial ownership of any portions of said entity.

(f) The phrase 'direct or indirect beneficial ownership' shall include without limiting the generality thereof the direct or indirect power through contract, arrangement, understanding, relationship or otherwise to dispose of or to direct the disposal of, or to vote or to direct the voting of, any voting security of an entity.

(g) The terms 'voting security' and 'voting securities' shall include any stock, bond or other obligation of a corporation the holder of which has any voting rights including but not limited to the right to vote for the election of members of the board of directors of said corporation and shall include any security convertible into a voting security and any right, option or warrant to purchase a voting security.

(h) The Lessee shall promptly advise the Port Authority of any change in the representation made in paragraph (e) of this Section.

(i) A 'publicly owned entity' shall be and mean one (1) that has any class of securities subject to the registration requirements of the Securities Exchange Act of 1934, or any successor or substitute therefor; and (2) that has a minimum of 1000 shareholders of all of its securities, including but not limited to the securities mentioned in the foregoing clause (1). A 'privately held entity' shall be and mean an entity which is not a publicly owned entity.

(j) The provisions of this Section 64 shall not limit the Lessee's limited right of assignment provided in Paragraph (a) of Section 19 of the Lease.

(k) As used herein in this Section and in Section 4 of this Lease the following terms shall have the following meanings:

(i) 'USAir' shall mean USAir Group, Inc., a corporation of the State of Delaware and the parent corporation of USAir, Inc.

(ii) 'USAir, Inc.' shall mean USAir, Inc. a corporation of the State of Delaware and a wholly-owned subsidiary of USAir.

(iii) 'USAir Purchase Option' shall mean the option exercisable by USAir during the period commencing on the date that is four years and six months from the Merger Closing Date pursuant to the terms and conditions of the Option Agreement providing for the right of USAir to purchase all of the securities of the Lessee.

(iv) 'USAir Right of First Refusal' shall mean the right of USAir to purchase more than 50% of the securities of the Lessee or any of the securities of the Lessee which are Class B series 1 shares or Class B series 1 warrants or, after the fifth anniversary of the Merger Closing Date (as hereafter defined) all or substantially all of the assets of the Lessee; all as more fully stated and described in the Option Agreement.

(v) 'USAir Purchase' shall mean the exercise of USAir of the USAir Purchase Option or the USAir Right of First Refusal.

(vi) 'Option Agreement' shall mean that certain Option Agreement dated April 10, 1992 entered into between the Lessee, USAir, and certain other parties; it being specifically understood and agreed, however, that neither this definition nor any reference herein to the Option Agreement shall constitute or be deemed to constitute any agreement or consent of the Port Authority to the Option Agreement or to the terms and conditions thereof or any waiver or impairment of any right or remedy of the Port Authority under the Lease or otherwise, or any modification or impairment of the Lease or any of the terms, provisions, covenants and conditions hereof.

(vii) 'Merger Closing Date' shall mean the date set forth on page 1 of the Consent Agreement (of which this provision forms a part) entered into between the Port Authority, the Lessee and the Managing Aging (as therein defined) as the effective date of the Merger (as therein defined).

(viii) 'Exhibit Z Institution' shall mean a banking institution named on Exhibit Z or any affiliate thereof, provided, however, that for the purposes hereof any such institution shall be considered an Exhibit Z Institution only to the extent and during such times that it is the holder of such class of the voting securities of the Lessee authorized and issued at the time of the execution of this Agreement as set forth in Exhibit Z; it being understood and agreed that for the purposes hereof the holding of warrants to purchase such securities of the Lessee by the Exhibit Z Institution shall be deemed the holding of the securities purchasable upon the exercise of such warrants."

(c) (1) Subparagraph (11) of Paragraph (a) of Section 20 of the Lease (as set forth in Supplement No. 5 of the Lease) is hereby amended to read as follows:

"(11) The Lessee shall fail to keep, perform and observe each and every promise, condition, term and agreement set forth in the Operating Agreement (as defined in Section 57 hereof) on its part to be kept, performed or observed, including without limitation the obligation to pay the fees and charges thereunder and including without limitation any security deposit obligations thereunder; and shall have continued such failure after the expiration of the cure period, if any, applicable under the Operating Agreement:".

(2) Without limiting any term or provision of the Lease, the Operating Agreement or this Agreement, it is recognized that at the time of the execution of this Agreement there is no outstanding security deposit due and owing to the Port Authority under the terms of the Operating Agreement.

(d) Without limiting any term, provision, covenant or condition of the Lease, including without limitation Section 33 thereof, Schedules E and F attached hereto are hereby incorporated into and made a part of the Lease and shall apply with respect to any and all construction work which the Lessee may hereafter be permitted by the Port Authority to perform on the premises or the Common Areas under the Lease.

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

(f) This Supplement No. 6, together with the Lease (to which it is supplementary) and the Consent Agreement (of which this Supplement No. 6 forms a part) 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 agreement 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 Agreement.

9. It is hereby agreed that the Port Authority's consent to the Merger contained herein shall also be deemed to extend and apply to that certain agreement entered into between Trump Shuttle, Inc. and the Port Authority dated June 2, 1989 and bearing Port Authority identification number AGA-146 and covering certain rights and privileges at La Guardia Airport; said agreement as the same has been heretofore extended, supplemented and amended is hereinafter called the "Operating Agreement." In accordance with the foregoing, effective as of the effective date of the Merger as such date is set forth on the first page of this Agreement, the "Airline" as defined in the Operating Agreement shall be deemed to be the Lessee (Shuttle, Inc.) as successor to Trump Shuttle, Inc. pursuant to the Merger. It is specifically understood and agreed, however, that the foregoing shall not grant or be deemed to grant to the Lessee or to the Managing Agent any rights or privileges under the Operating Agreement other than as expressly set forth therein, nor to constitute any consent of the Port Authority to any enlargement, variation or change in the rights and privileges to the "Airline" under the Operating Agreement.

10. (a) (i) By executing this Agreement, the Lessee and the Managing Agent expressly acknowledge, covenant, represent and warrant that the documents submitted to the Port Authority, including the Stock and Warrant Acquisition Agreement, the Option Agreement and the "Certificate of Merger of Trump Shuttle, Inc. into Shuttle, Inc.", and the "Certificate of Ownership and Merger of Trump Shuttle, Inc. with Shuttle, Inc. and Plan of Merger" (collectively the "Merger Documents"), are true, correct, complete and final copies of the documents effectuating the Merger and providing to USAir of the USAir Option and the USAir Right of First Refusal as defined in Paragraph 8 hereof, and that the said Certificate of Merger and Certificate of Ownership and Merger and Plan of Merger shall be duly filed by the Lessee with the Department of State of the State of New York and the Department of State of the State of Delaware, respectively.

(ii) By executing this Agreement, the Lessee expressly acknowledges, covenants, represents and warrants that the

statement of the ownership of the Lessee at the execution of this Agreement, as set forth in Section 64 (e) of the Lease (as herein set forth), is true, correct and complete.

(b) It is expressly understood and agreed that nothing contained herein nor any action taken by the Port Authority under the provisions hereof or any failure by the Port Authority to exercise any right or to take any action under the provisions hereof, nor any reference to the Merger Documents, or any of them, shall, except as otherwise expressly stated herein, constitute or be deemed to constitute any agreement or consent of the Port Authority to any of the transactions contemplated or effectuated by the Merger Documents, or any of them (including without limitation any options or rights granted thereunder) or to the terms or conditions of the Merger Documents, or any of them, (including without limitation any option or rights granted thereunder) or to waive or impair any right or remedy of the Port Authority under the Lease or otherwise, or to modify, alter or impair the Lease or any of the terms, provisions, covenants and conditions thereof.

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

IN WITNESS WHEREOF, the Port Authority, the Lessee and the Managing Agent have executed these presents.

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By

(Title) DEPUTY DIRECTOR OF AVIATION

(Seal)

witness ~~ATTEST:~~

~~Secretary~~

SHUTTLE, INC.

(Lessee)

By

(Title) President

(Corporate Seal)

witness ~~ATTEST:~~

~~Secretary~~

USAIR, INC.

(Managing Agent)

By

(Title) Vice President

(Corporate Seal)

APPROVED:

Form	Terms

EXHIBIT Z

Shares and Warrant Ownership of Shuttle, Inc.

Class A

U.S. PERSONS	Stock	Warrants
Citibank	22.50	0
Bank of America	37.50	0
First Fidelity	15.00	0
Non-U.S. Persons		
ABN Bank	4.80	10.20
Banca Svizerra	2.40	5.10
Banco Fonsecas	4.80	10.20
Bank of Kyoto	4.80	10.20
Bank of Tokyo Trust	7.20	15.30
Central Leasing	4.80	10.20
Century International	4.80	10.20
Crown Leasing	4.80	10.20
Fuji Bank New York/Life USA Inc.	18.00	38.25
Fuyo General	4.80	10.20
Hyakujushi Bank	4.80	10.20
Kyodo Leasing	4.80	10.20
Kyowa Saitama Bank	7.20	15.30
Mitsubishi Trust	13.20	28.05
National Westminster	7.20	15.30
Nichiman American	4.80	10.20
Postipankii	4.80	10.20
Showa Leasing	4.80	10.20
Tokai Bank	7.20	15.30

CLASS B

U.S. PERSONS	Series 1	Series 2	Warrants
Citibank	15	79.44	0
Non-U.S. PERSONS			
Bank of Tokyo Trust	2.5	17.00	8.28
National Westminster	2.5	17.00	8.28

CLASS C

	Warrant
USAir Group, Inc.	400 shares

Initialled:

TPK
For the Port Authority

For the Lessee

SCHEDULE E

AFFIRMATIVE ACTION-EQUAL OPPORTUNITY---MINORITY BUSINESS ENTERPRISES---WOMEN-OWNED BUSINESS ENTERPRISES REQUIREMENTS

PART I. Affirmative Action Guidelines - Equal Employment Opportunity

I. As a matter of policy the Port Authority hereby requires the Lessee and the Lessee shall require any Contractor, as hereinafter defined, to comply with the provisions set forth in this Schedule I. The provisions set forth in this Part I are similar to the conditions for bidding on federal government contracts adopted by the Office of Federal Contract Compliance and effective May 8, 1978.

the Lessee as well as each bidder, contractor and subcontractor of the Lessee and each subcontractor of a contractor at any tier of construction (herein collectively referred to as "the Contractor") must fully comply with the following conditions set forth herein as to each construction trade to be used on the construction work or any portion thereof (said conditions being herein called "Bid Conditions"). the Lessee hereby commits itself to the goals for minority and female utilization set forth below and all other requirements, terms and conditions of the Bid Conditions. the Lessee shall likewise require the Contractor to commit itself to the said goals for minority and female utilization set forth below and all other requirements, terms and conditions of the Bid Conditions by submitting a properly signed bid.

II. the Lessee and the Contractor shall each appoint an executive of its company to assume the responsibility for the implementation of the requirements, terms and conditions of the following Bid Conditions:

(a) The goals for minority and female participation, expressed in percentage terms for the Contractor's aggregate workforce in each trade on all construction work are as follows:

(1) Minority participation:

Minority, except laborers	30%
Minority, laborers	40%

(2) Female participation:

Female, except laborers	6.9%
Female, laborers	6.9%

These goals are applicable to all the Contractor's construction work performed in and for the premises.

The Contractor's specific affirmative action obligations required herein of minority and female employment and training must be substantially uniform throughout the length of the contract, and in each trade, and the Contractor shall make good faith efforts to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from contractor to contractor or from project to project for the sole purpose of meeting the Contractor's goals shall be a violation of the contract. Compliance with the goals will be measured against the total work hours performed.

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

(c) As used in these specifications:

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

(2) "Minority" includes:

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

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

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

(iv) American Indian or Alaskan Native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).

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

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

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

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

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

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

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

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

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

(4) Provide immediate written notification to the Lessee when the union or unions with which the Contractor has a collective bargaining agreement has not referred to the Contractor a minority person or woman sent by the Contractor, or when the Contractor has other information that the union referral process has impeded the Contractor's efforts to meet its obligations.

(5) Develop on-the-job training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and training programs relevant to the Contractor's employment needs, especially those programs funded or approved by the Department of Labor. The Contractor shall provide notice of these programs to the sources compiled under subparagraph (2) above.

(6) Disseminate the Contractor's EEO Policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the Contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the Contractor's newspaper, annual report, etc.; by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and by posting the Contractor's EEO policy on bulletin boards accessible to all employees at each location where construction work is performed.

(7) Review, at least every six months the Contractor's EEO policy and affirmative action obligations hereunder with all employees having any responsibility for

hiring, assignment, layoff, termination or other employment decisions including specific review of these items with on-premises supervisory personnel such as Superintendents, General Foremen, etc., prior to the initiation of construction work at the premises. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.

(8) Disseminate the Contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the Contractor's EEO policy with other Contractors and Subcontractors with whom the Contractor does or anticipates doing business.

(9) Direct its recruitment efforts, both oral and written, to minority, female and community organizations, to schools with minority and female students and to minority and female recruitment and training organizations and to State-certified minority referral agencies serving the Contractor's recruitment area and employment needs. Not later than one month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the Contractor shall send written notification to organizations such as the above, describing the openings, screening procedures, and tests to be used in the selection process.

(10) Encourage present minority and female employees to recruit other minority persons and women and, where reasonable, provide after school, summer and vacation employment to minority and female youth both on the premises and in other areas of a Contractor's workforce.

(11) Tests and other selection requirements shall comply with 41 CFR Part 60-3.

(12) Conduct, at least every six months, an inventory and evaluation at least of all minority and female personnel for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.

(13) Ensure that seniority practices, job classifications, work assignments and other personnel practices, do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the Contractor's obligations hereunder are being carried out.

(14) Ensure that all facilities and company activities are nonsegregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.

(15) Document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitations to minority and female contractor associations and other business associations.

(16) Conduct a review, at least every six months, of all supervisors' adherence to and performance under the Contractor's EEO policies and affirmative action obligations.

(i) Contractors are encouraged to participate in voluntary associations which assist in fulfilling one or more of their affirmative action obligations (subparagraphs (1)-(16) of Paragraph (h) above). The efforts of a contractor association, joint contractor-union, contractor-community, or other similar group of which the Contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under Paragraph (h) hereof provided that: the Contractor actively participates in the group, makes good faith efforts to assure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the Contractor's minority and female workforce participation, makes good faith efforts to meet its individual goals and timetables, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the Contractor. The obligation to comply, however, is the Contractor's and failure of such a group to fulfill an obligation shall not be a defense for the Contractor's non-compliance.

(j) A single goal for minorities and a separate single goal for women have been established. The Contractor, however, is required to provide equal employment opportunity and to take affirmative action for all minority groups, both male and female, and all women, both minority and non-minority. Consequently, the Contractor may be in violation hereof if a particular group is employed in a substantially disparate manner (for example, even though the Contractor has achieved its goals for women generally, the Contractor may be in violation hereof if a specific minority group of women is underutilized).

(k) The Contractor shall not use the goals and timetables or affirmative action standards to discriminate against any person because of race, color, religion, sex or national origin.

(l) The Contractor shall not enter into any subcontract with any person or firm debarred from Government contracts pursuant to Executive Order 11246.

(m) The Contractor shall carry out such sanctions and penalties for violation of this clause including suspension, termination and cancellation of existing subcontracts as may be imposed or ordered by the Lessee. Any Contractor who fails to carry out such sanctions and penalties shall be in violation hereof.

(n) The Contractor, in fulfilling its obligations hereunder shall implement specific affirmative action steps, at least as extensive as those standards prescribed in paragraph (h) hereof so as to achieve maximum results from its efforts to ensure equal employment opportunity. If the Contractor fails to comply with the requirements of these provisions, the Lessee shall proceed accordingly.

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

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

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

"Flight Dispatch" means flight operations of the Shuttle and the attendant planning, scheduling and management of flight itineraries and routings, fueling and flight release and the maintenance of aircraft related thereto.

"Fully Allocated Cost" means, with respect to any goods or services, the average fully allocated cost to the Shuttle of such goods and services, including a pro rata or other appropriate share of any related corporate overhead and fringe benefits.

"GAAP" means generally accepted accounting principles in the United States as in effect from time to time set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board, or in such other statements by such other entity as may be in general use by significant segments of the accounting profession, which are applicable to the circumstances as of the date of determination.

"Holders" has the meaning specified in the Option Agreement.

"Lender Option" has the meaning specified in the Option Agreement.

"Management Period" means the period commencing on the Closing Date and continuing to but not including the tenth anniversary thereof; provided, however, that the Management Period may be terminated prior to such tenth anniversary pursuant to the provisions of Article IV.

"Manager Business Plan" means that certain 10-year operating budget, attached hereto as Exhibit II (it being understood and agreed that references herein to the Manager Business Plan shall, at any time during which an Operating Plan exists, be references to such Operating Plan to the extent such Operating Plan's provisions supersede or contradict those of the Manager Business Plan).

"Manager Indemnified Party" has the meaning specified in Section 5.1.

"Manager Termination Event" has the meaning specified in Section 4.1.

"Material Adverse Effect" means, with respect to any Person, a material adverse effect on the business, assets, or financial condition of such Person, including, in the case of the Shuttle, the Shuttle's continued operation at any of LaGuardia, Logan and National Airports.

"Material Contract" means the three existing lease agreements for the Shuttle's terminal facilities at LaGuardia, Logan and National Airports, the existing lease agreement relating to the Shuttle's leased premises in the Bulova Building, the two existing lease agreements relating to the two aircraft currently leased by the Shuttle, any collective bargaining agreement to which the Shuttle is a party, and each contract to which the Shuttle is a party involving aggregate consideration payable by the Shuttle of $2,000,000 or more per year, which extends beyond the original term of this Agreement and cannot be terminated on 31 days' notice or less without material penalty (but excluding any contract for the provision of fuel or catering supplies or services entered into in the ordinary course of business and consistent in duration and magnitude with the past practice of the Trump Shuttle, Inc.).

"Material Shuttle Liability" means any liability of the Shuttle (whether or not contingent) in respect of a Material Contract or otherwise in excess of $1,000,000.

"Operating Plan" has the meaning specified in Section 3.1(b).

"Purchaser Option" has the meaning specified in the Option Agreement.

"Restructuring" means the restructuring of the indebtedness of the Shuttle pursuant to the Restructuring Documents.

"Senior Debt" means the indebtedness owing by the Shuttle to the Senior Lenders pursuant to the Senior Debt Documents.

"Shuttle Operations" means the airline operations of the Shuttle, including the high-frequency airline service operated by the Shuttle between LaGuardia, Logan and National Airports and all operations of the Shuttle incidental and ancillary thereto and all charter operations of the Shuttle.

"Shuttle Termination Event" has the meaning specified in Section 4.2

"Slots" means the take-off and landing slots, as defined in 14 C.F.R. § 93.213(a)(2), as such section may be amended, at LaGuardia and National Airports, that are licensed to the Shuttle pursuant to the Master Sub-License Agreement entered into pursuant to the New Senior Credit Agreement.

"Standard Senior Debt" has the meaning specified in the New Senior Credit Agreement.

"Stock and Warrant Acquisition Agreement" means the Stock and Warrant Acquisition Agreement dated as of March 27, 1992 by and among the Senior Lenders, the Junior Lenders, Citibank, N.A., as agent, the Purchaser and the Shuttle, as such agreement may be amended, supplemented or otherwise modified from time to time.

"Transition Costs" means the cost of providing all the Transition Services, whether incurred before or after the date hereof, and $910,000 to fund a portion of the Continental Cash Payment (as defined in the Continental Settlement Agreement) pursuant to the Continental Settlement Agreement.

"Transition Period" means the one-year period beginning on the date hereof.

"Transition Services" means, collectively, (i) changing the logo and trim of all 17 aircraft in the Shuttle's current fleet so that each will be identified as a part of the "USAir Shuttle" (such changes to be effected by painting all or part of, or removing the paint from all or part of, each such aircraft or by one or more other methods, in each case as the Manager may, in its sole discretion, determine is most appropriate and practicable), (ii) the removal of all "T"'s and other "Trump Shuttle" logos from the bulkheads of each aircraft and all facilities owned or rented by the Shuttle, (iii) all ferrying associated with the transition to management of the Shuttle by the Manager during the Transition Period (as defined below), (iv) additional advertising for the Shuttle during the Transition Period in an amount not less than $3,847,000, (v) the replacement of all of the Shuttle's interior and exterior signage at gate areas and ticket counters, (vi) the payment of all employee severance payments required to be made or offered by the Shuttle as a result of the transactions contemplated hereby, (vii) the conversion to the Manager's system of such of the Shuttle's current computer systems as the Manager shall deem appropriate, (viii) the conversion of the Shuttle's frequent traveler program, (ix) the hiring and employment of any temporary labor associated with the transition to management of

the Shuttle by the Manager and (x) the replacement of uniform accessories for existing Shuttle employees.

SECTION 1.2. Other Definition Provisions.

(a) The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Article, Section and Exhibit references are to the Articles, Sections and Exhibits to this Agreement unless otherwise specified.

(b) The word "including" and words of similar import when used in this Agreement shall mean "including, without limitation," unless the context otherwise requires or unless otherwise specified.

ARTICLE II

MANAGEMENT SERVICES

SECTION 2.1. Appointment as Manager; Payments; Transition Services.

(a) On the terms and subject to the conditions of this Agreement, the Shuttle hereby appoints the Manager as the Shuttle's agent for the purposes and activities set forth in Articles II and III, and the Manager hereby accepts such appointment on the terms and conditions set forth herein. Notwithstanding such appointment, the Shuttle shall retain control of Flight Dispatch for all regulatory purposes arising under the Federal Aviation Act and the applicable rules and regulations of the FAA. In discharging its duties hereunder the Manager shall: (i) use such care, attention and skill as are generally comparable with that devoted by the Manager to its own airline operations (taking into account the nature of the high-frequency shuttle service of Shuttle Operations); (ii) in no event take or omit to take any action the taking or omission of which would constitute gross negligence or willful misconduct; and (iii) not cause the Shuttle to take any action solely for the benefit of the Manager and not otherwise in the best interests of the Shuttle. Unless otherwise specifically set forth herein, the following provisions of this Article shall apply only during the Management Period.

(b) The Manager does not and shall not, whether before, during or after the Management Period, assume any liability of the Shuttle hereunder, financial or otherwise, to

any Person, including any liability of the Shuttle to the Senior Lenders, the Junior Lenders, the Shuttle's other creditors or any Governmental Authority, and the Manager's sole obligation is to perform its obligations under this Agreement.

(c) In consideration of its appointment as manager and the other covenants and agreements of the Shuttle hereunder, the Manager agrees to pay to the Shuttle:

(i) from time to time, the amount of Transition Costs actually incurred, up to $10,200,000;

(ii) from time to time, an aggregate amount of up to $6,000,000, as the Manager, in the exercise of its reasonable judgment, determines that the Shuttle requires additional working capital; provided, however, that the Manager shall pay to the Shuttle (x) on the Closing Date, such portion of the amount described in this clause (ii) as may be necessary to satisfy the obligations of the Shuttle under the Sharing Agreement Amendment that are payable on the Closing Date and that remain unpaid after application of cash and Cash Equivalents (as defined in the New Senior Credit Agreement) in respect of such obligations in accordance with Section 2.01(a)(viii)(B) of the Stock and Warrant Acquisition Agreement and (y) on the Closing Date (as defined in the Continental Settlement Agreement), an additional $590,000 of the amount described in this clause (ii) to fund a portion of the Continental Cash Payment pursuant to the Continental Settlement Agreement.

(d) The Manager shall, subject to the availability of Shuttle funds (after taking into account the payments to the Shuttle from the Manager required pursuant to Section 2.1), cause the Shuttle to complete all of the Transition Services and shall use its reasonable efforts to cause the Shuttle to do so within the Transition Period (it being recognized and agreed that the Transition Services described in clauses (i), (v), (vii) and (x) of the definition thereof may not be completed during such period).

(e) As is more fully set forth in Section 2.9(a), the Manager shall permit the Shuttle to use certain of its service marks and trademarks; provided, however, that the Manager shall retain during the Management Period all such rights and obligations with respect to Shuttle Operations as are set forth herein in order that Shuttle Operations will

conform to such standards of service, including but not limited to qualification of personnel, customer service standards and other reasonable quality control measures as may be prescribed by the Manager either in this Agreement or in subsequent communications pursuant to this Agreement or the Code Sharing Agreement. In addition, the Manager shall monitor Shuttle Operations, and in the event that, in the Manager's opinion, there has been any deviation from appropriate standards of service, the Shuttle shall use its reasonable efforts to rectify or cause to be rectified any such deviation.

SECTION 2.2. Scope of Services.

(a) Except as provided in Section 2.2(c), the Shuttle hereby delegates to the Manager authority in matters relating to Shuttle Operations including but not limited to service standards, location of facilities, passenger fares, charter rates and other pricing policies, credit policies, reservations, policies, food and beverage services, receipt, holding, investment and disbursement of funds, maintenance of bank accounts, financial management, advertising, promotion and publicity, frequent traveler programs, and, to the extent not falling within the jurisdiction of the FAA, matters such as scheduling, recordkeeping, procurement of inventories, supplies and services and, generally, all activities necessary, appropriate or desirable for Shuttle Operations. Notwithstanding the foregoing, the Shuttle will be responsible for Flight Dispatch, including related recordkeeping and airframe, engine and other maintenance and servicing of aircraft; provided, however, that the Manager shall oversee and/or provide contract services with respect to such operations, and, except as contemplated by Section 2.6, the Manager shall not have the power and authority to file any tax returns or make any tax elections on behalf of the Shuttle. The Manager shall have the exclusive right to request, on behalf of the Shuttle, the making of Shortfall Advances and/or Additional Shortfall Advances (as such terms are defined in the New Senior Credit Agreement) in accordance with the terms of the New Senior Credit Agreement.

(b) Without limiting the foregoing or any of the other provisions herein, to the extent necessary or desirable, in the Manager's sole discretion, for Shuttle Operations, the Manager shall use its reasonable efforts to:

(i) provide or arrange for the provision of (whether from third parties or by causing the Shuttle to employ personnel to provide) all personnel necessary or desirable for Shuttle Operations in a manner consistent

with the Manager Business Plan, and negotiate collective bargaining agreements on behalf of the Shuttle;

(ii) cause the Shuttle to comply with all contracts to which the Shuttle is a party, including the New Senior Credit Agreement, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect on the Shuttle;

(iii) cause the Shuttle to maintain its status as a carrier that is certificated under Sections 401 and 604(b) of the Federal Aviation Act and to follow inspection, maintenance and repair manuals and programs required to be maintained by carriers by applicable DOT or FAA rules, regulations or orders;

(iv) cause the Shuttle to comply with all applicable laws, rules, regulations and orders, except where non-compliance could not reasonably be expected to have a Material Adverse Effect on the Shuttle;

(v) maintain and preserve all properties that are necessary for the conduct of Shuttle Operations in good working order and condition, ordinary wear and tear excepted; provided, however, that neither the Shuttle nor the Manager shall, by virtue of this provision, be under any obligation to restore any properties to any working order or condition better than that existing as of the date hereof; and provided, further, that neither the Shuttle nor the Manager shall, by virtue of this provision, be under any obligation to cease, and the Shuttle may, and the Manager may cause the Shuttle to, continue to use Aircraft, Engines and Parts (as such terms are defined in the New Senior Credit Agreement) as sources of Parts; and

(vi) cause the Shuttle to continue to enjoy the use of the Slots and to continue to enjoy use of terminal facilities at LaGuardia, Logan and National Airports on a basis comparable to that provided by the three existing lease agreements for the Shuttle's terminal facilities at LaGuardia, Logan and National Airports.

(c) Notwithstanding the provisions of Section 2.2(a), the Manager shall not, on behalf of the Shuttle, and shall not cause the Shuttle directly to, without the prior consent of the board of directors of the Shuttle, do any of the following:

(i) amend or modify in any manner (A) the certificate of incorporation or by-laws of the Shuttle, (B) the New Senior Credit Agreement, or any other material loan or credit agreement to which the Shuttle is a party, (C) the Frequent Traveler Agreement, (D) the Maintenance Agreement, (E) the Code Sharing Agreement, (F) the Sharing Agreement, (G) the Sharing Agreement Amendment, or (H) this Agreement;

(ii) enter into any transaction of merger or consolidation with respect to the Shuttle, or any sale of all or substantially all of the Shuttle's assets or any acquisition by the Shuttle of any material business, or cause or recommend the liquidation or dissolution of the Shuttle;

(iii) except as contemplated by Section 2.13, convey, sell, transfer or otherwise dispose of any business or assets of the Shuttle with a fair market value exceeding $1,000,000 individually or $2,000,000 in the aggregate during any fiscal year;

(iv) make any Capital Expenditures during any fiscal year in excess of the amount provided therefor in the Operating Plan for such fiscal year; provided, however, that during each fiscal year the Manager shall be permitted, notwithstanding anything to the contrary in the Operating Plan or this provision, to make Capital Expenditures in an amount up to $8,000,000 regardless of the amount provided in the Operating Plan for such fiscal year;

(v) commence any case, proceeding or other action in respect of the Shuttle of the type specified in clause (i) of Section 4.1(e);

(vi) appoint or elect any officer of the Shuttle, or enter into any employment agreement with any such officer; provided, however, that the Manager shall have the right to recommend a person to be elected to any such office (and shall make such a recommendation promptly in the event of any vacancy in any such office); and provided, further, that the Shuttle shall consider any such recommendation and shall accept such recommendation if such person is qualified for such office in the reasonable judgment of the Shuttle;

(vii) appoint any person director of operations, chief pilot or director of maintenance; provided, however, that the Manager shall have the right to recommend

persons to be appointed to such positions; and provided, further, that the Shuttle shall accept such recommendations if such persons are qualified for such positions in the reasonable judgment of the Shuttle;

(viii) except as contemplated by Section 2.13 and for transactions for goods and services to be provided pursuant to Section 2.4(a), cause the Shuttle to enter into any transaction with any Affiliate of the Manager or any person in whom the Manager has, directly or indirectly, a beneficial interest of 5% or more; or

(ix) enter into any Material Contract or amend or modify in any material respect any Material Contract;

provided, however, that the board of directors of the Shuttle shall, consistent with its fiduciary duties and sound business practice, use its best efforts to respond to any request from the Manager for authorization to take any action described in this paragraph (c) within 15 business days of a request in writing by the Manager to take such action.

(d) The Manager is authorized to negotiate on behalf of the Shuttle all Material Contracts and all other contracts relating to Shuttle Operations and to present such Material Contracts to the board of directors of the Shuttle for approval in accordance with the provisions of the previous paragraph and (subject to the receipt of any required approval) to cause the Shuttle to enter into and perform such contracts or to perform such contracts on the Shuttle's behalf; provided, however, that the Manager shall not be required to become a party to or be liable under such contract.

SECTION 2.3. Management Fee.

(a) In consideration of the Basic Services to be performed by the Manager, at the end of each month, the Shuttle shall pay to the Manager a fee equal to $141,667 per month and an additional amount computed as set forth on Exhibit I. Such fee shall be paid within five days after the end of each month. Such additional amounts and other amounts owing to the Manager in respect of goods or services provided to or on behalf of the Shuttle by or on behalf of the Manager in accordance with the terms hereof shall be paid by the Shuttle to the Manager from time to time as the same may be invoiced to the Shuttle by the Manager.

(b) As additional consideration for the Manager's entering into this Agreement and its performance hereunder,

upon the earlier of the Termination Date (as defined in the New Senior Credit Agreement) and the termination of this Agreement, the Shuttle shall pay, in accordance with the terms of Section 2.07(e) of the New Senior Credit Agreement, an amount equal to 40% of Accumulated Excess Cash (as defined in the New Senior Credit Agreement), less any amounts required to be paid in accordance with clauses (A) through (D) of paragraph (ii) of such Section 2.07(e), to the Manager.

(c) Any amounts required to be paid to the Manager pursuant to this Article shall remain due and payable regardless of the termination of this Agreement or the end of the Management Period.

SECTION 2.4. Costs and Expenses.

(a) Any goods or services (other than the Basic Services) that the Manager or any Affiliate provides to the Shuttle in accordance herewith will be provided at Average Variable Cost (on a unit basis where applicable); provided, however, that with respect to reservations systems support and reservation services, such services will be provided at Average Variable Cost plus certain indirect expenses as reflected in the Manager Business Plan; and provided, further, that frequent traveler services contemplated to be provided pursuant to the Frequent Traveler Agreement shall be provided in accordance therewith, and maintenance services contemplated to be provided pursuant to the Maintenance Agreement shall be provided in accordance therewith.

(b) Any services provided to the Manager, or any Affiliate of the Manager, by the Shuttle will be provided at the Shuttle's Fully Allocated Cost.

SECTION 2.5. Bookkeeping and Bank Accounts.

(a) The Manager shall maintain, or cause to be maintained, proper books of record and accounts for the Shuttle in which true and correct entries in all material respects in conformity with GAAP and the Manager's customary accounting practices shall be made of all dealings and transactions relating to Shuttle Operations.

(b) The Manager, as agent for the Shuttle, shall: (i) deposit, or cause to be deposited, all funds derived from Shuttle Operations in the Shuttle's bank accounts, (ii) be authorized to withdraw funds on behalf of the Shuttle from such accounts to pay Shuttle expenditures and otherwise to make payments provided for in this Agreement, (iii) maintain,

in the name and for the account of the Shuttle, reasonable petty cash funds for Shuttle Operations, and (iv) approve, on behalf of the Shuttle as agent for financial management, all other payments of money made by the Shuttle (and all checks, drafts and other orders for the payment of money made by the Shuttle shall require the authorization of the Manager or its representatives).

(c) All payments made by the Manager hereunder shall be made from Shuttle bank accounts or petty cash funds. The Manager shall not be required to make any advance or payment to or for the account of the Shuttle except out of such funds.

SECTION 2.6. Taxes. The Manager shall prepare, or cause to be prepared, on behalf of the Shuttle, all federal, state, local and other tax returns and filings which are required to be filed, shall present all material returns and filings to the board of directors of the Shuttle for their review, and, after such review is complete, shall file such returns and filings and shall cause to be paid, out of Shuttle funds, all applicable federal, state, local and other taxes; provided, however, that all such tax liabilities shall be exclusively the liabilities of the Shuttle and the Manager shall not be liable for any deficiency in payment thereof. Subject to approval of the board of directors of the Shuttle, the Manager may, on behalf of the Shuttle, contest in good faith and by appropriate proceedings any tax asserted to be due from the Shuttle provided that appropriate reserves with respect thereto are maintained in accordance with GAAP and the Manager shall control all audits and proceedings relating to such liability for (i) all periods prior to the Restructuring or (ii) all periods after the Restructuring during which this Agreement is in effect.

SECTION 2.7. Employees and Officers.

(a) Subject to the provisions of Section 2.2(c) and 2.2(d), the Shuttle hereby delegates to the Manager:

(i) the exclusive right on behalf of the Shuttle to negotiate collective bargaining agreements and other matters with representatives of all employees of the Shuttle; and

(ii) the right to establish, administer and enforce, in order to achieve the purposes of this Agreement, on behalf of the Shuttle, managerial, personnel and employment matters, procedures, policies, actions, benefits, rules and regulations, including with respect

to hiring, promotion, supervision, direction, training, compensation, benefits and terms of employment of all personnel employed in Shuttle Operations, to utilize personnel of the Shuttle or the Manager in Shuttle Operations and generally; provided, however, that all employees of the Shuttle involved in Flight Dispatch shall remain under the control of the Shuttle.

(b) In the discharge of its duties hereunder, the Manager may provide its personnel to the Shuttle, to be paid for by the Shuttle at Average Variable Cost to the extent not included in the Basic Services.

SECTION 2.8. Licenses and Permits. The Manager shall use its reasonable efforts to insure that the Shuttle secures, maintains and complies with all authorizations, approvals, consents, waivers, exceptions, licenses, filings, registrations, permits or other requirements of any Governmental Authority (and renewals of the same), to the extent necessary or desirable for Shuttle Operations, as determined by the Manager, in its sole discretion.

SECTION 2.9. Trademarks, Trade Names and Servicemarks.

(a) Shuttle Operations shall be conducted under the "USAir" name or such other related name as the Manager may determine and all aircraft, services and facilities used in Shuttle Operations shall bear such trademarks, servicemarks, trade names, symbols, logos and designs of the Manager and its Subsidiaries, whether or not containing the "USAir" name as the Manager shall determine (the "Manager Marks"). The Manager Marks shall remain the exclusive property of the Manager and its Subsidiaries and nothing contained herein shall confer on the Shuttle the right to use any Manager Mark other than pursuant to the terms of this Agreement. Except as provided in Section 2.9(b), upon the expiration of the Management Period, any use of or right to use the Manager Marks by the Shuttle shall cease and the Shuttle shall remove, as soon as practicable, the Manager Marks from the aircraft, services, facilities and other property used in Shuttle Operations.

(b) Upon the expiration of the Management Period, the Manager shall have the option, to be exercised within 30 days after such expiration, to purchase, at fair market value, any items of the inventory and supplies bearing the Manager Marks which are the property of the Shuttle. If the Manager does not exercise such option, the Shuttle shall use any such items not so purchased exclusively in connection

with Shuttle Operations on a first-use basis in preference to any other such items until they are consumed or until the 90th day after such expiration, whichever is first.

(c) The Manager and its Subsidiaries shall be entitled, in the event of any breach by the Shuttle of its agreements in this Section, to injunctive relief and to any right or remedy available at law. The provisions of this Section shall survive the expiration of the Management Period.

SECTION 2.10. Insurance. The Manager shall use its reasonable efforts to cause to be maintained in effect insurance for the Shuttle and Shuttle Operations as required by the Senior Debt Documents whether or not such documents cease to be in effect; provided, however, that all liabilities and obligations with respect to such insurance shall be exclusively the liabilities of the Shuttle and the Manager shall not be required to become a party to or be liable in any manner under any such contract; and provided, further, that in no event shall the Manager take any action or omit to take any action the effect of which would be to allow any flight constituting a part of Shuttle Operations to be operated without such insurance and the Manager shall take such other action as it reasonably deems prudent while such insurance is not in effect.

SECTION 2.11. Litigation. Subject to Section 2.6, the Shuttle hereby delegates to the Manager sole discretion and control over the initiation, prosecution, defense, compromise and settlement of all litigation, actions, suits, proceedings, claims or demands regarding Shuttle Operations in its sole discretion; provided, however, that without the prior consent of the board of directors of the Shuttle, the Manager shall not (i) on the Shuttle's behalf, initiate, compromise or settle any such litigation, action, suit, proceeding, claim or demand in an amount in excess of $1,000,000, or (ii) have control over any litigation, action, suit, proceeding, claim or demand either against the Manager or any of its Affiliates or which relates primarily to any Lender, the Senior Agent or the Junior Agent or the Representative (as such term is defined in the Option Agreement).

SECTION 2.12. Duties Upon Termination.

(a) Upon a valid notice by the Manager of termination of this Agreement as a result of a Manager Termination Event, a valid notice by the board of directors of the Shuttle of termination of this Agreement as a result of a

Shuttle Termination Event, or upon a valid notice of termination in the circumstances contemplated by Section 4.3, each of the Manager and the Shuttle shall cooperate with the other to effect and facilitate an orderly transition.

(b) During the period following any such notice and prior to the actual termination of this Agreement:

(i) The board of directors of the Shuttle shall be entitled and permitted to (A) designate a representative or representatives who shall have complete access to the Manager during normal business hours in order that the board of directors of the Shuttle may be fully advised concerning such transition and the operations of the Shuttle during such period, and the Manager shall use its reasonable efforts to keep such representative or representatives fully apprised, on such reasonable basis as such representative or representatives may request, of the operational and management decisions being taken by the Manager with respect to the Shuttle during such period, and (B) direct the Manager to take such actions in the Manager's supervision, direction, management and control of Shuttle Operations as the board of directors of the Shuttle shall consider appropriate or desirable in connection with such transition and as the Manager shall, in the exercise of its reasonable judgment, consider not inconsistent with such transition.

(ii) The Manager shall use its reasonable efforts to continue Shuttle Operations, except as agreed by the board of directors of the Shuttle and the Manager pursuant to this Section, as much as practicable in the manner Shuttle Operations were being conducted on the date of such notice.

(iii) The figure in the definition of Material Contract in Section 1.1 shall be deemed replaced by $500,000.

(c) If the Purchaser Option is not exercised on or prior to the fifth anniversary of the Closing Date, each of the Manager and the Shuttle shall fully cooperate with the exercise of the rights and remedies of the Senior Lenders under Section 5.01(l) of the New Senior Credit Agreement.

SECTION 2.13. Certain Sharing Arrangements. Without limiting the generality of any other provision hereof, the Manager shall have full discretion and authority to use

any of its own or its Affiliate's assets in Shuttle Operations or to use or employ any of the Shuttle's assets in the other airline operations of the Manager and its Affiliates, in each case subject to the payment of the Average Variable Cost or Fully Allocated Cost, as the case may be, of such use of such assets in accordance with the terms hereof; provided, however, that no such arrangement shall be permitted if it would result in the Shuttle no longer being an air carrier duly certificated under Sections 401 and 604(b) of the Federal Aviation Act or if it would be materially inconsistent with the Manager Business Plan.

SECTION 2.14. Board Approval. If the affirmative approval of the board of directors of the Shuttle is required pursuant to this Agreement, then in addition to any other method provided for herein, such approval shall be deemed to have been given if a majority of directors vote in favor thereof at any meeting at which a quorum is present, or by the unanimous written consent of the directors thereto, except as otherwise expressly required by law, the Shuttle's Certificate of Incorporation or the Shuttle's By-laws.

SECTION 2.15. Manager Investment. The Manager and its Affiliates shall have the right at any time and from time to time in their sole discretion to loan additional funds to the Shuttle in accordance with the terms and upon the conditions set forth in the New Senior Credit Agreement.

SECTION 2.16. Attorney-in-Fact. The Shuttle hereby constitutes and appoints the Manager its true and lawful attorney-in-fact and agent, with full power of substitution, for and in the Shuttle's stead, in any and all capacities, to sign any and all documents, agreements and instruments on behalf of the Shuttle, and generally to do all things in its name and on its behalf, as may be necessary, appropriate or desirable to enable the Manager to fulfil its duties hereunder, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary, appropriate or desirable to be done, as fully to all intents and purposes as the Shuttle might or could do in person.

SECTION 2.17. Maintenance. The Manager shall use reasonable efforts to cause to be performed all required maintenance for aircraft of the Shuttle, including airframes and engines, in accordance with an inspection, maintenance, repair and restoration program meeting FAA requirements. To the extent such maintenance is performed by the Manager pursuant to the Maintenance Agreement, the terms thereof shall govern.

ARTICLE III

AFFIRMATIVE COVENANTS

SECTION 3.1. Affirmative Covenants of the Manager. During the Management Period, the Manager shall:

(a) Reporting Requirements. Furnish to the board of directors of the Shuttle:

(i) within 30 days after the end of each month, a balance sheet of the Shuttle as of the end of such month, together with related statements of income and cash flow for such month (and comparisons of actual performance versus budget), a schedule of all relevant operating statistics, a statement of Capital Expenditures and a statement of Excess Cash Flow and the process of computation thereof, all in reasonable detail and duly certified by the President of the Shuttle or the chief financial officer of the Manager;

(ii) within 45 days after the end of the first three quarters of each fiscal year of the Shuttle, a balance sheet of the Shuttle as of the end of such quarter and related statements of income and cash flow of the Shuttle for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, all in reasonable detail and duly certified (subject to year-end audit adjustments) by the President of the Shuttle or the chief financial officer of the Manager as having been prepared in accordance with GAAP;

(iii) within 90 days after the end of such fiscal year of the Shuttle, a copy of the annual audit report for such year for the Shuttle, including therein a balance sheet of the Shuttle as of the end of such fiscal year and statements of income and cash flow of the Shuttle for such fiscal year, in each case certified by the Manager's independent public accountants or other independent public accountants of recognized standing;

(iv) promptly after the commencement thereof, notice of any material action, suit or proceeding before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, affecting the Shuttle or, if reasonably likely to have a Material Adverse Effect on the Shuttle, affecting the Manager;

(v) upon the reasonable request of the board of directors of the Shuttle, proof of timely payment of amounts owed to airport and other governmental authorities; and

(vi) such other information respecting the business, assets, operations, performance, properties or condition (financial or otherwise) of the Shuttle as the Shuttle may from time to time reasonably request.

(b) Operating Plan. Not less than 30 days prior to the end of each fiscal year from and after the date hereof, prepare and submit for the approval of the board of directors of the Shuttle a proposed operating budget for the following fiscal year, including a projected year-end balance sheet and projections of income, cash flow and projected Capital Expenditures for such year, all in reasonable detail and consistent with the Manager's customary practices. The board of directors of the Shuttle shall promptly review the Manager's proposed operating budget and may request modifications thereto. The Manager and the board of directors of Shuttle will then meet and use their best efforts to agree upon a final budget (the "Operating Plan"). For (a) any fiscal year with respect to which the Manager and the Shuttle do not agree on a final Operating Plan and (b) the fiscal year in which this Agreement is entered into, the final Operating Plan shall be as set forth in the Manager Business Plan. Such final Operating Plan shall remain in effect throughout the applicable fiscal year, subject to such updating, revision and amendment as may be proposed by the Manager and consented to by the board of directors of the Shuttle.

SECTION 3.2. Affirmative Covenants of the Shuttle. During the Management Period, the Shuttle shall:

(a) U.S. Citizen. Not take or omit to take any action the result of which would be a change in its status as a "citizen of the United States" as defined in the Federal Aviation Act and as an air carrier duly certificated under sections 401 and 604(b) of the Federal Aviation Act.

(b) Assistance. Render the Manager such assistance and cooperation in the performance of its duties hereunder and take such other action in furtherance thereof as the Manager may reasonably request.

ARTICLE IV

TERMINATION

SECTION 4.1. Manager Termination Events. Upon the occurrence of any of the following events not caused by the Manager's wilful misconduct or gross negligence (each, a "Manager Termination Event"):

(a) The Shuttle shall materially default in the observance or performance of any agreement, covenant or undertaking contained in this Agreement or any other agreement between the Shuttle and the Manager or any Affiliate of the Manager and such default shall continue unremedied for a period of 30 days after receipt by the Shuttle of written notice thereof from the Manager; or

(b) The representations and warranties made by the Shuttle or the Lenders in the Stock and Warrant Acquisition Agreement (but excluding the representations and warranties of the Shuttle made in Attachment X to the Stock and Warrant Acquisition Agreement) shall prove to have been incorrect in any material respect on or as of the date made or deemed therein made; or

(c) The Manager is or would become liable, contingently or otherwise, for any Material Shuttle Liability not attributable to the material misconduct or gross negligence of the Manager or to acts or omissions of the Manager constituting a material breach of this Agreement; or

(d) The Holders shall breach in any material respect the Equity Documents, including with respect to the Purchaser Option; or

(e) (i) The Shuttle shall commence any case, proceeding or other action (A) under any existing or future law or any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or the Shuttle shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced

against the Shuttle any case, proceeding or other action of a nature referred to in clause (i) above which (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of 60 days; or (iii) there shall be commenced against the Shuttle any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) the Shuttle shall take any action in furtherance of, or indicating its consent to, approval of or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) the Shuttle shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(f) The Senior Lenders shall have declared the Senior Debt to be due prior to its stated maturity (and shall have not discontinued such proceedings prior to the delivery of notice of termination hereunder by the Manager) (and shall have not rescinded such declaration prior to the delivery of notice of termination by the Manager) or shall have commenced foreclosure proceedings under the Senior Debt Documents;

then the Manager may give to the Shuttle notice of termination of this Agreement (provided that a notice of termination given pursuant to the foregoing paragraph (b) predicated on a breach of the representations and warranties set forth in Section 3.09 of the Stock and Warrant Acquisition Agreement may only be given during the one-year period following the Closing Date), in which event this Agreement shall terminate on the 180th day following the date of such notice, or at such earlier time as the parties shall mutually agree.

SECTION 4.2. Shuttle Termination Events. Upon the occurrence of any of the following events (each, a "Shuttle Termination Event"):

(a) The Manager shall default in the observance or performance of any agreement, covenant or undertaking contained in this Agreement or any other written agreement entered into between the Manager or any of its Affiliates and the Shuttle if (i) such default results, individually or in the aggregate with all other such defaults, in a Material Adverse Effect on the Shuttle

and (ii) such default shall continue unremedied for a period of 30 days after the Manager's receipt of written notice thereof from the Shuttle; or

(b) The representations and warranties made by the Manager herein or in the Stock and Warrant Acquisition Agreement shall prove to have been incorrect in any material respect on or as of the date made or deemed therein made, if the fact or condition that made such representation or warranty incorrect results, individually or in the aggregate, in a Material Adverse Effect on the Shuttle; or

(c) (i) The Manager shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or the Manager shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the Manager any case, proceeding or other action of a nature referred to in clause (i) above which (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period for 60 days; or (iii) there shall be commenced against the Manager any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) the Manager shall take any action in furtherance of, or indicating its consent to, approval of or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) the Manager shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(d) An Event of Default shall have occurred and be continuing under the New Senior Credit Agreement;

then, upon the order of the board of directors of the Shuttle, the Shuttle may give to the Manager notice of its termination of this Agreement, in which event this Agreement shall terminate on the 180th day following the date of such notice, or at such earlier time as the parties shall mutually agree.

SECTION 4.3. Other Termination Events.

(a) Upon the sale by the Holders of all of the outstanding Class A Shares, Class B Shares, Class A Warrants and Class B Warrants after the fifth anniversary of the Closing Date, provided that such sale is in compliance with the Option Agreement, either the Shuttle or the Manager may give to the other party notice of termination of this Agreement, in which event this Agreement shall terminate at the earliest practicable time for such termination following the date of such notice, as determined by the parties hereto, taking into account any necessary matters to be accomplished during the transition contemplated by Section 2.12, but in no event later than the 180th day following the date of such notice.

(b) Upon the sale of all or substantially all of the assets of the Shuttle after the fifth anniversary of the Closing Date, provided that such sale is in compliance with the Option Agreement, this Agreement shall terminate.

ARTICLE V

MISCELLANEOUS

SECTION 5.1. Indemnification. The Shuttle shall indemnify and hold harmless and shall defend the Manager, its Affiliates, each of their respective directors, officers, employees and agents, and each of the heirs, executors, successors and assigns of any of the foregoing (individually, a "Manager Indemnified Party" and collectively, the "Manager Indemnified Parties") from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, settlements, suits, costs, disbursements or expenses of any kind whatsoever, including reasonable legal fees and costs of defense, and including any liability of the Shuttle, financial or otherwise, to any person (including the Senior Lenders, the Shuttle's other creditors and any Governmental Authority) asserted against any Manager Indemnified Party, which may at any time (including after the expiration of the Management Period) be imposed on, incurred by or asserted against any Manager Indemnified Party in any way relating to or arising out of, this Agreement, the Equity Documents

(including out of any breach of any representation or warranty or of any covenant or agreement made by or on behalf of the Shuttle in or under this Agreement), the other Restructuring Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Manager under or in connection with any of the foregoing, except to the extent such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, disbursements and expenses arise from the gross negligence or wilful misconduct of the Manager or the Manager's breach of this Agreement. This Section shall survive the termination of this Agreement.

SECTION 5.2. Stock and Warrant Acquisition Agreement. The parties hereto recognize and acknowledge that, in determining to enter into the transactions contemplated hereby, the Shuttle is relying on the representations and warranties of the Purchaser set forth in the Stock and Warrant Acquisition Agreement and the Manager is relying on the representations and warranties of the Shuttle and the Lenders set forth in the Stock and Warrant Acquisition Agreement.

SECTION 5.3. Amendment; Waiver. This Agreement and the Exhibits hereto may be amended only by a written instrument signed by the parties hereto. No failure to exercise and no delay in exercising, on the part of any party, any right, remedy, power or privilege hereunder or under the other Restructuring Documents, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided or provided in the other Restructuring Documents are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law. The failure of either party to insist upon a strict performance of any of the terms or provisions of this Agreement, or to exercise any option, right or remedy herein contained, shall not be construed as a waiver or as a relinquishment for the future of such term, provision, option, right or remedy, but the same shall continue and remain in full force and effect. No waiver by either party of any term or provision of this Agreement shall be deemed to have been made unless expressed in writing and signed by such party.

SECTION 5.4. Assignment. Neither party shall assign or transfer or permit the assignment or transfer of the Agreement without the prior written consent of the other.

Nothing contained herein shall prevent the transfer of this Agreement in connection with and as part of a merger or consolidation or a sale of all or substantially all of the assets of either party.

SECTION 5.5. Agency. The relationship of the Manager and the Shuttle shall be that of principal and agent, and nothing contained in this Agreement shall be construed to create a partnership or joint venture between them or their successors in interest. The Manager's agency established by this Agreement is coupled with an interest and may not be terminated by the Shuttle until the expiration of the Management Period.

SECTION 5.6. Notices. All notices, requests, claims, demands and other communications given or made pursuant hereto shall be in writing (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by telecopy (with confirmation copy of such telecopied material delivered in person or by registered or certified mail, postage prepaid, return receipt requested) or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the addresses described below (or at such other address for a party as shall be specified in a notice given in accordance with this Section):

(a) If to the Manager, at the address, and with the copies, set forth in the Stock and Warrant Acquisition Agreement for notices to the Purchaser.

(b) If to the Shuttle, at the address, and with the copies, set forth in the Stock and Warrant Acquisition Agreement for notices to the Corporation.

SECTION 5.7. Counterparts. This Agreement may be executed by one or more of the parties hereto in any number of separate counterparts and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

SECTION 5.8. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereto, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 5.9. Integration. This Agreement, the Equity Documents and the other Restructuring Documents represent the entire agreement of the Shuttle and the Manager with respect to the subject matter hereof, and there are no promises, undertakings, representations or warranties by the Shuttle or the Manager relative to the subject matter hereof not expressly set forth or referred to herein or therein.

SECTION 5.10. Governing Law. This Agreement and the rights and obligations of the parties under this Agreement shall be governed by, and construed and interpreted in accordance with, the internal laws of the state of New York, without giving effect to the conflicts of laws provisions of such state or any other jurisdiction.

SECTION 5.11. No Third-Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their permitted assigns and nothing herein expressed or implied shall give or be construed to give to any person or entity, other than the parties hereto and such assigns, any legal or equitable rights hereunder.

SECTION 5.12. Headings. The descriptive headings contained in this Agreement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered in New York, New York by their proper and duly authorized officers as of the day and year first above written.

SHUTTLE, INC.

By: Gordon Linkon
Name: Gordon Linkon
Title: President and Chief Executive Officer

USAIR, INC.

By: Frank L. Sallizzoni
Name: Frank L. Sallizzoni
Title: Executive Vice President - Finance

Post-it™ brand fax transmittal memo 7671 | # of pages ▸
To RICHARD MAGURNO | From WILLIAM WALKE

Exhibit I

Basic Services

The Basic Services shall consist of the following:

(i) general management services;

(ii) legal, environmental, properties and facilities and security services;

(iii) marketing support services, consisting of pricing and scheduling, economic research and market planning, frequent traveler management, dining cabin and ground services, ticketing and baggage handling system services and staff support services;

(iv) information systems services, consisting of applications support services, communications services and technical services support;

(v) flight operations administrative, planning and support services; and

(vi) finance services, consisting of finance, audit, insurance, tax administration, controller, accounts payable and credit collections.

In absorbing such Basic Services and fulfilling its management obligations hereunder, the Manager agrees to use its reasonable efforts to reduce the positions (regardless of whether such positions are currently filled or whether vacancies exist with respect thereto) at the Shuttle's facility in the Bulova building existing as of the date of the Stock and Warrant Acquisition Agreement by not less than 50% during the twelve-month period from and after the date hereof. It is understood and agreed that the Manager's failure to achieve such reductions will not constitute a breach or default of this Agreement. The Manager further agrees to reasonably review any suggestions that the board of directors of the Shuttle may offer with respect to further reductions or other cost-cutting measures and the parties understand and acknowledge that the objective of such measures shall be to reduce the Shuttle's overhead as much as possible consistent with good business practice and the Manager Business Plan.

Notwithstanding anything to the contrary in this Agreement, however, to the extent functions or positions

absorbed by the Manager pursuant hereto result in the incurrence of incremental costs by the Manager, the Shuttle shall, in consideration of the provision of such services, pay to the Manager an additional amount equal to the incremental cost to the Manager, or, in the event such incremental cost cannot be reasonably segregated, the Average Variable Cost, of the personnel performing such functions or filling such positions.

Basic Services to be absorbed by the Manager do not include the costs of outside professionals that may be required by the Shuttle and that will be retained by the Manager on behalf of the Shuttle in circumstances and on bases equivalent to those in and on which the Manager would retain such professionals with respect to its own business nor the cost of any supplies or raw materials related to the provision of such Basic Services. In addition, it is understood and agreed that, consistent with the objectives set forth in this Exhibit I and the responsibilities undertaken by the Manager hereunder, the Manager may fulfill any of its obligations hereunder by causing employees of the Shuttle to act on its and/or the Shuttle's behalf.

Services to be provided or arranged for hereunder that are not included in Basic Services include engine maintenance, airframe maintenance, capitalized maintenance, line maintenance, fleet service, customer service, passenger food, fuel, frequent traveller services, reservations services and support and any other broader functional support.

Exhibit II

Manager Business Plan

USA-751
4992.A

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

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

On the 10 day of April, 1992, before me came Gerald P. Fitzgerald, to me known, who, being by me duly sworn, did depose and say that he resides at Flushing, NY that he is the DEPUTY DIRECTOR OF AVIATION of The Port Authority of New York and New Jersey, one of the corporations described in, and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Commissioners of the said corporation; and that he signed his name thereto by like order.

Jacqueline White
(notarial seal and stamp)

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

STATE OF New York)
) ss.
COUNTY OF New York)

On the 10 day of April, 1992, before me personally came Gordon Linkon to me known, who being by me duly sworn, did depose and say, that he resides at New York, New York that he is the President of SHUTTLE, 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.

(notarial seal and stamp)

REID BENGARD
NOTARY PUBLIC, State of New York
No. 31-4984103
Qualified in New York County
Commission Expires July 15, 1993

STATE OF New York)
) ss.
COUNTY OF New York)

On the 10 day of April, 1992, before me personally came Frank L. Salizzoni to me known, who being by me duly sworn, did depose and say, that he resides at Arlington, Virginia that he is the Ex. Vice President 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.

(notarial seal and stamp)

REID BENGARD
NOTARY PUBLIC, State of New York
No. 31-4984103
Qualified in New York County
Commission Expires July 15, 1993

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 Agreement No. AG-751
Supplement No. 7
Port Authority Facility -
LaGuardia Airport

SEVENTH SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, dated August 24, 1993, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter referred to as "the Port Authority") and SHUTTLE, 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. heretofore entered into a certain agreement of lease made as March 17, 1977 (said agreement of lease, as the same has been supplemented and amended, and as the same is herein 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 therein set forth; and

WHEREAS, the Lease was thereafter assigned by said Eastern Air Lines, Inc. to Trump Shuttle, Inc. pursuant to an Assignment of Lease with Assumption and Consent Agreement entered into among the Port Authority, said Eastern Air Lines, Inc. and Trump Shuttle, Inc. made as of June 2, 1989 and effective as of June 8, 1989; and

WHEREAS, said Trump Shuttle, Inc. thereafter and effective as of April 10, 1992 merged with and into the Lessee, with the Lessee surviving such merger and succeeding to all of the rights, obligations and liabilities of said Trump Shuttle, Inc. (the "Merger"); and

WHEREAS, by a certain document entitled: "Consent Agreement to Change of Control, Merger and to Management by the Lessee's Managing Agent and Supplement No. 6 to Lease" dated April 10, 1992 and made by and among the Port Authority, the Lessee and USAir, Inc. (a corporation of the State of Delaware with an office and place of business at 2345 Crystal Drive, Arlington, Virginia 22227, hereinafter called "the Managing Agent") the Port Authority granted its consent to the Merger, and

WHEREAS, the Lease (in Supplement No. 5 thereof) provides for the replacement of preliminary Exhibits H, I, J and K attached thereto with final Exhibits, and

WHEREAS, the Port Authority has prepared a new Exhibit A (sheets 1-5) to replace the Exhibit A referenced in the Lease;

NOW THEREFORE, in consideration of the covenants and mutual agreements herein contained, it is hereby agreed as follows:

1. (a) The Exhibit attached hereto dated 6-25-93 marked Exhibit H and numbered LGA-93-17 and hereby made a part hereof shall be deemed substituted for Exhibit H attached to Supplement No. 5 of the Lease, and shall be deemed to be Exhibit H of the Lease in lieu of the preliminary Exhibit H attached to said Supplement No. 5 of the Lease.

(b) The Exhibit attached hereto dated 6-25-93, marked Exhibit I and numbered LGA 93-18 and hereby made a part hereof shall be deemed to be Exhibit I of the Lease in lieu of the preliminary Exhibit I attached to Supplement No. 5 of the Lease.

(c) The Exhibit attached hereto dated 6-25-93, marked Exhibit J and numbered LGA 93-19 and hereby made a part hereof shall be deemed to be Exhibit J of the Lease in lieu of the preliminary Exhibit J attached to Supplement No. 5 of the Lease.

(d) The Exhibit attached hereto dated 6-25-93, marked Exhibit K and numbered LGA 93-20 and hereby made a part hereof shall be deemed to be Exhibit K of the Lease in lieu of the preliminary Exhibit K attached to Supplement No. 5 of the Lease.

(e) The Exhibit attached hereto dated 6-25-93, and marked Exhibit A (Sheet 1 of 5, Sheet 2 of 5, Sheet 3 of 5, Sheet 4 of 5 and Sheet 5 of 5) and numbered LGA 93-12, LGA 93-13, LGA 93-14, LGA 93-15 and LGA 93-16 and hereby made a part hereof shall be substituted for the Exhibit A attached to the Lease and shall be deemed Exhibit A of the Lease in lieu of Exhibit A attached to the original Lease.

(f) The foregoing replacement of Exhibits H, I,J, K and A shall be and shall be deemed to be pursuant to and in accordance with Paragraph 14 of Supplement No. 5 of the Lease.

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

The sixth, seventh and eight lines of paragraph (a) thereof shall be deemed amended to read as follows:

"The land shown in stipple, in diagonal hatch, in broken hatch, and in cross-hatch on the drawings (consisting of five (5) sheets) attached hereto, hereby made a part hereof and marked 'Exhibit A', together with".

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

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

5. 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:

Lysa C Meduri
ACTING Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

Gary L. [redacted]
Gener[redacted]
Ce[redacted]ss Division
A[redacted]partm

(Title) _____

ATTEST:

X J Martinico
Secretary

SHUTTLE, INC.
(Lessee)

By X _____

(Title) President
(Corporate Seal)

ATTEST:

Michelle V Bryan
Secretary

USAIR, Inc.
(Managing Agent)

By _____

Robert A. Hazel
Vice President
Properties & Facilities

Title President
(Corporate Seal)

RN | 10/20/95

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

On the 17th day of November, 1995, before me came GARY L. DAVIS, to me known, who, being by me duly sworn, did depose and say that he resides at Montclair, New Jersey that he is the General Manager, Central Bus. 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.

Onelia C. Castillo
(notarial seal and stamp)

ONELIA C. CASTILLO
Notary Public, State of New York
No. 01CA5019198
Qualified in Queens County
Commission Expires Oct 18, 97

X STATE OF New York)
) ss.
COUNTY OF Nassau)

On the 8th day of June, 1995, before me personally came Jerry V. Hallcom to me known, who being by me duly sworn, did depose and say, that he resides at Flanders, New York that he is the President of SHUTTLE, 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.

X Rose M. Smalls
(notarial seal and stamp)

ROSE M. SMALLS
NOTARY PUBLIC, State of New York
No. 4987895
Qualified in Nassau County
Commission Expires 10/21, 1995

Commonwealth ~~STATE~~ OF Virginia)
) ss.
COUNTY OF Arlington)

On the 18th day of April, 1995, before me personally came Robert A Haze, depose an say, that he resides at Arlington, VA 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.

Christa Rebecca Jensen
(notarial seal and stamp)

Exp 10-31-97

EXMEPTION (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

Port Authority Agreement No. AG-751
Supplement No. 8
Port Authority Facility- LaGuardia Airport

EIGHTH SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, dated as of September 1, 2006, by and between **THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY** (hereinafter called the "Port Authority") and **US AIRWAYS, INC.**, a corporation of the State of Delaware, and having a place of business at 4000 E. Sky Harbor Boulevard, Phoenix, AZ 85034 (hereinafter referred to as the "Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and Eastern Air Lines, Inc. heretofore entered into a certain agreement of lease made as of March 17, 1977 (said agreement of lease, as the same has been supplemented and amended, and as the same is herein 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 therein set forth; and

WHEREAS, the Lease was thereafter assigned by Eastern Air Lines, Inc. to Trump Shuttle, Inc. pursuant to an Assignment of Lease with Assumption and Consent Agreement entered into among the Port Authority, Eastern Air Lines, Inc. and Trump Shuttle, Inc., made as of June 2, 1989 and effective as of June 8, 1989; and

WHEREAS, said Trump Shuttle, Inc. thereafter and effective as of April 10, 1992 merged with and into Shuttle, Inc. with Shuttle, Inc. surviving such merger and succeeding to all of the rights, obligations and liabilities of said Trump Shuttle, Inc. (the "Merger"); and

WHEREAS, by a certain document entitled "Consent Agreement to Change of Control, Merger and to Management by the Lessee's Managing Agent and Supplement No. 6 to Lease" dated April 10, 1992 and made by and among the Port Authority, Shuttle, Inc. and the Lessee, the Port Authority granted its consent to the Merger, and

WHEREAS, pursuant to the terms of the Merger, the Lessee exercised its right of first refusal to purchase the Lease effective December 31, 1997; and

WHEREAS, the Port Authority and the Lessee desire to extend and 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 September 1, 2006, the term of the letting under the Lease is hereby extended to December 31, 2007, unless sooner terminated as provided in the Lease, as herein amended.

2. The address "One World Trade Center, New York, New York 10048" located in Section 32 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 34 to the Lease, shall be deemed deleted and the following new Section 34 shall be deemed substituted in lieu thereof:

34. Place of Payments

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: (Ex. 1) or such other address as may be substituted therefor."

4. Effective as of November 24, 2004 the Lease shall be deemed amended as follows:

(a) Section 57 of the Lease shall be deemed amended as follows:

(1) Paragraphs (a) and (b) shall be deemed deleted and the following new paragraphs (a) and (b) shall be deemed substituted in lieu hereof:

"(a) "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 City Lease, and such other property as may be acquired in connection with and added to such premises pursuant to the terms of the City Lease.

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

(2) The following new paragraph (s) shall be deemed added:

"(s) "City" shall mean The City of New York, a municipal corporation of the State of New York."

(b) Section 28 of the Lease shall be deemed deleted and the following new Section 28 shall be deemed substituted in lieu thereof:

"SECTION 28. 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."

5. Effective as of September 1, 2006 the following amendments shall be deemed made to the Lease:

(a) Subparagraph (2) of paragraph (b) of Section 23 of the Terms and Conditions of the Lease shall be deemed deleted and the following new subparagraph (2) shall be deemed substituted in lieu thereof:

"(2) An amount equal to all costs and expenses 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, in connection with the cleaning, repair or restoration of the premises (on failure of the Lessee to have cleaned, repaired or restored), the re-letting of the premises, 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 and altering the premises and putting the premises in order (such as but not limited to cleaning, repairing and restoring the premises)."

6. Effective from and after September 1, 2006 Section 4, as last amended in Supplement No. 6, shall be deemed deleted in its entirety and the following new Section 4 shall be substituted in lieu hereof, it being understood that nothing herein contained shall release, relieve or discharge the Lessee from any liability for rentals or for other charges that may be due or become due to the Port Authority for any period or periods prior September 1, 2004:

"Section 4. <u>Rental</u>

The Lessee agrees to pay to the Port Authority the following rental:

1. Gate Rental - The Lessee agrees to pay to the Port Authority a gate rental ("Gate Rental") at the rate of (2.a.) per annum commencing on September 1, 2006 and continuing for each and every year of the extended term of the letting under the Lease, said annual Gate Rental being, and to be hereinafter, computed at the rate of (2.a.)) per gate. The parties acknowledge that there are eight (8) gates at the premises as of September 1, 2006. Gate Rental shall be adjusted in the event that the premises are altered, improved or otherwise modified so as to add or remove a gate(s) to the premises.

2. Holdover - Without in any way limiting the provisions set forth in the Sections of this Agreement entitled *"Termination"*, *"Right of Re-entry"* and *"Survival of the Obligations of the Lessee"*, or any other provisions set forth in the Sections of this Agreement related to the Lessor's rights upon termination, expiration or cessation of the letting, in the event that the Lessee shall remain in possession of the premises after the expiration or termination of the term of the letting under this Agreement, as it may be extended from time to time; such continuation of the possession shall not be deemed to operate as a renewal or extension of this Agreement but shall only create a month-to-month extension of this agreement, which extension shall terminate on 30-days' notice. Nothing herein contained shall give, or be deemed to give, the Lessee any right to remain in possession of the premises after the expiration or termination of the letting under this Agreement. The 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.

3. Time of Payments – The Lessee shall pay the Gate Rental in advance in equal monthly installments commencing on September 1, 2006 and on the first of each and every month thereafter until the expiration of the term of the letting under the Lease, as herein extended. If the term of the letting under the Lease expires or is terminated on a date other than the last day of a calendar month, then the Gate 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.

4. Abatement - The parties acknowledge that the Lessee shall not be entitled to any abatement of the Gate Rental except if otherwise expressly provided in the Agreement."

7. 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 landing fees.

8. (a) As used in this Agreement the Lessee's "Improvement Capital Investment" shall mean:

(i) the amounts paid by the Lessee to independent contractors for work actually performed and labor and materials actually furnished inclusive of sales, use and like taxes where applicable in connection with the Improvement Work (as defined in paragraph (b) below); and

(ii) the payments made and expenses incurred by the Lessee in connection with the Improvement Work for engineering, architectural, professional and consulting services, and the supervision of construction, inclusive of sales, use and like taxes where applicable; it being understood that payments under this item (ii) shall not exceed fifteen percent (15%) of the sum of the amounts described in subparagraph (a)(i) above; and further, in each case, as the aforementioned amounts and payments described in subparagraphs (a)(i) and (a)(ii) above shall be evidenced, from time to time, by certificates of a responsible fiscal officer of the Lessee, sworn to before a notary public and delivered to the Port Authority, which certificates shall (aa) set forth, inreasonable detail, the amounts paid to specified independent contractors, the payments made to other specified persons and the other expenses incurred by the Lessee, which have not previously been reported in certificates delivered to the Port Authority, (bb) have attached thereto reproduction copies or duplicate originals of the invoices of such independent contractors and other persons acknowledging the receipt by them of such amounts and payments, and (cc) certify that the amounts and payments therein set forth constitute the Lessee's Improvement Capital Investment arising out of the performance of the Improvement Work (as defined herein). The Lessee shall keep a separate accounting of the Lessee's Improvement Capital Investment which accounting shall be kept at all times within the Port of New York District for a period of two (2) years after the final costs of all the Improvement Work have been submitted by the Lessee to the Port Authority or the end of the term of the letting under the Lease, whichever is later, and shall be subject to the audit and inspection of the Port Authority, its representatives and employees.

(b) (i) The Lessee agrees and covenants to the Port Authority that it will make or cause to be made, at its sole cost and expense, certain Improvement Capital Investments within the terminal to include, but not limited to, the following: (1) rehabilitation of flooring and wall treatments and the installation of new carpeting in and around the departures lounges; and (2) implementation of a review and design of a new terminal signage package, to include where necessary, appropriate installations in and throughout the terminal, all in accordance with the terms and provisions of the Port Authority Construction and Alteration Application (said Construction and Alteration Application as approved by the Port Authority being hereinafter called the "Construction Application") to be submitted to the Port Authority for its approval, in the form

supplied by the Port Authority and containing such terms and conditions as the Port Authority may include, setting forth in detail and by appropriate plans and specifications the work proposed by the Lessee, and the manner of and time periods for performing the same. All such work covered by the Construction Application as approved by the Port Authority is hereinafter called the "Improvement Work". The Construction Application shall set forth the plans, specifications and schedules for the aforesaid refurbishment, alterations, additions and improvements of and to the premises. The Lessee shall perform the Improvement Work in accordance with the terms and provisions of the Construction Application and subject to the terms and provisions of the Lease, including, without limitation, Section 33 thereof.

(ii) The Lessee shall be responsible at its sole cost and expense for retaining all architectural, engineering and other technical consultants and services as may be directed by the Port Authority and for developing, completing and submitting detailed plans and specifications for the Lessee's Improvement Work. All plans and specifications submitted by the Lessee to the Port Authority shall bear the seal of a qualified architect or professional engineer and shall be in sufficient detail for a contractor to perform the work. The Lessee shall not engage any contractor to permit the use of any subcontractor unless and until each such contractor or subcontractor has been approved by the Port Authority and the Lessee upon request will furnish the Port Authority with a copy of its proposed contract with its contractor. The Lessee shall include in any such contract or subcontract such provisions as the Port Authority may require. The Lessee or its contractors and subcontractors shall obtain and maintain in force such insurance coverages and performance bonds in such amounts as the Port Authority may specify. All of the Lessee's Improvement Work hereunder shall be done in accordance with the said Construction Application and final plans and specifications approved by the Port Authority shall be subject to inspection by the Port Authority during the progress of the said work and after the completion thereof and the Lessee shall redo or replace at its own expense any of said work not done in accordance therewith. Upon completion of the Lessee's Improvement Work, the Lessee shall supply the Port Authority with as-built plans and drawings in form and number requested by the Port Authority. Notwithstanding the submission by the Lessee to 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 to others in connection with any proposed or actual contracts entered into by the Lessee for the Lessee's Improvement Work 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, claim for damages or losses of any kind, whether legal or equitable, or from any action or cause of action arising or alleged to arise out of the performance of any of the Lessee's Improvement Work pursuant to the contracts between the Lessee and its contractors.

(iii) No Improvement Work shall be commenced by the Lessee until the

Construction Application and plans and specifications referred to in paragraph (b)(i) above have been finally approved by the Port Authority for the entire Lessee's Improvement Work and the Lessee is specifically permitted in writing by the Port Authority to commence such Improvement Work. In the event of any inconsistency between the provisions of this Agreement and those in the Construction Application, the provisions of this Agreement shall control. Upon receipt by the Lessee of said written permission from the Port Authority, the Lessee shall commence construction of the Lessee's Improvement Work as soon as possible and shall expeditiously continue such construction until completion.

(iv) The Lessee shall be solely responsible for the plans and specifications used by it, and for the adequacy or sufficiency of such plans, specifications and all the improvements, alterations, installations and decorations depicted thereon or covered thereby, regardless of the consent thereto or approval thereof by the Port Authority or the incorporation therein of any Port Authority requirements or recommendations. The Port Authority shall have no obligations or liabilities in connection with the performance of the improvements, alterations, installations and decorations constituting the Lessee's Improvement Work, whether performed by the Lessee or on its behalf, or the contracts for the performance thereof entered into by the Lessee. Any warranties extended or available to the Lessee in connection with the Lessee's Improvement Work shall be for the benefit of the Port Authority as well as the Lessee.

(v) Title to the Improvement Work shall pass to the City of New York as the same or any part is erected, construction or installed arid shall be and remain at all times in the City of New York and the same shall be deemed to be a part of the premises when the same are constructed, erected or installed on the premises.

(vi) When the Improvement Work has been completed, the Lessee shall deliver to the Port Authority a certificate to such effect signed by an authorized officer of the Lessee and also signed by the Lessee's licensed architect or engineer certifying that the Improvement Work has been performed strictly in accordance with the approved Construction Application and the approved plans and specifications, data and materials forming a part thereof and the provisions of this Agreement and in compliance with all applicable laws, ordinances and governmental rules, regulations, orders and directives. Thereafter, the Improvement 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 by the Port Authority subject to the condition that all risks thereafter with respect of the Improvement Work and any liability therefor for negligence or other reason shall be borne by the Lessee.

(vii) All of the Lessee's Improvement Work shall be performed by the Lessee strictly in accordance with the following:

(aa) The Lessee hereby assumes, and shall itself and shall also requires its contractors to indemnify and hold harmless the Port Authority, its

Commissioners, officers, agents and employees from and against the following distinct and several risks whether they arise from acts or omissions of the Lessee, any contractors of the Lessee, the Port Authority, employees, agents and representatives of the Port Authority, third persons, or from acts of God or the public enemy, or otherwise, excepting only risks which result solely from affirmative willful acts done by the Port Authority with respect to the Improvement Work:

(i) Risk of loss or damage to all or any part of the Improvement Work prior to the completion thereof and the risk of loss or damage of any property of the Port Authority arising out of or in connection with the performance of the Improvement Work. In the event of such loss or damage, the Lessee shall forthwith repair, replace and make good the Improvement Work and the property of the Port Authority without cost or expense to the Port Authority.

(ii) The risk of 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 Improvement Work and for all costs and expenses incurred by the Port Authority 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.

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

(bb) The Lessee shall pay or cause to be paid when due 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 Improvement Work and the Lessee 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, workmen and/or other person and no such claim shall be considered to be an obligation of the Lessee within the meaning of this paragraph unless and until the same has been finally adjudicated. The Lessee shall use its best efforts to resolve any such claims and shall keep the Port Authority fully informed with respect thereto. The Lessee shall indemnify the Port Authority against all claims, damages or losses that may arise or result therefrom, including interest

thereon, and costs and expenses including attorneys' fees and penalties or fines. Nothing herein contained shall be deemed to constitute consent to the creation of any lien or claim against the premises nor to create any rights in said third persons against the Port Authority.

(viii) The Lessee understands that if the premises contain asbestos, the Lessee, in connection with the performance of the Improvement Work, will be required to remove or encapsulate any asbestos located within the premises, as directed by the Port Authority. Without limiting the generality of any of the provisions of this paragraph, the Lessee shall obtain the Port Authority's prior approval as to the method and manner in which the Lessee performs any asbestos work, and shall obtain any additional insurance coverage as the Port Authority shall specify covering the performance of such work. The Lessee shall also conform to any Port Authority requirements imposed in connection with the removal and disposal of asbestos from the Airport.

9. The Lessee acknowledges and agrees that the Lessee's Improvement Work shall be substantially completed by December 31, 2007.

10. (a) The Lessee's Improvement Capital Investment shall equal at least (2.a.) for the Improvement Work, described in paragraph 8(b)(i) above.

(b) On or before sixtieth (60th) day following completion of the Lessee's Improvement Work, the Lessee shall certify to the Port Authority, in a sworn statement, signed by the Lessee's fiscal officer or other responsible executive, that it has complied with the foregoing Improvement Work expenditure requirement and at such time the Lessee shall deliver to the Port Authority paid invoices, cancelled checks and other evidence of such compliance satisfactory to the Port Authority.

(c) If the Lessee has not made the full amount of the Improvement Capital Investment in accordance with paragraph 10(a) above, and by the date specified in paragraph 9 above, the Lessee shall pay to the Port Authority, within sixty (60) days of such determination by the Port Authority, an amount equal to the difference between the required Improvement Capital Investment (per paragraph 10(a)) and the amount actually expended by the Lessee by the date specified in paragraph 9.

11. 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.

12. The Lessee shall not interpose any claims as counterclaims in any summary proceeding or action for non-payment of rent which may be brought by the Port Authority unless such claims would be deemed waived if not so interposed.

13. Section 36 of the Lease shall be deleted and the following new Section 36 shall be substituted in lieu thereof: "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 Agreement, or because of the party's execution or attempted execution, or because of any breach thereof."

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

15. 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.

16. 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 Supplement Agreement, 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 day and year first above written.

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By

David Kagan

(Title) Assistant Director
Business, Properties & Airport Development

ATTEST:

Caroline B. Ray
Secretary

US AIRWAYS, 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 NEW YORK AND NEW JERSEY

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

On the 12th day of February in the year 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.

(notarial 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 US AIRWAYS, INC.

Commonwealth
STATE OF Virginia)
) ss.
COUNTY OF Arlington)

On the 3rd day of February in the year 2010, 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, Registration No.: 103481
Commission Expires: 10/31/2013

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 Agreement No. AG-751
Supplement No. 9
Port Authority Facility- LaGuardia Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of December 31, 2007, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority") and US AIRWAYS, INC., a corporation of the State of Delaware, and having a place of business at 111 W. Rio Salado Parkway, Tempe, Arizona 85281 (hereinafter referred to as the "Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and Eastern Air Lines, Inc. heretofore entered into a certain agreement of lease made as of March 17, 1977 (said agreement of lease, as the same has been supplemented and amended, and as the same is herein 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 therein set forth; and

WHEREAS, the Lease was thereafter assigned by Eastern Air Lines, Inc. to Trump Shuttle, Inc. pursuant to an Assignment of Lease with Assumption and Consent Agreement entered into among the Port Authority, Eastern Air Lines, Inc. and Trump Shuttle, Inc., made as of June 2, 1989 and effective as of June 8, 1989; and

WHEREAS, said Trump Shuttle, Inc. thereafter and effective as of April 10, 1992 merged with and into Shuttle, Inc. with Shuttle, Inc. surviving such merger and succeeding to all of the rights, obligations and liabilities of said Trump Shuttle, Inc. (the "Merger"); and

WHEREAS, by a certain document entitled "Consent Agreement to Change of Control, Merger and to Management by the Lessee's Managing Agent and Supplement No. 6 to Lease" dated April 10, 1992 and made by and among the Port Authority, Shuttle, Inc. and the Lessee, the Port Authority granted its consent to the Merger, and

WHEREAS, pursuant to the terms of the Merger, the Lessee exercised its right of first refusal to purchase the Lease effective December 31, 1997; and

WHEREAS, the Port Authority and the Lessee desire to extend the Lease 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 December 31, 2007, the term of the letting under the Lease is hereby extended to December 31, 2010, unless sooner terminated as provided in the Lease, as herein amended.

2. 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.

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

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

5. 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.

6. 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:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____
David Kagan

(Title) Assistant Director
Business, Properties & Airport Development

ATTEST:

Caroline B. Ray
Secretary

US AIRWAYS, INC.

By _____

Print Name: Stephen L. Johnson

(Title): Executive Vice President – Corporate

(Corporate Seal)

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

FOR THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

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

On the 30th day of March in the year 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.

(notarial 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 US AIRWAYS, INC.

Commonwealth ~~STATE~~ OF Virginia)
) ss.
COUNTY OF Arlington)

On the 3rd day of February in the year 2010, 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)

Christine Rebecca Jensen Aylor
Notary Public - Registration No: 103481
Commission Expires: 10/31/2013

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 Agreement No. AG-751
Supplement No. 10
Port Authority Facility- LaGuardia Airport

TENTH SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, dated as of December 31, 2010, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority") and US AIRWAYS, INC., a corporation of the State of Delaware, and having a place of business at 4000 E. Sky Harbor Blvd, Phoenix, AZ 85034 (hereinafter referred to as the "Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and Eastern Air Lines, Inc. heretofore entered into a certain agreement of lease made as of March 17, 1977 (said agreement of lease, as the same has been supplemented and amended, and as the same is herein 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 therein set forth; and

WHEREAS, the Lease was thereafter assigned by Eastern Air Lines, Inc. to Trump Shuttle, Inc. pursuant to an Assignment of Lease with Assumption and Consent Agreement entered into among the Port Authority, Eastern Air Lines, Inc. and Trump Shuttle, Inc., made as of June 2, 1989 and effective as of June 8, 1989; and

WHEREAS, said Trump Shuttle, Inc. thereafter and effective as of April 10, 1992 merged with and into Shuttle, Inc. with Shuttle, Inc. surviving such merger and succeeding to all of the rights, obligations and liabilities of said Trump Shuttle, Inc. (the "Merger"); and

WHEREAS, by a certain document entitled "Consent Agreement to Change of Control, Merger and to Management by the Lessee's Managing Agent and Supplement No. 6 to Lease" dated April 10, 1992 and made by and among the Port Authority, Shuttle, Inc. and the Lessee, the Port Authority granted its consent to the Merger, and

WHEREAS, pursuant to the terms of the Merger, the Lessee exercised its right of first refusal to purchase the Lease effective December 31, 1997; and

WHEREAS, the Port Authority and the Lessee desire to extend and 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 December 31, 2010, the term of the letting under the Lease is hereby extended to December 31, 2015, unless sooner terminated as provided in the Lease, as herein amended.

2. Effective from and after January 1, 2011 Section 4, as last amended in Supplement No. 8, shall be deemed deleted in its entirety and the following new Section 4 shall be substituted in lieu hereof, it being understood that nothing herein contained shall release, relieve or discharge the Lessee from any liability for rentals or for other charges that may be due or become due to the Port Authority for any period or periods prior to January 1, 2011:

"Section 4. Rental

The Lessee agrees to pay to the Port Authority the following rental:

1. Gate Rental - For the period from January 1, 2011 through and including December 31, 2011, the Lessee agrees to pay to the Port Authority a gate rental ("Gate Rental") at the rate of (2.a.) per month during the aforesaid period; and

   For the period from January 1, 2012 through and including December 31, 2012, the Lessee agrees to pay to the Port Authority a gate rental ("Gate Rental") at the rate of (2.a.) per month during the aforesaid period; and

   For the period from January 1, 2013 through and including December 31, 2013, the Lessee agrees to pay to the Port Authority a gate rental ("Gate Rental") at the rate of (2.a.) r month during the aforesaid period; and

   For the period from January 1, 2014 through and including December 31, 2014, the Lessee agrees to pay to the Port Authority a gate rental ("Gate Rental") at the rate of (2.a.) per month during the aforesaid period; and

   For the period from January 1, 2015 and continuing through the end of the term of the letting, the Lessee agrees to pay to the Port Authority a gate rental ("Gate Rental") at the rate of

per month during the aforesaid period. (2.a.)

The parties acknowledge that there are eight (8) gates at the premises as of January 1, 2011.

3. Time of Payments – The Lessee shall pay the Gate Rental in advance in equal monthly installments commencing on January 1, 2011 and on the first of each and every month thereafter until the expiration of the term of the letting under the Lease, as herein extended. If the term of the letting under the Lease expires or is terminated on a date other than the last day of a calendar month, then the Gate 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.

4. Abatement - The parties acknowledge that the Lessee shall not be entitled to any abatement of the Gate Rental."

3. (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 this Supplemental Agreement 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 (2.a.) The form and terms of such letter of credit, as well as the institution issuing it, shall be subject to the prior and continuing approval of the Port Authority. Such letter of credit shall provide that it shall continue throughout the effective period of the permission under this Supplemental Agreement and for a period of not less than six (6) months thereafter; such continuance may be by provision for automatic renewal or by substitution of a subsequent 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 hereunder. Failure to provide such a letter of credit at any time during the effective period of the permission, under this Supplemental Agreement, valid and available to the Port Authority, including any failure of any banking institution issuing any such letter of credit previously accepted by the Port Authority to make one or more payments as may be provided in such letter of credit shall be deemed to be a breach of this Supplemental Agreement on the part of the Lessee. Upon acceptance of such letter of credit by the Port Authority, and upon request by the Lessee made thereafter, the Port Authority will return the security deposit, if any, theretofore made in accordance with the provisions of this Supplemental Agreement. 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 permission under this Supplemental Agreement 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 constitute a waiver of any default by the Lessee under the terms of the Supplemental Agreement and all remedies of the Port Authority consequent upon such default shall not be affected by the existence of any recourse to any such letter of credit.

(b) The Lessee hereby certifies that its Federal Tax Identification Number is for the purposes of this paragraph.

(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 paragraph (a). 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.

(d) The security deposit set forth in this Special Endorsement shall, in addition to being security for the full, faithful and prompt performance of and compliance with, on the part of the Lessee, of all of the terms, provisions, covenants and conditions of this Lease on its part to be fulfilled kept or observed, be held by the Port Authority as security for the full, faithful and prompt performance of any compliance with, on the part of the Lessee, of all of the terms, provisions, covenants and conditions of all other agreements the Permittee may have with the Port Authority, on its part to be fulfilled kept or observed.

4. 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.* Lessee covenants that (i) during the term of the Lease it shall not become a Blocked Person, and shall not engage in any dealings or transactions with Blocked Persons in violation of any Blocked Persons Laws. In the event of any breach of the aforesaid covenant, the same shall constitute an event of default and, accordingly, a basis for termination of the Lease by the Port Authority, in addition to any and all other remedies provided under the Lease or at law or in equity, which does not constitute an acknowledgement by the Port Authority that such breach is capable of being cured.

(c) *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.

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.* Lessee covenants that (i) during the term of the Lease it shall not become a Blocked Person, and shall not engage in any dealings or transactions with Blocked Persons in violation of any Blocked Persons Laws. In the event of any breach of the aforesaid covenant, the same shall constitute an event of default and, accordingly, a basis for termination of the Lease by the Port Authority, in addition to any and all other remedies provided under the Lease or at law or in equity, which does not constitute an acknowledgement by the Port Authority that such breach is capable of being cured.

(c) *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.

5. 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.

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

7. 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.

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 this Supplemental Agreement, 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 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:

Caroline B. Ray
Secretary

US AIRWAYS, INC.

By

Print Name: MICHAEL MINGRVA

(Title) VICE President

(Corporate Seal)

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

LLF/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 US Airways, 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.

Christine Rebecca Jensen Aylor
(notarial seal and stamp)

CHRISTINE REBECCA JENSEN AYLOR
NOTARY PUBLIC DISTRICT OF COLUMBIA
My Commission Expires June 14, 2015

AG-751 Supp#10

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. 11
LaGuardia Airport
Port Authority Lease No. AG-751

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 March 17, 1977 (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 6(e) shall be added to the Lease, to read as follows, and the existing Section 6(e) shall be designated Section 6(f):

"(e) 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 6(e), 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 6(e).

(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 6(e)(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 65, 66 and 73 of the Lease shall be deleted, and the following Sections 65 and 66 shall be inserted in lieu of the existing Sections 65 and 66:

"Section 65. **Requesting Airlines at the Airport.**

(a) Definitions.

For the purposes of Sections 65 and 66, and superseding any definition set forth

elsewhere in this Lease with respect to Sections 65 and 66 only:

i. **"Accommodations"** shall mean and include:

(A) Use by a Requesting Airline of Gate(s) and Gate Related Premises, on an exclusive or non exclusive basis, for its scheduled passenger flight operations;

(B) Utilities, janitorial services, security, maintenance and repair and other services and facilities necessary or desirable in connection with the use described in clause (A) above of this definition.

(C) Relocation of one or more of the scheduled flight operations of the Lessee within the Combined Terminal to accommodate such Requesting Airline; and

(D) The towing by the Lessee of aircraft of the Lessee from a Gate if such Gate is needed to accommodate the scheduled passenger flight operations of a Requesting Airline.

ii. **"Accommodations Agreement"** shall mean each agreement entered into between the Lessee and a Requesting Airline covering the Lessee's provision of Accommodations at the Premises pursuant to this Section 65, each of which shall be subject to the prior consent of the Port Authority in accordance with this Lease, which consent shall not be unreasonably withheld, conditioned or delayed. An "Accommodations Agreement" may be in the form of a sublease, an agreement licensing the use property, a "Handling Agreement" or any combination thereof.

iii. **"Accommodated Airline"** shall mean a Requesting Airline that is a party to an Accommodations Agreement with the Lessee.

iv. **"Aircraft"** shall mean airplanes, helicopters and every other contrivance now or hereafter used for the navigation of or flight in air or space.

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

vi. **"Combined Terminal"** shall refer collectively to the premises within the Airport commonly known prior to December 1, 2011 as the US Airways East End Terminal, US Airways Shuttle Terminal and the Delta Terminal D.

vii. **"Civil Aircraft Operator"** shall mean a Person engaged in civil transportation by aircraft or otherwise operating aircraft for civilian purposes, whether governmental or private. If any such Person is also engaged in the operation of aircraft for military, naval or air force purposes, he or she shall be

deemed to be a Civil Aircraft Operator only to the extent that he or she engages in the operation of aircraft for civilian purposes.

viii. **"Gate"** shall mean in the singular an airline passenger aircraft loading and unloading building gate position at the Premises and "Gates" shall mean in the plural more than one airline passenger aircraft loading and unloading building gate position at the Premises.

ix. **"Gate Related Premises"** shall mean as to each Gate in the Premises, all related aircraft ramp and gate position capacity and related passenger terminal space and facilities including, but not limited to, passenger ticketing, passenger check-in, baggage handling and flight information systems, passenger lounge and waiting areas, holding rooms, loading bridges, baggage claims, and such other facilities reasonably required for the functional use of a Gate or Gates.

x. **"Handling Agreement"** shall mean a ground handling or handling agreement as such terms are used and understood in the aviation industry, or any other agreement entered in to between an Aircraft Operator and another party, including but not limited to, the Lessee, whereby Aircraft Operator is provided ground handling services.

xi. **"Individual Terminal"** shall refer to each of the premises within the Airport commonly known prior to December 1, 2011 as the US Airways East End Terminal, US Airways Shuttle Terminal and the Delta Terminal D.

xii. **"Lessee's Users"** shall refer to Lessee's subsidiaries, Regional Affiliates, code share partners, subtenants, licensees and handled airlines operating from the Combined Terminal.

xiii. **"Operating Authorization"** or **"Slot"** shall refer to an "operating authorization" for one landing or takeoff at the Airport during a specific time period, subject to a scheduling order issued by the FAA at the Airport, as defined in the Final Order, Operating Limitations at New York LaGuardia Airport, Docket No. FAA 2006-25755 issued December 13, 2006, published in the Federal Register at 71 Fed. Reg. 77,854 (Dec. 27, 2006), as such order has been and may be amended or re-codified from time to time, and in any subsequent similar scheduling order issued by the FAA or any other federal agency with appropriate jurisdiction, as such order may be amended or re-codified from time to time.

xiv. **"Person"** shall mean a natural person, corporation or other legal entity, or two or more natural persons, corporations or other legal entities acting jointly as a firm, partnership, unincorporated association, consortium, join adventurers or otherwise.

xv. **"Regional Affiliate"** shall mean a regional Scheduled Aircraft Operator that operates under the Lessee's airline identification code at the Airport.

xvi. **"Requesting Airline"** shall mean any Scheduled Aircraft Operator (A) that possesses, has an unconditional right to possess, or a contractual option, subject to no other condition than acquisition of a right to use a Gate at the

Airport, an Operating Authorization, or the right to use an Operating Authorization, which "Requesting Airline" has made a request of the Port Authority to make Accommodations available to it at the Combined Terminal, or (B) which the Port Authority has determined must be accommodated at the Premises as provided for in this Section.

xvii. **"Scheduled Aircraft Operator"** shall mean a Civil Aircraft Operator engaged in transportation by an aircraft operated wholly or in part on regular flights to and from the Airport in accordance with published schedules, but so long as the Federal Aviation Act of 1958, or any similar federal statute providing for the issuance of Foreign Air Carrier Permits or Certificates of Public Convenience and Necessity or substantially similar permits or certificates, is in effect, no Person shall be deemed to be a Scheduled Aircraft Operator within the meaning of this Agreement unless it also holds such a permit or certificate.

xviii. **"Subsidiary"** shall mean any corporation or other Person of which securities or other interests having the power to elect a majority of the corporation's or other Person's board of directors or similar governing body, or otherwise having the power to direct the business and policies of that corporation or other Person, are held by the Lessee or one or more of its Subsidiaries.

(b) In the event that conditions exist such that the Port Authority may exercise the rights, powers and authority granted to the Port Authority by this Section 65 and by Section 66 herein, the Port Authority may exercise the rights, powers and authority granted by either such section, at the Port Authority's sole option.

(c) Response to Requesting Airline and Port Authority Determination

i. If at any time a Scheduled Aircraft Operator that holds an Operating Authorization makes a request to the Port Authority to make Accommodations available to the Scheduled Aircraft Operator at the Combined Terminal, and the Port Authority determines that the proposed operations of such Scheduled Aircraft Operator cannot be reasonably accommodated on a timely basis in space in the Airport that is not leased to any Scheduled Aircraft Operator, space that is leased to the Scheduled Aircraft Operator making the request or in Common Use Space in the Airport, upon the written request of the Port Authority identifying the Scheduled Aircraft Operator as a Requesting Airline the Lessee, in furtherance of the public interest of having the Premises fully and most effectively utilized and in accordance with the terms and conditions hereof, shall use reasonable efforts to provide Accommodations to the Requesting Airline. If the Lessee fails to reach agreement with said Requesting Airline for such Accommodations, the Lessee shall advise the Port Authority to such effect. Thereafter, the Port Authority shall make a determination as to whether the Lessee should provide Accommodations to said Requesting Airline.

ii. The determination made by the Port Authority pursuant to paragraph (c)(i) of this Section 65 shall be made on a reasonable basis taking into consideration,

together with any other factors regarding gate usage at the Airport reasonably deemed to be relevant by the Port Authority, the following factors:

(A) the requirements and obligations of the Port Authority pursuant to law, grant assurances, agreement and otherwise, including without limitation, as the operator of the Airport and as an applicant for and recipient of governmental grants, federal airport aid, passenger facility charges and other monies,

(B) available opportunities for the Requesting Airline to enter into an accommodation agreement at terminals not owned or operated by the Lessee,

(C) operational considerations of the Port Authority and of the Airport,

(D) the compatibility of the flights, schedules, flight times, operations, operating practices, and aircraft equipment of the Requesting Airline with those of the Lessee and the Lessee's Users,

(E) effects on the efficiency of Lessee's flight operations and those of Lessee's Users,

(F) effects on the ability of the Lessee and Lessee's Users to retain each Operating Authorization of the Lessee and Lessee's Users,

(G) the actual and projected growth of the number of enplanements and flight operations of the Lessee and Lessee's Users,

(H) the availability of opportunities for the Requesting Airline to obtain reasonable, timely, accommodation from airline lessees at the Airport other than the Lessee,

(I) Intentionally left blank,

(J) the then-existing utilization of Gates at the Combined Terminal by the Lessee and the Lessee's Users compared with the then existing utilization of gates at the other passenger terminals in the Airport;

(K) the source of the Requesting Airline's Operating Authorizations,

(L) the need for labor harmony and compliance with collective bargaining agreements, and

(M) the number, availability and type (e.g., wide-body or narrow body) of Gates and other aircraft parking positions at the Combined Terminal.

iii. In making the determination set forth in i. and ii., the Port Authority will attempt to accommodate a Requesting Airline by directing the Requesting Airline to schedule the arrival or departure time of a flight at a time that is not in conflict with the arrival or departure time of a flight of the Lessee or the Lessee's Users if such direction is consistent with the requirements of the associated Operating Authorization associated with such flight of the Requesting Airline.

iv. If, after notice from the Port Authority to provide Accommodations to a specific Requesting Airline, the Lessee shall, in good faith, believe that the operations of such specific Requesting Airline in the Combined Terminal would cause Lessee or Lessee's Users to be unable to utilize any Operating Authorization from a Gate in the Combined Terminal then, upon request by the Lessee to the Port Authority setting forth in specific detail satisfactory to the Port Authority the reason for such inability if Lessee were to provide Accommodations to such Scheduled Aircraft Operator on the Premises, the Port Authority shall consider the Lessee's request, and if the Port Authority finds that such an inability would be created, and such inability would have undesirable effects on the Airport, then the Port Authority shall rescind the Section 65 Notice to Provide Accommodations (defined in Section 65(e)(i)) and notify the Lessee thereof.

(d) i. The Port Authority shall use commercially reasonable efforts to include in all agreements, and in all amendments, supplements or extensions of agreements, offered to Scheduled Aircraft Operators for exclusive occupancy at, and/or exclusive use of, Gates and/or Gate Related Premises at the Airport to conduct scheduled passenger flight operations a provision or provisions comparable to this Section requiring accommodation of a Requesting Airline based upon the considerations set forth in subsection (c) ii.

ii. 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 provisions comparable to this Section in agreements with other airlines for exclusive occupancy at or use of the Airport to conduct scheduled passenger flight operations.

(e) Section 65 Notice to Provide Accommodations to a Requesting Airline.

i. If the Port Authority shall make a determination under subsection (c) of this Section 65 that the Lessee is to provide Accommodations to a Requesting Airline, then the Port Authority will provide notice to the Lessee of such determination that the Lessee is to make available and provide Accommodations to such Requesting Airline at the Premises as directed by the Port Authority no later than 90 days before Lessee shall be required to make available and provide Accommodations (each such notice to be referred to as a **"Section 65 Notice to Provide Accommodations"** and each said 90-day period to be referred to as a **"Section 65 Notice Period"**)

ii. Upon its receipt of such Section 65 Notice to Provide Accommodations, the Lessee shall use its best efforts to enter into an Accommodations Agreement whose terms shall comply with the requirements set forth in paragraphs (g) and (h) of this Section 65 with the Requesting Airline in accordance with the Section 65 Notice to Provide Accommodations; provided, however, that any failure of the Lessee and the Requesting Airline to execute such Accommodations Agreement shall not relieve or release the Lessee from its obligations hereunder to provide Accommodations to the Requesting Airline in accordance with all of the foregoing and the Section 65 Notice to Provide

Accommodations unless the Lessee shall have tendered to the Requesting Airline a form of Accommodations Agreement described in paragraphs (g) and (h) of this Section 65 and which is in accordance with the Section 65 Notice to Provide Accommodations and the Requesting Airline has not executed such form of Accommodations Agreement after tender thereof to it for execution.

iii. Subject to paragraph (e)(ii) above, the Lessee shall, and hereby agrees, on or before the expiration of the Section 65 Notice Period under each such Section 65 Notice to Provide Accommodations, to provide Accommodations to the Requesting Airline in accordance with said Section 65 Notice to Provide Accommodations. The Lessee shall accept information from the Requesting Airline and/or the Port Authority with respect to the Requesting Airline's scheduled arrivals and departures for each Gate specified in the Section 65 Notice to Provide Accommodations and the Lessee shall provide Accommodations to the Requesting Airline in such manner so as to properly meet the Requesting Airline's schedule and needs for Accommodations as to each applicable Gate for its said scheduled arrivals and departures subject to paragraph (f)(vii) of this Section 65

iv. Lessee may comply with a Section 65 Notice to Provide Accommodations under protest without prejudice to Lessee's seeking a determination, in a court of law or equity, or by an administrative body, having appropriate jurisdiction, that the issuance of the Section 65 Notice to Provide Accommodations by the Port Authority was inconsistent with the terms of Section 65 or with applicable law.

(f) Accommodation – Operation and Consents

i. Accommodation may be accomplished by the Lessee by making available and providing non-exclusive use of Gates and Gate Related Premises to a Requesting Airline pursuant to a Handling Agreement between the Lessee and any such Requesting Airline.

ii. It is understood furthermore that the Accommodations contemplated hereunder may, at Lessee's option (subject to subsections (g) and (h) below), involve the use of subleases of, or licenses to use, portions of the Premises in addition to, or instead of, Handling Agreements.

iii. Subject to Lessee's rights under this Lease, the Lessee understands and agrees that the Lessee shall not perform any handling services and functions pursuant to any agreement with an Accommodated Airline with respect to which the Port Authority has specifically withheld consent and approval in the consent agreement to such agreement.

iv. Lessee shall permit an Accommodated Airline to either perform said services and functions itself or use the services of the authorized service organizations, including but not limited to in-flight caterers, aircraft fuelers, and ramp handlers, performing such services or functions at the Airport, unless the activities of such Accommodated Airline or service organization is prevented by an absence of physical space or would create a demonstrable risk to safety.

The Lessee may make the necessary arrangements with the authorized service organizations performing such services and functions performed for the Accommodated Airline. If the Accommodated Airline is not handled by Lessee, Lessee shall have no obligation to provide ramp space for the equipment of the Accommodated Airline or the service organization providing services for the Accommodated Airline other than when the Accommodated Airline's aircraft is at the Gate and being serviced if and when the presence of such equipment cannot be accommodated because of lack of space, or will demonstrably interfere with operations, or demonstrably create an unreasonable risk of harm to persons or property.

v. The Lessee shall furnish to the Port Authority from time to time such itemization, details and information pertaining to the agreements with Accommodated Airlines as the Port Authority may from time to time reasonably request. Moreover, and without limiting the foregoing, the Lessee shall at all times keep the Port Authority reasonably informed and advised and, upon request by the Port Authority, will consult with the Port Authority from time to time as to all aspects of its Accommodations of Requesting Airlines hereunder.

vi. It is understood and agreed that the following shall not be a reason for the Lessee to refuse to execute a sublease, license or Handling Agreement or to impose any conditions or limitations on operations in connection therewith under this Section: (A) possible or potential labor disharmony with an Accommodated Airline which would not seriously affect the operations of the Lessee or result in a default under any labor contract of the Lessee or any of Lessee's Users, or (B) competitive nature of the routes, schedules or type of air transportation service to be provided by an Accommodated Airline.

vii. With respect to item (A) in paragraph (f)(vi) above if, after notice from the Port Authority to provide Accommodations to a specific Requesting Airline, the Lessee shall, in good faith, believe that the operations of such specific Requesting Airline in the Combined Terminal would cause labor disharmony which would seriously affect the operations of the Lessee then, upon request by the Lessee to the Port Authority setting forth in specific detail satisfactory to the Port Authority the nature of the anticipated labor disharmony and requesting that the Lessee not be obligated under this Section to provide Accommodations for such specific Requesting Airline, 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 rescind the Section 65 Notice to Provide Accommodations and notify the Lessee thereof.

viii. The Gate(s) and Gate Related Premises to be used by the Accommodated Airline shall be selected by Lessee; provided, however, if the Port Authority determines that the Gate(s) and Gate Related Premises selected by Lessee would not reasonably meet the operational needs of the Accommodated Airline, the Port Authority may require Lessee to offer additional or

alternative space to the Accommodated Airline until the Port Authority is reasonably satisfied that the Accommodated Airline's operational needs will be met by the space offered.

ix. Any Accommodation Agreement between the Lessee and the Requesting Airline made in accordance with the foregoing provisions of this Section 65 shall not be valid unless the Port Authority has consented to the Accommodation Agreement in writing, in the form of a consent agreement based upon reasonable terms prepared by the Port Authority and to be executed by the Lessee, the Requesting Airline and the Port Authority.

x. Nothing in this Section 65 shall be deemed to abrogate, change or affect any restrictions, limitations or prohibitions on assignment, subletting or use of the Premises by others under this Lease.

(g) Accommodations Agreement – Charges.

The services, facilities, equipment and other items provided by the Lessee to each Requesting Airline under an Accommodations Agreement (or otherwise) shall be provided without unjust discrimination and at reasonable rates, fees and charges, which rates, fees and charges shall be based upon the proper recovery by the Lessee of a pro rata share of the Lessee's costs of leasing, operating and maintaining the applicable Individual Terminal and an allocation of costs with respect to the Combined Terminal that benefit the Individual Terminal (including an allocation of the costs of a connector between Terminals C and D), and shall include, but shall not be limited to, the following:

i. the services provided to the Accommodated Airline, including an additional administrative fee not to exceed fifteen percent (15%);

ii. the fees and rentals paid to the Port Authority (including Additional Land Rental, if applicable to the Individual Terminal) and any other applicable payments, fees or taxes payable by the Lessee and related to the Individual Terminal under this Lease, including an additional administrative fee not to exceed five percent (5%);

iii. the Lessee's investment in the Premises not otherwise included in the above, including an allocable share of all capital and equipment costs incurred by Lessee.

(h) Accommodations Agreement – Other Terms.

With respect to each Accommodations Agreement:

i. the Requesting Airline shall provide the Lessee with indemnification satisfactory to Lessee including, but not limited to, holding the Lessee harmless from any injury, loss and/or damages associated with the Requesting Airline's use or occupancy of the applicable portions of the Premises, provided if the Requesting Airline objects to a request by the Lessee for indemnification, the Lessee shall not require the Requesting Airline to provide indemnification greater than that required of Lessee by this Lease; and

ii. the Requesting Airline shall provide the Lessee with a certificate of insurance satisfactory to Lessee evidencing that the Requesting Airline maintains insurance in accordance with the requirements set forth in the Port Authority's consent to the Accommodations Agreement or as otherwise specified by the Lessee and that the Lessee is named as an additional insured on such insurance, provided that if the Requesting Airline objects to Lessee's insurance requirements, the Lessee shall not require the Requesting Airline to provide insurance greater in scope or amount than that required of Lessee by this Lease; and

iii. the Requesting Airline agrees to be bound by those terms and conditions of the Lease applicable to the Requesting Airline and/or the portions of the Premises to be used by the Requesting Airline; and

iv. the Requesting Airline shall deposit with the Lessee a security deposit in an amount reasonably determined by Lessee based on the Requesting Airline's obligations to Lessee and the Requesting Airline's financial status, not to exceed all fees, rentals, and other amounts payable by the Requesting Airline to the Lessee for a period of two (2) months.

(i) Intentionally left blank.

(j) Section 65 Gate Termination.

i. In the event that, at the expiration of the Section 65 Notice Period, the Lessee shall fail to provide Accommodations to the Requesting Airline named in the Section 65 Notice to Provide Accommodations triggering such Section 65 Notice Period, the Port Authority may, upon at least three (3) months' notice to the Lessee (each a **"Section 65 Gate Termination Notice"**), terminate the letting of any number or all of the Gates specified in said Section 65 Notice to Provide Accommodations and all Gate Related Premises applicable thereto as specified in such Section 65 Notice to Provide Accommodations (each such termination a **"Section 65 Gate Termination"**). In the event the Port Authority gives a Section 65 Gate Termination Notice in accordance with the foregoing, the termination of the Gate or Gates and Gate Related Premises specified in such notice shall be effective on the date set forth in said Section 65 Gate Termination Notice (**"Section 65 Gate Termination Date"**). Accommodation of the Requesting Airline by the Lessee under protest shall not affect Lessee's rights to challenge issuance of a Section 65 Gate Termination Notice as inconsistent with the provisions of this Section or inconsistent with applicable law.

ii. The Port Authority's rights to terminate one or more Gates and Gate Related Premises as set forth in this Section 65 may be exercised from time to time and as to one or more than one Requesting Airline(s), without waiving, limiting or impairing any other rights and remedies of the Port Authority under this Lease or otherwise.

iii. As to each Section 65 Gate Termination Notice, upon such termination, the term of the letting as to the terminated portion or portions of the Premises (*i.e.*, Gate(s) and Gate Related Premises) shall cease and expire on the effective date set forth in said Section 65 Gate Termination Notice with the same force and effect as if said date were the date originally stated in this Lease for the expiration of the term of the letting as to said portion or portions of the Premises. This Lease and the letting as to all other portions of the Premises (excluding all other previously terminated portions thereof) shall continue in full force and effect.

iv. **"Section 65 Terminated Gate"** shall mean each Gate and its Gate Related Premises for which the letting is terminated pursuant to the provisions of this Section 65.

v. No gate in the individual terminal building commonly known as the East End Terminal shall be subject to termination pursuant to this section until the date following the date upon which the outstanding Port Authority of New York and New Jersey Special Project Bonds, Series 2, Continental Airlines, Inc. and Eastern Air Lines, Inc., ("Series 2 Bonds"), and any outstanding Port Authority of New York and New Jersey special project bonds issued in place or instead of the Series 2 Bonds, or to pay the holders of the Series 2 Bonds, have been fully paid, redeemed, retired, or discharged, including any accrued interest until the date fixed for redemption and the premium (if any), to the satisfaction of the Trustee Bank of New York and the Port Authority.

vi. The cumulative number of Gates in the Combined Terminal that may be terminated pursuant to this subsection (j) over the term of the Lease (as the same may be extended) shall not exceed a total of five (5) Gates.

(k) Adjustment of Rentals in the Event of a Section 65 Gate Termination.

In the event of the termination of any portion or portions of the Premises (*i.e.*, Gate(s) and Gate Related Premises) pursuant to a Section 65 Gate Termination, rentals payable under this Lease shall not be abated but instead shall be adjusted as set forth in Section 66(o) herein, as if each reference to a **"Section 66 Terminated Gate"** in such Section 66(o) shall be a reference to a "**Section 65 Terminated Gate.**"

(l) Intentionally left blank.

(m) Payment of Pro Rata Share of Lessee's Unamortized Investment in the Event of a Section 65 Gate Termination.

i. Within sixty (60) days after the later of (i) a Section 65 Gate Termination Date and (ii) the date that the Lessee shall have actually surrendered and vacated, in accordance with all applicable provisions of this Lease, all of the Section 65 Terminated Gate(s) for which such Section 65 Gate Termination Date is applicable, the Port Authority shall, with respect to each such Section 65 Terminated Gate, make a one-time payment to the Lessee in the amount equal to the product obtained by multiplying the Pro-

Rata Share (as defined in Section 66) by the Lessee's unamortized investment in the respective Individual Terminal plus an allocation of Lessee's unamortized investment in the Combined Terminal benefiting such Individual Terminal.

ii. Lessee's unamortized investment shall include all capital and equipment costs incurred by Lessee in or benefiting the applicable Individual Terminal.

iii. The payments set forth in i. shall be subject to the Port Authority's rights of audit and inspection and shall be subject to the record-keeping obligations of the Lessee as follows: Lessee shall maintain in accordance with accepted accounting practice, records and books of account recording all transactions concerning such unamortized investment, which records and books of account shall be kept at all times within the Port of New York District and Lessee shall permit, in ordinary business hours during such time, the examination and audit by the officers, employees and representatives of the Port Authority of such records and books of account.

(n) Services to Section 65 Terminated Gate(s).

i. The Lessee shall cooperate with the Port Authority in effecting arrangements at the Premises so that each Aircraft Operator who uses a Section 65 Terminated Gate may handle itself or be handled by a handling permittee of the Port Authority of its choice, subject to prior written consent of the Port Authority and payment of all applicable fees to the Port Authority.

ii. In the event that the Lessee wishes to perform handling services for any such Aircraft Operator, the Lessee shall not do so unless the Lessee has obtained an appropriate handling permit from the Port Authority covering the Lessee's handling of such Aircraft Operator to be subject to the prior and continuing approval of the Port Authority and payment of all applicable fees to the Port Authority, and if the Port Authority deems appropriate, the execution among the Port Authority, the Lessee, and such Aircraft Operator of a form of consent agreement prepared by the Port Authority

iii. Nothing contained herein shall in any way affect the discretion of the Port Authority in granting or withholding a permit or its consent to a Handling Agreement proposed by the Lessee and any such permit and/or consent may contain such reasonable 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.

(o) The Lessee shall not unreasonably refuse to offer any classification, status, or terms of an agreement, to any other air carrier or authorized aeronautical service provider providing services to any other air carrier in Lessee's Premises that assumes obligations substantially similar to those already imposed on any other similarly situated air carrier(s) or aeronautical service provider(s) providing

services to any other air carrier(s) in Lessee's Premises having such classification status or terms.

(p) Rights of Users of Terminated Gate(s).

Effective from and after a Section 65 Gate Termination Date as to each Section 65 Terminated Gate, the Port Authority and each user of a Section 65 Terminated Gate, and their respective officers, employees, passengers, patrons, invitees, contractors, suppliers of material and furnishers of services, shall have the right of ingress and egress between the Section 65 Terminated Gates and Gate Related Premises and the public streets outside the Premises, and also the right of ingress and egress between the Premises and the Public Landing Area at the Airport, by means of existing taxiways to be used in common with others having rights of passage thereon, as well as over the taxiway areas of the Premises.

(q) After the termination of any agreement for use and occupancy of any Gate which had been leased to Lessee prior to the exercise of the provisions of subsection (h), the Port Authority will enter into discussions for the use and occupancy of said Gate with Lessee prior to entry into discussions of the use and occupancy of said gate with another party.

(r) No Waiver.

The failure of the Port Authority to exercise any of its rights under this Section 65 during any period in which it may have such a right shall not affect, waive or limit its right to exercise said rights or any other of its rights or remedies under this Lease or otherwise at any subsequent time.

(s) Nothing in this Section shall be deemed to have abrogated, changed or affected any restrictions, limitations or prohibitions on assignment, subletting or use of the Premises by others under this Lease nor shall in any manner affect, waive or change any of the provisions thereof."

"Section 66. **Additional Rights of Termination of the Port Authority as to Portions of the Premises.**

(a) Definitions. For the purposes of Section 66, and superseding any definition set forth elsewhere in this Lease with respect to Section 66:

i. "Revenue Seats" shall mean and refer to the revenue seats of Lessee and Lessee's Users from the Gates in the premises leased by Lessee in the Combined Terminal.

ii. "Testing Year" shall mean and refer to the calendar year being tested to determine if any of Lessee's Gates shall be terminated because of underutilization of the Premises during such Testing Year. The first Testing Year shall be 2014.

iii. "Testing Weeks" shall mean the calendar week including February 15 and the calendar week including August 15 of the Testing Year.

iv. "Measuring Years" shall mean and refer to the two calendar years prior to the Testing Year.

v. "Measuring Weeks Revenue Seats" shall mean and refer to the total Revenue Seats for the two weeks containing February 15 and August 15 of the two calendar years prior to the Testing Year, based upon information set forth in the Official Airline Guide for each such year as of December 31 of each such year.

vi. Measuring Weeks Revenue Seats Daily Average" or "MWRSDA" shall mean and refer to the Measuring Weeks Revenue Seats divided by 28.

vii. "Baseline Year" shall mean and refer to the calendar year 2013.

viii. "Baseline Weeks" shall mean and refer to the calendar week including February 15 and the calendar week including August 15 of the Baseline Year.

ix. "Baseline Measuring Weeks Revenue Seats" shall mean and refer to the total Revenue Seats for the Baseline Weeks, based upon information set forth in the Official Airline Guide for such year as of December 31, 2013.

x. Baseline Revenue Seats Daily Average" or "Baseline RSDA" shall mean and refer to the "Baseline Measuring Weeks Revenue Seats" divided by 14.

xi. "Revenue Seats Daily Average" or "RSDA" of any Testing Year other than 2014 shall mean and refer to the greater of the MWRSDA applicable to the Testing Year or the Baseline RSDA, whichever is greater.

xii. "Lessee Target Utilization" or "LTU" for Testing Year 2014 shall mean and refer to eighty percent (80%) of the Baseline RSDA.

xiii. "Lessee Target Utilization" or "LTU" for any Testing Year other than 2014 shall mean and refer to eighty percent (80%) of the RSDA for that testing year.

xiv. "Testing Weeks Revenue Seats Daily Average" or "TWRSDA" shall mean and refer to the total number of revenue seats of the two weeks containing February 15 and August 15 of the Testing Year, based upon information set forth in the Official Airline Guide as of December 31 of the Testing Year divided by fourteen (14).

xv. "GTRM" shall mean and refer to the total number of Lessee's Gates in the Combined Terminal which may be terminated pursuant to this Section.

xvi. "TG" shall mean and refer to the total number of Lessee's Gates in the Combined Terminal which have not been terminated pursuant to this Section and Section 65.

(b) Adjustments

i. Terminated Gate Adjustment

If the number of Lessee's gates in the February 15 week and/or the August 15 week of any Testing Year is not equal to the number of Lessee's gates in

the corresponding week(s) of any of the Measuring Years, or of the Baseline Year ("corresponding weeks" being the February 15 weeks of the Testing Weeks and Measuring Weeks (or Testing Weeks and Baseline Weeks), or the August 15 weeks of the Testing Weeks and Measuring Weeks (or Testing Weeks and Baseline Weeks)), then the total number of Revenue Seats in the corresponding Measuring Week(s) or Baseline Week(s) shall be reduced in the same proportion as the terminated gate(s) bore to the total number gates in the Combined Terminal prior to the termination.

ii. Adjustment for Accommodation

Revenue Seats for any week shall be adjusted as follows:

If an Accommodated Airline conducts operations at any Gate during a Testing Week, the Revenue Seats for that Testing Week shall be the greater of A. or B. below:

(A) The sum of the Revenue Seats of the Lessee and the Lessee's Users for the twelve (12) months period prior to accommodation divided by 52.

(B) The sum of the Revenue Seats of the Lessee and the Lessee's Users plus the sum of the Revenue Seats of the Accommodated Airline during the Testing Week.

(c) Utilization Target.

The Premises shall be deemed to be underutilized if in any Testing Year the LTU for the Testing Year is greater than the Testing Weeks Revenue Seats Daily Average for that Testing Year.

(d) Section 66 Gate Termination.

i. If the Premises are deemed to be underutilized in any Testing Year as set forth in subsection (c), then the Port Authority, at its sole discretion, without limiting each and every other right the Port Authority has under this Agreement or otherwise, upon six (6) months written notice to the Lessee, may terminate the letting under the leases applicable to the Combined Terminal as to such number of Gates and all Gate Related Premises applicable thereto as set forth in subsection (k) hereof.

ii. No gate in the individual terminal building commonly known as the East End Terminal shall be subject to termination pursuant to this section until the date following the date upon which the outstanding Port Authority of New York and New Jersey Special Project Bonds, Series 2, Continental Airlines, Inc. and Eastern Air Lines, Inc., ("the Bonds") or outstanding bonds issued to refinance any unpaid principal amount of such Bonds, have been fully paid, redeemed, retired, or discharged, including any accrued interest until the date fixed for redemption and the premium (if any), to the satisfaction of the Trustee Bank of New York and the Port Authority.

(e) i. The Port Authority shall use commercially reasonable efforts to include in all agreements, and in all amendments, supplements or extensions of

agreements, offered to Scheduled Aircraft Operators for exclusive occupancy at, and/or exclusive use of, Gates and/or Gate Related Premises at the Airport to conduct scheduled passenger flight operations a provision or provisions requiring termination of gate occupancy or use by a Scheduled Aircraft Operator who fails to maintain a level of usage appropriate to the number of gates exclusively occupied or used by that Scheduled Aircraft Operator, such provision or provisions to be appropriate to the number of gates exclusively occupied or used by that Scheduled Aircraft Operator and the nature of the associated aircraft operations.

ii. If, within three (3) months of the date hereof, the Port Authority enters into a new lease agreement with a Scheduled Aircraft Operator that does not then serve the Airport or enters into an amendment to an existing lease agreement with a Scheduled Aircraft Operator serving the Airport and the sole purpose of such new lease agreement or amendment to an existing lease agreement is to provide a Gate or Gates and Gate Related Premises in which to operate flights conducted pursuant to the Slots which are or were required to be divested by the Order of the FAA as a condition of approving a transfer of Slots as provided in the Amended and Restated Mutual Asset Purchase and Sale Agreement dated as of August May 20, 2011 between Delta Air Lines, Inc. and US Airways Group, Inc., then the Port Authority shall offer a new lease agreement or amendment to such Scheduled Aircraft Operator with provisions of the type described in Paragraph (i) of subsection (e), but shall otherwise not be subject to the requirements of Paragraph (i) of subsection (e) with respect to such initial new lease agreement or amendment. This exclusion from the requirements of Paragraph (i) of subsection (e) shall not apply to future amendments, supplements or extensions of such agreements.

iii. 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 provisions comparable to this Section in agreements with other airlines for exclusive occupancy at or use of the Airport to conduct scheduled passenger flight operations.

(f) In the event that conditions exist such that the Port Authority may exercise the rights, powers and authority granted to the Port Authority by both of Section 65 hereinabove and this Section 66, the Port Authority may exercise the rights, powers and authority granted by either section, at the Port Authority's sole option.

(g) Gate Termination.

i. The Port Authority may terminate the term of letting of a portion or portions of the Premises (*i.e.*, Gate(s) and Gate Related Premises) (such gates are hereinafter referred to as "Section 66 Terminated Gates") pursuant to subsection (d) by service of a "Section 66 Gate Termination Notice" no less than six (6) months' prior to the date of such termination.

ii. As to each Section 66 Gate Termination Notice, upon such termination, the term of the letting as to the Section 66 Terminated Gates shall cease and expire on the effective date set forth in said Section 66 Gate Termination

Notice (a "Section 66 Gate Termination Date") with the same force and effect as if said date were the date originally stated in this Lease for the expiration of the term of the letting as to said portion or portions of the Premises. This Lease and the letting as to all other portions of the Premises (excluding all other previously terminated portions thereof) shall continue in full force and effect.

iii. Subject to the terms and conditions of this Section 66 including subsection (d) above, the Port Authority's rights to terminate one or more Gates and associated Gate Related Premises set forth above may be exercised one or more times until the total applicable Gates and Gate Related Premises have been terminated in one or more of the Individual Terminals, without waiving, limiting or impairing any other rights or remedies of the Port Authority under this Lease or otherwise.

(h) The Port Authority will determine the specific Gate and associated Gate Related Premises, or multiple thereof, to be terminated pursuant to subsection (d) after consultation with the Lessee, and upon consideration of relevant factors, including, but not limited to, the following:

i. The requirements and obligations of the Port Authority pursuant to law, grant assurances, agreement and otherwise, including without limitation, as the operator of the Airport and as an applicant for and recipient of governmental grants, federal airport aid, passenger facility charges and other monies,

ii. operational considerations of the Port Authority and of the Airport,

iii. effects on the efficiency of Lessee's flight operations,

iv. effects on the ability of the Lessee to retain its Operating Authorizations,

v. the number, availability and type (e.g., wide-body or narrow body) of Gates and other aircraft parking positions.

(i) Intentionally left blank.

(j) The Lessee shall not be deemed to have failed to meet Lessee's Target Utilization for any Testing Year if the failure is due to an event of force majeure as described in Section 52 of this Lease.

(k) Number of Gates To be Terminated

i. "GTRM," the total number of gates to be terminated in the Combined Terminal which the Port Authority may terminate pursuant to subsection (d) of this Section 66, shall be equal to the integer closest to the following: TG multiplied by the number one (1) minus the ratio of TWRSDA to RSDA, or, as expressed algebraically, GTRM = TG * (1-(TWRSDA/RSDA)).

ii. The value TG shall initially be equal to 30, but shall be increased in the calendar year in which Lessee completes the proposed improvements enabling an increase in the number of Gates. The parties currently expect that increase to be to 33 Gates. The parties may establish a different value

for TG by written agreement, including but not limited to, an agreement made in connection with a physical alteration of the Combined Terminal, or an Individual Terminal.

(l) Intentionally left blank.

(m) Substitute for Official Airline Guide.

If the Official Airline Guide does not describe Lessee's flight schedule, the Lessee's schedule shall be determined by (A) reference to another generally accepted standard published United States airline reference that includes Lessee's flight schedule, or (B) as submitted by the Lessee under signature of a responsible officer of the Lessee, and subject to audit by the Port Authority.

(n) The parties may mutually agree to use aircraft data collected by technological collection methods, such as the Port Authority's E-Cater System, Aircraft Noise Abatement Monitoring System, or other Port Authority Electronic Ground Surveillance, in the calculation of Revenue Seats in combination with or in lieu of data from the sources described in (m), as such technological collection methods improve in accuracy and usefulness of data produced.

(o) In the event of the termination of any portion or portions of the Premises (*i.e.*, Gate(s) and Gate Related Premises) pursuant to a Section 66 Gate Termination, rentals payable under this Lease shall not be abated but instead the following rentals, and only such rentals, shall be adjusted as follows:

i. For each Section 66 Terminated Gate in each Individual Terminal, from and after the later to occur of the Section 66 Gate Termination Date applicable to such Section 66 Terminated Gate and the date that the Lessee shall have actually surrendered and vacated such Section 66 Terminated Gate in accordance with all the applicable provisions of this Lease, each installment of the rental payable by the Lessee to the Port Authority with respect to such Individual Terminal (including taxes, maintenance and operation costs and all other Port Authority charges) under this Lease shall be reduced by an amount equal to the product obtained by multiplying (i) the amount of such installment of rental that would have been payable by the Lessee under this Lease for use and occupancy of the respective Individual Terminal if there had not been any termination at any time of any Gates and Gate Related Premises pursuant to this Section 66 hereof by (ii) the Pro Rata Share.

ii. Pro Rata Share for each Individual Terminal shall be determined as follow:

Pro Rata Share = SG/TG

Where SG = Total number of Gates of the respective Individual Terminal which are and have been surrendered pursuant to Section 65 and this Section 66.

TG = Total number of Gates in such Individual Terminal.

iii. The adjustment set forth in the foregoing Section 66(o) shall be subject to and conditioned on the Lessee's substantial compliance with the provisions of this Lease.

(p) No later than the sixtieth (60th) day after the later of a Section 66 Gate Termination Date and the date that the Lessee shall have actually surrendered and vacated in accordance with all applicable provisions of this Lease all of the Section 66 Terminated Gate(s) for which such Section 66 Gate Termination Date is applicable, the Port Authority shall, with respect to each such Section 66 Terminated Gate, make a one-time payment to the Lessee in the amount equal to the product obtained by multiplying the Pro Rata Share by the Lessee's unamortized investment, determined on a straight line basis and without interest, in the respective Individual Terminal plus an allocation of Lessee's unamortized investment in the Combined Terminal benefiting such Individual Terminal. Lessee's unamortized investment shall include all capital and equipment costs incurred by Lessee in or benefiting the applicable Individual Terminal. The foregoing payment shall be subject to the Port Authority's rights of audit and inspection and shall be subject to the record-keeping obligations of the Lessee as follows: Lessee shall maintain in accordance with accepted accounting practice, records and books of account recording all transactions concerning such unamortized investment, which records and books of account shall be kept at all times within the Port of New York District and Lessee shall permit, in ordinary business hours during such time, the examination and audit by the officers, employees and representatives of the Port Authority of such records and books of account.

(q) The Lessee shall cooperate with the Port Authority in arrangements at the Premises so that each Aircraft Operator who uses a Section 66 Terminated Gate may handle itself or be handled by a handling permittee of the Port Authority of its choice, subject to prior written consent of the Port Authority and payment of all applicable fees to the Port Authority.

(r) In the event that the Lessee wishes to perform handling services for any such Aircraft Operator, the Lessee shall not do so unless the Lessee has obtained an appropriate handling permit from the Port Authority covering the Lessee's handling of such Aircraft Operator to be subject to the prior and continuing approval of the Port Authority and payment of all applicable fees to the Port Authority, or if the Port Authority deems appropriate, the execution among the Port Authority, the Lessee, and such Aircraft Operator of a form of consent agreement prepared by the Port Authority. Nothing contained herein shall in any way affect the discretion of the Port Authority in granting or withholding a permit or its consent to a Handling Agreement proposed by the Lessee and such permit and/or consent may contain such reasonable 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.

(s) Effective from and after a Section 66 Gate Termination Date as to each Section 66 Terminated Gate and applicable Gate Related Premises, the Port Authority and

each user of a Section 66 Terminated Gate and Gate Related Premises, and their respective officers, employees, passengers, patrons, invitees, contractors, suppliers of material and furnishers of services, shall have the right of ingress and egress between the Section 66 Terminated Gate and applicable Gate Related Premises and the public streets outside the Premises, and also the right of ingress and egress between the Premises and the Public Landing Area at the Airport, by means of existing taxiways to be used in common with others having rights of passage thereon, as well as over the taxiway areas of the Premises.

(t) The Lessee shall not unreasonably refuse to offer any classification, status, or terms of an agreement, to any other air carrier in Lessee's Premises or authorized aeronautical service provider providing services to any other air carrier in Lessee's Premises that assumes obligations substantially similar to those already imposed on any other similarly situated air carrier(s) in Lessee's Premises or aeronautical service provider(s) providing services to any other air carrier(s) in Lessee's Premises having such classification, status or terms.

(u) After the termination of any agreement for use and occupancy of any Gate which had been leased to Lessee prior to the exercise of the provisions of subsection (d), the Port Authority will enter into discussions with the Lessee for the use and occupancy of said Gate prior to entry into discussions of the use and occupancy of said Gate with another party.

(v) The failure of the Port Authority to exercise any of its rights under this Section during any period in which it may have such a right, shall not affect, waive or limit its right to exercise said rights at any subsequent time or any other of its rights and remedies under this Lease or otherwise.

(w) Nothing in this Section shall be deemed to have abrogated, changed or affected any restrictions, limitations or prohibitions on assignment, subletting or use of the Premises by others under this Lease."

4. Lessee's parent and subsidiary companies, regional carriers operating under Lessee's code with respect to flights at the Airport or code share partners operating under Lessee's code with respect to flights at the Airport shall have the right to use the premises in accordance with the terms of the Lease, provided, however, that unless Lessee has agreed in writing to pay to the Port Authority the landing fees of such entities, such entities must enter into a separate agreement with the Port Authority for the payment of such landing fees.

5. 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.

6. 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.

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

8. 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:

Susan Z Smith

DELTA AIR LINES, INC.

By: John W. Boatright

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 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 and the Lessee have executed these presents as of the date first above written.

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)

Port Authority Use Only	
Approval as to Terms:	Approval as to Form:
	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 15, 20~~ June 11, 2015

Moira McGinn 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 ASSIGNEE BY AN AUTHORIZED
REPRESENTATIVE OF THE PORT AUTHORITY

ASSIGNMENT OF LEASE
WITH ASSUMPTION AND CONSENT

(Lease No. AG-751)

THIS ASSIGNMENT, made as of June 2, 1989 by THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (herein after 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 One World Trade Center, in the Borough of Manhattan, in the City, County and State of New York, and EASTERN AIR LINES, INC. (hereinafter called "the Assignor"), a corporation organized and existing under the laws of the State of Delaware with an office for the transaction of business at Building 23, Miami International Airport, Miami, Florida 33145 and TRUMP SHUTTLE, INC. (hereinafter called "the Assignee"), a corporation organized and existing under the laws of the State of New York with an office for the transaction of business at c/o The Trump Organization, 725 Fifth Avenue, New York, N.Y. 10022 the representative of which is Mr. Bruce Nobles.

WITNESSETH, THAT:

WHEREAS, the Assignor desires to assign to the Assignee that certain Agreement of Lease made as of March 17, 1977, by and between the Port Authority and the Assignor, and hereinafter, as the same has been heretofore amended and supplemented and as the same is amended and supplemented by Supplemental Agreement No. 5 thereto being executed contemporaneously herewith, called "the Lease" covering certain premises, rights and privileges at and in respect to LaGuardia Airport; and

WHEREAS, the Assignee has advised the Port Authority and the Assignor that it is desirous of acquiring the Lease and becoming the tenant of the Port Authority thereunder; and

WHEREAS, the Port Authority is willing to consent to such assignment 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 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 ---8th--- day of -JUNE-, 1989, for and during all 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.

2. The Port Authority hereby consents to the foregoing assignment. 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 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 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, 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. 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 whether in accordance with the terms of the Lease or by a separate or additional document, and notwithstanding any such renewal, modification, or extension, whether or not the Assignor has specifically consented to such renewal, modification or extension. The liability of the Assignor hereunder 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 notwithstanding that the Port Authority has previously obtained such consent with respect to a prior renewal, modification, or extension.

4. The Assignee does hereby assume 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, as though the Assignee were the original signatory to the Lease. 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 of the Assignor.

5. The liability of the Assignor hereunder shall in no way 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 the Assignee's 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 in any creditors' receivership, bankruptcy, or other similar proceeding; or

(d) any disability or any defense of the Assignee.

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 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.

IN WITNESS WHEREOF, the Port Authority, the Assignor and the Assignee have executed these presents as of the date first hereinabove set forth.

ASSIGNOR:

EASTERN AIR LINES, INC.

By

(Title) President

(Corporate Seal)

ATTEST:

Assistant Secretary

ASSIGNEE:

TRUMP SHUTTLE, INC.

By

(Title) President

(Corporate Seal)

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By

(Title) Director of Aviation

(Seal)

ATTEST:

Secretary

APPROVED FORM TERMS

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

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

On the 6th day of June, 1989, before me came Marcus Sloane to me known, who being by me duly sworn, did depose and say that he resides at

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

(Notarial Seal and Stamp)
ROSEANN GUDDEMI
Notary Public, State of New York
No. 4735751
Qualified in Nassau County
Term Expires ~~March~~ June 30, 1989

STATE OF Florida)
) ss.
COUNTY OF Dade)

On the 5th day of June, 1989, before me personally came Peter M. Gingras to me known, who being by me duly sworn, did depose and say, that he resides at

that he is the Staff Vice President of EASTERN AIR LINES, 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.

(Notarial Seal and Stamp)
NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXP. OCT 19,1990
BONDED THRU GENERAL INS. UND.

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

On the 6th day of June, 1989, before me personally came Bruce R. Nobles to me known, who, being by me duly sworn, did depose and say, that he resides at

that he is the President of TRUMP SHUTTLE, 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.

(Notarial Seal and Stamp)

KEITH E. REICH
Notary Public, State of New York
No. 31-4760868
Qualified in New York County
Commission Expires March 30, 1990

USA-751
4992.A

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

Lease No. AG-751
Operating Agreement No. AGA-146
LaGuardia Airport

CONSENT AGREEMENT TO CHANGE OF CONTROL, MERGER AND TO MANAGEMENT BY THE LESSEE'S MANAGING AGENT AND SUPPLEMENT NO. 6 TO LEASE

THIS AGREEMENT, dated April 10, 1992, made by and among 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 One World Trade Center in the Borough of Manhattan, City, County and State of New York, and SHUTTLE, INC. (hereinafter called "the Lessee") a corporation organized and existing under the laws of the State of Delaware with an office and place of business at 75-20 Astoria Boulevard, Jackson Heights, New York, 11320, and the successor by merger with and into Trump Shuttle, Inc. a New York corporation, and USAIR, INC., a corporation of the State of Delaware with an office and place of business at 2345 Crystal Drive, Arlington, Virginia 22227 (hereinafter called "the Managing Agent");

WITNESSETH, That:

WHEREAS, the Port Authority and Eastern Air Lines, Inc. heretofore entered into a certain agreement of lease made as March 17, 1977 (said agreement of lease, as the same has been supplemented and amended, and as the same is herein 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 therein set forth; and

WHEREAS, the Lease was thereafter assigned by said Eastern Air Lines, Inc. to Trump Shuttle, Inc. pursuant to an Assignment of Lease with Assumption and Consent Agreement entered into among the Port Authority, said Eastern Air Lines, Inc. and Trump Shuttle, Inc. made as of June 2, 1989 and effective as of June 8, 1989; and

WHEREAS, said Trump Shuttle, Inc. thereafter and effective as of April 10, 1992 merged with and into the Lessee, with the Lessee surviving such merger and succeeding to all of the rights, obligations and liabilities of said Trump Shuttle, Inc. (the "Merger"); and

WHEREAS, said Trump Shuttle, Inc. and the Lessee have requested the consent of the Port Authority to the Merger and the change of control of Trump Shuttle, Inc. relating thereto and the Port Authority is willing to grant its consent thereto subject to certain terms and conditions hereinafter set forth;

WHEREAS, the Lessee has also requested the consent of the Port Authority to the proposed performance of management services for the Lessee by the Managing Agent; such management services by the Managing Agent (hereinafter collectively called the "Management Services") to be provided by the Managing Agent under a Management Agreement entered into between the Lessee and the Managing Agent dated as of April 10, 1992 a copy of which is attached hereto (hereinafter referred to as the "Management Agreement") in accordance with, subject and subordinate to and limited and restricted by the Lease;

WHEREAS, the Lessee and the Managing Agent have also requested the consent of the Port Authority to the exercise of the USAir Purchase (as hereinafter defined) by USAir (as hereinafter defined);

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

NOW, THEREFORE, in consideration of the covenants and mutual agreements of all the parties hereto, it is hereby agreed by the parties hereto as follows:

1. On the terms and conditions hereinafter in this Agreement set forth, the Port Authority consents to the Merger, and to the Management Agreement.

2. Neither this Consent 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 of any rights, powers or privileges to the Lessee under the Lease as may be provided by the Management Agreement if not granted to the Lessee under the Lease, nor shall they impair or affect any of the duties, liabilities and obligations imposed on the Lessee under the Lease. The Management Agreement is an agreement between the Lessee and the Managing Agent with respect to the various matters set forth therein. Neither this Consent

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 Management Agreement shall apply and pertain as between the Lessee and the Port Authority, it being understood that the terms, provisions, covenants, conditions and agreements of the Lease shall, in all respects, be controlling, effective and determinative. The specific mention of or reference to the Port Authority in any part of the Management Agreement, 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 Management Agreement 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 Management Agreement, including but not limited to those imposing obligations, if any, on the Managing Agent 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 Management Agreement covering action which may be undertaken by the Lessee and the Managing Agent including but not limited to those involving signs, construction on the premises or the Common Areas under the Lease, 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 Management Agreement 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 Management Agreement which are not specifically referred to herein.

3. The granting of this Consent by the Port Authority shall not be or be deemed to operate as a waiver of the rights of the Port Authority, or as a consent to any like agreement for management services or other use or occupancy or any subsequent subleasing (including but not limited to any by the Lessee or the Managing Agent) or to any assignment of the Lease, the Management Agreement, or of any rights under any of them, whether in whole

or in part, nor shall the granting of this Consent or anything contained herein, nor the Management Agreement or anything contained therein constitute or be deemed to constitute a waiver of the right of the Port Authority to include the requirement for the payment of fees to the Port Authority as a condition of any further Port Authority consent and as part of any further consent agreement.

4. The Management Agreement shall not be changed, modified or extended in any manner (a) which affects the operations of the Lessee at the Airport or (b) which materially adversely affects the rights of the Port Authority pursuant to the Lease or this Consent Agreement except by written instrument duly executed by the parties thereto and only with the express prior written consent of the Port Authority.

5. (a) Notwithstanding anything contained therein, the Lessee and the Managing Agent shall provide to the Port Authority a copy of each notice of termination, if any, of the Management Agreement given or received thereunder.

(b) Neither this Agreement nor the Management Agreement shall grant or be construed to grant to the Managing Agent any interest or estate in real property, and a landlord-tenant relationship shall not be or be deemed to be created hereunder.

6. The operations and services of the Managing Agent under or in connection with the Management Agreement shall not be inconsistent with the terms, provisions, covenants and conditions of the Lease.

7. (a) The Managing Agent hereby acknowledges that it has received and reviewed a complete copy of the Lease and is familiar with all of the terms, provisions, covenants, and conditions thereof.

(b) The Managing Agent 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 (a) a breach or default by the Lessee under the Lease, provided that such breach or default was caused by Lessee or its officers or employees acting, or failing to act, at the direction of or under the supervision of the Managing Agent, (b) acts or omissions by the Lessee or its officers or employees at the premises or at the Common Areas, as defined in the Lease, provided that such acts or omissions occurred under the supervision of or resulted from the

direction of the Managing Agent, (c) a breach or default by the Managing Agent of any of its obligations under this Agreement, (d) the acts or omissions of the Managing Agent, its officers, employees, guests, invitees and business visitors on the premises or the Common Areas and (e) the acts or omissions of the Managing Agent, its officers and employees, elsewhere at the Airport (f) the use and occupancy, if any, of the premises or the Common Areas under the Lease by the Managing Agent or by others authorized by the Managing Agent. The claims and demands referenced in the preceding sentence shall include 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. Notwithstanding anything to the contrary set forth in this Paragraph 7 (b), in no event shall the Managing Agent be liable to the Port Authority for any rent, additional rent, or any other fees, charges or amounts payable by the Lessee to the Port Authority under the Lease.

If so directed, the Managing Agent 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.

8. The following provisions of this Paragraph 8 shall be deemed to be and constitute Supplement No. 6 to the Lease:

(a) Section 4 of the Lease, as previously amended, is hereby further amended by adding at the end thereof a new item 7 thereof reading as follows:

"(7) <u>Additional Rental Payments</u>:

(a) In addition to the foregoing rentals, the Lessee hereby agrees to pay to the Port Authority additional rental (hereinafter 'Additional Rental') at the rate of (2.a.) per annum commencing on the USAir Purchase Date (as hereinafter defined) and continuing during each and every year of the term of the letting under the Lease. The Lessee shall pay the Additional Rental in advance in equal monthly installments commencing on the USAir Purchase Date and on the first day of each and every month thereafter until the expiration of the term of the letting hereunder. If the commencement date for the payment of the Additional

Rental be other than the first day of the month, or if any installment of Additional Rental payable hereunder shall be for less than a full calendar month, then the Additional 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 said month.

(b) The term 'USAir Purchase Date' shall mean the first to occur of (1) the date of the closing by USAir (as defined in Section 64 hereof) of the USAir Purchase Option (as defined and described in Section 64 of this Lease) or (2) the date of closing by USAir of the USAir Right of First Refusal (as defined and described in Section 64 hereof). Without limiting any term, provision, covenant or condition of this Lease including without limitation the Lessee's obligation to pay the Additional Rental hereunder, the Lessee shall and hereby agrees to deliver to the Port Authority a written notice setting forth the USAir Purchase Date, such notice to be delivered by the Lessee no later than ten (10) days after the occurrence of such Date."

(b) Section 64 of the Lease (as set forth in Supplement No. 5 thereof) is hereby amended to read as follows:

"Section 64. <u>Additional Right of Termination - Securities Ownership</u>

(a) (1) The following provisions of this Section 64 shall be effective upon the Merger Closing Date (as defined in paragraph (k) below). Accordingly, as used in this Section 64, the 'Lessee' shall mean and refer to said Shuttle, Inc. as the successor by merger with and into Trump Shuttle, Inc. pursuant to the Merger.

(2) It is recognized that the Lessee has herein represented, pursuant to and as set forth in paragraph (e) below, that the Lessee is a privately held entity (as defined in paragraph (i) below). It is hereby expressly agreed that in the event the Lessee becomes or proposes to be or become a publicly owned entity (as defined in paragraph (i) below) the Lessee, promptly and no later than twenty (20) days after its filing of its prospectus or documents or forms with the Securities and Exchange Commission or any successor or substitute body ('SEC') shall submit to the Port Authority true and complete copies of such prospectus and other such documents and forms filed or to be filed with the SEC.

(b) In the event the Lessee shall at anytime be or become a publicly owned entity (as defined in paragraph (i) below), and any individual, corporation, partnership or other entity (other than 'USAir' as defined in paragraph (c) hereof and other than an Exhibit Z Institution as defined in paragraph (g) (viii) hereof), shall have direct or indirect beneficial ownership (as described below) of a portion of any class of outstanding voting securities of the Lessee in excess of twenty-five percent (25%) thereof unless the Port Authority shall have given its prior written consent thereto, then upon the occurrence of any such event or at any time thereafter during the continuance thereof the Port Authority shall have the right to terminate the Agreement and the letting hereunder pursuant to the provisions of Section 20 hereof.

(c) In the event the Lessee at any time, as a privately held entity (as defined in paragraph (i) below) shall have in excess of fifty percent (50%) of its securities or shares or any rights or privileges thereunder in the aggregate held by any individual or entity (other than 'USAir' and other than an Exhibit Z Institution as defined in paragraph (g) (viii) hereof) then, unless the Port Authority shall have given its prior written consent thereto, upon the occurrence of such event or at any time thereafter during the continuance thereof the Port Authority shall have the right to terminate the Agreement and the letting hereunder pursuant to the provisions of Section 20 hereof.

(d) The foregoing rights of termination shall be in addition to all other rights of termination the Port Authority has under this Agreement and the failure of the Port Authority to exercise any right of termination under this Section at any time in which it may have such right shall not affect, waive or limit its right to exercise said right of termination at any subsequent time.

(e) The Lessee hereby represents, knowing that the Port Authority is relying on the accuracy of such representation, (1) that at the time of the execution hereof it is a corporation organized and existing under the laws of the State of Delaware and has securities authorized and/or issued as follows:

(2) that the only voting securities of the Lessee are the Class B series 1 shares of which there are only 20 authorized and issued and outstanding; (3) that the only other securities of the Lessee authorized and/or outstanding are as follows: Class A warrants, Class B warrants and Class C warrants; (4) that the holders of the aforesaid securities of the Lessee at the time of the execution of this Agreement are as listed on the Exhibit attached hereto ('Exhibit Z'); (5) that there is no other capital stock authorized or issued and outstanding; and (6) that there are no other individuals and no corporations, partnerships or other entities having a direct or indirect beneficial ownership of any portions of said entity.

(f) The phrase 'direct or indirect beneficial ownership' shall include without limiting the generality thereof the direct or indirect power through contract, arrangement, understanding, relationship or otherwise to dispose of or to direct the disposal of, or to vote or to direct the voting of, any voting security of an entity.

(g) The terms 'voting security' and 'voting securities' shall include any stock, bond or other obligation of a corporation the holder of which has any voting rights including but not limited to the right to vote for the election of members of the board of directors of said corporation and shall include any security convertible into a voting security and any right, option or warrant to purchase a voting security.

(h) The Lessee shall promptly advise the Port Authority of any change in the representation made in paragraph (e) of this Section.

(i) A 'publicly owned entity' shall be and mean one (1) that has any class of securities subject to the registration requirements of the Securities Exchange Act of 1934, or any successor or substitute therefor; and (2) that has a minimum of 1000 shareholders of all of its securities, including but not limited to the securities mentioned in the foregoing clause (1). A 'privately held entity' shall be and mean an entity which is not a publicly owned entity.

(j) The provisions of this Section 64 shall not limit the Lessee's limited right of assignment provided in Paragraph (a) of Section 19 of the Lease.

(k) As used herein in this Section and in Section 4 of this Lease the following terms shall have the following meanings:

(i) 'USAir' shall mean USAir Group, Inc., a corporation of the State of Delaware and the parent corporation of USAir, Inc.

(ii) 'USAir, Inc.' shall mean USAir, Inc. a corporation of the State of Delaware and a wholly-owned subsidiary of USAir.

(iii) 'USAir Purchase Option' shall mean the option exercisable by USAir during the period commencing on the date that is four years and six months from the Merger Closing Date pursuant to the terms and conditions of the Option Agreement providing for the right of USAir to purchase all of the securities of the Lessee.

(iv) 'USAir Right of First Refusal' shall mean the right of USAir to purchase more than 50% of the securities of the Lessee or any of the securities of the Lessee which are Class B series 1 shares or Class B series 1 warrants or, after the fifth anniversary of the Merger Closing Date (as hereafter defined) all or substantially all of the assets of the Lessee; all as more fully stated and described in the Option Agreement.

(v) 'USAir Purchase' shall mean the exercise of USAir of the USAir Purchase Option or the USAir Right of First Refusal.

(vi) 'Option Agreement' shall mean that certain Option Agreement dated April 10, 1992 entered into between the Lessee, USAir, and certain other parties; it being specifically understood and agreed, however, that neither this definition nor any reference herein to the Option Agreement shall constitute or be deemed to constitute any agreement or consent of the Port Authority to the Option Agreement or to the terms and conditions thereof or any waiver or impairment of any right or remedy of the Port Authority under the Lease or otherwise, or any modification or impairment of the Lease or any of the terms, provisions, covenants and conditions hereof.

(vii) 'Merger Closing Date' shall mean the date set forth on page 1 of the Consent Agreement (of which this provision forms a part) entered into between the Port Authority, the Lessee and the Managing Aging (as therein defined) as the effective date of the Merger (as therein defined).

(viii) 'Exhibit Z Institution' shall mean a banking institution named on Exhibit Z or any affiliate thereof, provided, however, that for the purposes hereof any such institution shall be considered an Exhibit Z Institution only to the extent and during such times that it is the holder of such class of the voting securities of the Lessee authorized and issued at the time of the execution of this Agreement as set forth in Exhibit Z; it being understood and agreed that for the purposes hereof the holding of warrants to purchase such securities of the Lessee by the Exhibit Z Institution shall be deemed the holding of the securities purchasable upon the exercise of such warrants."

(c) (1) Subparagraph (11) of Paragraph (a) of Section 20 of the Lease (as set forth in Supplement No. 5 of the Lease) is hereby amended to read as follows:

"(11) The Lessee shall fail to keep, perform and observe each and every promise, condition, term and agreement set forth in the Operating Agreement (as defined in Section 57 hereof) on its part to be kept, performed or observed, including without limitation the obligation to pay the fees and charges thereunder and including without limitation any security deposit obligations thereunder; and shall have continued such failure after the expiration of the cure period, if any, applicable under the Operating Agreement:".

(2) Without limiting any term or provision of the Lease, the Operating Agreement or this Agreement, it is recognized that at the time of the execution of this Agreement there is no outstanding security deposit due and owing to the Port Authority under the terms of the Operating Agreement.

(d) Without limiting any term, provision, covenant or condition of the Lease, including without limitation Section 33 thereof, Schedules E and F attached hereto are hereby incorporated into and made a part of the Lease and shall apply with respect to any and all construction work which the Lessee may hereafter be permitted by the Port Authority to perform on the premises or the Common Areas under the Lease.

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

(f) This Supplement No. 6, together with the Lease (to which it is supplementary) and the Consent Agreement (of which this Supplement No. 6 forms a part) 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 agreement 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 Agreement.

9. It is hereby agreed that the Port Authority's consent to the Merger contained herein shall also be deemed to extend and apply to that certain agreement entered into between Trump Shuttle, Inc. and the Port Authority dated June 2, 1989 and bearing Port Authority identification number AGA-146 and covering certain rights and privileges at La Guardia Airport; said agreement as the same has been heretofore extended, supplemented and amended is hereinafter called the "Operating Agreement." In accordance with the foregoing, effective as of the effective date of the Merger as such date is set forth on the first page of this Agreement, the "Airline" as defined in the Operating Agreement shall be deemed to be the Lessee (Shuttle, Inc.) as successor to Trump Shuttle, Inc. pursuant to the Merger. It is specifically understood and agreed, however, that the foregoing shall not grant or be deemed to grant to the Lessee or to the Managing Agent any rights or privileges under the Operating Agreement other than as expressly set forth therein, nor to constitute any consent of the Port Authority to any enlargement, variation or change in the rights and privileges to the "Airline" under the Operating Agreement.

10. (a) (i) By executing this Agreement, the Lessee and the Managing Agent expressly acknowledge, covenant, represent and warrant that the documents submitted to the Port Authority, including the Stock and Warrant Acquisition Agreement, the Option Agreement and the "Certificate of Merger of Trump Shuttle, Inc. into Shuttle, Inc.", and the "Certificate of Ownership and Merger of Trump Shuttle, Inc. with Shuttle, Inc. and Plan of Merger" (collectively the "Merger Documents"), are true, correct, complete and final copies of the documents effectuating the Merger and providing to USAir of the USAir Option and the USAir Right of First Refusal as defined in Paragraph 8 hereof, and that the said Certificate of Merger and Certificate of Ownership and Merger and Plan of Merger shall be duly filed by the Lessee with the Department of State of the State of New York and the Department of State of the State of Delaware, respectively.

(ii) By executing this Agreement, the Lessee expressly acknowledges, covenants, represents and warrants that the

statement of the ownership of the Lessee at the execution of this Agreement, as set forth in Section 64 (e) of the Lease (as herein set forth), is true, correct and complete.

(b) It is expressly understood and agreed that nothing contained herein nor any action taken by the Port Authority under the provisions hereof or any failure by the Port Authority to exercise any right or to take any action under the provisions hereof, nor any reference to the Merger Documents, or any of them, shall, except as otherwise expressly stated herein, constitute or be deemed to constitute any agreement or consent of the Port Authority to any of the transactions contemplated or effectuated by the Merger Documents, or any of them (including without limitation any options or rights granted thereunder) or to the terms or conditions of the Merger Documents, or any of them, (including without limitation any option or rights granted thereunder) or to waive or impair any right or remedy of the Port Authority under the Lease or otherwise, or to modify, alter or impair the Lease or any of the terms, provisions, covenants and conditions thereof.

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

IN WITNESS WHEREOF, the Port Authority, the Lessee and the Managing Agent have executed these presents.

ATTEST:

K S de Bartolomé
Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By Gerald R. Fitzgerald
(Title) DEPUTY DIRECTOR OF AVIATION
(Seal)

Witness
~~ATTEST:~~

John Conte
~~Secretary~~

SHUTTLE, INC.
(Lessee)

By Gordon Finkon
(Title) President
(Corporate Seal)

Witness
~~ATTEST:~~

John Conte
~~Secretary~~

USAIR, INC.
(Managing Agent)

By Frank L. Sypon
(Title) Vice President
(Corporate Seal)

APPROVED:

Form	Terms
RV	TPA

SCHEDULE E

AFFIRMATIVE ACTION-EQUAL OPPORTUNITY---MINORITY BUSINESS ENTERPRISES---WOMEN-OWNED BUSINESS ENTERPRISES REQUIREMENTS

PART I. Affirmative Action Guidelines - Equal Employment Opportunity

I. As a matter of policy the Port Authority hereby requires the Lessee and the Lessee shall require any Contractor, as hereinafter defined, to comply with the provisions set forth in this Schedule I. The provisions set forth in this Part I are similar to the conditions for bidding on federal government contracts adopted by the Office of Federal Contract Compliance and effective May 8, 1978.

the Lessee as well as each bidder, contractor and subcontractor of the Lessee and each subcontractor of a contractor at any tier of construction (herein collectively referred to as "the Contractor") must fully comply with the following conditions set forth herein as to each construction trade to be used on the construction work or any portion thereof (said conditions being herein called "Bid Conditions"). the Lessee hereby commits itself to the goals for minority and female utilization set forth below and all other requirements, terms and conditions of the Bid Conditions. the Lessee shall likewise require the Contractor to commit itself to the said goals for minority and female utilization set forth below and all other requirements, terms and conditions of the Bid Conditions by submitting a properly signed bid.

II. the Lessee and the Contractor shall each appoint an executive of its company to assume the responsibility for the implementation of the requirements, terms and conditions of the following Bid Conditions:

(a) The goals for minority and female participation, expressed in percentage terms for the Contractor's aggregate workforce in each trade on all construction work are as follows:

(1) Minority participation:

Minority, except laborers	30%
Minority, laborers	40%

(2) Female participation:

Female, except laborers	6.9%
Female, laborers	6.9%

These goals are applicable to all the Contractor's construction work performed in and for the premises.

The Contractor's specific affirmative action obligations required herein of minority and female employment and training must be substantially uniform throughout the length of the contract, and in each trade, and the Contractor shall make good faith efforts to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from contractor to contractor or from project to project for the sole purpose of meeting the Contractor's goals shall be a violation of the contract. Compliance with the goals will be measured against the total work hours performed.

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

(c) As used in these specifications:

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

(2) "Minority" includes:

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

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

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

(iv) American Indian or Alaskan Native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).

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

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

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

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

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

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

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

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

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

(4) Provide immediate written notification to the Lessee when the union or unions with which the Contractor has a collective bargaining agreement has not referred to the Contractor a minority person or woman sent by the Contractor, or when the Contractor has other information that the union referral process has impeded the Contractor's efforts to meet its obligations.

(5) Develop on-the-job training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and training programs relevant to the Contractor's employment needs, especially those programs funded or approved by the Department of Labor. The Contractor shall provide notice of these programs to the sources compiled under subparagraph (2) above.

(6) Disseminate the Contractor's EEO Policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the Contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the Contractor's newspaper, annual report, etc.; by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and by posting the Contractor's EEO policy on bulletin boards accessible to all employees at each location where construction work is performed.

(7) Review, at least every six months the Contractor's EEO policy and affirmative action obligations hereunder with all employees having any responsibility for

hiring, assignment, layoff, termination or other employment decisions including specific review of these items with on-premises supervisory personnel such as Superintendents, General Foremen, etc., prior to the initiation of construction work at the premises. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.

(8) Disseminate the Contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the Contractor's EEO policy with other Contractors and Subcontractors with whom the Contractor does or anticipates doing business.

(9) Direct its recruitment efforts, both oral and written, to minority, female and community organizations, to schools with minority and female students and to minority and female recruitment and training organizations and to State-certified minority referral agencies serving the Contractor's recruitment area and employment needs. Not later than one month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the Contractor shall send written notification to organizations such as the above, describing the openings, screening procedures, and tests to be used in the selection process.

(10) Encourage present minority and female employees to recruit other minority persons and women and, where reasonable, provide after school, summer and vacation employment to minority and female youth both on the premises and in other areas of a Contractor's workforce.

(11) Tests and other selection requirements shall comply with 41 CFR Part 60-3.

(12) Conduct, at least every six months, an inventory and evaluation at least of all minority and female personnel for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.

(13) Ensure that seniority practices, job classifications, work assignments and other personnel practices, do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the Contractor's obligations hereunder are being carried out.

(14) Ensure that all facilities and company activities are nonsegregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.

(15) Document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitations to minority and female contractor associations and other business associations.

(16) Conduct a review, at least every six months, of all supervisors' adherence to and performance under the Contractor's EEO policies and affirmative action obligations.

(i) Contractors are encouraged to participate in voluntary associations which assist in fulfilling one or more of their affirmative action obligations (subparagraphs (1)-(16) of Paragraph (h) above). The efforts of a contractor association, joint contractor-union, contractor-community, or other similar group of which the Contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under Paragraph (h) hereof provided that: the Contractor actively participates in the group, makes good faith efforts to assure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the Contractor's minority and female workforce participation, makes good faith efforts to meet its individual goals and timetables, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the Contractor. The obligation to comply, however, is the Contractor's and failure of such a group to fulfill an obligation shall not be a defense for the Contractor's non-compliance.

(j) A single goal for minorities and a separate single goal for women have been established. The Contractor, however, is required to provide equal employment opportunity and to take affirmative action for all minority groups, both male and female, and all women, both minority and non-minority. Consequently, the Contractor may be in violation hereof if a particular group is employed in a substantially disparate manner (for example, even though the Contractor has achieved its goals for women generally, the Contractor may be in violation hereof if a specific minority group of women is underutilized).

(k) The Contractor shall not use the goals and timetables or affirmative action standards to discriminate against any person because of race, color, religion, sex or national origin.

(l) The Contractor shall not enter into any subcontract with any person or firm debarred from Government contracts pursuant to Executive Order 11246.

(m) The Contractor shall carry out such sanctions and penalties for violation of this clause including suspension, termination and cancellation of existing subcontracts as may be imposed or ordered by the Lessee. Any Contractor who fails to carry out such sanctions and penalties shall be in violation hereof.

(n) The Contractor, in fulfilling its obligations hereunder shall implement specific affirmative action steps, at least as extensive as those standards prescribed in paragraph (h) hereof so as to achieve maximum results from its efforts to ensure equal employment opportunity. If the Contractor fails to comply with the requirements of these provisions, the Lessee shall proceed accordingly.

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

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

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

Exhibit I

Basic Services

The Basic Services shall consist of the following:

(i) general management services;

(ii) legal, environmental, properties and facilities and security services;

(iii) marketing support services, consisting of pricing and scheduling, economic research and market planning, frequent traveler management, dining cabin and ground services, ticketing and baggage handling system services and staff support services;

(iv) information systems services, consisting of applications support services, communications services and technical services support;

(v) flight operations administrative, planning and support services; and

(vi) finance services, consisting of finance, audit, insurance, tax administration, controller, accounts payable and credit collections.

In absorbing such Basic Services and fulfilling its management obligations hereunder, the Manager agrees to use its reasonable efforts to reduce the positions (regardless of whether such positions are currently filled or whether vacancies exist with respect thereto) at the Shuttle's facility in the Bulova building existing as of the date of the Stock and Warrant Acquisition Agreement by not less than 50% during the twelve-month period from and after the date hereof. It is understood and agreed that the Manager's failure to achieve such reductions will not constitute a breach or default of this Agreement. The Manager further agrees to reasonably review any suggestions that the board of directors of the Shuttle may offer with respect to further reductions or other cost-cutting measures and the parties understand and acknowledge that the objective of such measures shall be to reduce the Shuttle's overhead as much as possible consistent with good business practice and the Manager Business Plan.

Notwithstanding anything to the contrary in this Agreement, however, to the extent functions or positions

absorbed by the Manager pursuant hereto result in the incurrence of incremental costs by the Manager, the Shuttle shall, in consideration of the provision of such services, pay to the Manager an additional amount equal to the incremental cost to the Manager, or, in the event such incremental cost cannot be reasonably segregated, the Average Variable Cost, of the personnel performing such functions or filling such positions.

Basic Services to be absorbed by the Manager do not include the costs of outside professionals that may be required by the Shuttle and that will be retained by the Manager on behalf of the Shuttle in circumstances and on bases equivalent to those in and on which the Manager would retain such professionals with respect to its own business nor the cost of any supplies or raw materials related to the provision of such Basic Services. In addition, it is understood and agreed that, consistent with the objectives set forth in this Exhibit I and the responsibilities undertaken by the Manager hereunder, the Manager may fulfill any of its obligations hereunder by causing employees of the Shuttle to act on its and/or the Shuttle's behalf.

Services to be provided or arranged for hereunder that are not included in Basic Services include engine maintenance, airframe maintenance, capitalized maintenance, line maintenance, fleet service, customer service, passenger food, fuel, frequent traveller services, reservations services and support and any other broader functional support.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered in New York, New York by their proper and duly authorized officers as of the day and year first above written.

SHUTTLE, INC.

By: Gordon Linkon
Name: Gordon Linkon
Title: President and Chief Executive Officer

USAIR, INC.

By: Frank L. Sallizzoni
Name: Frank L. Sallizzoni
Title: Executive Vice President - Finance

Post-it™ brand fax transmittal memo 7671 | # of pages ▸ 1
To RICHARD MAGURNO | From WILLIAM WALKER

USA-751
4992.A

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

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

On the 10 day of April, 1992, 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 AVIATION of The Port Authority of New York and New Jersey, one of the corporations described in, and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Commissioners of the said corporation; and that he signed his name thereto by like order.

Jacqueline White
(notarial seal and stamp)

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

STATE OF New York)
) ss.
COUNTY OF New York)

On the 10 day of April, 1992, before me personally came Gordon Linkon to me known, who being by me duly sworn, did depose and say, that he resides at
that he is the President of SHUTTLE, 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.

(notarial seal and stamp)

REID BENGARD
NOTARY PUBLIC, State of New York
No. 31-4984103
Qualified in New York County
Commission Expires July 15, 1993

STATE OF New York)
) ss.
COUNTY OF New York)

On the 10 day of April, 1992, before me personally came Frank L. Salizzoni to me known, who being by me duly sworn, did depose and say, that he resides at
that he is the Ex. Vice President 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.

(notarial seal and stamp)

REID BENGARD
NOTARY PUBLIC, State of New York
No. 31-4984103
Qualified in New York County
Commission Expires July 15, 1993

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 Agreement No. AG-751
Supplement No. 7
Port Authority Facility -
LaGuardia Airport

SEVENTH SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, dated August 24, 1993, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter referred to as "the Port Authority") and SHUTTLE, 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. heretofore entered into a certain agreement of lease made as March 17, 1977 (said agreement of lease, as the same has been supplemented and amended, and as the same is herein 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 therein set forth; and

WHEREAS, the Lease was thereafter assigned by said Eastern Air Lines, Inc. to Trump Shuttle, Inc. pursuant to an Assignment of Lease with Assumption and Consent Agreement entered into among the Port Authority, said Eastern Air Lines, Inc. and Trump Shuttle, Inc. made as of June 2, 1989 and effective as of June 8, 1989; and

WHEREAS, said Trump Shuttle, Inc. thereafter and effective as of April 10, 1992 merged with and into the Lessee, with the Lessee surviving such merger and succeeding to all of the rights, obligations and liabilities of said Trump Shuttle, Inc. (the "Merger"); and

WHEREAS, by a certain document entitled: "Consent Agreement to Change of Control, Merger and to Management by the Lessee's Managing Agent and Supplement No. 6 to Lease" dated April 10, 1992 and made by and among the Port Authority, the Lessee and USAir, Inc. (a corporation of the State of Delaware with an office and place of business at 2345 Crystal Drive, Arlington, Virginia 22227, hereinafter called "the Managing Agent") the Port Authority granted its consent to the Merger, and

WHEREAS, the Lease (in Supplement No. 5 thereof) provides for the replacement of preliminary Exhibits H, I, J and K attached thereto with final Exhibits, and

WHEREAS, the Port Authority has prepared a new Exhibit A (sheets 1-5) to replace the Exhibit A referenced in the Lease;

NOW THEREFORE, in consideration of the covenants and mutual agreements herein contained, it is hereby agreed as follows:

1. (a) The Exhibit attached hereto dated 6-25-93 marked Exhibit H and numbered LGA-93-17 and hereby made a part hereof shall be deemed substituted for Exhibit H attached to Supplement No. 5 of the Lease, and shall be deemed to be Exhibit H of the Lease in lieu of the preliminary Exhibit H attached to said Supplement No. 5 of the Lease.

(b) The Exhibit attached hereto dated 6-25-93, marked Exhibit I and numbered LGA 93-18 and hereby made a part hereof shall be deemed to be Exhibit I of the Lease in lieu of the preliminary Exhibit I attached to Supplement No. 5 of the Lease.

(c) The Exhibit attached hereto dated 6-25-93, marked Exhibit J and numbered LGA 93-19 and hereby made a part hereof shall be deemed to be Exhibit J of the Lease in lieu of the preliminary Exhibit J attached to Supplement No. 5 of the Lease.

(d) The Exhibit attached hereto dated 6-25-93, marked Exhibit K and numbered LGA 93-20 and hereby made a part hereof shall be deemed to be Exhibit K of the Lease in lieu of the preliminary Exhibit K attached to Supplement No. 5 of the Lease.

(e) The Exhibit attached hereto dated 6-25-93, and marked Exhibit A (Sheet 1 of 5, Sheet 2 of 5, Sheet 3 of 5, Sheet 4 of 5 and Sheet 5 of 5) and numbered LGA 93-12, LGA 93-13, LGA 93-14, LGA 93-15 and LGA 93-16 and hereby made a part hereof shall be substituted for the Exhibit A attached to the Lease and shall be deemed Exhibit A of the Lease in lieu of Exhibit A attached to the original Lease.

(f) The foregoing replacement of Exhibits H, I,J, K and A shall be and shall be deemed to be pursuant to and in accordance with Paragraph 14 of Supplement No. 5 of the Lease.

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

The sixth, seventh and eight lines of paragraph (a) thereof shall be deemed amended to read as follows:

"The land shown in stipple, in diagonal hatch, in broken hatch, and in cross-hatch on the drawings (consisting of five (5) sheets) attached hereto, hereby made a part hereof and marked 'Exhibit A', together with".

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

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

5. 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:

Lysa C Meduri
ACTING Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

Gary L. [redacted]
Gener[redacted]
Cen[redacted]ss Division
A[redacted]partm

(Title) _____

ATTEST:

X J P Martinico
Secretary

SHUTTLE, INC.
(Lessee)

By X _____

(Title) President
(Corporate Seal)

ATTEST:

Michelle V Beyer
Secretary

USAIR, Inc.
(Managing Agent)

By _____

Robert A. Hazel
Vice President
Properties & Facilities

Title President
(Corporate Seal)

RN	10/20/95

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

On the 17th day of November, 1995, before me came GARY L. DAVIS, to me known, who, being by me duly sworn, did depose and say that he resides at
that he is the General Manager, Central Bus. 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.

Onelia C. Castillo
(notarial seal and stamp)

ONELIA C. CASTILLO
Notary Public, State of New York
No. 01CA5019198
Qualified in Queens County
Commission Expires Oct 18, 97

X STATE OF New York)
) ss.
COUNTY OF Nassau)

On the 8th day of June, 1995, before me personally came Jerry V. HALLCOM to me known, who being by me duly sworn, did depose and say, that he resides at

that he is the President of SHUTTLE, 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.

X Rose M. Small
(notarial seal and stamp)

ROSE M. SMALL
NOTARY PUBLIC, State of New York
No. 4987895
Qualified in Nassau County
Commission Expires 10/21, 1995

Commonwealth ~~STATE~~ OF Virginia)
) ss.
COUNTY OF Arlington)

On the 18th day of April, 1995, before me personally came Robert A. Hazel depose an 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.

Christo Rebecca Jensen
(notarial seal and stamp)

Exp 10.31.97

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 Agreement No. AG-751
Supplement No. 8
Port Authority Facility- LaGuardia Airport

EIGHTH SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, dated as of September 1, 2006, by and between **THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY** (hereinafter called the "Port Authority") and **US AIRWAYS, INC.**, a corporation of the State of Delaware, and having a place of business at 4000 E. Sky Harbor Boulevard, Phoenix, AZ 85034 (hereinafter referred to as the "Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and Eastern Air Lines, Inc. heretofore entered into a certain agreement of lease made as of March 17, 1977 (said agreement of lease, as the same has been supplemented and amended, and as the same is herein 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 therein set forth; and

WHEREAS, the Lease was thereafter assigned by Eastern Air Lines, Inc. to Trump Shuttle, Inc. pursuant to an Assignment of Lease with Assumption and Consent Agreement entered into among the Port Authority, Eastern Air Lines, Inc. and Trump Shuttle, Inc., made as of June 2, 1989 and effective as of June 8, 1989; and

WHEREAS, said Trump Shuttle, Inc. thereafter and effective as of April 10, 1992 merged with and into Shuttle, Inc. with Shuttle, Inc. surviving such merger and succeeding to all of the rights, obligations and liabilities of said Trump Shuttle, Inc. (the "Merger"); and

WHEREAS, by a certain document entitled "Consent Agreement to Change of Control, Merger and to Management by the Lessee's Managing Agent and Supplement No. 6 to Lease" dated April 10, 1992 and made by and among the Port Authority, Shuttle, Inc. and the Lessee, the Port Authority granted its consent to the Merger, and

WHEREAS, pursuant to the terms of the Merger, the Lessee exercised its right of first refusal to purchase the Lease effective December 31, 1997; and

WHEREAS, the Port Authority and the Lessee desire to extend and 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 September 1, 2006, the term of the letting under the Lease is hereby extended to December 31, 2007, unless sooner terminated as provided in the Lease, as herein amended.

2. The address "One World Trade Center, New York, New York 10048" located in Section 32 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 34 to the Lease, shall be deemed deleted and the following new Section 34 shall be deemed substituted in lieu thereof:

34. Place of Payments

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: (Ex. 1) or such other address as may be substituted therefor."

4. Effective as of November 24, 2004 the Lease shall be deemed amended as follows:

(a) Section 57 of the Lease shall be deemed amended as follows:

(1) Paragraphs (a) and (b) shall be deemed deleted and the following new paragraphs (a) and (b) shall be deemed substituted in lieu hereof:

"(a) "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 City Lease, and such other property as may be acquired in connection with and added to such premises pursuant to the terms of the City Lease.

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

(2) The following new paragraph (s) shall be deemed added:

"(s) "City" shall mean The City of New York, a municipal corporation of the State of New York."

(b) Section 28 of the Lease shall be deemed deleted and the following new Section 28 shall be deemed substituted in lieu thereof:

"SECTION 28. 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."

5. Effective as of September 1, 2006 the following amendments shall be deemed made to the Lease:

(a) Subparagraph (2) of paragraph (b) of Section 23 of the Terms and Conditions of the Lease shall be deemed deleted and the following new subparagraph (2) shall be deemed substituted in lieu thereof:

"(2) An amount equal to all costs and expenses 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, in connection with the cleaning, repair or restoration of the premises (on failure of the Lessee to have cleaned, repaired or restored), the re-letting of the premises, 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 and altering the premises and putting the premises in order (such as but not limited to cleaning, repairing and restoring the premises)."

6. Effective from and after September 1, 2006 Section 4, as last amended in Supplement No. 6, shall be deemed deleted in its entirety and the following new Section 4 shall be substituted in lieu hereof, it being understood that nothing herein contained shall release, relieve or discharge the Lessee from any liability for rentals or for other charges that may be due or become due to the Port Authority for any period or periods prior September 1, 2004:

"Section 4. <u>Rental</u>

The Lessee agrees to pay to the Port Authority the following rental:

1. Gate Rental - The Lessee agrees to pay to the Port Authority a gate rental ("Gate Rental") at the rate of (2.a.)) per annum commencing on September 1, 2006 and continuing for each and every year of the extended term of the letting under the Lease, said annual Gate Rental being, and to be hereinafter, computed at the rate of (2.a.) per gate. The parties acknowledge that there are eight (8) gates at the premises as of September 1, 2006. Gate Rental shall be adjusted in the event that the premises are altered, improved or otherwise modified so as to add or remove a gate(s) to the premises.

2. Holdover -

(2.a.)

3. Time of Payments – The Lessee shall pay the Gate Rental in advance in equal monthly installments commencing on September 1, 2006 and on the first of each and every month thereafter until the expiration of the term of the letting under the Lease, as herein extended. If the term of the letting under the Lease expires or is terminated on a date other than the last day of a calendar month, then the Gate 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.

4. Abatement - The parties acknowledge that the Lessee shall not be entitled to any abatement of the Gate Rental except if otherwise expressly provided in the Agreement."

7. 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 landing fees.

8. (a)

(2.a.)

(aa) The Lessee hereby assumes, and shall itself and shall also requires its contractors to indemnify and hold harmless the Port Authority, its

Commissioners, officers, agents and employees from and against the following distinct and several risks whether they arise from acts or omissions of the Lessee, any contractors of the Lessee, the Port Authority, employees, agents and representatives of the Port Authority, third persons, or from acts of God or the public enemy, or otherwise, excepting only risks which result solely from affirmative willful acts done by the Port Authority with respect to the Improvement Work:

(i) Risk of loss or damage to all or any part of the Improvement Work prior to the completion thereof and the risk of loss or damage of any property of the Port Authority arising out of or in connection with the performance of the Improvement Work. In the event of such loss or damage, the Lessee shall forthwith repair, replace and make good the Improvement Work and the property of the Port Authority without cost or expense to the Port Authority.

(ii) The risk of 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 Improvement Work and for all costs and expenses incurred by the Port Authority 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.

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

(bb) The Lessee shall pay or cause to be paid when due 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 Improvement Work and the Lessee 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, workmen and/or other person and no such claim shall be considered to be an obligation of the Lessee within the meaning of this paragraph unless and until the same has been finally adjudicated. The Lessee shall use its best efforts to resolve any such claims and shall keep the Port Authority fully informed with respect thereto. The Lessee shall indemnify the Port Authority against all claims, damages or losses that may arise or result therefrom, including interest

thereon, and costs and expenses including attorneys' fees and penalties or fines. Nothing herein contained shall be deemed to constitute consent to the creation of any lien or claim against the premises nor to create any rights in said third persons against the Port Authority.

(viii) The Lessee understands that if the premises contain asbestos, the Lessee, in connection with the performance of the Improvement Work, will be required to remove or encapsulate any asbestos located within the premises, as directed by the Port Authority. Without limiting the generality of any of the provisions of this paragraph, the Lessee shall obtain the Port Authority's prior approval as to the method and manner in which the Lessee performs any asbestos work, and shall obtain any additional insurance coverage as the Port Authority shall specify covering the performance of such work. The Lessee shall also conform to any Port Authority requirements imposed in connection with the removal and disposal of asbestos from the Airport.

9. The Lessee acknowledges and agrees that the Lessee's Improvement Work shall be substantially completed by December 31, 2007.

10. (a) The Lessee's Improvement Capital Investment shall equal at least (2.a.) for the Improvement Work, described in paragraph 8(b)(i) above.

(b) On or before sixtieth (60th) day following completion of the Lessee's Improvement Work, the Lessee shall certify to the Port Authority, in a sworn statement, signed by the Lessee's fiscal officer or other responsible executive, that it has complied with the foregoing Improvement Work expenditure requirement and at such time the Lessee shall deliver to the Port Authority paid invoices, cancelled checks and other evidence of such compliance satisfactory to the Port Authority.

(c) If the Lessee has not made the full amount of the Improvement Capital Investment in accordance with paragraph 10(a) above, and by the date specified in paragraph 9 above, the Lessee shall pay to the Port Authority, within sixty (60) days of such determination by the Port Authority, an amount equal to the difference between the required Improvement Capital Investment (per paragraph 10(a)) and the amount actually expended by the Lessee by the date specified in paragraph 9.

11. 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.

12. The Lessee shall not interpose any claims as counterclaims in any summary proceeding or action for non-payment of rent which may be brought by the Port Authority unless such claims would be deemed waived if not so interposed.

13. Section 36 of the Lease shall be deleted and the following new Section 36 shall be substituted in lieu thereof: "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 Agreement, or because of the party's execution or attempted execution, or because of any breach thereof."

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

15. 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.

16. 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 Supplement Agreement, 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 day and year first above written.

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By

David Kagan

(Title) Assistant Director

~~Business, Properties & Airport Development~~

ATTEST:

Caroline B. Ray

Secretary

US AIRWAYS, 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 NEW YORK AND NEW JERSEY

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

On the 12th day of February in the year 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.

(notarial 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 US AIRWAYS, INC.

~~STATE OF~~ Commonwealth of Virginia)
) ss.
COUNTY OF Arlington)

On the 3rd day of February in the year 2010, 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, Registration No: 103481
Commission Expires: 10/31/2013

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 Agreement No. AG-751
Supplement No. 9
Port Authority Facility- LaGuardia Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of December 31, 2007, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority") and US AIRWAYS, INC., a corporation of the State of Delaware, and having a place of business at 111 W. Rio Salado Parkway, Tempe, Arizona 85281 (hereinafter referred to as the "Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and Eastern Air Lines, Inc. heretofore entered into a certain agreement of lease made as of March 17, 1977 (said agreement of lease, as the same has been supplemented and amended, and as the same is herein 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 therein set forth; and

WHEREAS, the Lease was thereafter assigned by Eastern Air Lines, Inc. to Trump Shuttle, Inc. pursuant to an Assignment of Lease with Assumption and Consent Agreement entered into among the Port Authority, Eastern Air Lines, Inc. and Trump Shuttle, Inc., made as of June 2, 1989 and effective as of June 8, 1989; and

WHEREAS, said Trump Shuttle, Inc. thereafter and effective as of April 10, 1992 merged with and into Shuttle, Inc. with Shuttle, Inc. surviving such merger and succeeding to all of the rights, obligations and liabilities of said Trump Shuttle, Inc. (the "Merger"); and

WHEREAS, by a certain document entitled "Consent Agreement to Change of Control, Merger and to Management by the Lessee's Managing Agent and Supplement No. 6 to Lease" dated April 10, 1992 and made by and among the Port Authority, Shuttle, Inc. and the Lessee, the Port Authority granted its consent to the Merger, and

WHEREAS, pursuant to the terms of the Merger, the Lessee exercised its right of first refusal to purchase the Lease effective December 31, 1997; and

WHEREAS, the Port Authority and the Lessee desire to extend the Lease 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 December 31, 2007, the term of the letting under the Lease is hereby extended to December 31, 2010, unless sooner terminated as provided in the Lease, as herein amended.

2. 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.

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

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

5. 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.

6. 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:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

(Title) David Kagan
Assistant Director
Business. Properties & Airport Development

ATTEST:

Secretary

US AIRWAYS, INC.

By _____

Print Name: Stephen L. Johnson

(Title): Executive Vice President – Corporate

(Corporate Seal)

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

FOR THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

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

On the 30th day of March in the year 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.

(notarial 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 US AIRWAYS, INC.

Commonwealth
STATE OF Virginia)
) ss.
COUNTY OF Arlington)

On the 3rd day of February in the year 2010, 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)

Christine Rebecca Jensen Aylor
Notary Public - Registration No: 103481
Commission Expires 10/31/2013

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 Agreement No. AG-751
Supplement No. 10
Port Authority Facility- LaGuardia Airport

TENTH SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, dated as of December 31, 2010, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority") and US AIRWAYS, INC., a corporation of the State of Delaware, and having a place of business at 4000 E. Sky Harbor Blvd, Phoenix, AZ 85034 (hereinafter referred to as the "Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and Eastern Air Lines, Inc. heretofore entered into a certain agreement of lease made as of March 17, 1977 (said agreement of lease, as the same has been supplemented and amended, and as the same is herein 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 therein set forth; and

WHEREAS, the Lease was thereafter assigned by Eastern Air Lines, Inc. to Trump Shuttle, Inc. pursuant to an Assignment of Lease with Assumption and Consent Agreement entered into among the Port Authority, Eastern Air Lines, Inc. and Trump Shuttle, Inc., made as of June 2, 1989 and effective as of June 8, 1989; and

WHEREAS, said Trump Shuttle, Inc. thereafter and effective as of April 10, 1992 merged with and into Shuttle, Inc. with Shuttle, Inc. surviving such merger and succeeding to all of the rights, obligations and liabilities of said Trump Shuttle, Inc. (the "Merger"); and

WHEREAS, by a certain document entitled "Consent Agreement to Change of Control, Merger and to Management by the Lessee's Managing Agent and Supplement No. 6 to Lease" dated April 10, 1992 and made by and among the Port Authority, Shuttle, Inc. and the Lessee, the Port Authority granted its consent to the Merger, and

WHEREAS, pursuant to the terms of the Merger, the Lessee exercised its right of first refusal to purchase the Lease effective December 31, 1997; and

WHEREAS, the Port Authority and the Lessee desire to extend and 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 December 31, 2010, the term of the letting under the Lease is hereby extended to December 31, 2015, unless sooner terminated as provided in the Lease, as herein amended.

2. Effective from and after January 1, 2011 Section 4, as last amended in Supplement No. 8, shall be deemed deleted in its entirety and the following new Section 4 shall be substituted in lieu hereof, it being understood that nothing herein contained shall release, relieve or discharge the Lessee from any liability for rentals or for other charges that may be due or become due to the Port Authority for any period or periods prior to January 1, 2011:

"Section 4. Rental

The Lessee agrees to pay to the Port Authority the following rental:

1. Gate Rental - For the period from January 1, 2011 through and including December 31, 2011, the Lessee agrees to pay to the Port Authority a gate rental ("Gate Rental") at the rate of (2.a.) per month during the aforesaid period; and

   For the period from January 1, 2012 through and including December 31, 2012, the Lessee agrees to pay to the Port Authority a gate rental ("Gate Rental") at the rate of (2.a.) per month during the aforesaid period; and

   For the period from January 1, 2013 through and including December 31, 2013, the Lessee agrees to pay to the Port Authority a gate rental ("Gate Rental") at the rate of (2.a.) per month during the aforesaid period; and

   For the period from January 1, 2014 through and including December 31, 2014, the Lessee agrees to pay to the Port Authority a gate rental ("Gate Rental") at the rate of (2.a.) per month during the aforesaid period; and

   For the period from January 1, 2015 and continuing through the end of the term of the letting, the Lessee agrees to pay to the Port Authority a gate rental ("Gate Rental") at the rate of

per month during the aforesaid period.

The parties acknowledge that there are eight (8) gates at the premises as of January 1, 2011.

3. Time of Payments – The Lessee shall pay the Gate Rental in advance in equal monthly installments commencing on January 1, 2011 and on the first of each and every month thereafter until the expiration of the term of the letting under the Lease, as herein extended. If the term of the letting under the Lease expires or is terminated on a date other than the last day of a calendar month, then the Gate 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.

4. Abatement - The parties acknowledge that the Lessee shall not be entitled to any abatement of the Gate Rental."

3. (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 this Supplemental Agreement 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 (2.a.)

The form and terms of such letter of credit, as well as the institution issuing it, shall be subject to the prior and continuing approval of the Port Authority. Such letter of credit shall provide that it shall continue throughout the effective period of the permission under this Supplemental Agreement and for a period of not less than six (6) months thereafter; such continuance may be by provision for automatic renewal or by substitution of a subsequent 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 hereunder. Failure to provide such a letter of credit at any time during the effective period of the permission, under this Supplemental Agreement, valid and available to the Port Authority, including any failure of any banking institution issuing any such letter of credit previously accepted by the Port Authority to make one or more payments as may be provided in such letter of credit shall be deemed to be a breach of this Supplemental Agreement on the part of the Lessee. Upon acceptance of such letter of credit by the Port Authority, and upon request by the Lessee made thereafter, the Port Authority will return the security deposit, if any, theretofore made in accordance with the provisions of this Supplemental Agreement. 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 permission under this Supplemental Agreement 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 constitute a waiver of any default by the Lessee under the terms of the Supplemental Agreement and all remedies of the Port Authority consequent upon such default shall not be affected by the existence of any recourse to any such letter of credit.

(b) The Lessee hereby certifies that its Federal Tax Identification Number is for the purposes of this paragraph.

(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 paragraph (a). 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.

(d) The security deposit set forth in this Special Endorsement shall, in addition to being security for the full, faithful and prompt performance of and compliance with, on the part of the Lessee, of all of the terms, provisions, covenants and conditions of this Lease on its part to be fulfilled kept or observed, be held by the Port Authority as security for the full, faithful and prompt performance of any compliance with, on the part of the Lessee, of all of the terms, provisions, covenants and conditions of all other agreements the Permittee may have with the Port Authority, on its part to be fulfilled kept or observed.

4. 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.* Lessee covenants that (i) during the term of the Lease it shall not become a Blocked Person, and shall not engage in any dealings or transactions with Blocked Persons in violation of any Blocked Persons Laws. In the event of any breach of the aforesaid covenant, the same shall constitute an event of default and, accordingly, a basis for termination of the Lease by the Port Authority, in addition to any and all other remedies provided under the Lease or at law or in equity, which does not constitute an acknowledgement by the Port Authority that such breach is capable of being cured.

(c) *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.

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.* Lessee covenants that (i) during the term of the Lease it shall not become a Blocked Person, and shall not engage in any dealings or transactions with Blocked Persons in violation of any Blocked Persons Laws. In the event of any breach of the aforesaid covenant, the same shall constitute an event of default and, accordingly, a basis for termination of the Lease by the Port Authority, in addition to any and all other remedies provided under the Lease or at law or in equity, which does not constitute an acknowledgement by the Port Authority that such breach is capable of being cured.

(c) *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.

5. 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.

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

7. 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.

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 this Supplemental Agreement, 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 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:

Caroline B. Ray
Secretary

US AIRWAYS, INC.

By

Print Name: MICHAEL MINERVA

(Title) VICE President

(Corporate Seal)

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

LLF/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 US Airways, 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.

Christine Rebecca Jensen Aylor
(notarial seal and stamp)

CHRISTINE REBECCA JENSEN AYLOR
NOTARY PUBLIC DISTRICT OF COLUMBIA
My Commission Expires June 14, 2015

AG-751 Supp#10

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. AG-751
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, the Port Authority and Eastern Air Lines, Inc. heretofore entered into a certain agreement of lease made effective as of March 17, 1977 (said agreement of lease, as the same has been supplemented and amended, being hereinafter called the "Lease"), covering certain premises and Common Areas (collectively, the "Premises"), and rights and privileges at and in respect to LaGuardia Airport (hereinafter called the "Airport"), as therein set forth; and

WHEREAS, the Lease was thereafter assigned by Eastern Airlines, Inc. to Trump Shuttle, Inc. pursuant to an Assignment of Lease with Assumption and Consent Agreement entered into among the Port Authority, Eastern Air Lines, Inc. and Trump Shuttle, Inc., made as of June 2, 1989 and effective as of June 8, 1989; and

WHEREAS, said Trump Shuttle, Inc. was thereafter and effective as of April 10, 1992 merged with and into Shuttle, Inc. with Shuttle, Inc. surviving such merger and succeeding to all of the rights, obligations and liabilities of said Trump Shuttle, Inc. (the "Merger"); and

WHEREAS, by a certain document entitled "Consent Agreement to Change of Control, Merger and to Management by the Lessee's Managing Agent and Supplement No. 6 to Lease" dated April 10, 1992 and made by and among the Port Authority, Shuttle, Inc. and Licensee, the Port Authority granted its consent to the Merger; and

WHEREAS, pursuant to the terms of the Merger, the Licensee exercised its right of first refusal to purchase the Lease effective December 31, 1997; 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, the Licensor agreed to acquire from Licensee certain operating rights of Licensee at the Airport (the "LGA Slots"); 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 Consent Agreement in which the Port Authority has consented to the assignment of the Lease from the Licensee to the Licensor; 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");

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 20 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 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 20 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 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 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 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:

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 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 13, 20~~
June 11, 2015

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. 11
LaGuardia Airport
Port Authority Lease No. AG-751

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 March 17, 1977 (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 6(e) shall be added to the Lease, to read as follows, and the existing Section 6(e) shall be designated Section 6(f):

"(e) 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 6(e), 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 6(e).

(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 6(e)(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 65, 66 and 73 of the Lease shall be deleted, and the following Sections 65 and 66 shall be inserted in lieu of the existing Sections 65 and 66:

"Section 65. **Requesting Airlines at the Airport.**

4. Lessee's parent and subsidiary companies, regional carriers operating under Lessee's code with respect to flights at the Airport or code share partners operating under Lessee's code with respect to flights at the Airport shall have the right to use the premises in accordance with the terms of the Lease, provided, however, that unless Lessee has agreed in writing to pay to the Port Authority the landing fees of such entities, such entities must enter into a separate agreement with the Port Authority for the payment of such landing fees.

5. 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.

6. 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.

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

8. 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 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 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:
	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 15, 20~~ June 11, 2015

Moira McGinn 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)